

PUBLIC SECTOR - GOVT. - GENERAL  
1988

JANUARY - APRIL

CAP. Times 5/1/88  
Public  
service (250)  
costs SA  
R13,5bn

Own Correspondent

PRETORIA — South Africa's sprawling bureaucracy cost the country nearly R13,5 billion last year, Pretoria sources estimate.

This sum represents total expenditure on salaries and other benefits for more than 700 000 central-government and provincial workers.

But it does not include the lavish amounts paid to sustain the tricameral parliamentary system, including the pay of ministers, deputy ministers, ministerial assistants and the members of the three legislative assemblies.

During last year's parliamentary session it was revealed that total spending from budget on salaries and all benefits was about R12 billion in 1986. This was 31,4% of the R38,2-billion annual budget.

For the second quarter of last year 712 224 central-government and provincial workers were paid R2,58 billion — 19% up on the same quarter the year before.

And within the next two months cabinet will have to decide the extent of pay increases for the 1988/89 financial year.

Public-sector workers, including SATS and PO personnel, got 12% pay hikes from July last year — and claimed they had been done out of three months' increases.

PATRICK BULGER

DEVELOPMENT spending in the TBVC states will be closely monitored for two years to foster budgetary discipline, check corruption and curb wastage of the billions of rands the SA taxpayer contributes to homeland budgets.

Development Bank of Southern Africa (DBSA) planning and programming divisional manager Danie Schoeman said yesterday the funds would be monitored as part of a long-term programme to balance the budgets of the Transkei, Ciskei, Venda and Bophuthatswana.

"We are now busy working on a longer-term solution to this problem"

Schoeman denied, however, that the DBSA would intensify its monitoring ef-

# TBVC money to be checked

forts after renewed allegations of corruption in the Transkei made by coup leader and Defence Force chief Major-General Bantu Holomisa

Schoeman said development funds were being closely scrutinised by four joint financial adjustment committees chaired by DBSA CE Simon Brand. He said the first committee had been set up late last year at the request of George Matanzima, who was then Transkei

● To Page 2

## TBVC spending under scrutiny

Prime Minister

Matanzima was deposed in October last year amid allegations that he had accepted at least R1m in bribes

"The SA government was approached late last year by George Matanzima to assist his government in getting its financial situation normalised. He expressed the need for a chairman from an unbiased third party"

Homeland budgets ran into serious trouble last year as a result of the combined effect of mismanagement, corruption and the shortage of development capital arising from the political crisis of 1984-6

Schoeman denied that the DBSA was dictating to homeland governments on behalf of the SA government

"This is not a one-sided meeting where SA tells these states what to do"

He said the committees were not set up specifically to monitor corruption but to help implement stricter budgetary

control. This obviously included ridding the homelands of corruption

The bank was receiving regular progress reports and that homeland governments had appointed liaison officers to oversee the implementation of the committees' recommendations

Schoeman said "The basic aim is to work towards reasonably balanced budgets so that loans are paid back without a loss of development momentum. We are insisting on sound financial management procedures"

He emphasised it was important that the committees should enjoy the support of political leaders from both sides

Referring to the recent coup in the Transkei, Schoeman said the bank would have to determine the level of commitment of the new leaders

"We are assuming nothing," he said

Comment Page 4

# Government deficit may soar to R11-bn

By Sven Lünsche

Government expenditure continues to outpace forecasts made in last year's Budget and looks set to be in the order of R49,5 billion in the current fiscal year, R1,5 billion more than the figure budgeted for.

In addition, the budget target for revenue is unlikely to be realised with the result that the budget deficit is bound to be in the region of R11 billion before borrowings, which is more than 6 percent of the expected gross domestic product, says Volkskas in its latest economic survey.

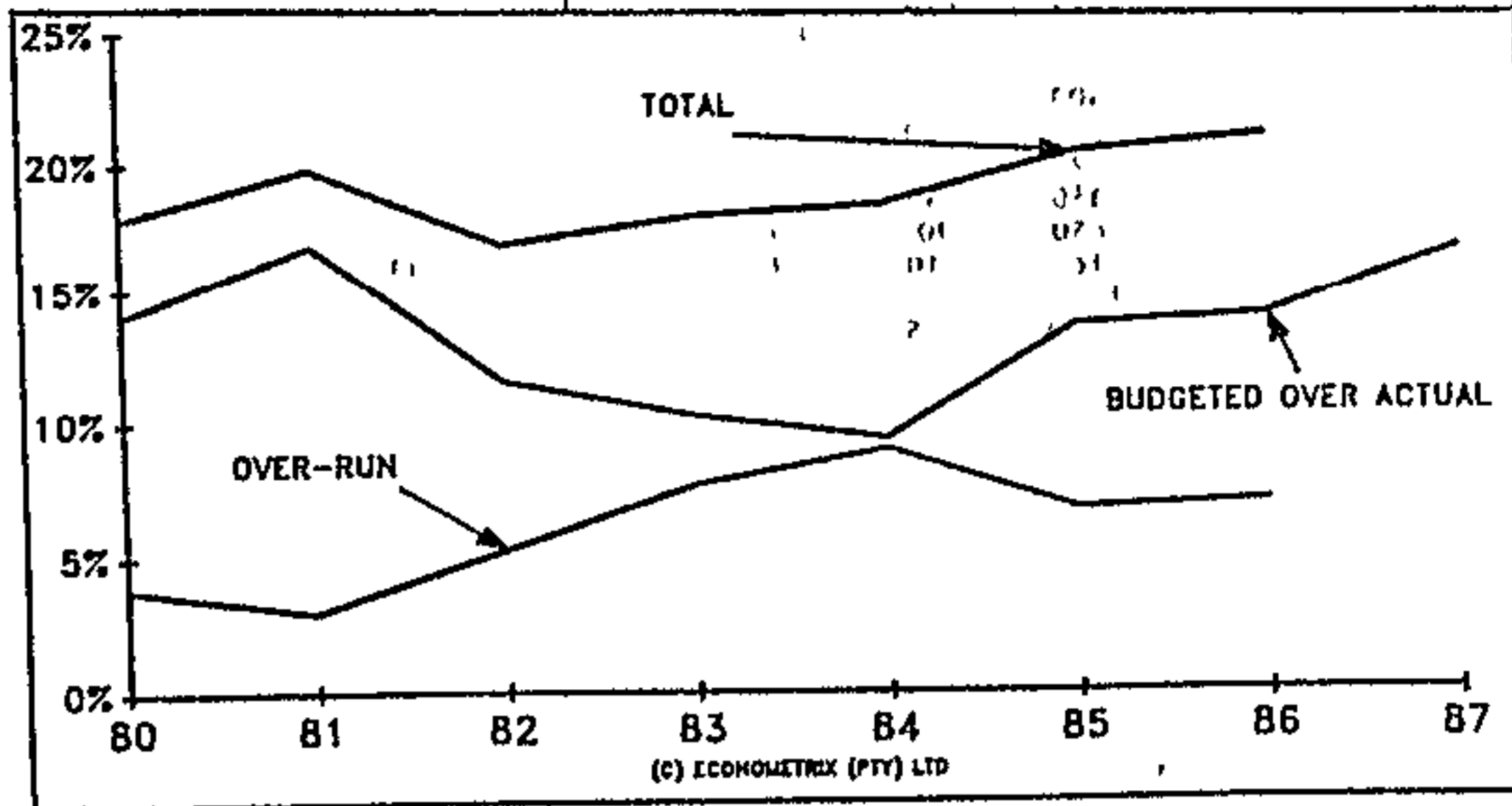
"This is very high, even if one takes into account the fact that the low levels of economic activity justify a moderately stimulating fiscal policy," warns Volkskas.

Government's ideal of limiting the deficit before borrowing to three percent of the gross domestic product (GDP) and of reducing total government expenditure to 34,5 percent of GDP over the next five years, will be difficult to achieve, writes economist Mr Adam Jacobs.

He adds that the sustained marked increase in current expenditure by central government will also have far-reaching economic implications.

"It has an adverse effect on productivity and can also lead to money creation in order to finance the growing deficit. This in turn has inflationary implications and sooner or later, it will also start exerting pressure on capital market interest rates," he writes.

Looking at expenditure pattern for the 1987/88 financial year he says that the increase in expenditure for the remaining four



Percentage growth in expenditure.

months of the year may not exceed 9,2 percent if the final budgeted increase in spending is to be maintained at 17 percent.

"This target does not seem possible, consequently one may forecast with a fair measure of certainty that government expenditure will once again exceed the budgeted amount by a substantial margin — an estimated 3,5 percentage points in fact," says Mr Jacobs.

This would indicate that actual expenditure for the year will be in the order of R49,5 billion, or about R1,5 billion more than was planned for originally.

In addition, Mr Jacobs estimates that the target for receipts will also not be fully realised, as exporters and mines are not doing too well financially.

"The net result is that the final calculations, on the basis of cash flow, which indicated a deficit of about R9,4 billion before borrowing, now point to a probable deficit

of the order of R11 billion in 1987/88 — six percent of expected GDP — compared with a deficit of R7,42 billion in 1986/87."

This level of expenditure has, to a great extent, already determined the course of events during the 1988/89 financial year.

Says Mr Jacobs: "Given the expected deficit of R11 billion, together with the assumption that both revenue and expenditure will rise by 16 percent next year, the deficit before borrowing will rise to just over R12,5 billion."

"It seems highly unlikely that the authorities will be able to finance this deficit without bringing interest rates under pressure or having recourse to money creations."

"Meanwhile the public debt, together with the interest on that debt, is rising sharply, and it would appear to be even more difficult to keep the deficit before borrowing within acceptable limits," Mr Jacobs concludes.

JSE prices

## Tax refund cheques 'stale' on arrival

# Govt holds up millions in payments

250 12/1/88 B/day

REFUND cheques from tax overpayments, which could total millions of rand, are being held up in the offices of Receivers of Revenue — many for periods longer than three months, accountants say.

They say the delays are affecting provisional taxpayers, corporate and private, as well as people subject to PAYE deductions. Some refund cheques are stale by the time they reach the recipients.

An accounting partner says "The Receiver's office is not only taking months to release refund cheques, it appears also to be playing for time by raising trivial queries about the returns of taxpayers to whom a refund is due"

Arthur Anderson partner Richard Rubin says refund cheques are usually issued when a taxpayer is assessed. However, a recent directive from the Commissioner for Inland Revenue has made it incumbent on assessors to undertake an audit where taxpayers are owed more than R1 000.

Rubin says: "What is happening is that cheques are drawn when an assessment is made, but the Receiver is sitting on them until the audits are completed. In some cases, this takes more than three months"

Kessel Feinstein partner Ernest Ma-

JENNY BOBERG

zansky says as a result of these delays provisional taxpayers, who qualify for interest on their refunds, are losing this interest owed to them.

He says the Receiver has adopted the practice of paying interest on the outstanding amount for a period of only 10 to 15 days beyond the date on which an assessment is processed. But refund cheques are often only received two to three months later.

Mazansky says the Receiver is obliged by law to pay interest on the outstanding amount from the processing date to the date on which that money is actually refunded.

Pim Goldby partner Graeme Richardson says it looks as though the Receiver lacks the manpower to complete these audits timeously.

But others believe the delays in releasing refund cheques indicate the Receiver is experiencing a cash-flow problem — something Johannesburg Receiver of Revenue H Hattingh has denied.

Hattingh says: "We certainly have no liquidity problem." A large number of assessments were issued last year and there is a small backlog in processing them. We are doing all we can to alleviate this."

# Govt servicing <sup>(25)</sup> an idle R2,5bn

GOVERNMENT is in the unenviable position of having to pay interest on at least R2,5bn for which it currently has no use

The money, caught in the foreign debt standstill net, is deposited with the Public Investment Corporation (PIC) by local borrowers unable to roll over loans with international banks.

Government's original intention — after the imposition of the standstill in September 1985 on R14,6bn in foreign debt — was to recirculate this money. But cheaper local credit and a stagnant economy left these balances unused.

Reserve Bank senior deputy Governor Japie Jacobs said yesterday that the need to service the foreign debt owed by the PIC had contributed to raising the cost of government's interest bill to about 13% of the total Budget.

He said the funds were invested in Treasury Bills held by the Corporation for Public Deposits (CPD)

GRETA STEYN

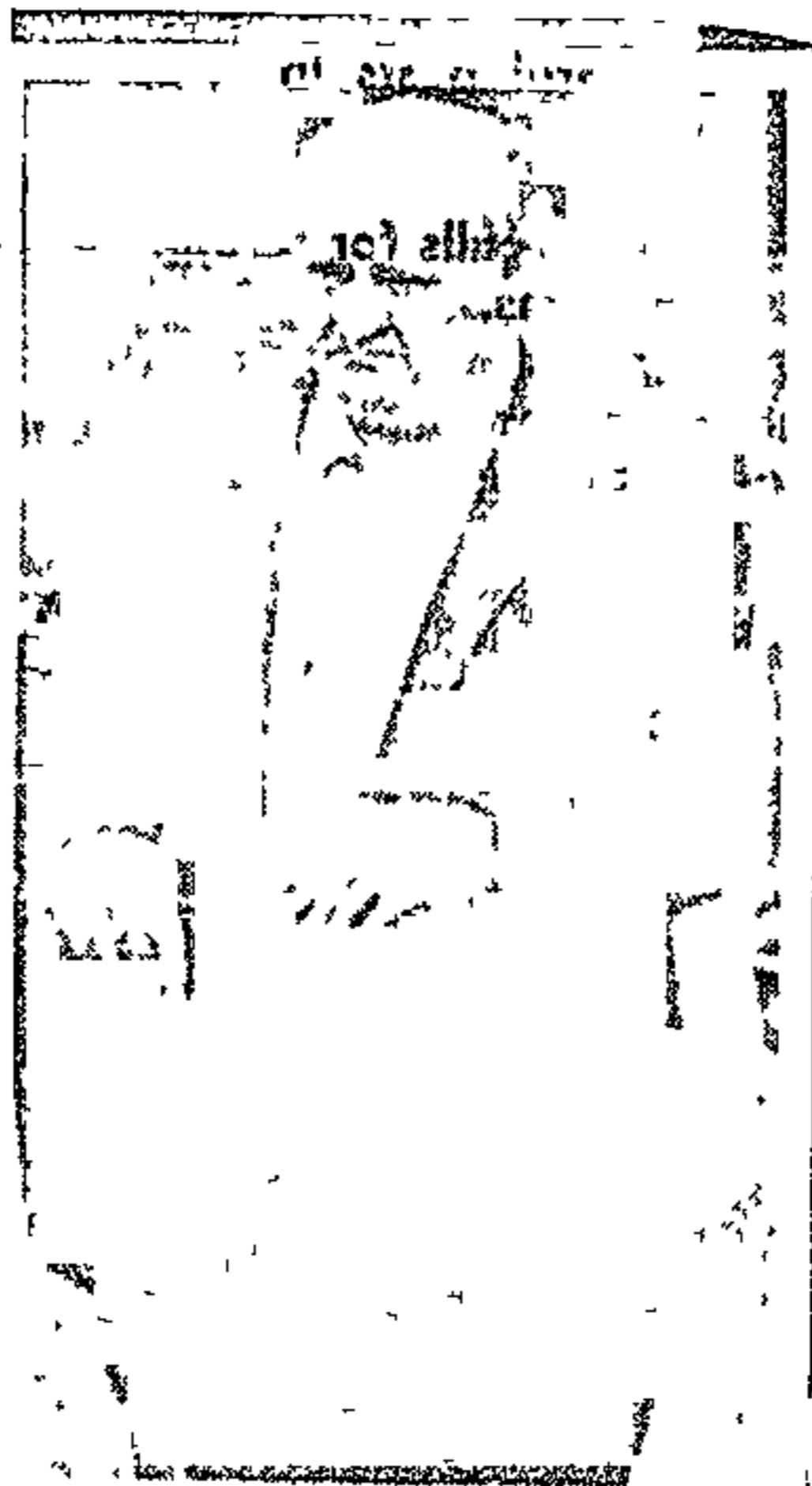
"The funds are frozen. Only R220m of the foreign debt funds have been used by the exchequer to fund the government's deficit before borrowing."

The 1987/1988 Budget allowed for R1,2bn of the PIC funds to be used to finance government spending.

"We want people to borrow this money, but nobody is willing," said a source close to government.

He said the funds could not, however, be idle, and had to earn interest. Excess liquidity in the money market had resulted in the Treasury being the only borrower footing the interest bill. However, more could be used to balance the Budget towards the end of the current fiscal year, he said.

Also, with prospects for economic growth looking healthier, the funds could be used to protect the surplus on the current account of the balance of payments and ease the need to dip into reserves.



Van der Walt leaves court yesterday

# Former Deputy Minister is guilty of theft

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19/11/88 S.M.

POTCHEFSTROOM — Mr Hendrik "Hennie" van der Walt (52), a former Deputy Minister of Development and Land Affairs, was yesterday convicted on 15 charges of theft involving more than R800 000 when he appeared in a Potchefstroom Regional Court

Van der Walt was charged with 28 counts of fraud. Yesterday 13 of the charges were withdrawn and the State accepted his plea of guilty to 15 alternate charges of theft.

The investigating officer, Lieutenant-Colonel Martinus Schoeman, said Van der Walt told a Law Society investigation into his conduct as an attorney that he invested some of the stolen money in secret projects for the Department of Information, but he could find nothing to substantiate this.

In his alleged involvement in "Info" projects Van der Walt had said he had dealt with the late Prime Minister Mr B J Vorster, the late Dr Connie Mulder and Dr Eschel Rhoodie.

The State alleged that Van der Walt stole money he received as an attorney and director and/or shareholder of several businesses.

One of Van der Walt's former constituents, Mr Joseph le Grange (61), said he first approached Van der Walt when his farm was expropriated. He told Van der Walt that he could not accept the price he had been offered for his farm.

### MONEY DISAPPEARED

Van der Walt then negotiated a better price and said he would invest some of the money Mr le Grange received as payment for the farm.

An amount of R52 000 was still outstanding on the money Van der Walt had invested, said Mr le Grange.

Mr le Grange, who had been living off the interest from the sale of the farm, said he battled to find employment after the money he gave to van der Walt disappeared.

The disappearance of the money was "a great shock", Mr le Grange said, and he was still battling to put his two children through school.

He had found a job at a low wage but he might have to give it up when he turned 65 in four years' time.

A defence witness, Dr Wynand Botha, told the court that Van der Walt was a sick man as a result of his excessive use of alcohol and cigarettes. He said Van der Walt suffered from hypertension, chronic lung damage, a damaged pancreas, a heart condition and diabetes.

He said Van der Walt would not be able to receive proper treatment for his ailments if he were sent to prison.

Another defence witness, Mr Johan Schutte, a church minister, testified.

The magistrate is Mr P A J Kotze and the prosecutor Mr P A van Wyk. Mr J Grobbelaar appeared on behalf of van der Walt.

# New govt policy on beach race laws is expected

Own Correspondent

A NEW government policy on beach apartheid is expected to be announced during this year's parliamentary session. The administrators of all four provinces have already made proposals.

This was disclosed yesterday by Cape Administrator Gene Louw, when he issued a statement on his meeting with Labour Party leader Allan Hendrickse about the beach apartheid controversy in Mossel Bay during the Dias Festival.

Louw did not give any details about the new policy, but he hinted that further opening of beach and other public amenities to all races was on the cards.

He emphasised that the opening of beaches and other amenities was unrelated to the proceedings of the Dias Festival and was beyond the powers of the Province and the Dias Festival Committee.

"However, on October 5 last year, the State President clearly stated in Parliament that the matter would be investigated sympathetically and be taken up in the forthcoming parliamentary sitting.

"The administrators of the four provinces, who are responsible for enforcing the law concerned, have also decided to put their views forward to the government in this regard," Louw said.

He did not elaborate.



R6,14bn compared

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CAPE TOWN 22/1/88

# Govt workers want better 'bargaining mechanism'

PRETORIA. — Government workers are pressing for a more effective salary and wage bargaining mechanism.

The issue was discussed on Wednesday night at the meeting of the Public Servants Association management board.

It is understood strong representations will be made to the Minister responsible for the public service, Alwyn Schlebusch, for a prompt response to the PSA's demand.

Senior PSA members say they are totally at the mercy of the Commission for Administration.

If their pay representations are rejected, they have no comeback.

There is no appeal mechanism where disagreement can be thrashed

out and a compromise reached.

The other issue discussed was market-related salaries.

The PSA again claims the gap between private sector and public sector pay has widened.

Linked to more effective negotiating machinery is the need for a system that takes more pertinently into account equivalent earnings in the private sector, it is claimed.

The PSA's response to criticism that too big a slice of the national budget is set aside for the payment of government workers is that they are not responsible for staff demands of the tricameral system or the administration of other government policies.

DISPATCH, TUESDAY, JANUARY 26, 1988 — 3

## Legislators' cost taxpayers R25m

PRETORIA — Government doesn't come cheap in South Africa — salaries for the country's 306 legislators will cost taxpayers in excess of R25 million in the new financial year, authorities here estimate.

It is expected that legislators will benefit to the same extent as public sector workers from pay hikes in the new financial year — increases of at least 12 per cent.

And an additional R1,5m will be paid out in reimbursive allowances to those holding ministerial rank.

This financial year the salaries of the 49 MPs with ministerial rank will amount to R6,5m.

The State President will earn R135 000 (reimbursive allowance, R27 350), the 17 ministers R122 000 (R28 300), 16 deputy ministers R86 000 (R21 730), 13 own affairs ministers R122 000 (R28 300), three own affairs deputy ministers R86 000 (R2 173), and the 13 ministerial representatives R86 000.

The average salaries of the 259 MPs not holding ministerial rank is R62 000.

A number of perks, including cheap loans for cars, are not included in this estimate.

The total salary payout will be more than R16m.

Authorities estimate that only a relatively small percentage of the 308 could earn as much with their skills and qualifications in the private sector.

Special allowances for whips and deputy whips and other parliamentary-related jobs were not taken into account in the calculations. — DDC

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(250) SPAN 27/1/88

## Johannesburg Council

# Govt asked to subsidise those in homelands

Reports by  
Shirley Woodgate,  
Municipal Reporter

The Government has been asked to subsidise blacks in the homelands to put a temporary halt to the uncontrolled influx into the city

Replying to a motion calling for Johannesburg's 13 000 hostel dwellers to be moved into family homes, management committee chairman, Mr Francois Oberholzer, said "It costs R30 000 to house one family in the city and it is cheaper to subsidise him to sit in the sun

### SUBSIDISE

"As chairman of the regional development advisory committee for the PWV area, I have asked the Government to subsidise people to keep them where they are, where they at least have homes"

The motion by, Mrs

Claire Quail (PFP) was turned down as the council's first housing priorities were the backlog of 30 000 houses for blacks, said Mr Oberholzer

Mrs Quail said the new pattern developing for migrant labour, living 10 to a room, was that these men were no longer going home, but working in the city for a lifetime, with no prospect of seeing their families

Mr Oberholzer said that a city housing up to 70 000 people was needed

Squatters streaming into the area posed an enormous health hazard and the fire chief, Mr Frikkie Kotze, had said if a fire broke out in the middle of a Soweto squatter camp, "he would not be able to get in there, even on a bicycle"

"Nobody can control the influx into the urban areas and we cannot project how big the stream will be"

## Squatters: row grows over incorrect figures

The accuracy of information supplied by the management committee had been jeopardised by incorrect replies which it had given on squatters in Johannesburg, Mr Tony Leon (PFP) said at last night's council meeting

He said he had been told in September that there were 96 squatters in the region, yet in November the Medical Officer of Health had reported 2 230 in his report for August

At the same time parliament was being told there were 850 000 in the Transvaal, but in Soweto, General J van der Westhuizen was saying there were 900 000 squatters on the Witwatersrand alone

"Why is the management committee playing with figures and trying to mislead the public instead of coming clean with the crucial question of urbanisation," he asked

Management committee chairman, Mr Francois Oberholzer, said an area of 3 400 ha was needed to accommodate squatters in the area

## Illegal home businesses under fire

## Speeding fines up

illegal business activity conducted from private houses in Johannesburg was getting out of hand and culprits who were caught should be fined retrospectively, Mr Eddy Magid (IRA), said at last night's council meeting

He said people were flouting the town planning scheme, and when they were reported for working from residential stands they simply put in an application to legalise the situation and carried on as before

Mr Jan van Blerk (NP) said the onus should not be only on the neighbours to report infractions

Mr Eliot Kretzmer (PFP) said the whole process of dealing with the matter should be speeded up as there were long delays even after steps were taken, because the council had no law enforcement of its own

Management committee chairman Mr Francois Oberholzer said the council was preparing a report on businesses operating from houses and officials were treating the matter very seriously

He said "We must not allow businesses not associated with the local community Doctors and churches are acceptable, but importers and exporters have no right to make use of the consent use allowed by the town planning scheme

The number of speeding fines issued in Johannesburg has rocketed in the last three years and motorists were warned last night that strong action would be taken unless they slowed down on the freeways

Mr Danie van Zyl, chairman of the Transportation Committee, said cameras trapped 48 000 speedsters in 1985/86. The number increased to 85 000 in 1986/87 and the figure from July to October last year had gone up to an alarming 27 000

At that rate the statistics were heading for 100 000 summonses in 1987/88, with no admissions of guilt allowed

Speeds of up to 189 km/h had been recorded by the cameras, while a motorcycle had been caught doing 187 km/h

### SLOW DOWN

"The fines are not high enough to deter the motorists and I appeal to drivers to slow down"

The reason for the high death rate on the roads was because drivers drove at high speeds. One answer was to double the number of cameras

Mr Alan Gadd (PFP) said South African drivers had to be educated as they displayed no road manners

## Schwarz issues word of caution

# Govt runs big risks with its overspending

By David Braun,  
Political Correspondent

CAPE TOWN — Government overspending would increase upward pressures on interest rates while reducing the options for real tax reform, Mr Harry Schwarz, Progressive Federal Party spokesman on finance, predicted yesterday.

He was reacting to reports that Government spending was running at 21 percent more than last year and somewhat ahead of the amount forecast in the Budget

Extrapolations indicate that at the

present rate of overspending the deficit before borrowing could top R10 000 million this financial year and not the R8 400 million budgeted for.

Mr Schwarz said it had been obvious for some time the Government was overspending its Budget.

It was also evident the Government was financing more of its spending from borrowings because the revenue expected from taxation was lagging behind the increase in expenditure.

The Government had been borrowing more, which meant that, in the course of the year, interest rates would go up further

The larger deficit would make tax reform much more difficult in the next Budget, he said

The Deputy Minister of Finance, Mr Kent Durr, said in an interview yesterday the Government was aware of the need to curb and control its spending

Government expenditure had to be seen against the background that the economy had been very sluggish and the authorities had responded to the needs of the economy by spending.

Some of the so-called over-expenditure had been planned and purposefully spent, often at the request or on the advice of the private sector

The Government had tried to spend on projects from which it could withdraw once the economy recovered.

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27/1/88

# FARMERS GOT R2,4bn

PRETORIA — The massive government support for the ailing agricultural industry in the past few years of destructive droughts was outlined this week by Agriculture Minister Greyling Wentzel.

He said during the past seven years financial assistance to farmers from the state amounted to R2,4bn — R1,4bn for loans, and R1bn for subsidies.

This, Wentzel said, did not include state aid to the wool industry (R15,5m), and the maize industry (R308m) and flood disaster aid.

Nether did it take into account state guarantees for carry-over debts.

GERALD REILLY

(1980m), and the additional R400m to rescue farmers from threatened insolvencies. Wentzel said that in one form or another help had been given to about 25 000 farmers since 1981.

The aid meant labourers' jobs on farms had been preserved, and ensured the survival of country towns which were dependent mainly on agriculture. A major objective of the aid was to keep a maximum number of independent farm-owners in agriculture, and to reduce risks resulting from circumstances beyond the farmers' control.

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# Wage freeze

## 'unlikely'

Cape Times  
28/1/88

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Financial Editor

PUBLIC service salary increases will be low this year, in an effort to fight inflation, some leading economists believe

It is widely thought that inflation will be one of the major problems discussed at the meeting between the State President, P W Botha, and leading businessmen in Cape Town on Thursday next week.

But economists do not believe that a wage freeze will be suggested. Instead, they think an effort will be made to stop spiralling inflation and limit imports by keeping salary increases at a low level.

Volkswagen's chief economist At Engelbrecht said: "I think there will be a heavy constraint on salary increases. The government will probably take the lead by giving low increases to public servants."

"But a lot depends on how strong the economic recovery is. With the world economy weakening we cannot hope for an export-led recovery. We must have a consumer-led recovery with increased spending."

However, Engelbrecht pointed out, SA cannot afford to ignore the balance of payments situation. "The authorities may want to keep wages down to keep imports down."

UCT economics lecturer John Whittaker said suggestions that inflation was the major problem to be fought usually meant that the Reserve Bank intended to push up interest rates.

He thought it would be difficult to convince everybody that the government was serious about tackling inflation because of its previous record. "Although if it comes from the State President I suppose it is a good start."

"But the people to convince are the price setters — the people in SA Transport Services (SATS), Escom and the control boards."

1948, the task is almost impossible

Parliament reconvenes on Monday and the new session will be formally opened by State President P W Botha on Friday

There is no reason to believe that Botha will be any more explicit than in previous years in mapping out a clear path for the country in 1988. Early indications are that the main thrust of his speech will concentrate on economic issues, while political reform will be down-played in deference to the Right

No major legislative reforms are expected to pass through parliament this year. There may be changes to the Group Areas Act to allow for "open" areas, but the core of the Act will remain untouched, in effect, residential apartheid in most areas will continue for the foreseeable future

The National Council Bill, which could give blacks a limited say in central decision-making, remains a doubtful starter. It seems there is still considerable work to be done by the Standing Committee considering the measure, and government seems determined not to unveil the final plan before it has any takers (at this stage there appear to be none of real stature).

A strong possibility this year is new security legislation to close what are regarded as loopholes in existing laws. The main target of the new measures is likely to be the United Democratic Front, which remains government's most formidable legal opponent outside parliament.

The Budget, due in mid-March, is unlikely to include major surprises. With municipal elections (and an outside possibility of a general election) due later this year, government may want to avoid tax hikes (and even reduce current tax levels if possible), and is therefore expected to opt for an increased deficit.

Government's main opposition in parliament this year will come from a rejuvenated Labour Party which at last appears to have realised just how much leverage it has over the National Party (NP)

The course of the political year could be influenced considerably by a series of developments that will unfold over the next few weeks

□ Two key by-elections on March 2 (Stander-ton and Schweizer-Reneke) will test the strength of the Conservative Party (CP) and may influence a decision on whether or not to hold a general election this year;

□ The Progressive Federal Party (PFP), facing what is probably the worst crisis in its history, seems destined to merge in some way with other groups to the left of government in a bid to present a viable alternative to the NP. Whether this can be achieved without splitting the party and further fragmenting opposition to the NP's left remains to be seen, and

□ The NP appears set to launch an unprecedented campaign against rightwing extremism in general and the Afrikaner Weerstandsbeweging in particular, and, by implication, will obviously attempt to smear

the CP. At best, this tactic may stem the tide of support flowing from the NP to the CP. At worst, it could alienate even more Nat voters

The chances of a general election this year are remote unless Botha's hand is forced by circumstances. There is probably not enough time this year for a delimitation of constituencies (due by 1990), and another election before the redrawing of electoral boundaries is out of the question for technical reasons

PFP leader Colin Eglin believes that the key issue facing SA — black political rights — will remain unresolved this year because both Botha and the NP lack the credibility to push through the sort of reforms that are necessary. He says government will remain lacking in credibility as long as it clings to important elements of apartheid. ■

PARLIAMENT

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## Holding operation

Predicting the course of South African politics has never been easy, but this year, with the situation probably more fluid than at any time since the Nationalists came to power in



**'Small increase  
better than none'**

Star 11/21/88  
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PARLIAMENT Almost 99 percent of civil servants would receive "incremental adjustments" to their salaries and about 50 percent would benefit from the "professional differential process", Dr Piet Welgemoed (NP Primrose), said in the no confidence debate yesterday. He said PFP talk of a wage and salary freeze, was wrong and a three percent increase was "better than nothing". — Sapa

'Taxpayers could pick up bill'

# Govt short of R10bn in pension fund

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Bloom  
2/2/88

CAPE TOWN — There is now a R10bn accumulated deficit in the Government Service Pension Fund — which taxpayers will ultimately have to pay for unless steps are taken to increase the fund's income.

In a report tabled in Parliament, the Standing Committee on Public Accounts recommended greater Treasury control of the fund and suggested its funding requirements be brought into line with private sector pension schemes.

The committee expressed concern over the accumulated actuarial shortfall, which was put at R7,6bn in March 1985 and "must now be considered as being considerably greater".

According to the standing committee's minutes, the estimated current deficit, based purely on interest factors, has increased to about R10bn, or a shortfall in excess of about 50%.

In submissions to the standing committee, Finance Department taxation chief executive R P Wronsley maintained that a reserve of 50% was entirely adequate for a public service pension fund, on the assumption that the state could never go bankrupt.

He acknowledged that such reserves in a private sector fund would be cause for concern, "simply because were the

CHRIS CAIRNCROSS

fund to run into difficulties, there would be no one to bail it out"

Wronsley acknowledged in committee that unless the income of the Government Service Pension Fund could be increased to higher levels than at present, the benefits would not be able to be paid. Therefore, there would come a time when the taxpayer would be called upon to make up the shortfall.

He said, "I do not think it is in dispute that there are aspects of the present pension fund which require attention

"The buy-back was clearly tackled with inadequate actuarial analysis and I think one must concede that the buy-back will have to be made more expensive."

He said the question as to whether the other benefits were too liberal would also have to be looked into, particularly as far as new entrants were concerned. The standing committee expressed the view that the role of the Treasury in exercising control over the pension fund, both in the past and in the future, needed to be considered.

In evidence given to the committee it was stated that various amendments to

• To Page 2 →

## R10bn govt pension deficit

the conditions of the pension fund were being considered in order to limit the deficit as far as possible in the future

In its report, the committee stressed the desirability of taking that resolve a step further, recommending the "principle be accepted that the fund be compensated in full for any new liabilities vested in it, and that it be informed during 1988 of the steps taken or planned to address the unsatisfactory aspects of the fund"

If this recommendation is followed through, it would bring the funding requirements of the Government Pension Fund in line with those required by the private sector in general

Sanlam's chief actuary Jan Pretorius expressed "delight" at the recommendation that the financing of government pension funds be brought in line with the requirements laid down for private sector funds

He was extremely critical of the existing "pay-as-you-go" approach. It effec-

← • From Page 1

tively made a "sponger" out of the existing generation, while unfairly transferring the liabilities to the next.

CHERYLIN IRETON reports that Liberty Life joint MD Dorianne Wharton-Hood said that after the *exposé* by former Sanlam chief Andreas Wassenaar, the extent of the shortfall did not surprise him

"There are basically two reasons the generous provision in terms of which members can buy back service, and the requirements that funds be invested in fixed interest government stocks."

He noted that equity investments, as opposed to fixed interest stocks, had produced better returns over the years.

"I don't know the full details of the back service arrangement but one hears that the conditions are extremely generous. Clearly this is of concern to taxpayers who at the end of the day will have to pick up the bill."

NATIONAL/INTERNATIONAL

ARGUS 2/2/88 250

# 'Lack of control' in pension fund deficit

By DAVID BRAUN  
Political Staff

THE day of reckoning was looming for the Public Service Pension Fund as its deficit continued to pile up, the Government was warned today.

Mr Harry Schwarz, Progressive Federal Party spokesman on finance, said this in reaction to the tabling in Parliament yesterday of the report of the select committee on public accounts

According to evidence heard by the committee last year the shortfall in the fund could be closer to R16 900-million in present-day values once inflation had been allowed for

In terms of assets this would mean the fund was covered to the extent of only 32 percent

Without the inflation factor being taken into account, according to the evidence, the present shortfall was R10 000-million, or a deficit of about 50 percent

The deficit was put at R7 600-million in March 1985

Dr Andreas Wassenaar, the former chief executive of Sanlam who has frequently warned about the ballooning deficit of the fund, said today he would first have to study the select committee's report before making any comment

Mr Schwarz said the higher estimate of R16 900-million which took account of inflation could not be ignored because the pension fund should be evaluated on the basis of the present-day value of benefits to be paid in the future

Mr Schwarz said the fund had been allowed to get into such a position because of lack of control

Changes had already been made to the buy-back scheme but these would not be sufficient to deal with the problem, he warned

Mr Schwarz called for a complete review of the pension fund, particularly the issues of the basis of funding and the question of buying back benefits

According to evidence given to the committee by Mr R P Wronsley, chief director, taxation, of the Department of Finance, the shortfall of R16 900-million was an irrelevant figure

He said "The fact is that the

balance in the fund exceeds current expenditure

"If there is to be a topping up of the fund in the future, certainly, it will be the taxpayer who will have to shoulder the burden

"The more or less annual adjustments to civil pensions — not quite sufficient to equal the rate of inflation — are made by means of voted funds"

Dr Chris Stals, the Director-General of Finance, told the committee he could foresee no difficulties if the Government wanted to put R5 000-million or R6 000-million into the pension fund today

He said "It would simply be a matter of paperwork, it would just entail a few book entries"

# New shock for govt pension fund

Cape Times 2/2/88 250

# Billions in red

By CHRIS CAIRNCROSS

## THE government's service pension fund is now R10 billion in the red.

And this accumulated deficit will have to be paid by taxpayers unless steps are taken to increase the fund's income

In a report tabled in Parliament yesterday, the standing committee on public accounts recommended greater Treasury control of the fund and suggested its funding requirements be brought into line with private sector pension schemes

The committee expressed concern over the accumulated actuarial shortfall, which was put at R7,6 billion in March 1985 and "must now be considered as being considerably greater"

According to the standing committee's minutes the estimated current deficit, based purely on interest factors and on no other extraneous issues, has increased to about R10 billion, or a shortfall of more than 50% This sum is equivalent to one-fifth of South Africa's national budget

In submissions to the standing committee, Mr R P Wronsley, chief executive, taxation, in the Department of Finance, maintained that a reserve of 50% was entirely adequate for a public service pension fund, on the assumption that the state can never go bankrupt

He acknowledged that such reserves in a private sector fund would be cause for concern, "simply because were the fund to run into difficulties there would be no one to bail it out"

### New entrants

Mr Wronsley acknowledged in committee that unless the income of the government service pension fund can be increased to higher levels, the benefits will not be able to be paid Therefore, there will come a time in the future when the taxpayer will be called upon to make up the shortfall.

He said: "I do not think it is in dispute that there are aspects of the present pension fund which require attention The buy-back was clearly tackled with inadequate actuarial analysis and I think one must concede that the buy-back will have to be made more expensive"

The question as to whether the other benefits are too liberal or not will also have to be looked into, particularly as far as new entrants were concerned, he said.

The standing committee expressed the view that the role of the Treasury in exercising control over the pension fund, both in the past and in the future, needs to be considered

In evidence given to the committee, it was stated that various amendments to the conditions of the pension fund are now being considered to limit the deficit as far as possible in the future

In its report, the committee stresses the desirability of taking that resolve a step further, recommending the "principle be accepted that the fund be compensated in full for any new liabilities vested in it, and that it be informed during 1988 of the steps taken or planned to address the unsatisfactory aspects of the fund".

If this recommendation is followed through, it would necessarily bring the funding requirements of the fund in line with those required by the private sector in general

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THE balance of payments issue has the potential to pose a great domestic constraint on South African economic growth. The authorities are determined to maintain a current account surplus at any cost, as it is export earnings which enables South Africa to repay its foreign debt once imports have been paid for

At the time of the debt standstill in August 1985, South Africa's foreign debt was officially valued at \$23,7 billion. In the subsequent two years, South Africa repaid over \$4,0 billion of this official debt

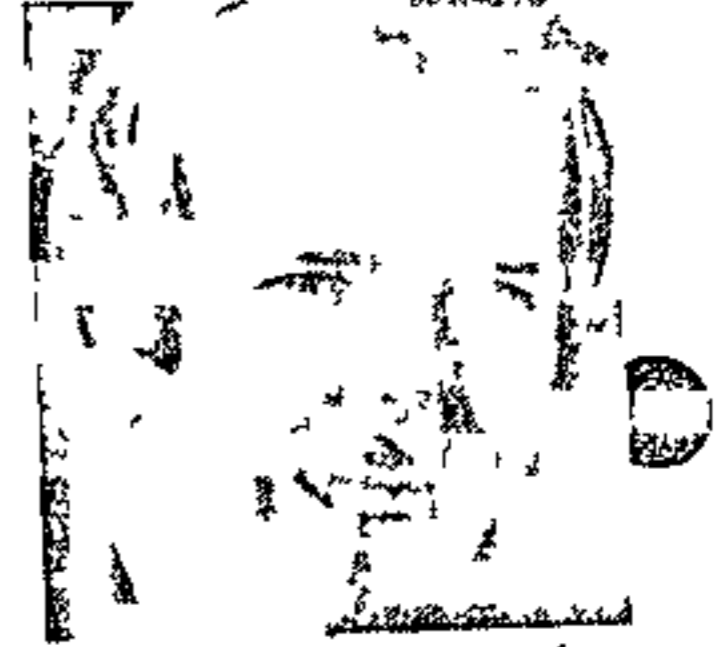
However, a significant portion of both public and private debt has been denominated in non-dollar currencies against which the dollar has strongly depreciated during this period. While, therefore, one would have expected the foreign debt to fall from \$23,7 billion to \$19,7 billion, the revaluation of the non-dollar component caused the overall foreign debt to therefore remain at \$22 billion by the end of 1986

### Surplus

As the current account surplus declines to a point when it is unable to fund the foreign debt repayments, we find that the authorities have to dip into the foreign reserves

It is such a situation which we describe as the balance of payments being under pressure. In an ideal situation where the level of export earnings is sufficient to pay for the expected import levels and scheduled foreign debt repayment, there would be no balance of payments pressures. However, this is not the case as the cur-

# Balance of payments under pressure



BAREND du Plessis  
Minister of Finance

## FOCUS

By an economist

rent account is slave to two external factors: the price of our exports and the volume growth of our exports

While balance of payments pressures were not felt much since early 1986, the current trends on the balance of payments do point to such renewed tightening. This is more obviously apparent now as our export position appears to be stagnating, due to a non-performing gold price, a slowdown in international demand for most of our non-gold commodities and sanctions

In addition, the growth in domestic spending has also been pulling in greater amounts of imports, thus narrowing the balance of payments surplus since early last year. Considering the above scenario, and the authorities' commitment to continue repaying debt, the current account is once again likely to come under pressure before long

In 1985-1986, the South African economy was forced to stay at a low operating level in

order to generate the surplus on the current account needed to meet foreign debt repayments

However, as the gold price reacted favourably to international developments such as the Gulf War situation, inflationary expectations and a weakening dollar in late 1986 and 1987, the balance of payments position became increasingly stronger

### Recovery

The higher gold price, which resulted in much higher export earnings together with falling foreign interest rates and a stabilising dollar/rand exchange rate of near \$50 contributed to the increase in foreign exchange reserves in dollar terms

Thus from mid-1986 through to the first half of 1987, the need for the domestic economy to be held back due to balance of payments considerations, ceased to be necessary, allowing the beginning of an economic recovery which is currently entering its 18th month

With near term inflationary expectations being discounted by the market and the belief by some that the dollar, at least for the moment, has nearly bottomed out, the prospects for gold are not looking particularly rosy

The recent drop of the gold price to below the \$470 benchmark was an indication that a possible \$450 outlook for gold may just be in the pipe-

line — a scenario that we are currently witnessing

The lower oil price is also helping to allay inflationary expectations

Where precious metals and share markets have lost out, bond (fixed income capital) markets have gained, and are at present absorbing the focus of investors' attention. Many players especially those who have been badly burnt by unexpected market happenings are nervous and are thus preferring to remain liquid

It would appear that the balance of payments surplus on the current account has still been growing for some time. This may be fairly illusory as it is calculated in rand terms, and the rand's substantial appreciation against the dollar during the course of 1987 has thus served to somewhat disguise the true foreign reserve position

In terms of the dollar, the foreign reserve position peaked as long ago as early 1987 and has actually of late tended to decline

Economists are beginning to talk of a possible maturing of the business cycle and the authorities are muttering about a necessity to temper economic growth should it create undue balance of payments pressures

As the pressure on the current account mounts, higher domestic interest rates and a lower dollar/rand exchange may be expected in order to pro-

mote exports while inhibiting imports

For the time being though, it seems that the Reserve Bank is prepared to maintain the rand at present levels in order to reduce the impact of imported inflation by keeping imported price increases to a minimum. It is uncertain how long this can be sustained though, given the tightening of the balance of payments which will become more noticeable later this year

Governor of the Reserve Bank, Gerhard de Kock, was recently quoted as saying that importers would have to make more use of trade credits this year if the foreign exchange reserves are not to be overstrained by the expected increase in demand

### Risky

Little use was made of foreign trade credit last year as it was less risky to borrow locally than abroad due to South Africa's vulnerable exchange rate and previous experiences of exporters and importers in this regard

The memory of the punitively high interest rates during 1984 and 1985, which choked domestic spending and capital investment, is still fresh in the mind of the market, causing a stir of scepticism of whether the Reserve Bank is in fact capable of manipulating rates slowly upwards in the face of relatively strong domestic growth and the consequent strain on the current account

The Reserve Bank faces an extremely difficult task as moving interest rates too much too fast, or too little too late, are both likely to have detrimental effects on the economy

# No general public service salary hikes

Stev 5/2/88

250

By David Braun, Political Correspondent

Parliament

President Botha today swung a heavy axe on Government spending in a major policy speech on economic reform.

Opening the sixth session of the Eighth Parliament this morning, Mr Botha said

● There would be no general increases in salaries for public servants this year, coinciding with a "drastic reduction" in the creation of new civil service jobs and a revision of standards and services

In certain cases, those who used these services would have to make a larger contribution themselves, otherwise the costs would have to be recouped by means of general increases in taxation.

● Large Government undertakings such as Eskom, the SA Transport Services and the Post Office were to be converted either in their entirety or after sub-division into profit-making business undertakings

● A massive privatisation programme was being launched, with the proceeds to go to paying off the public debt, building basic infrastructure in developing areas, and to creating capital funds for the development of small industries and small enterprise

The Government was in favour of privatising its shareholding in Foskor, structural adaptations were being considered to make the privatisation of Iscor possible, while investigations were underway to get Eskom listed on the stock exchange

Certain sections of the national road network were to be sold to private consortiums which would finance, build, maintain and run them as toll roads for a period of 25 years

## IDC to sell certain shares

Functions of the Atomic Energy Corporation involving advanced technology were to be privatised, while the Industrial Development Corporation would sell certain of its shareholdings in other companies

President Botha further announced that the Government would adopt the Mergo Commission recommendation to scrap general sales tax and replace it with an invoice-based value-added tax, rather than a comprehensive business tax (CBT)

Where possible and practicable, the accepted proposals would already be implemented in the fiscal year starting on March 1

The objective which the Government was pursuing with all of these actions, he said, amounted to the authorities taking the smallest possible, but nevertheless fair and legitimate, contribution from every taxpayer and using these contributions for the best possible benefit of the country as a whole

"Policy renewal often demands courageous decisions and a willingness to make sacrifices on the part of all concerned. Let us do it together," he said

Mr Botha said the Government was aware that, however necessary it may have been in the short term, the economy could not bear the indefinite continuation of its stimulatory policy without adversely affecting the rate of inflation and interest rates

Welcome signs of recovery and moderate economic growth in the private sector had reduced the need for stimulation on the part of the authorities

He added, "The Government accordingly intends to bring the extent and composition of the Budget back within affordable limits and sound fiscal proportions within a reasonable period"

## Growth within limits

Mr Botha said in its efforts to keep growth in Government expenditure within affordable limits, the Government must give serious attention to current expenditure

All capital expenditure in the broader Government sector would from now on be subject to Cabinet approval after consideration by the National Priorities Committee

The President said personnel expenditure currently represented 32 percent of Government spending, and restriction of the growth in current expenditure had implications in respect of salaries and wages

Should Government expenditure increase drastically, especially as a result of the granting of a general salary increase to employees of the State, this would certainly entail tax implications which would impair seriously the economic recovery

"Consequently, the Government has decided to take the essential step this year of not granting any general increases in salaries and wages. Provision will be made only for the normal incremental adjustments and specific professional adjustments

"This coincides with other measures, including a drastic reduction in the creation of new posts"

## Graduate wage gap widens

Stev 5/2/88

Self-employed stockbrokers with university degrees earn far more than other graduates — R210 000 a year — while farmers earn the least, according to research into the earnings of white male graduates carried out by the HSRC's Institute for Manpower Research

The survey of a group among South Africa and Namibia's 180 000 white male graduates shows that just over the highest wage in the public service, R101 500

In the past 15 years the annual percentage increase in the private and public sectors was the same, 12,3 percent, but since 1984 the wage gap between the two sectors has widened, it says — Pretoria Bureau

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# PW'S NEWS

## ■ Pay clamp on public servants ■ Call to curb pri

By TOS WENTZEL, Political Correspondent

A BOLD new economic package, including a freeze on general salary increases in the public service, the stepping-up of privatisation of State undertakings and further deregulation was announced by President Botha today

Opening the new session of Parliament, Mr Botha made it clear the Government was aiming at renewing its economic and financial policy

The measures also include a restructuring of the tax system and efforts to slash and control State spending

Mr Botha appealed to the country to back him in his sweeping reforms, saying that policy renewal often demanded "courageous decisions and a willingness to make sacrifices"

He also appealed to the private sector to curtail salary and wage increases as well as prices

He announced that the Government had decided not to grant any general salary increases to public servants this year, a step he described as being essential in the fight against inflation

This coincided with other measures which included a drastic reduction in the creation of new posts and a revision of services and standards

Mr Botha disclosed he had asked the private sector for its co-operation in the fight against inflation

He referred to discussions he had yesterday with members of the Economic Advisory Council, representatives of organised commerce and industry, professional groups, consumer organisations, agriculture, women's organisations, employee organisations and staff associations

### Discipline

He said an appeal was made to employers and employees to apply discipline to higher personnel expenditure and price increases

Other announcements included:

● The launching of a huge privatisation programme with proceeds to go to paying off the public debt, building basic infrastructure in developing areas and creating capital funds for the development of small enterprises.

● Large Government undertakings such as Eskom, SA Transport Services and the Post Office were to be converted — either completely or after sub-division into profit-making business undertakings.

● The Government favoured privatising its shareholding in Foskor, structural adaptations were being considered to make the privatisation of Iscor possible and the listing of Eskom on the stock exchange was being investigated

● The functions of the Atomic Energy Corporation involving advanced technology were to be privatised while the

● More pictures, colour stories — page 4; excerpts from the State President's speech — page 11



Mr PW Botha

Industrial Development Corporation would sell some of its shareholdings in other companies.

● State finances would be thoroughly reviewed.

● The Government had decided to accept a recommendation by the Margo Commission on tax reform to replace general sales tax with an invoice-based value-added tax. Where possible the commission's proposals would be implemented in the fiscal year starting on March 1, and

● Some toll roads in the Transvaal and Natal would be privatised

Referring to policy renewal, Mr Botha said the Government had shown it was serious in wishing to put the management of Government finances on a sound footing, using well considered reform

### Investigation

The use of the country's current assets had to be thoroughly investigated and priorities had to be determined — hence a thorough investigation into privatisation

He said the Government had committed itself to a policy of deregulation but this could not be accomplished overnight

Some aspects being considered were "legal prescriptions" on trading rights and business premises which affected the activities of black businessmen in their own areas and the revision of food handling regulations and trading hours and licenses

He indicated State finances would be cut after a period of sluggish economic conditions during which the authorities had to stimulate recovery by means of increased Government spending

The Government realised the economy could not bear the continuation of this stimulatory policy without inflation and interest rates being adversely affected

Meanwhile there were welcome signs of recovery and moderate economic growth in the private sector which had reduced the need for stimulation by the authorities

The Government thus intended to bring the Budget within "affordable limits and sound fiscal proportions" within a reasonable period

President Botha said serious attention was given to current Government expenditure. All Ministers and their departments were examining their own internal priorities

Capital expenditure in the broader Government sector would be subject to Cabinet approval after consideration by the national priorities committee

### 32 percent

Personnel expenditure currently represented 32 percent of Government spending

Should State expenditure increase drastically — especially as a result of a general salary increase to public servants — this would mean tax implications which would seriously impair economic recovery. This the country could not afford

This coincided with other measures, including a drastic reduction in the creation of new posts and the revision of services and standards

He said there was no other option than to call for a "sustained and enthusiastic team effort between the public and the private sector" in the fight against inflation



Mr Harry S. ... and his wife Engela arrive at Parliament today. Mrs Treurnicht designed and made her own outfit, a pale grey suit in silk worn with a corse hat

Mr Harry S. ... and his wife Engela arrive at Parliament today. Mrs Treurnicht designed and made her own outfit, a pale grey suit in silk worn with a corse hat topped by

## The difference and how ne

By TOM HOOD, Business Editor

THE difference between the present GST and the proposed value-added tax (VAT) system is that in the latter the total tax contribution is made up from different levels, starting with the manufacturer, including the retailer and ending up with the consumer

Under the GST system the total tax payment is borne mainly by the consumer

The European style, multilevel tax levied on all three layers of the economy, however, will amount to the same in terms of tax collected. Advantages claimed for VAT are

that tax evasion is more difficult and that the authorities will collect more tax

All business transactions can be made subject to VAT while the GST system is full of exceptions

Disadvantages are that it is more costly and difficult to administer, that each business takes a mark up on the tax paid, so that by a cascade effect a 12 percent VAT may end up costing more than a 12 percent GST

In a recent review of VAT Mr David Clegg, tax director of Arthur Young, said one of the greatest ob

## PW proposes Southern African conference

By TOS WENTZEL, Political Correspondent

PRESIDENT Botha today proposed a Southern African conference on health, food production and economic development

Opening the new session of Parliament, he proposed the conference should also deal with measures to keep peace and order as well as "non interference in each other's internal affairs"

He said the chaos and deterioration in other Southern African states was an extension of problems existing world-wide. "If Africa is to survive the serious difficulties facing almost all its states these problems have to be resolved soon — and by Africans themselves"

In the Southern African region South Africa is willing to play its part

"South Africa desires peace because we believe in cooperation and peaceful coexistence. We do not believe in war. We do not believe that war can solve any problems"

But Mr Botha said there must be no any uncertainty over South Africa's stability and determination to defend against aggression aimed at its security and the safety of its citizens

Consequently we will not shirk duty to act against international terrorism

The Government was determined to continue keeping internal order and training forces undermining peace and stability

He paid tribute to those who had and give their lives to promote and security in South Africa

Conflict is not the course we want for our region because it would worsen an already critical state of affairs

"We wish to pursue friendship and operation. South Africans are making a valuable contribution to finding solutions for Africa and our

(Turn to page 4 col 1)



WEEKEND Argus tomorrow offers cricket enthusiasts a free and unique wall chart of the Giants of Cricket — the international and South African superstars with bat and ball whose performances have made them legends

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Also in Weekend Argus tomorrow —  
● Felix Coetzee — what it takes to be a champion jockey  
● The CP-AWB connection — Anne Terre'Blanche speaks out.

# NEW DEAL

servants ■ Call to curb price rises ■ GST to go

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Dr Andries Treurnicht and his wife Engela arrive at Parliament today Mrs Treurnicht designed and made her own outfit, a pale grey suit in silk worn with a cerise hat



Mr Harry Schwarz, PFP spokesman on finance, and his wife Anette Her casual outfit of a checked skirt and white blouse was topped by a bright red straw boater

## Package to boost the economic recovery

By DEREK TOMMEY, Finance Editor  
THE Government today unveiled a major new financial policy aimed at keeping the economic recovery going full steam ahead by dampening down inflation stopping interest rates from rising — and reducing the tax rate.  
The keystone of the Government's policy is the decision not to give an inflation adjusted pay rise to public servants.  
This move will save the Government many billions of rands which can be used to cut taxes. And with the public servants who make up a large proportion of the country's population having little extra money to spend, it means that manufacturers, wholesalers and retailers will be forced to hold down prices or see their business fall away.  
This should help shatter the idea, widely held by both producers and consumers that they can bank on a 14 to 16 percent increase in prices a year.

## The difference and how new tax works

By TOM HOOD, Business Editor  
THE difference between the present GST and the proposed value added tax (VAT) system is that in the latter the total tax contribution is made up from different levels, starting with the manufacturer, including the retailer and ending up with the consumer.  
Under the GST system the total tax payment is borne mainly by the consumer.  
The European-style, multilevel tax levied on all three layers of the economy, however, will amount to the same in terms of tax collected.  
Advantages claimed for VAT are

that tax evasion is more difficult and that the authorities will collect more tax.  
All business transactions can be made subject to VAT while the GST system is full of exception.  
Disadvantages are that it is more costly and difficult to administer, that each business takes a mark up on the tax paid, so that by a cascade effect a 12 percent VAT may end up costing more than a 12 percent GST.  
In a recent review of VAT Mr David Clegg, tax director of Arthur Young, said one of the greatest ob-

jections to VAT is that the overall cost to the final consumer of any particular goods or service will be greater than the sum of the taxes due at each stage.  
"One of the greatest concerns in the possible abolition of GST is that South Africa cannot afford the investment in re education and administration that the introduction of a new system will require."  
Commerce and the Revenue Department had struggled to come to grips with the sales tax law.  
"I have no reason to think that the process will be any easier or faster with VAT," added Mr Clegg.

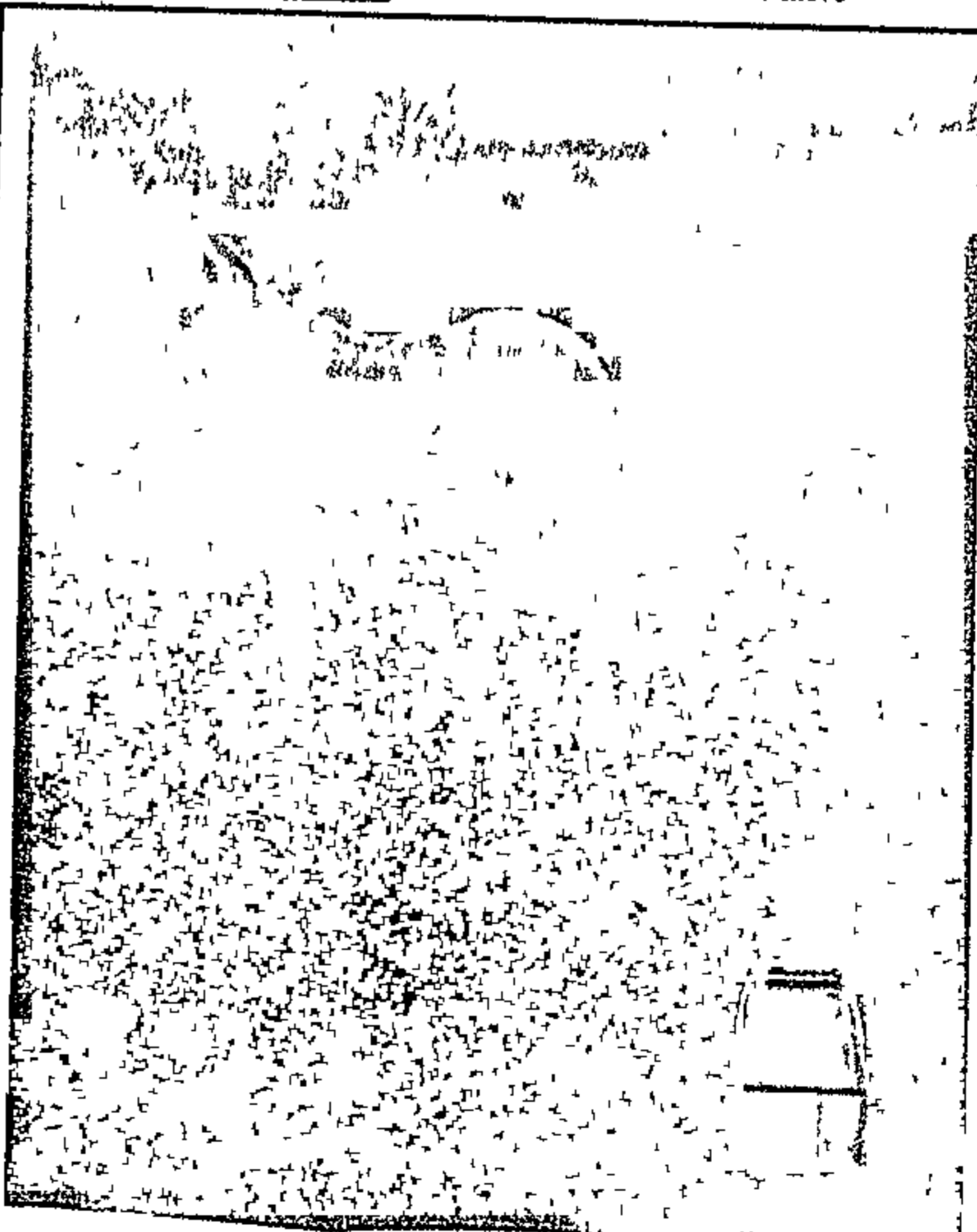
### PRIVATISATION

Another key part of the programme is the decision to go ahead with the privatisation of several state businesses, including Foscor Iscor and the Mossel Bay Gas Project.  
The proceeds of these sales will be used firstly to help finance the public debt, secondly for the provision of basic infrastructure and services in the black townships and the financing of small businesses.  
The sale of state organisations together with the funds saved by restricting public service pay rises should sharply cut the Government's borrowings.  
With the Government out of the loans market, there should be less pressure for interest rates to rise. And they could even drop fairly significantly if the inflation rate responds to the Government move.

## PW proposes Southern African conference

By TOS WENTZEL  
Political Correspondent  
PRESIDENT Botha today proposed a Southern African conference on health, food production and economic development.  
Opening the new session of Parliament, he proposed the conference should also deal with measures to keep peace and order as well as "non-interference in each other's internal affairs".  
He said the chaos and deterioration in other Southern African states was an extension of problems existing world-wide.  
"If Africa is to survive the serious difficulties facing almost all its states these problems have to be resolved soon — and by Africans themselves."  
"In the Southern African region South Africa is willing to play its part."  
"South Africa desires peace because we believe in cooperation and peaceful coexistence. We do not believe in war. We do not believe that war can solve any problems."

But Mr Botha said there must not be any uncertainty over South Africa's ability and determination to defend itself against aggression aimed at its sovereignty and the safety of its citizens.  
"Consequently we will not shirk our duty to act against international terrorism."  
The Government was determined to continue keeping internal order and neutralising forces undermining authority and stability.  
He paid tribute to those who served and gave their lives to promote peace and security in South Africa.  
"Conflict is not the course we desire for our region because it would only worsen an already critical state of affairs."  
"We wish to pursue friendship and cooperation. South Africans are already making a valuable contribution to finding solutions for Africa and our region."  
(Turn to page 4 col 1)



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Also in Weekend Argus tomorrow  
● Felix Coetzee — what it takes to be a champion jockey  
● The CP-AWB connection — Eugene Terre'Blanche speaks out



(250) 5/2/88

LOCAL GOVERNMENT

**Carrots galore**

Big increases in allowances for local government representatives, plus attractive pensions, are likely to be an added incentive — particularly in black, coloured and Indian areas — to stand for office in the October municipal elections

The increases were calculated last year by consultants commissioned by government and are intended to standardise allowances to municipal councillors. Notices have been sent to all local authorities, setting out the maximum allowances. All local authorities have been graded on a scale from one to 15, depending on their size, income and other factors and the allowances are linked to the grading. In some cases the allowances have been increased by more than 300%.

Len Dekker, chief director of Constitutional Promotion, says the allowances — which will be drawn from the revenue of the local authorities and not from the State — are not automatically payable. They are the maximum that may be paid. Depending on the local authority's finances, or a decision by councillors, a lower allowance may be paid.

In terms of the grading system, there are 781 autonomous white, black, coloured and

Indian local authorities. In addition, there are just over 180 coloured management committees and Indian local affairs committees, with advisory roles and limited executive powers under white local authorities.

Monthly allowances range from R300 for Grades 1-4 (member of coloured or Indian management committee), to R4 000 for Grades 14-15 (mayor or chairman of executive committee). There are four cities in grades 14 and 15 — Pretoria, Johannesburg, Durban and Cape Town. Port Elizabeth is a grade 13, Germiston, Roodepoort, Bloemfontein, Maritzburg and East London are grade 12. The highest graded black towns are Soweto (11), Diepmeadow and Lekoa (10) and Katlehong, Mamelodi, Ibayi and Tembisa (9).

Cape Town city councillors last week approved the allowances for themselves, after a debate in which some members spoke of additional coaches being hitched onto the gravy train and an obvious move by government to dangle carrots in front of prospective candidates in October. Five councillors voted against the increases and 22 for them. The increases were backdated to July last year.

In a number of cases — particularly in the coloured and Indian committees — members and chairmen are also MPs, already earning minimum annual packages of around R64 000. As an added bonus to councillors throughout the country, the Pension Benefits for Councillors of Local Authorities Bill, which was held up because of a Labour Party objection, was effectively passed by the President's Council last week. Councillors are now eligible for pensions.

According to government, a total of about 7 100 seats will be filled in the October elections. ■

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*Handwritten notes:* 250, 350, 350

# No increase for public servants

By **AUDREY D'ANGELO**  
Financial Editor

PUBLIC servants, including teachers, will receive no across-the-board pay rises this year. There will be a cut-back in the creation of new jobs in the public service, and "a revision of services and standards".

These measures to reduce government spending were among points made by the late President, Mr P. W. Botha, in his speech at the opening of Parliament yesterday.

Other plans include the privatization of Eskom, South African Transport Services (SATS), Posts and Telecommunications and some sections of highway to raise money which will be used to reduce

public debt and finance the development of small business and of infrastructure in developing areas.

Mr Botha also disclosed that the government would replace General Sales Tax (GST) with an invoice-based Value Added Tax (VAT), which has been in use in Europe for many years.

However, it will not be possible to make the change-over to VAT this year. At a press conference yesterday the Minister of Finance, Mr Barend du Plessis, said it was hoped to replace GST with VAT in the 1988-89 tax year.

Mr Botha disclosed that the possible listing of Eskom on the Johannesburg Stock Exchange (JSE) was being investigated.

This would possibly be followed by JSE listings for SATS and Posts and Telecommunications.

All three must become "tax-paying, profit-seeking enterprises either in their entirety or after sub-division into appropriate business undertakings".

Mr Botha said agreement had been reached with one consortium for the privatization of the Hendrik Schoeman highway between Springs and Krugersdorp, and with another for the privatization of sections of the national route between Kroonstad and Johannesburg and between Maritzburg and Alberton.

These would become toll roads. Alternative routes would remain.

The government was in favour of the

privatization of its shareholding in Fokor.

"As far as Iscor is concerned, structural adaptations are at present being considered to make privatization possible.

"Similarly, it is the government's view that the development of the Mossel Bay gas project should in the main be a private sector development.

"In the meantime, good progress has been made with the privatization of several functions of the Atomic Energy Corporation in which advanced technology is involved."

Mr Botha said the proceeds of privatization would be allocated to the state's capital revenue fund and would not be used to finance current expenditure.

They would be used, as a first choice for the redemption of public debt.

Mr Botha said that in 1988 economic policy would "still be geared to further increasing the economic growth rate without aggravating balance of payment and inflationary problems".

But affordable limits for government expenditure were determined by the contribution taxpayers were able to make plus the amount that could be borrowed.

Since every need could not be met, priorities would have to be determined. "Naturally, humanitarian services for the less privileged will enjoy a high degree of preference in the determination of priorities."

# Proposals 'a quantum leap forward'

Cape Times  
6/2/88

Financial Editor

THE Government's decision to privatize Eskom and other parastatals will be "a quantum leap forward" if it is implemented, Standard Bank economist Nko Czipionka said yesterday

He said proposals put forward in the State President's speech yesterday were positive

But he thought it would be better to reduce the size of the public service rather than merely contain the wage bill in terms of increases. The wage freeze would be a major sacrifice, but it would be better to have "a lean and well paid civil service"

He also thought it a mistake not to have consulted the trade unions over the campaign to keep down wages and prices

Similar views were put forward by the Southern Life Association's chief economist, Mike Daly, who pointed out that public servants would "still get their notch and merit increases. This will probably add 5% to the Government's wage bill, which will not be inflationary"

Daly thought it a mistake not to have invited trade union leaders to the State President's meeting with leading businessmen on Thursday

"It is no good in SA today just to bring the Government and the white captains of industry together because the unions see it as a plot to stop them from reaping their reward"

## Benefit

It was now up to industrialists to convince the unions that keeping salaries and prices down would be to the eventual benefit of their members

The President of the Cape Chamber of Industries, Mike Getz, praised the State President's courage in taking such strong action

But "We have to recognize that our workforce are involved in our economy and our society now"

Getz and the director of the Stellenbosch Bureau for Economic Research, Ockie Stuart, also pointed out that the public servants' wage freeze would dampen the economic upturn

"Obviously it is going to tighten up some areas of consumer spending. Many consumers are State employees and they will not be compensated for inflation this year," said Getz

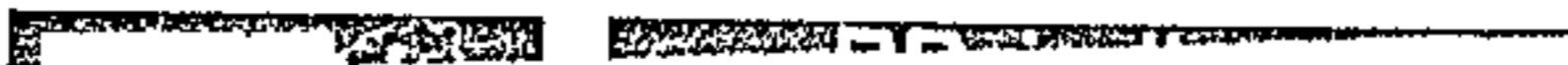
Stuart, who said earlier this week that businessmen were "brimming with confidence" yesterday said this confidence would now be "somewhat dented"

But he thought a growth rate of 3% would be possible this year

The director of the UCT Graduate School of Business, Paul Sulcas, said public servants, particularly teachers, were being called on to make a big sacrifice

Sulcas said the idea of privatizing Eskom and other parastatals was excellent in principle. But they would not necessarily become more efficient unless the public servants running them were replaced by people from the private sector

Sulcas also thought deregulation was a more effective way to encourage small businesses than to pump money into them through the Small Business Development Corporation



Public sector employees angry

250  
B/day  
8/2/88

# Employers give guarded support to wage restraint

WHILE most public sector employees have reacted angrily to the announcement of a salary freeze, employer spokesmen said the State President's appeal for wage restraint in the private sector would be just one additional factor in the collective bargaining process.

Steel and Engineering Industries Federation of SA (Seifsa) director Brian Angus, in expressing approval of government initiatives on spending and privatisation, said employer attempts at wage restraint "would not make wage bargaining any easier".

However, inflation was a problem that had to be taken seriously, and wage restraint was an important factor in bringing it under control.

Federated Chamber of Industries (FCI) manpower committee chairman Bokkie Botha said he thought the appeal would be in the back of the minds of employers during wage negotiations, but he warned that if VAT was applied to the basic foodstuffs at present exempted from GST people would seek pay rises.

Botha said eight years ago there had been some response to calls for wage restraint, but then the black union movement was far weaker than today.

Chamber of Mines president Naas Steenkamp said the mining industry was pleased that the State President had come out firmly against notions of wage and price freezes.

SA's second-largest trade union federation, Nactu, has already said it will not respond favourably to any call for wage

## BUSINESS DAY REPORTERS

restraint. Cosatu could not be reached for comment.

In a restrained response to the civil service salary freeze, Public Servants' Association president Colin Cameron said the PSA supported the plan in principle, but would continue to seek salary improvements when necessary.

However, an angry Federal Council of Sats Staff Associations said it planned to apply for an urgent interdict aimed at setting aside or invalidating the wage freeze. The Federation is currently seeking legal advice on the matter, according to its president Dudley Henn.

Henn declared that Botha had finally over-stepped the mark by "illegally and dictatorially taking away our democratic right, laid down in law, to collectively bargain service and remuneration improvements with Sats management".

The federation has submitted demands for a "non-negotiable" 17% increase in salaries and wages for the nearly 200 000 Sats employees to Transport Minister Eli Louw.

Henn indicated yesterday that the unions which make up the federation were firmly resolved not to back down on the issue "as we have meekly done in the past", and warned that they might in the end have to take strike action.

The SA Nursing Association (Sana) said a pay freeze was unacceptable, and it warned of possible hospital ward closures. Education authorities expect resignations among teachers to rise rapidly in reaction to the freeze.

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Fresh investment promoted

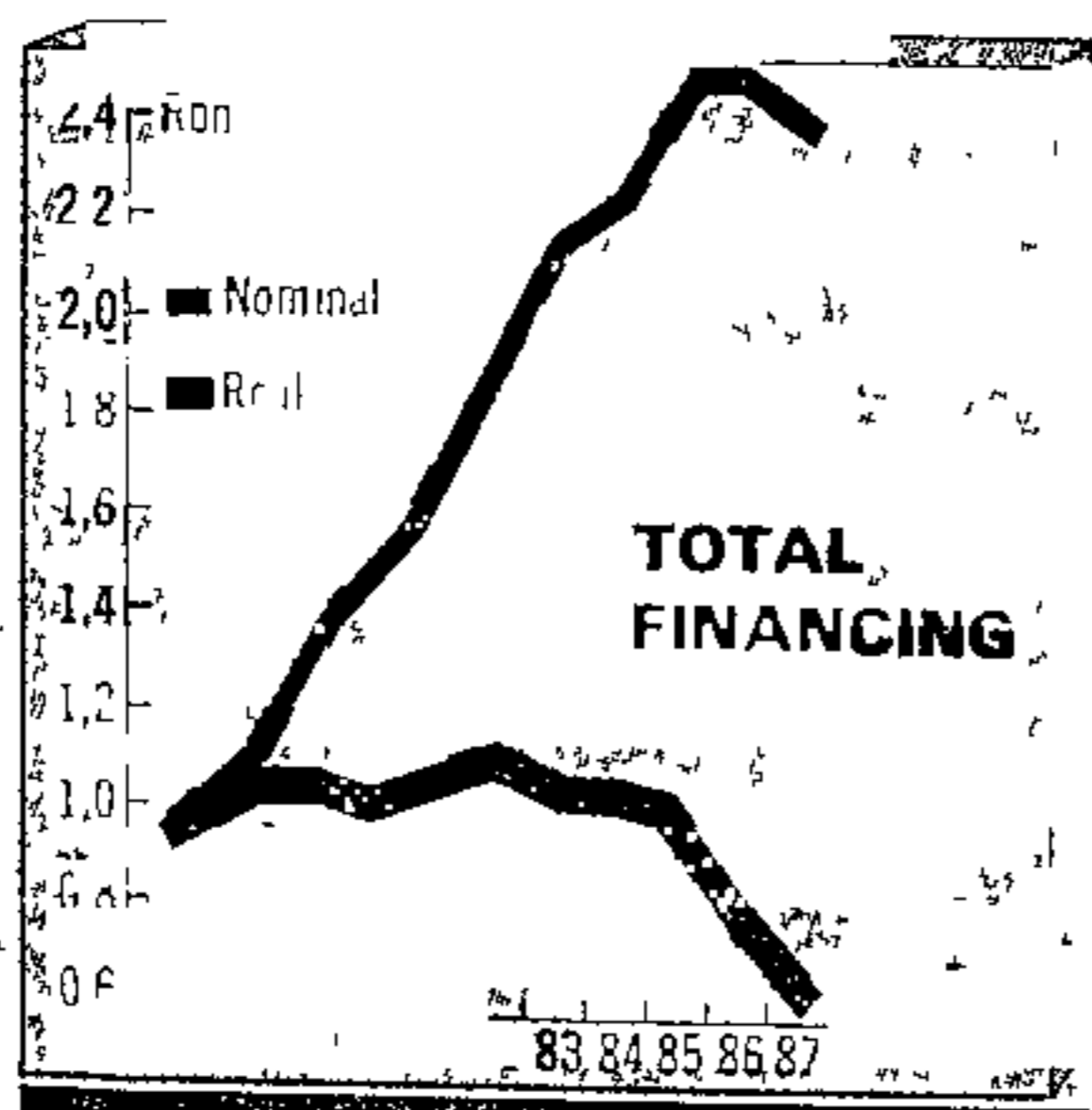
88/12/88  
20

# R1bn cash from IDC's interest plan

MICK COLLINS

THE Industrial Development Corporation's (IDC) weekend announcement of a new low (5%) interest scheme will mean a huge cash injection of about R1bn for industrial development over the next 10 months

Timed to coincide with President P W Botha's economic policy announcement, the IDC move will also help create 25 000 new jobs and put R300m at the



Source IDC Graphic JOHN McCANN

- State workers angry: P2
- What the package means: P4
- Why govt had to about-face: P4
- Privatisation frees R60bn: P5
- How VAT works: P11

disposal of medium-sized independent industrialists immediately.

IDC GM Carel van der Merwe says the scheme is aimed at promoting new investment directed at import replacement, exports and job creation

"Investment of R1 by the IDC normally means R3 in total. For every R1 we spend, you can expect another R2 to come from the private sector — banks and institutions will supply services such as working capital. While we provide some of the fixed assets, the balance that we cannot finance will also come from outside.

"We view this as a major step, especially with rising interest rates. Quite a few big loans application people, who have been hedging their bets in the past few weeks, will now come into the picture."

The scheme will be made available to

● To Page 2



## R1bn boost through IDC

independent industrialists or groups with total assets (fixed assets plus current assets) of up to R50m at the time of application.

It is intended primarily for new manufacturing projects that will create new or additional jobs and projects that will create new or additional capacity to generate sales of which at least 30% is directed towards import replacement or exports.

The IDC also emphasises that loans will be granted on the proviso that the applicant's funding structure is not unreasonably strained — not less than 30% owners' funds to total assets after the expansion.

Interest at 5% a year will apply for the first three years, provided 60% or more of the expected sales from the project will be directed towards import replacement and/or exports.



● From Page 1

After three years the borrower may choose between the IDC's then prevailing fixed or fluctuating interest rates, but at no time will the rate exceed 14%

In cases where less than 60% but more than 30% of new sales will be directed at exports or import replacement, half of the loan will be made available at the 5% scheme and the balance at normal IDC rates for the full term of the loan.

The scheme is intended to support the independent medium-sized manufacturers, as they are not in the same position as large industries to negotiate more favourable interest rates

"While there is a firm upswing in the economy, the IDC wants to do all it can to give further momentum to this trend," Van der Merwe says.

# Freeze bad news for hospitals, schools

Step 12/88

President P W Botha's announcement of a freeze on public service wages and posts has brought angry warnings that hospital wards will have to close and educational standards will drop.

South African Transport Services (Sats) workers have already announced that they will seek a court interdict to counter the wage freeze — and threaten to strike if they do not get the pay rises they want.

The president of the SA Nursing Association, Miss O H Muller, has predicted that the freeze will result in staff leaving State-run hospitals to go to private institutions.

This would mean that wards in State hospitals, especially in teaching hospitals, would have to be closed. Patients would have to shorten stays or move to private hospitals.

"We have been told that no new posts will be created," said Miss Muller. "The existing number of nursing posts is already inadequate, and nurses are over-extending themselves."

## DISGRUNTLED AND UNHAPPY STAFF

A Health Workers' Association spokesman said Mr Botha's announcement would create added tension in hospitals, and staff would become "more disgruntled and unhappy".

The 200 000-strong Federation of Sats Trade Unions has demanded a non-negotiable 17 percent pay increase.

The chairman of the Teachers' Federal Council, Mr Dudley Schroeder, said the proposals would bring unfair pressure on the maintenance and provision of quality education, and cause irreparable harm in the long term.

Professor Rod Conacher, president of the Transvaal Teachers' Association, has said he would support the need for a disciplined approach to salary increases in the public and private sectors — but only if they were consistent.

Mr Frank Tonyeni, president of the African Teachers' Association, said the move hit black teachers "below the belt".

Minister of Finance Barend du Plessis said on television last night that Mr Botha's economy package would demand sacrifices, but without them it would not be possible to curb State expenditure and inflation.

CMT Times 10/1/80

# Wage freeze will 'save R2,5bn', 250

Own Correspondent

PRETORIA. — The salary and wage freeze will save government departments and parastatal organizations more than R2,5bn in the new financial year, economists say.

According to Central Statistical Services' latest figures, in the third quarter last year 1,6m workers were paid just over R6bn — 17,2% more than in the first quarter of the year.

Included in the total are 233 212 local authority workers who earned R716 793m in the quarter

But they are not paid from government funds

It is pointed out that public sector staff associations and trade unions were confident of salary and wage hikes of at least 12% in the new financial year, against a background of what they claimed were increases ranging from 12% to 19% in the private sector

In the July-September period, according to CSS, 526 801 central government workers were paid R2 051,5m, 192 226 provincial administration workers R559m, 96 246 post-office employees R298,7m, and 190 100 Sats workers R802 328m

Central government general affairs wage and salary bill for the quarter was R1 325,9m, and own affairs departments R725 580m

<sup>10/2/88</sup>  
Apartheid is  
blamed for <sup>250</sup>  
wage freeze

The civil servant was paying for apartheid because measures like the wage freeze were a result of the multiplicity of departments created by this political ideology, said Mr John Malcomess, Progressive Federal Party Chief Whip.

Speaking during the no-confidence debate in the House of Assembly yesterday, Mr Malcomess said the economy needed the boost which deregulation and privatisation would create.

"But will it happen?"

In the past the State President, Mr P W Botha's promises had come to nothing," he said.

The present Parliament was dominated by whites, he said, citing the President's Council.

"The main purpose of the PC is to get through Bills which have been opposed in Parliament," Mr Malcomess said.



# Year's increase in govt spending tipped at 21%

CAPE TOWN — The extent to which the state has dipped into Treasury coffers to finance its spending over the past year is likely to emerge on Monday when Finance Minister Barend du Plessis presents his mini-Budget (Part Appropri-

CHRIS CAIRNCROSS

ation) to Parliament

Expectations are of expenditure reflecting a 21% increase against revenue increases of 12% to 13%

This suggests a deficit for the financial year of about R10,5bn and means Du Plessis will be coming to Parliament with a plea for additional borrowings of around R2bn to tide government over to the new financial year

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88/1/11

# Bribery charges to be probed

Stev 12/2/88  
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Political Correspondent

Deteriorating relations between the two largest parties in the House of Assembly have resulted in a flurry of motions involving prominent MPs, including Acting Speaker Mr Rex le Roux.

The National Party yesterday put machinery into motion to set up a parliamentary inquiry into remarks made by Conservative Party deputy leader Dr Ferdi Hartzenberg concerning alleged bribery by MPs and the State President's alleged knowledge of this.

The CP has given notice that it will move a proposal that the Assembly express its displeasure at the way Mr le Roux carried out his duties, and that it censure him for allegedly using the parliamentary seal to avoid paying postage on political literature.

The Leader of the House, Mr F W de Klerk, is to propose today appointing a committee to investigate the correctness of allegations quoted and made by Dr Hartzenberg that certain MPs were "probably guilty of bribery and attempted bribery".

Mr de Klerk said the select committee would form part of a joint committee and would also investigate Dr Hartzenberg's allegations about the State President's knowledge of the bribery charges.

# Wage curbs spell trouble for Pretorians

13/2/88  
ROY COKAYNE

Businesses in Pretoria are in for tough times in the next two years because of the Government-enforced wage and salary restraints imposed on the public sector.

In an address at a recent executive meeting of the Pretoria Afrikaanse Sakekamer, executive member and chairman of the Sakekamer's economics committee Mr Adam Jacobs pointed out that almost 60 percent of Pretoria's economically active population was employed in the public sector or by quasi-government corporations.

"All these people's salaries have been frozen or they will get very small increases. As a result, real living standards will decline in the year ahead and have a negative effect on trade because of the decline in the purchasing power of households," said Mr Jacobs, who also is an economist at Volkscas.

He pointed out that in terms of the 1980 population census, Pretoria's total economically active population comprised

- 35 percent employed by central government.
- 6,7 percent by the provincial administration.
- 2,7 percent by council authorities.
- 7,7 percent by SA Transport Services and the Post Office.
- 8,7 percent by public corporations such as Iscor.

"I don't believe these figures have changed markedly since then, so this means 57,4 percent of Pretoria's economically active population will be affected by the wage freeze," he said.

By contrast, Mr Jacobs said 34,5 percent of the total economically active population — including Pretoria — was employed in these sectors, and if Pretoria was excluded the percentage would be very much lower.

"What I have gathered from what Minister of Finance Mr Barend du Plessis said on television, employees on the lower scales will get increments while half the people on the maximum salary scale will not get an increment at all.

"Most of the occupational reclassification of jobs was completed during the past year and so my guesstimate is that they can't expect on average more than a 5 percent per capita salary increase," he said.

Mr Jacobs did not believe inflation would be much below 15 percent this year for a number of reasons.

Despite the production price index (PPI) — an early indicator of the trend of the consumer price index (CPI) — dropping to its lowest level in three years, Mr Jacobs said this was largely because of the drop in imported inflation.

# Govt, Sats union in pay freeze standoff

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CHRIS CAIRNCROSS

B/day  
16/2/88

CAPE TOWN — Government refused to back down yesterday in its first confrontation with a public-sector union over the recently announced wage freeze.

However, Transport Minister Eli Louw agreed to appoint a conciliation board to hear out the wage dispute officially declared by the 200 000-member Sats Federation of Trade Unions.

This followed Louw's failure yesterday to persuade the federation not to press ahead with demands for a 17% wage increase, and accede to the directive issued by President P W Botha imposing a partial wage freeze.

Federation chairman Dudley Henn said Louw had indicated that he could not comply with the wage demand in that his hands had been tied by the policy directive issued by Botha.

The conciliation board, consisting of 10 members, five representing the unions and five representing Sats management will be appointed this week.

Henn said if the outcome of the board's deliberations was not to the federation's satisfaction, they had the right in terms of the law to call for the appointment of a one-man commission to adjudicate on the dispute.

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Govt starts to pull in horns

# First sign of spending discipline

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B/day  
16/2/88

**THE RATE** of increase in government spending has taken its first sharp dip this fiscal year, pulling total spending figures closer to last year's Budget estimate.

Government spending for the first 10 months of the fiscal year — as published in the latest Government Gazette — now totals R38,05bn, 18,7% higher compared with the same period the previous year, and more in line with Finance Minister Barend du Plessis predicted increase for the year of 16,2%.

It follows an increase in the year to the end of December of 21,5% after increases ranging from a low of 19,3% to the end of August and a high of 21,54% to the end of November.

Finance director-general Chris Stals said last night: "This figure gives an indication of government's determination to apply discipline and get spending under control."

"As we said before, and few took us seriously, the figures for the year as a whole will not be as bad as many expected."

He said a figure for spending for 10 months gave some indication of the final outcome, but it was important to empha-

**GERALD PROSALENDIS**  
Financial Editor

size caution.

Stals said: "There are still two months to go before the year end"

"Next week we will provide details of the additional spending for the year in the Additional Appropriation Bill. This figure will not, however, be substantial."

Government spending in January of R3,772bn was actually marginally lower than the R3,775bn spent the previous January. In contrast, December's spending of R3,6bn was 18% higher than the R3,05bn in the same month the previous year.

In the previous fiscal year, spending for the month of January increased sharply by 42,7% mainly because government drew down a third of the R1bn budgeted for expenditure on Conditions of Service, which had remained largely untouched up until then.

Last month, however, spending in a number of areas was lower than the previous January, such as:

□ Conditions of service amounted to

● To Page 2



250  
B/day  
16/2/88

## First sign of spending discipline

- R30m (R346,4m),
- Bureau for Information R2,7m (R3,3m),
- Commission for Administration R8,5m (R10m),
- Development Planning R108m (R469m),
- Trade and Industry R60m (R128m)

Government revenue to the end of January stood at R30,35bn, 13,8% higher than the same period the previous year. In his Budget, Du Plessis anticipated revenue would increase by 12,6% to R38,4bn

Based on cumulative spending and revenue patterns for this year, econo-

mists had predicted a sharply higher deficit before borrowing than the budgeted R8,4bn, some even as high as R11bn. But if the present trend continues, the deficit could be lower than R10bn

Recently, Reserve Bank governor Gerhard de Kock warned "Some of the more extreme predictions recently made about the 'outrageous' size of government spending and the deficit in 1987/1988 and 1988/1989 can now be discarded"

← ● From Page 1

PARLIAMENT

150  
8/24/88

# R16bn needed for govt



• Du Plessis

**PARLIAMENT** — About R16bn was needed this year as bridging finance for government departments in terms of the Part Appropriation Bill, Finance Minister Barend du Plessis said yesterday.

Presenting the Bill to a joint sitting of the three houses, Du Plessis, who moved that it be read a second time, said all government institutions had to be enabled to meet their financial obligations from April 1 to the date of promulgation of the Appropriation Bill in July.

Before presenting the Bill, Du Plessis said in view of President P W Botha's recent speech at the opening of Parlia-

ment and the fact that the main Budget would be delivered in four weeks time, he did not think it appropriate to give the full analysis of SA's economy that was usual at this time.

His speech yesterday was, therefore, an administrative one.

The amount presented for authorisation included expenditure by the four provinces.

Du Plessis said funds appropriated by a Part Appropriation Bill could be utilised only for services where expenditure was authorised by an Appropriation Act during the preceding financial year, or where some other authorisation by an Act existed.

Du Plessis said this year's funds would be appropriated for a lesser period than last year when there was a general election for House of Assembly members.

As a result, the main Budget was finalised only late last year and funds had to be appropriated by the Part Appropriation Act of 1987 until the end of November.

This year it was necessary to appropriate funds only up to the end of July.

Du Plessis said as far as central government and the own affairs administrations were concerned, the amount now submitted for parliamentary approval was R11bn less than the R24bn

appropriated last year.

The amounts now required for the four provinces compared with the amounts reflected in the Part Appropriation Act of 1987, were:

- Transvaal R1,14bn (R2,10bn)
- Natal R600m (R800m)
- Free State R400m (R600m)
- Cape Province R860m (R1,60bn)

"Honourable members will understand that it would serve no purpose to use percentage differences to project the possible trend of the main Budget.

"This should be avoided as it would be mere speculation which could have deleterious effects in various spheres," Du Plessis said — Sapa.

HOUSE OF ASSEMBLY

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mind that specific guidelines for economising in a particular year can only be given once the final estimates are known

Although funds for education are limited the Department of Education and Culture is determined to maintain a high standard of education. However, for this the Department needs the support of everybody involved. It is also necessary to bear certain realities in mind:

- The funds available for education are limited
- A provincial education department must be administered with the amount allocated to it
- At every level of education, as is also true for other state departments and other viable undertakings, it is imperative that priorities be determined
- As all the education departments are free to determine their own priorities, it serves no purpose to lift out one aspect of an education department and compare it with a specific aspect of another education department

Cape Province	(a)	40,38%	(b)	52,31%
Natal		48,6%		46,8%
OFS		41,28%		56,03%
Transvaal		42%		52,8%
Head Office*		1,7%		7,9%

\*The vast majority of these candidates are enrolled at technical colleges and enter for a small number of subjects only

Mr D J N MALCOMESS Mr Speaker, may I address you on a point of order relating to your decision earlier in regard to the reply of the hon the Minister of Law and Order? On pages 80 to 82 of *Parliamentary Procedure in South Africa*, Kilpin discusses the issue of replies to questions. On page 74 of the *Manual for Presiding Officers* the following interpretation is given of the relevant section in Kilpin:

Mr Speaker is unable to lay down the form in

ment or to make unwarranted deductions on the grounds of such a comparison

● In future schools will to a certain extent be dependent upon the contributions of parent communities and other partners of education. However, nobody who cannot afford to contribute will be under any compulsion in this regard

Against this background I wish to thank most sincerely principals of schools, parents and school communities who accept these realities with understanding and who, together with all our other partners, maintain the highest possible standard of education in our schools

#### Std 10 examinations matriculation exemption

\*7 Mr K M ANDREW asked the Minister of Education and Culture

What percentage of pupils from schools falling under his Department who wrote the Std 10 examinations at the end of 1987 passed (a) with and (b) without matriculation exemption?

†The MINISTER OF EDUCATION AND CULTURE

	(a)	(b)
	52,31%	46,8%
	56,03%	52,8%
	7,9%	

†This information is not currently available

which a Minister should reply to a question, but a Minister is expected to confine himself to the points contained in the question and must not use offensive, unbecoming or critical language, nor may he debate the matter to which the question refers

May I therefore ask you, Sir, to reconsider your decision, after properly consulting Kilpin and perhaps May on parliamentary procedure

Mr SPEAKER I will have a look at the authority from which the hon member quoted and I will give him a decision at a later stage

### HOUSE OF ASSEMBLY

†Indicates translated version

For written reply

General Affairs

#### Unemployment Insurance Fund

25 Mr P G SOAL asked the Minister of Manpower

- (a) What was the total amount (i) paid into the Unemployment Insurance Fund in 1987 and (ii) paid out in benefits by the Fund in that year and (b) to how many (i) White, (ii) Coloured, (iii) Indian and (iv) Black applicants were benefits paid?

The MINISTER OF MANPOWER

(a) (i) R583 168 280

(ii) R388 274 527

- (b) The Unemployment Insurance Act, 1966, makes no distinction between the various population groups and consequently the Fund does not have separate figures available

NOTE The above-mentioned figures are provisional and subject to audit

#### Land and Agricultural Bank loans

82 Mr R J LORIMER asked the Minister of Finance

- (a) What was the total amount of loans granted to farmers by the Land and Agricultural Bank as at 31 December 1987 and (b) to how many farmers had these loans been granted?

The MINISTER OF FINANCE

(a) R2 661 009 735

(b) 40 432

#### Land and Agricultural Bank loans

83 Mr R J LORIMER asked the Minister of Finance

- (1) How many (a) Coloured (b) Indian and (c) Black farmers (i) applied for loans from and (ii) were granted loans by the Land and Agricultural Bank in 1987,

- (2) what was the total value of the loans so (a) applied for and (b) granted in respect of each of the above population groups in this year?

The MINISTER OF FINANCE

1(a)(i) (b)(i) (c)(i)

24 20 None

(a)(ii) (b)(ii) (c)(ii)

20 9 None

Coloured farmers

2(a) — R290 400

(b) — R217 400

Indian farmers

(a) — R1 845 000

(b) — R527 400

Black farmers

(a) — Nil

(b) — Nil

#### Land and Agricultural Bank: housing loans

84 Mr D J N MALCOMESS asked the Minister of Finance

- What total amount of money was on loan to employees of the Land and Agricultural Bank in the form of housing loans as at 31 December 1987?

The MINISTER OF FINANCE

R27 032 746,89

# R20-bn pensions row: More action coming

## Political Staff

THE Government has taken the first steps to rectify the R20-billion losses run up by the five public service pension funds

Further action would be taken once an actuarial study had been completed this year, the Minister of National Health, Dr Willie van Niekerk, said in an interview today

Immediate steps to be taken, as published by Dr van Niekerk in the Government Gazette yesterday, include

- Raising the minimum buy-back age from 16 to 18, and public servants will now have to compensate the pension funds in full for any buy-backs at an interest rate of 12 percent. This rate may be changed to conform with general interest rates

- The pension funds will be subjected to actuarial examinations every three years, with the actuarial reports going to the Director-General of National Health and Population Development

The Government has taken heavy flak

in recent years for allowing the public service pension funds to build up huge deficits, which the taxpayer was expected to have to make up eventually

A major cause of the problem was what was regarded as over-generous buy-back privileges and pay-out schemes

Dr van Niekerk said today he had announced in Parliament last year that steps would be taken to rectify the position, so what appeared in the Government Gazette yesterday was in fulfilment of that promise

' case: Three charges '

He said "Other steps will be coming. We will have an actuarial investigation this year, and depending on what is found, we will determine the next steps."

The Progressive Federal Party spokesman on finance, Mr Harry Schwarz, welcomed Dr van Niekerk's action

## TOO LOW

However, he said, the age limit of 18 for buy-back purposes was still too low.

Another aspect which appeared not to have been addressed was the practice of calculating public service pensions on final salary

Normal procedure in the private sector was to calculate pension over an average period of a few years to prevent people being given last-minute promotions to qualify for higher pensions, he said

The Conservative Party spokesman on finance, Mr Casper Uys, welcomed the moves to discipline the pension funds but he called on the Government to explain how it was going to recover the deficit of about R20-billion that had already been run up



Political Staff

**THE government is imposing private-sector disciplines on state pension funds, which are reported to be R20 billion in the red.**

The five state pension funds will in future have to exercise the same controls and disciplines that apply to private-sector pension schemes, according to a notice published in the Government Gazette by the Minister of Health, Dr Willie van Niekerk.

Dr Van Niekerk has ruled that the assets and liabilities of these funds will have to be subject to an actuarial evaluation every three years

The buy-back formula, which enabled civil servants to buy back pensionable service to the age of 16, has also been changed

**Buy-back age up**

The minimum buy-back age has been raised to 18 and state employees will have to compensate the pension funds in full for any buy-backs at an interest rate of 12%. The latter rate may be changed depending on general interest rates

Actuarial examinations every three years have been restored for the three main pension funds — the Government Service Fund, the Associated Institutions Fund and the Temporary Employees Fund. The examinations were scrapped in 1976 when it was decided that state pension funds did not need to be examined to see whether they were able to meet the commitments they had undertaken

The actuary will report to the director-general of the Department of National Health and Population Development who "if he certifies that there is a substantial surplus or a substantial deficit, may with the concurrence of the Minister of Finance, take such steps as he may deem necessary or expedient"

The costs of the actuarial evaluation will not be met by the pension funds but by money voted by Parliament unless the Minister of Finance decides otherwise. Parliament unless the Minister of Finance decides otherwise

The changes are embodied in amendments to the regulations imposed in terms of the Government Service Pension Act

They put into effect some of the promises made by Dr Van Niekerk in Parliament last September when the critical condition of the state pension funds first emerged after the results of one actuarial

From page 1

evaluation were published

Public criticism was also fuelled by the publicity given to the warnings from former Sanlam chairman Dr Andreas Wassenaar of the disastrous consequences if the government continued to ignore the deteriorating state of the funds and did not end the buy-back provisions.

"The buy-back provision was obviously the main culprit leading to these large deficits," said Mr Japie Visser, chief director in charge of pensions in the Department of National Health and Population Development.

He said that since these provisions were tightened up following Dr Van Niekerk's announcement on September 21 last year, there had been a "drastic" decline in applications from civil servants wanting to buy back service

"It is now no longer worth their while"

The managing director of Old Mutual, Mr Mike Levett, last night said it sounded as though the authorities were taking appropriate steps to rectify the situation, and as such the move should be welcomed.

To page 2

**NEWSPAPER ON PENSIONS**

ONE  
TWO

17/2/88

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ONE TWO 17/2/88

D/D 17/2/88  
**Botha told to freeze politicians' salaries**

JOHANNESBURG — The Housewives' League have asked the State President, Mr P W Botha, to show his sincerity — after appealing to South Africans "to tighten their belts" — by ensuring that all members of Parliament and the President's Council go without increases in salaries, pensions and allowances

The League said in a letter that the South African public must see a decrease in "the privileges of free travel, luxurious living and extravagant banquets".

"While we appreciate your call for South Africans to tighten their belts, we would remind you that the ball is in your court," the letter read

"For years we have been told to cut back because we are in a depression, but every year those in power have had more than generous increases

"If you are sincere in your appeal, we must have specific assurances that there will be no increase of salaries, allowances and pensions in the three Houses of Parliament and the Presidents' Council

"Privileges of free travel, luxurious living and extravagant banquets must be cut down — and we, as the public of South Africa, must see it," the League stated. — Sapa

D/D 17/2/88  
**Deadline for cycad permits imminent**

Daily Dispatch Reporter  
EAST LONDON — Permits for collecting cycads will not be granted after March 31, except for bona fide research purposes

The chief director of nature and environmental conservation in the Cape, Mr P J le Roux, said that following reports of extensive illegal removal of cycads in the Eastern Cape, all cycads were classified as endangered flora in May 1985

The classification was made in terms of a proc-

lamation by the Administrator of the Cape, Mr Gene Louw, which amended the Cape Nature and Environmental Conservation Ordinance

In terms of the amendment, the removal, sale, purchase, donation, receipt as donation, possession, transport, export and import of all cycad species are subject to a permit issued by the chief directorate of nature and environmental conservation

The ordinance makes provision with effect from October 9, 1987, for the registration of and granting of permits to persons who wish to sell cultivated endangered flora

In future people who wish to trade in endangered flora will have to qualify as growers of such flora

PRETORIA — Public sector worker representatives are to ask President P W Botha for assurance that he will revoke the salary freeze if it causes the gap between the public and private sector earnings to widen, sources say

The leaders of professional associations, Sats, post office unions, the Teachers' Federal Council and the Public Servants' Association (PSA) are due to meet Botha in Cape Town next Tuesday.

At a meeting of the executive of the PSA last week, a demand was made that a mechanism be set up to monitor pay hikes in the private sector.

It was decided new demands would be made if the private sector ignored the President's plea to moderate salary hikes

Federal Council of Sats Trade Unions chairman Dudley Henn said he welcomed next week's talks but it would not change the railway unions' resolve to declare a dispute with the administration

# Meeting on wage freeze

GERALD REILLY

Earlier in the week Transport Minister Eli Louw again rejected the Federation's demands for a 17% salary hike, because of the freeze directive from Botha

Sources said Botha's meeting with the public sector leaders was aimed at limiting the political damage which could result from the freeze and the anger and resentment it caused

The leaders are not likely to be mollified by arguments that the freeze is in the interests of the economy unless they get cast-iron assurances that a tight grip will be kept on prices and the extent of private sector pay hikes

● See Page 8

250  
17/2/88

# Funds for education are limited

Political Staff

The Minister of Education and Culture in the House of Assembly, Mr Piet Clase, has warned that the funds available for education are limited and that provincial education departments will have to stay within the amount allocated to it.

He said in a statement that specific amounts, based on pupils enrolments, were now allocated to provinces and it was no longer possible for a provincial education department to negotiate for additional funds.

It was therefore no longer possible to pay for the maintenance of sports facilities in the Cape.

Schools in the province did not pay for their full water and electricity accounts, Mr Clase said.

They were responsible only for the levies on water and electricity used for sports fields and swimming pools. The education department also paid for the telephone subscription and 90 percent of phone calls.

Guidelines for economising could be given once final estimates for a particular year were known.

Priorities would have to be determined and in future schools would, to a certain extent, be dependent on the contributions of parent communities and other partners of education.

Nobody who could not afford to contribute would be compelled to do so, the Minister added.

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# MPs 'must also tighten belts'

CAP: Tom P 18/2/88

Political Staff

MEMBERS of Parliament and all other political appointees are included in the government's wage clamp and will not be receiving salary increases this year

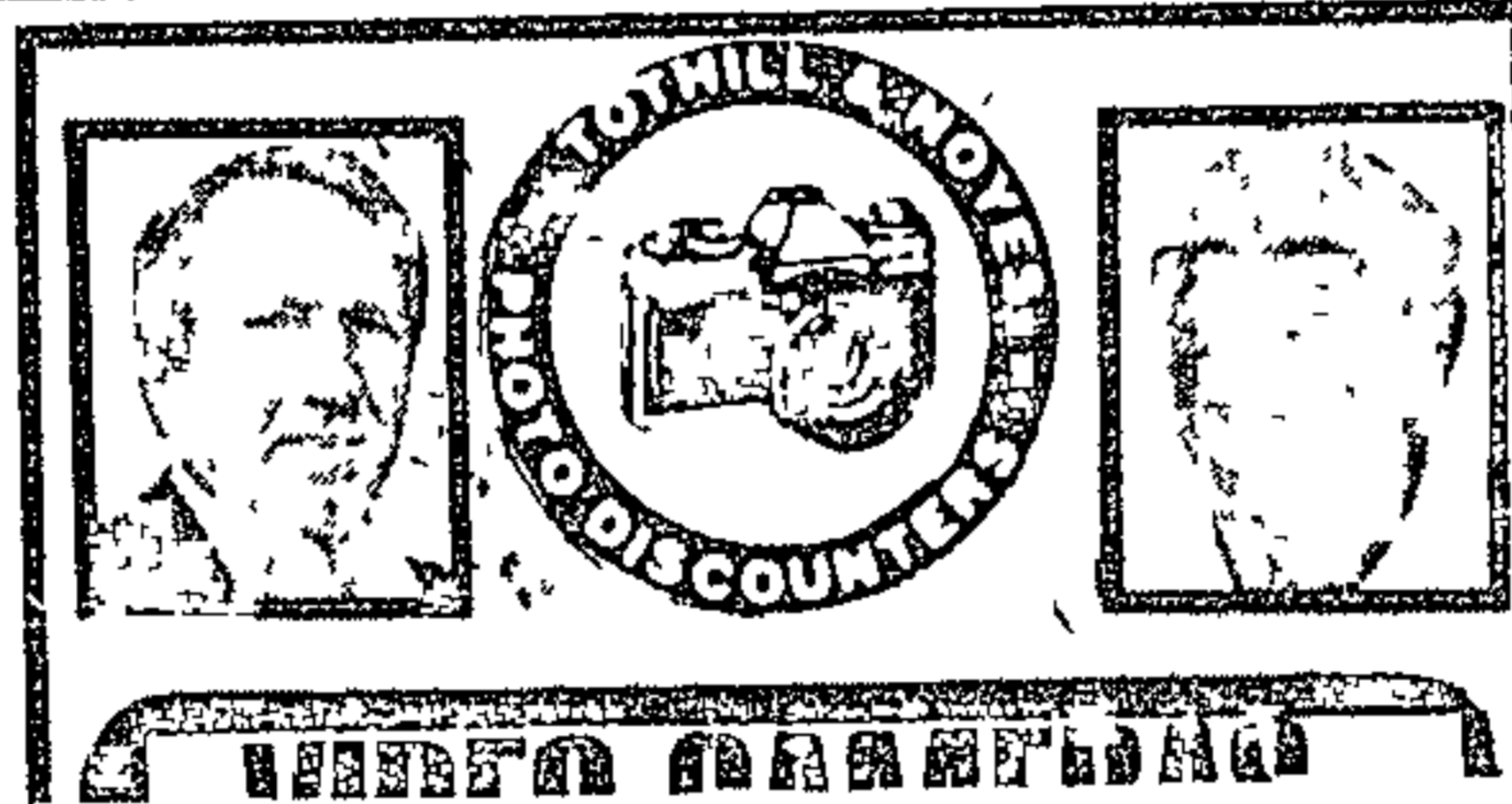
This was confirmed last night by a spokesman in the Office of the State President in response to inquiries about an appeal by the Housewives' League to Mr P W Botha for an assurance that MPs would have to tighten their belts just like all other South Africans

The League said in an open letter to Mr Botha that it could appreciate his appeal for all to tighten their belts but reminded him "the ball is in your court"

He should "show the way" by giving the assurance that MPs' salaries, allowances and pensions would also be pegged

Asked what consideration was being given to increasing MPs' salaries, Mr Botha's spokesman said "The reply given by the State President is that increases are not being considered"

Earlier this week it was announced that Mr Botha would soon meet leaders of civil service organizations and unions to discuss his anti-inflation campaign and the clamp on increases



teachers who were refusing to teach classes. "It is clearly my duty to draw to the attention of teachers concerned that their action is contrary to their conditions of service," he said

Mr De Beer said that before the back to school decision, a teacher stay-away was in effect at Peninsula schools

But the secretary of the Peninsula Teachers' Association (Penata), Mr Baassie Nikani, said he had not been present at Sizamile, 1 D Mkize, roads Number 3, Fezeka, Langa, two new comprehensive schools in Langa and Guguletu and secondary schools in Khayelitsha

Mr De Beer accused the teachers of betrayal, trust and breaching faith with parents, whose children were suffering as a result of their unsocial behaviour

He also disclosed that the deadline for parents to make representations for the late registration of their children had now been extended till Saturday

## Agreed to return

After this was conveyed to more than 150 teachers assembled at Ulundi Centre, the teachers agreed to return to school

However, they wanted Mr De Beer to address other grievances including the reduction of salaries and the banning of meetings depriving parents the opportunity to meet and discuss educational issues

Yesterday's meeting of teachers was initially banned by police, but was unbanned after Mr Ken Andrew made representations to the Minister of Law and Order, Mr Adriaan van der Merwe

Mr Andrew said he contacted Mr Sam de Beer after being told that Casspirs had surrounded the centre

In a statement later, Mr Andrew said Mr De Beer had attempted to present the authorities as being entirely reasonable in contrast to the non-professional behaviour of black teachers, but this is far from the truth

"We know that many students wanting to return after the original deadline were told to wait until next year," Mr Andrew said

# Govt decision on pension fund is welcomed by PSA

Pretoria Correspondent

The Government's decision to evaluate the public servants' pension fund every three years in an attempt to curb short-falls, has been welcomed by the Public Servants' Association (PSA)

The PSA also described the Government's steps to raise the minimum buy-back age from 16 to 18 as "acceptable". The practice of allowing employees to buy back service to the age of 16 has been blamed for large deficits in the fund

A PSA spokesman said the Government moves had been expected. The organisation had, in their representations to the Government, agreed that the moves would be viable in an attempt to curb any losses

He said the association was

not concerned with the deficit because annual expenditure for the 1986/1987 financial year on all benefits had amounted to 31,6 percent of the fund's actual income

The pension fund for public servants could never go bankrupt because of its backing by the State, he added

The PSA's main concern for the new financial year — which starts at the end of March — was to increase the widows' share of their husbands' pension from 50 to 75 percent

There was obviously dissatisfaction among widows of public servants who had a 50 percent share in their husbands' pensions, while widows involved in the transport and Post Office pension schemes received 80 percent and more

Star

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# Sats men in strike call

ADELE BALETA

A fresh call for strike action by more than 200 militant South African Transport Services (Sats) workers was made at a meeting in Kempton Park last night in response to the Government's freeze on transport workers' wages.

It was the fourth in a series of countrywide meetings called to report back on the Federation of Sats Trade Unions' meeting with the Transport Minister, Mr Ell Louw, and to assess members' reaction to the public sector wage freeze.

Federation chairman Mr Dudley Henn said the federation would adhere to whatever mandate it was given by members if Conciliation Board proceedings failed to secure the demand of a 17 percent increase.

"We are not prepared to become poor whites for volk and vaderland. We will make a stand," he said.

The federation's secretary general, Mr Abraham Koekemoer, said over the past 15 years transport workers had not received an increase to match inflation.

Mr Koekemoer appealed to members to stay within the law and to give the legal process a fair chance. "If we are not successful we will come back to you and ask what action we must take"

The crowd responded: "Strike, strike."

Mr Phillip Strauss, general secretary of operations of the staff union, said the public sector had been paying a heavy price for many years

"We have contact with our members, but does the State President have contact with his electorate?"

The 200 000-strong federation recently declared a wage dispute following unsuccessful talks

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Ray 23/2/88

**G**OVERNMENT'S freeze on wages and salaries in the public service is fast developing into a political hot potato. To any reader of an elementary economics textbook this would have been entirely predictable. What is not, however, is the final outcome.

While government refuses to back down on its decision not to grant a general increase in wages and salaries, and the public service digs in, the situation will be inherently unstable.

And as the pressure mounts, there exists the real danger that government may turn its jaw-boning into a fully-fledged incomes policy — drawing in the private sector — simply to avoid an ugly political showdown.

In public, officials are at pains to point out that, rather than being an incomes policy, the wage freeze is a measure to enforce fiscal discipline and that the rough guidelines for the private sector are just that.

But behind closed doors deputy Ministers are warning businessmen that if they do not apply self-restraint, government will do it for them.

**A**lready there is talk of government publishing notices detailing price increases, and by implication exhorting consumers to vote with their feet.

Has government's freeze on wages put us on the slippery slope to a formal incomes policy? What exactly does government want? Is it fighting inflation or its own level of spending?

All this has left the private sector thoroughly confused. On the one hand, organised business is becoming increasingly edgy about the implications for labour relations of restraining wages while turnover rises.

On the other, there is an uneasy feeling that, should business not reciprocate by issuing policy guidelines to employers in harmony with the State President's plan, government's policy could fail, ushering in a more formal approach.

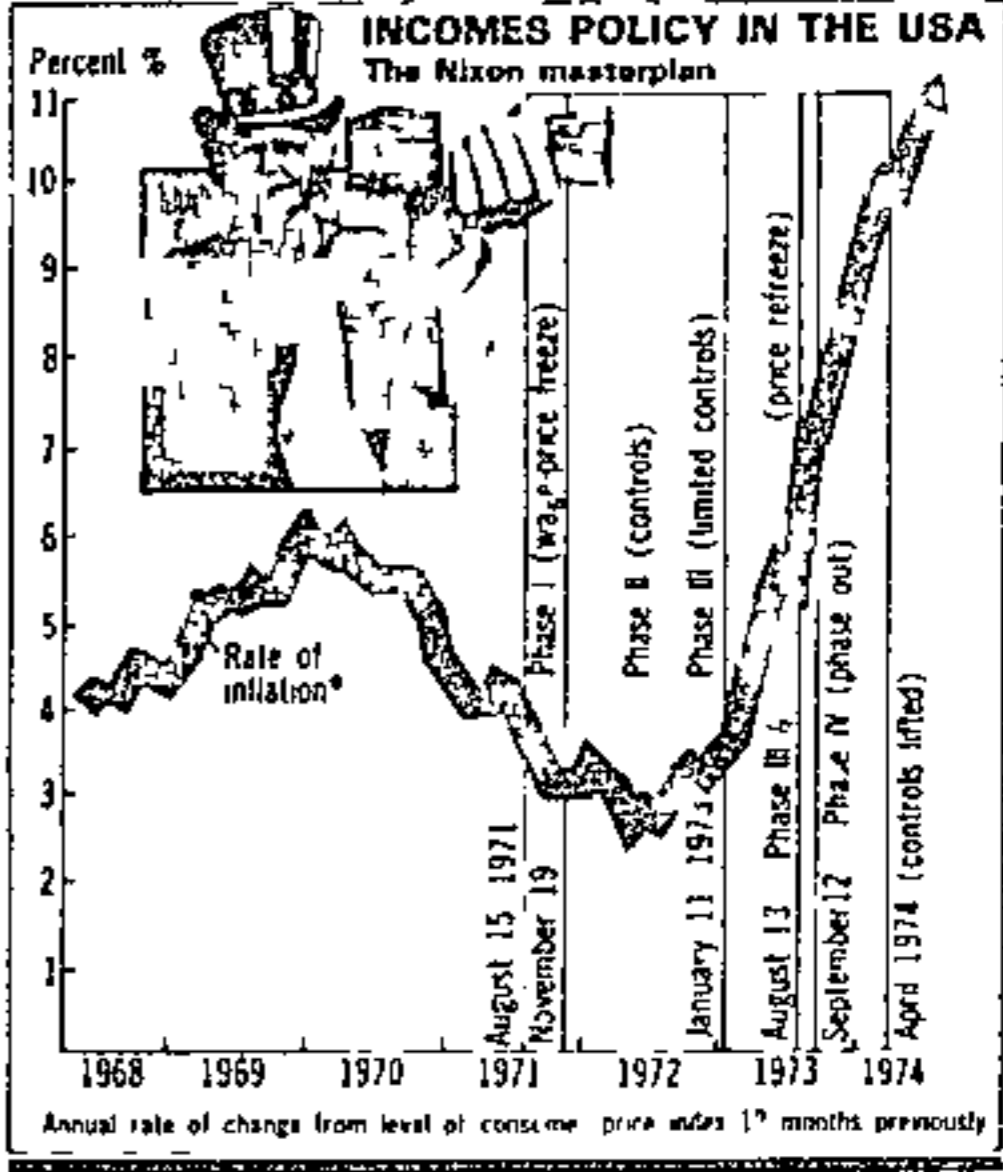
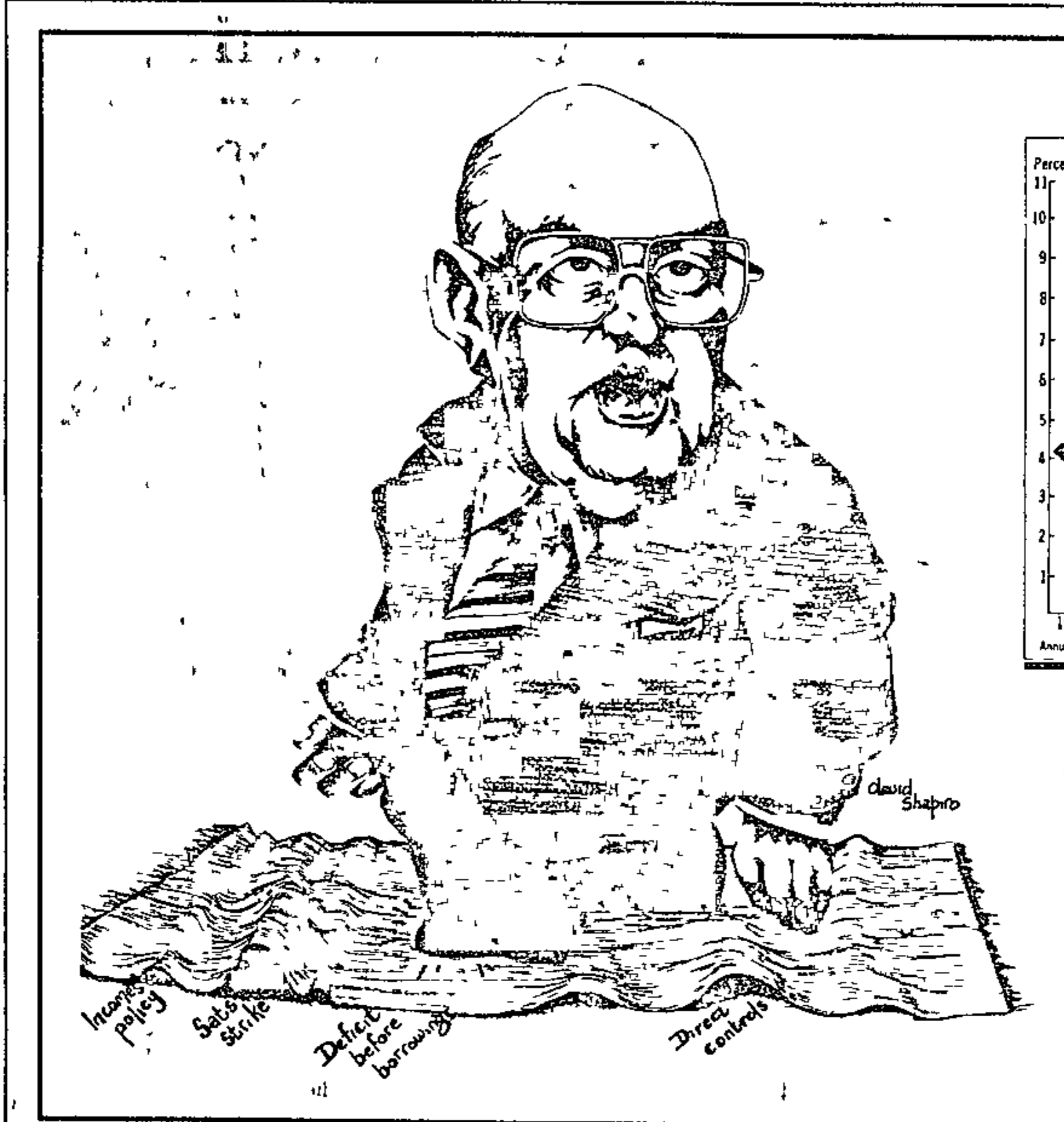
**A**t present, behind-the-scenes private sector activity is intense. Boardroom huddles and organised commerce are busy formulating their own guidelines and campaigns of moral suasion.

They will take their cue from yesterday's monetary targets and wage and tariff increases in this week's railways budget.

What is disturbing is that little is being said — in public, anyway — about the wisdom of a wage freeze in the first place.

A wage freeze could lead to a fully-fledged incomes policy. Both were rejected by the Economic Advisory Council's recent report on inflation. Both have been judged harshly by history as mere political window-dressing.

It was US President Richard Nixon who learnt the hard way



# Incomes policy? There is a better way

**GERALD PROSALENDIS/Financial Editor**

that abolishing inflation by edict merely hid the problem, it did not solve it. These policies have been rejected by US President Ronald Reagan and UK Prime Minister Margaret Thatcher.

For SA, both are inappropriate — and a waste of valuable management time. A freeze on wages, coupled with inflation, merely skews the distribution of wealth. And for a country that imports a large part of its GNP, a freeze on

prices, coupled with a depreciation of the currency, could lead to massive bankruptcies.

Once this realisation sinks in it could pave the way for even more interventionist economic policies, including attempts to fix the rand either by using up valuable reserves, rationing its availability or imposing strict import controls.

Controls beget controls. One could be forgiven for suspecting that this policy was foisted

on public servants in a fit of pique — that it was not thought through.

The result is that government is being driven into the invidious position of seeing its present "non-incomes policy" succeed, or else having to resort to the real thing.

Hopes for its success are being pinned to a lower rate of inflation and a March Budget which provides sufficient tax relief to offset the effects of an across-the-board wage freeze.

But as things stand there are three possibilities. Government wins, the public service wins or the private sector loses.

That this is not what government originally intended but has crept upon us inadvertently is irrelevant.

Yes, government's heart is in the right place — its commitment to fiscal restraint is correct. But for a policy to succeed it is essential that realistic targets are set so that they can be seen to be achieved.

What is needed is a rethink and a solution that is consistent with the needs of both the public and private sector.

There is another way. Rather than focus on wages and salaries of individual public servants, government should set a limit to growth in its total wage and salary bill.

**T**his will provide enough flexibility to reward those who deserve it, and will focus attention on the need to reduce the size of the public service.

For the private sector, perhaps an appeal to reduce its wage bill as a percentage of turnover would be more appropriate.

Both will have the effect of raising efficiency while allowing government to demonstrate its ability to balance the books.

This would merely reflect a revision of government's modus operandi, rather than a rescinding of its commitment or failure of its policy.

The success of any price and wages policy depends to a large extent on psychology and its effects and perceptions.

It can only work if it convinces the market that the underlying forces that have given rise to inflationary expectations in the first place can be subdued.

Given the past failures of these policies, is there any chance of this happening?



(1) Yes

(a) (i) On 7 February 1988

(ii) At approximately 19h05 in the prison hospital

(b) A post-mortem examination was conducted on 9 February 1988 at which a private medical doctor who was appointed by the family was present. The results are not yet known. Apparently the results of laboratory tests are awaited

(c) A sentence of 4 years imprisonment

(d) W Ndunjana

(2) According to the members who were on duty at that stage he was apparently short of breath. The question of whether it was an asthma attack will be answered by the results of the post-mortem examination

(3) He regularly received medication as prescribed by a medical practitioner and at the time he was treated by a registered nursing sister who consulted a medical practitioner telephonically in this regard

(4) Yes. His medical history was on record and available and he was under regular care of medical practitioners whose prescriptions were adhered to

(5) Yes in terms of the deconcentration policy whereby prisoners are transferred to other prisons to keep the population of all prisons as low as possible

**Bophuthatswana: secondment of personnel of SADF**

\*30 Prof N J J OLIVIER asked the Minister of Defence

(1) Whether any personnel attached to the South African Defence Force were on secondment to the Bophuthatswana Defence Force in February 1988, if so what specified personnel.

(2) whether any such personnel were (a) killed and (b) detained while on secondment if so (i) how many in each case and (ii) what were the circumstances surrounding these events

(3) whether the Defence Force has contemplated taking any steps to ensure the security of such personnel in the future, if not, why not, if so, what steps?

**The DEPUTY MINISTER OF DEFENCE**

(1) Yes, I, however, do not consider it of public interest to divulge this information, but am prepared to give it to the hon member in confidence

(2) (a) No

(b) Yes

(i) 7

(ii) Three members had been summoned to the Parliament Building where they were arrested and detained at the Independence Stadium in Mmabatho with the President of Bophuthatswana and members of his Cabinet. The other four members were apprehended at Malopo Base when they reported for duty

(3) As in any other independent country where RSA citizens serve, the safety of foreign nationals is the responsibility of the host government. Particulars about measures which have been instituted can, however, not be supplied, as this would reduce the effectiveness thereof

**Bophuthatswana munitions of SADF expended in February 1988**

\*31 Prof N J J OLIVIER asked the Minister of Defence

Whether the South African Defence Force expended any ammunition or other specified munitions in the Republic of Bophuthatswana in February 1988, if so, (a) on what dates, (b) what were the circumstances surrounding these events, (c) what types of munitions were expended and (d) what was the outcome of this action?

**The DEPUTY MINISTER OF DEFENCE**

Yes

(a) 10 February 1988 to 22 February 1988

(b) The hon member is referred to the statement made by the State President in this Parliament on 10 February 1988

(c) Five 5.56 mm rounds

(d) The rebels surrendered and the hostages were freed

**Bophuthatswana: troops of SADF deployed**

\*32 Prof N J J OLIVIER asked the Minister of Defence

(1) Whether any troops of the South African Defence Force were deployed in the Republic of Bophuthatswana on or about 10 February 1988, if so, (a) how many troops were deployed (b) under whose command did these troops fall and (c) what was the total cost of the operation.

(2) whether the Defence Force suffered any casualties during this operation, if so, what were the circumstances surrounding these casualties.

(3) whether he will make a statement on the matter?

**+The DEPUTY MINISTER OF DEFENCE**

(1) Yes

(a) and (b) It is not policy to divulge personnel strengths or names of personnel involved in operations

(c) As at 15 February 1988 the cost for fuel, rations, ammunition and salaries was R58 588,48

(2) No

(3) No

**Teachers' salaries: meetings**

\*33 Mr R M BURROWS asked the Minister of National Education

(1) Whether he or his Department has met with representatives of the organized teaching profession since October 1987 in connection with salary matters, if not, why not, if so, (a) on what dates, (b) with what organizations and (c) what was the outcome of the meetings.

(2) whether representatives of any other Government Departments were present at these meetings, if so, of which Departments.

(3) whether he has received documentation regarding a backlog in teachers' salaries at such meetings, if so.

(4) whether an evaluation of this documentation has been undertaken if not why not if so, what was the outcome of the evaluation.

(5) whether he will make a statement on the matter?

**The MINISTER OF NATIONAL EDUCATION**

(1) Yes

(a) Meetings were held on

3 December 1987

21 January 1988

4 February 1988

10 February 1988

22 February 1988

(b) These meetings have taken place with the Teachers' Federal Council

(c) Facts and points of view that have a bearing on the issue were noted by both parties. There is a need to continue the discussion. Further discussions with other components of the organized teaching profession have already been arranged or are in the process of being arranged

(2) Yes, the Department of Education and Culture (Administration House of Assembly)

(3) Yes

(4) Yes. A preliminary evaluation has been completed. The determination of the salary position of educators relative to other comparable occupational groups in the public sector has now been referred to CES/RECES for further investigation. This investigation will lead to final evaluation of this documentation

(5) No

Mr R M BURROWS Mr Speaker, arising out of the reply of the hon the Minister concerning the evaluation of the documentation received from the Teachers' Federal Council would he agree that the teaching profession is in a backlog position *vs* *a vs* the balance of the Public Service?

The MINISTER Mr Speaker I am in discussion now with the teaching profession in this regard. A committee on which they and all other interested parties serve, is considering the report which has been submitted to me and also the preliminary evaluation. It would be incorrect to start debating this now in public. We must give the interested parties the opportunity to use the machinery

*Handwritten signature*

which has been specially created for negotiation in this regard

**Teachers: general registration**

\*34 Mr R M BURROWS asked the Minister of National Education

- (1) Whether he or his Department has been involved in any discussions concerning the general registration of teachers, if not, why not, if so, (a) (i) with whom and (ii) on what dates were these discussions held and (b) what was the outcome in each case.
- (2) whether he or his Department has taken any steps to promote the general registration of all teachers under a single registering authority, if not, why not, if so, (a) what bodies or persons were involved and (c) what was the result
- (3) whether he will make a statement on the matter?

*Handwritten initials*

The MINISTER OF NATIONAL EDUCATION [Reply laid upon the Table with leave of House]

Since Question No 35 of 16 June 1987 the position is as follows

- (1) Yes
  - (a) (i) Committee of Education Ministers 3 August 1987
  - Teachers Federal Council 2 September 1987
  - Representatives of the Teachers' Federal Council and the Department of Education and Culture (House of Assembly) 14 September 1987
  - Teachers Association of South Africa 16 September 1987
  - Joint Committee of Education Ministers 6 November 1987
  - Teachers' Federal Council 3 December 1987
  - Teachers Federal Council 21 January 1988
- (b) The bodies in (a) support the establishment of a general registration body for teachers in principle
- (2) Yes

(a) and (b) A draft Bill was made available for comment to the Teachers' Federal Council, the Teachers' Association of South Africa, the African Teachers' Association of South Africa and the Union of Teachers' Associations of South Africa. The draft Bill was discussed with the Joint Committee of Education Ministers

- (c) The comments of the African Teachers' Association of South Africa and the Union of Teachers' Associations of South Africa are being awaited. The other bodies in (a) and (b) support the establishment of a general registration body for teachers in principle
- (3) No. Since the process of consultation has not yet been finalized further details are not being disclosed

**Own Affairs**

Principal of Winburg High School: meeting of MP announced on intercom

\*1 Mr A GERBER asked the Minister of Education and Culture ?

- (1) Whether the principal of a high school in the Orange Free State, the name of which has been furnished to the Minister's Department for the purposes of his reply, (a) gave information about a meeting of the local member of Parliament, (b) invited the pupils of certain classes to attend the meeting and (c) furnished information on where written invitations to the meeting could be collected, on or about 22 October 1987 by means of the school's intercom system, if so, (i) what is the name of the (aa) school and (bb) principal concerned, (ii) (aa) who requested the principal to give the above-mentioned information and (bb) of which political party is this person a member (iii) under the auspices of which political party was this meeting held and (iv) what are the further particulars of the case.
- (2) whether any action has been taken or is envisaged against the principal concerned, if not, why not, if so, (a) what action and (b) when
- (3) whether he will make a statement on the matter?

*Handwritten initials*

The MINISTER OF EDUCATION AND CULTURE

(1) (a), (b) and (c) yes,

- (i) (aa) Winburg High School
- (bb) Mr J A M Volschenk.

The matter is currently being investigated by the Director of Education OFS in accordance with the stipulations of the Ordinance

- (1) (ii) (aa), (1) (ii) (bb), (1) (iii) and (1) (iv) fall away,
- (2) (a) and (b) fall away,
- (3) yes, if necessary

\*Mr J H VAN DER MERWE Mr Speaker asking out of the hon the Minister's reply if it is a fact — and the hon the Minister admits it — that this principal made political propaganda, does he intend taking disciplinary steps against him?

\*The MINISTER Mr Speaker, if the hon member had only listened carefully to what I said, he would not have needed to waste the House's time. I did say that the matter is being investigated at the present moment, after which we shall, if necessary, make a statement. I cannot furnish further answers at the present moment

\*Mr J H VAN DER MERWE Mr Speaker further asking from the hon the Minister's reply, he admitted in his reply that the event about which the question was put, did take place. Political propaganda was therefore made over the intercom. Can he tell us whether it was made for the NP and whether he envisages any action being taken in that connection?

Principal of Laerskool Sanddrift: election agent for NP

\*2 Mr A GERBER asked the Minister of Education and Culture ?

- (1) Whether the principal of a school under the control of his Department, about whom particulars have been furnished to the Minister's Department for the purposes of his reply, acted as an election agent for a candidate of a political party during the general election for the House of Assembly in 1987, if so (a) (i) who is the principal concerned and (ii) to which school is he attached and (b) to which political party does this candidate belong,

*Handwritten initials*

(2) whether any action has been taken or is envisaged against the principal concerned, if not, why not, if so, (a) what action and (b) when,

(3) whether he will make a statement on the matter?

The MINISTER OF EDUCATION AND CULTURE

(1) Yes,

- (a) (i) Mr M H O Kloppers,
- (ii) Laerskool Sanddrift,
- (b) NP.

(2) the department is investigating this matter that has just come to its attention.

(3) Yes, if necessary

\*Mr J H VAN DER MERWE Mr Speaker, asking out of the hon the Minister's reply, I want to ask him what action he intends taking apart from that which he has already mentioned, because it is quite clear from the replies to Questions one and two that teachers are actively misusing their school careers for the NP

\*The MINISTER Mr Speaker I shall let my reply suffice, but I should like to add that people who live in glass houses should not throw stones [Interjections]

**Technikons: race quotas/restrictions**

\*3 Mr R M BURROWS asked the Minister of Education and Culture

- (1) Whether, with reference to his reply to Question No 3 on 2 September 1986 and Question No 7 on 16 June 1987, any amendment has been made since September 1986 or is intended to be made to the policy of race quotas or restrictions in regard to the admission of students to technikons, if not why not, if so, (a) what is the present policy regarding such admissions (b) when was the amendment made and (c) who participated in the decision to amend this policy.
- (2) whether he will make a statement on the matter?

The MINISTER OF EDUCATION AND CULTURE

(1) Yes

*Handwritten signature*

D/D 24/2/88

# Anger after PW stands firm on pay freeze

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Daily Dispatch Reporter

**EAST LONDON —** Railwaymen and teachers were in an angry mood yesterday after the State President, Mr P. W. Botha, made it clear that the government would not change its decision to freeze pay increases in the public sector.

Mr Botha held four separate meetings in Cape Town with the different civil service representative associations which lasted altogether about seven hours

Little was disclosed in a statement last night by President Botha's office about the substance of the discussions which it said were "open-hearted" and were held in "a friendly atmosphere"

However, two representative associations expressed their deep dissatisfaction with the talks

At a meeting in the city hall here last night, almost a thousand Sats workers called for the resignation of Mr Botha and the Minister of Transport Affairs, Mr Eli Louw

Members of the delegation from the Sats Federation of Staff Associations who attended the talks with Mr Botha told the meeting the discussions had been "futile"

The president of the federation, Mr Dudley Henn, said Mr Botha had agreed they deserved an increase, but said he was unable to give it to them

In the face of this, the federation had met Mr Louw and asked for the appointment of a conciliation board

The general secretary of the federation, Mr

June, they had lost out on the increase on their April bonuses and on two months salary, he said

Since 1982 the number of Sats employees had been cut from 280 000 to 193 000, which meant they were doing more work without receiving more pay

While Sats workers had asked for a 17 per cent increase, government officials had received far higher increases, he said

● The Teachers' Federal Council said in a statement it had been told by Mr Botha he would not revoke the salary freeze

The president of the TFC, Mr Dudley Schroeder, said the TFC was amazed at the course and result of the talks

He said the result of the interview showed clearly "it was merely an orchestrated occasion. The result had been pre-determined"

Although Mr Botha had conceded the teachers had a case, the standpoint of the profession was not judged on merit and was apparently not taken into account in Mr Botha's statement that he could not deviate from the freeze

Mr Schroeder said future action on the "unfair and unjustifiable" salary backlog as well as the result of the inter-

Abraham Koekemoer, said that if the conciliation board failed to resolve the issue satisfactorily, the federation would call for a commission and if this failed to produce satisfactory results, members would be asked for a mandate on what action to take next

Mr Koekemoer said action must be taken soon and if the issue was not resolved by April 1, any increase achieved through negotiations must be back-dated to this date

"We are not talking about Christmas next year or Christmas this year, or eight months time or even six months time, but April 1," he said to applause

Mr Henn said Sats workers were "tired of being shunted around"

"We have had no thanks for the sacrifices we made in the past," he said

In 1986, Sats workers were asked to cut their bonuses by a third

"President Botha promised then if we stood by him then he would stand by us in the future," Mr Henn said

Last year Sats employees asked for an increase of 15 per cent, but only received 12,5 and they were asked to wait until after the election for it. When they finally received it in

view with Mr Botha would be discussed at a special meeting of the TFC on March 3

A further phase of the council's strategy would possibly be announced at the end of the meeting

"The organised profession wants to record the strongest possible objection to the way in which the issue was handled. It will harm both education and the country in the short and long term"

The council favoured the fight against inflation and had told Mr Botha this. However, the council could not associate itself with measures which would perpetuate the salary backlog of teachers and destabilise education and which could not withstand the test of equal treatment

The president of Public Servants' Association, Dr Colin Cameron, said he had not expected any shift in the official attitude

"But we put our point of view and outlined the problems associated with public service earnings"

Dr Cameron said he would report back to the PSA management board meeting in Pretoria tonight and a statement would be issued later

See also page 3

# PW's 'friendly talks' anger workers

Political Staff

CAPE TOWN — The State President Mr P W Botha had a marathon session of what he later called "friendly and open-hearted" meetings with a vast range of public sector unions and associations yesterday to explain the Government freeze on general wage increases for public servants.

But representatives of teachers and South African Transport Services workers came away angry and frustrated.

He met bodies representing general public servants as well as SA Transport Services, nursing and teaching.

The Star's Education Reporter says Mr Botha yesterday told teachers that he would not de-

viate from his position on the pay freeze for public servants.

He talked for two hours to representatives of the Teachers' Federal Council (TFC), the Teachers' Association of South Africa (Tasa), the Union of Teachers' Associations of South Africa (Utasa) and the African Teachers' Association of South Africa (Atasa) at Tuynhuys.

In a statement afterwards, TFC president Mr Dudley Schroeder said the meeting was "merely an orchestrated occasion in the sense that the result had been predetermined".

He said that despite the fact that the President had granted that education had a case to put, the detailed and motivated standpoints of the teaching profession put forward "were not

judged on their merits and were apparently not taken into account".

The organised profession wishes to record the strongest possible objection to the way in which the matter was handled and which will harm both education and the country in the short and long term. The teaching profession disputes the Government's claims that it "really wants to maintain quality education in South Africa and that education is still a matter of priority," said Mr Schroeder.

Following unsuccessful talks with the President yesterday morning, members of the Federation of Trade Unions of South African Transport Services (Sats) unanimously called for Mr Botha's resignation at a

meeting in East London last night.

Almost a thousand angry Sats workers met in the city hall to discuss the pay freeze. Members of the 40-man delegation from the federation which met Mr Botha in Cape Town yesterday morning to discuss the President's call for a pay freeze for civil servants reported that the talks were "fruitless".

The president of the federation, Mr Dudley Henn, said Mr Botha agreed that they deserved an increase, but said he was unable to give it to them.

In the face of this, the federation met with the Minister of Transport Affairs, Mr Eli Louw, whose resignation local members also called for, and asked for the appointment of a conciliation board.

Dr Colin Cameron, president of the Public Servants Association, said the Government had not budged from its determination not to grant general increases.

"Our main message was that public servants are apprehensive about the prospects of the wage freeze succeeding in the private sector.

## THE WEATHER

17/28  
PETERSBURG  
20/27

17/29  
NELSPRUIT  
• PRETORIA

14/27  
JOHANNESBURG

18/25  
KIMBERLEY

16/25  
BLOEMFONTEIN

19/26  
LADYSMITH

## UN backs 'struggle'

GENEVA — The United Nations Human Rights Commission adopted a resolution yesterday backing armed struggle to eliminate apartheid in South Africa and demanded mandatory sanctions.

The United States, Britain and West Germany voted against the resolution, which was passed by 33 votes to three. Seven others abstained.

It also demanded that South Africa end its occupation of Namibia and pull its troops out of Angola. — Reuter.

SPERSEVA

250 250 250

BUSINESS DAY, Thursday, February 25 1988

3

GERALD REILLY

PRETORIA —  
The Federal Council of Sats trade unions will defy State President Botha's plea for an acceptance of the wage and salary freeze in the public sector.

## Sats unions defy freeze in salaries

At his meeting with the Federal Council in Cape Town on Tuesday, Botha appealed to Sats workers to set an example to the rest of the country and adhere to the government's freeze decision.

Council chairman Dudley Henn told Botha Sats workers could no longer carry on without increases to compensate for continually spiralling prices.

The council is to go ahead with its intention of contesting the freeze.

The conciliation board to be appointed to investigate the council's 17% claim is expected to meet early next month.

A council spokesman said the names of the council's five members had been submitted.

They included Henn, council secretary-general Abe Koekemoer and Artisan Staff Association secretary Willie van der Merwe.

Sats management has not yet nominated its five members.

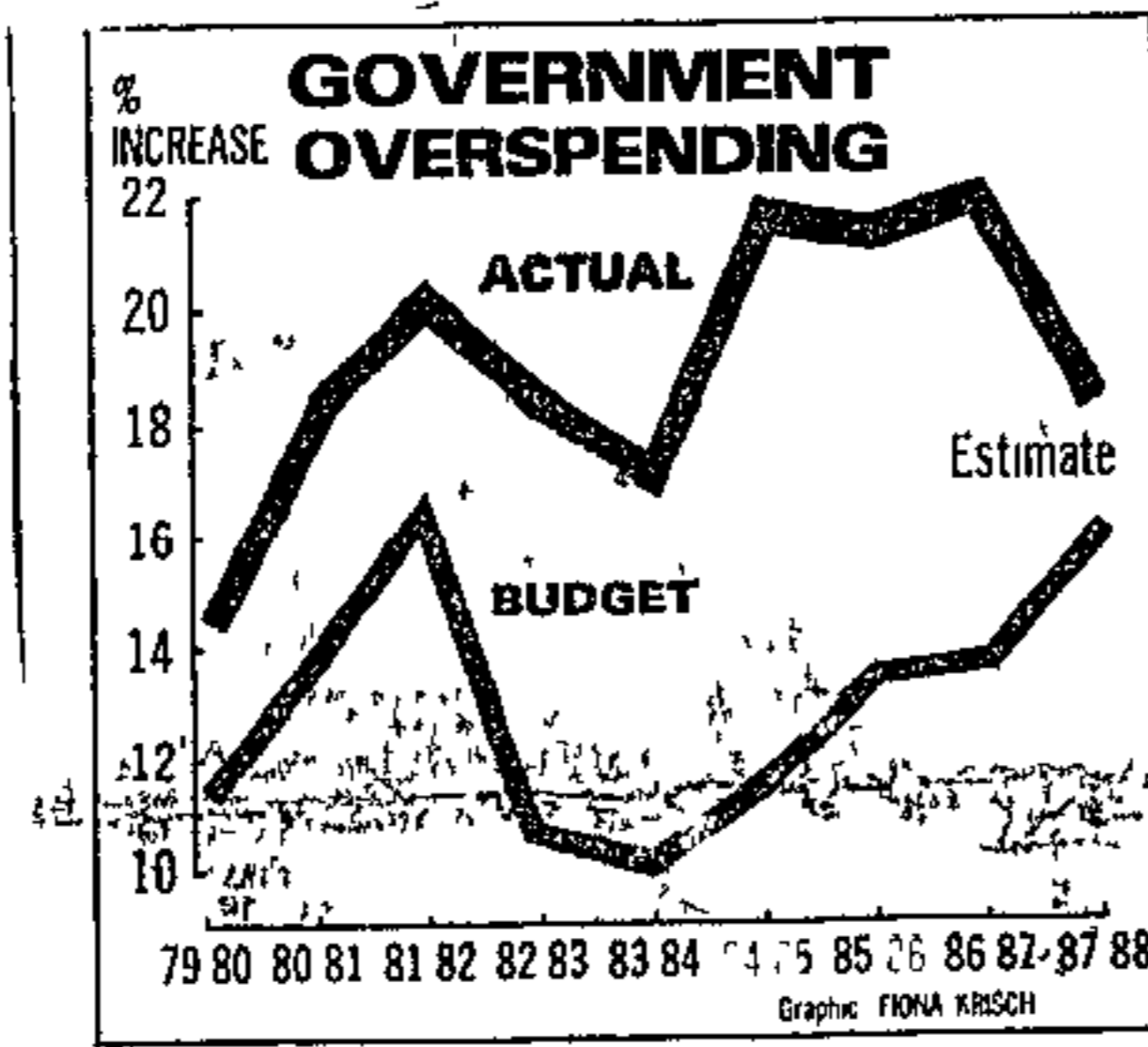
The conciliation board's deliberations are not expected to last more than one or two days.

If the board's recommendation is unacceptable to the council, an arbitrator will be appointed.

His finding will be final and has to be accepted by all sides.

Meanwhile, the series of protest meetings will continue.

Henn addressed a meeting of railwaymen in Port Elizabeth last night and will address a final meeting in Kimberly tomorrow night.



## Government to spend 18,9% more this year

GRETA STEYN

GOVERNMENT spending for the current fiscal year will be 18,9% higher than the previous year — lower than generally expected, but still higher than the 16,2% budget target.

This was disclosed by Finance Minister Barend du Plessis in his Additional Appropriation Bill yesterday. Du Plessis said overspending for the year was esti-

● To Page 2

## Spending up on budget target

mated at R968,4m — sharply down from last year's R2,8bn

Economists saw the announcement as a sign that government is serious about maintaining fiscal discipline. In the previous fiscal year, spending increased by 22,2% and overshot the budget by more than 8%.

Sanlam economist Johan Louw said he had expected government to need R1,1bn to balance its books. "The figures lend credibility to government's promises of fiscal restraint."

Government's lack of credibility was obvious when one looked at the high level of capital market interest rates, he

said "But the latest signs of fiscal discipline could ease the pressure on long-term rates."

Volkscas's Adam Jacobs, pleasantly surprised by the figures, said he hoped government's control of state spending would lead to tax relief for individuals.

Nedbank economist Edward Osborn said the Minister was to be complimented "Especially in view of extraordinary claims on the state made by floods and drought."

● See Page 6

← ● From Page 1

*[Handwritten scribble]*

Escom  
move to  
D.10 25/2/88  
privatise  
*(24)*

JOHANNESBURG — Eskom is setting up study groups to explore privatisation options, the state corporation said.

The chairman, Dr John Maree, said preliminary discussions had led to numerous agenda items which would be explored in detail during the months ahead.

“Our first priority is to develop an overall strategy and to this end opinions are being sought from various sources. Other people will be approached as specific questions need to be addressed.

“Individuals will be asked to serve as consultants in their private capacities where Eskom does not have the necessary expertise. Areas to be covered include legal aspects, options regarding the structure of a privatised Eskom and the implications that privatisation could have on Eskom’s financing” — Sapa



50 minutes

# Wage freeze: Govt won't budge

STATE President P W Botha had a marathon session of meetings with a vast range of public sector unions and associations on Tuesday to explain the Government freeze on general wage increases for public servants.

He met bodies representing general public servants as well as specific occupations such as SA Transport Services, nursing and teaching

President Botha said the seven-hour series of talks had been "open-hearted and friendly"

Dr Colin Cameron, president of the public servants association, said that the Government had not budged from its determination not to grant general increases

## Message

"We did not expect them to do that. But we welcomed the opportunity to meet the State President face-to-face to present our views"

Dr Cameron said the PSA told President Botha that public servants were "disappointed but not resentful" about the freeze

"But our main message was that public servants are apprehensive about the prospects of the wage freeze succeeding in the private sector

"We recognise the need to combat inflation and we are prepared to play our part as long as we are not alone"

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61	62	63	64	65	66	67	68	69	70
71	72	73	74	75	76	77	78	79	80
81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100



government's freeze on wages and salaries in the public service is fast developing into a political hot potato. To any leader of an elementary economics textbook this would have been entirely predictable. What is not, however, is the final outcome.

While government refuses to back down on its decision not to grant a general increase in wages and salaries, and the public service digs in, the situation will be inherently unstable.

And as the pressure mounts, there exists the real danger that government may turn its jaw-boning into a fully-fledged incomes policy — drawing in the private sector — simply to avoid an ugly political showdown.

In public, officials are at pains to point out that, rather than being an incomes policy, the wage freeze is a measure to enforce fiscal discipline and that the rough guidelines for the private sector are just that. But behind closed doors deputy Ministers are warning business-men that if they do not apply self-restraint, government will do it for them.

Already there is talk of government publishing notices detailing price increases, and by implication, exhorting consumers to vote with their feet.

Has government's freeze on wages put us on the slippery slope to a formal incomes policy? What exactly does government want? Is it fighting inflation or its own level of spending?

All this has left the private sector thoroughly confused. On the one hand, organised business is becoming increasingly edgy about the implications for labour relations of restraining wages while turnover rises.

On the other, there is an uneasy feeling that, should business not reciprocate by issuing policy guidelines to employers in harmony with the State President's plan, government's policy could fail, ushering in a more formal approach.

At present, behind-the-scenes private sector activity is intense. Boardroom huddles and organised commerce are busy formulating their own guidelines and campaigns of moral suasion.

What is disturbing is that little is being said — the Typewriter, Durban, Pretoria, Cape.

# Incomes policy?

DR 25/988 There is a better way

## Gerald Prosalendis: Johannesburg

In public, anyway — about the wisdom of a wage freeze in the first place.

A wage freeze could lead to a fully-fledged incomes policy. Both were rejected by the Economic Advisory Council's recent report on inflation. Both have been judged harshly by history as mere political window-dressing.

It was US President Richard Nixon who learnt the hard way that abolishing inflation by edict merely hid the problem, it did not solve it. These policies have been rejected by US President Ronald Reagan and UK Prime Minister Margaret Thatcher.

For SA, both are inappropriate — and a boiler-makers, Springs, Empangeni, excluding and Nelspruit; eralminers, Kromen; stry in South

waste of valuable management time. A freeze on wages, coupled with inflation, merely skews the distribution of wealth. And for a country that imports a large part of its GNP, a freeze on prices, coupled with a depreciation of the currency, could lead to massive bankruptcies.

Once this realisation sinks in it could pave the way for even more interventionist economic policies, including attempts to fix the rand either by using up valuable reserves, rationing its availability or imposing strict import controls.

Controls begot controls. One could be forgiven for suspecting that this is in Newcastle; in TOWN; appropriate — and a

policy was foisted on public servants in a fit of pique — that it was not thought through.

The result is that government is being driven into the invidious position of seeing its present "non-incomes policy" succeed, or else having to resort to the real thing.

Hopes for its success are being pinned to a lower rate of inflation and a March Budget which provides sufficient tax relief to offset the effects of an across-the-board wage freeze.

But as things stand there are three possibilities. Government wins, the public service wins or the private sector loses.

That this is not what government originally intended but has created kings in the g in Parys and Warmbad;

## PRESIDENT BOTHA: his plan for a freeze on public service salaries is developing into a hot potato

upon us inadvertently is irrelevant.

Yes, government's heart is in the right place — its commitment to fiscal restraint is correct. But for a policy to succeed it is essential that realistic targets are set so that they can be seen to be achieved.

What is needed is a principal area of the Road, Stenburgh and the principal area of container industry, gh council area

This will provide enough flexibility to reward those who deserve it, and will focus attention on the need to reduce the size of the public service.

For the private sector, perhaps an appeal to reduce its wage bill as a percentage of turnover would be more appropriate.

Both will have the effect of raising efficiency while allowing government to demonstrate its ability to balance the books.

This would merely reflect a revision of government's modus operandi, rather than a re-evaluating of its commitment or failure of its policy.

The success of any price and wages policy depends to a large extent on psychology and its effects and perceptions.

It can only work if it convinces the market that the underlying forces that have given rise to inflationary expectations in the first place can be subdued. Rather than focus on wages and salaries of individual public servants, government should set a limit to growth in its total wage and salary bill.

tunzini, Eshowe,

# Govt out to limit spending

PARLIAMENT — Additional expenditure of R594,2m for 1987/88 now before Parliament for approval reflected the first fruits of government's determination to subject total spending to strong discipline, Finance Minister Barend du Plessis said yesterday

Du Plessis moved that the Additional Appropriation Bill be read for a second time at a joint sitting of Parliament

He said the quickening recovery of the economy meant it was unnecessary for government to do much more after the main Budget for 1987/88 by way of special stimulation of the economy

Care also had to be taken that government did not contribute too much, by way of exceptional additional expenditure, to the rising demand in the private sector

Although requests were received from departments during the year for large additional expenditures, these were strictly scrutinised and only absolutely necessary services were allowed

## Excess expenditure 57/88

Du Plessis said net excess expenditure for the year to March 31 were estimated at R968,4m after taking into account expected savings of R230m.

The fact that this amounted to only 2,1% of the estimated expenditure in the main Budget for the 1987/88 financial year, as against 5,3% in the previous year and an average of 5,8% in the three preceding years, was a cause for "much gratification"

Government had been criticised frequently in Parliament and elsewhere for what had been called its "grotesque" overspending.

Du Plessis said there were, however, economic and other circumstances which could not have been foreseen when the respective main budgets were drawn up and which necessitated additional expenditure.

Because of faster general cost and price increases, work-creation measures, unfavourable interest and exchange rates, as well as general reactionary conditions in the private sector, government found it necessary to incur additional expenditure to stimulate the economy.

The impact of government's determination to subject expenditures to strong discipline appeared clearly in the results achieved

President P W Botha emphasised in his speech at the opening of Parliament government intended, within a reasonable time, to bring the Budget back within reasonable limits — Sapa.

## Economists welcome fiscal discipline

# Govt estimates 2,1% excess expenditure

CRK/Tmf  
25/2/88  
250

By PATRICK CULL

SOUTH AFRICA'S estimated over-expenditure for the 1987/8 financial year was R968,4m or 2,1% of the main budget Finance Minister Barend du Plessis said yesterday

Delivering the Additional Appropriation, Du Plessis said that excess expenditure was only 2,1% against 5,3% in 1986/7, and an average of 5,9% in the three previous years was a "cause for much gratification"

The minister said that the economic recovery had developed increased momentum in 1987 and in the last quarter the gross domestic product grew at an annualized rate of about 4½%

### Growth rate

The growth rate for the 1987 calendar years was 2,6%

Du Plessis said total domestic expenditure in the final quarter of 1987 was some 9% above that in 1986

He said the growth in domestic expenditure had not only boosted local production but also led to a rise in imports and as a result the surplus on the current account of the balance of payments had shrunk from R7,2-bn in 1986 to some R6-bn last year

Du Plessis said the total net capital outflow from SA was R4,1-bn last year against R8,4-bn in 1986, while the recovery in the domestic economy had been accounted by a drop in the inflation rate

Du Plessis said one technical reason for the drop in the rate of excess expenditure in 1987/8 had been that the main budget had been presented in June rather than March allowing for more precise estimates

He said the impact of the government's determination to subject total government expenditure to strong discipline appeared very clearly in the results.

The minister said that the most im-

portant services requiring added expenditure were

● The Natal flood disaster amounting to R85,8m,

● Public order and security which required a further R50m mainly for logistical support and medical benefits, while the prison service needed an extra R30,7m,

● R80m for the Department of Transport mainly for black, Indian and coloured transport services,

● Improvement of service conditions amounting to R116,8,

● R58,8m for Mineral & Energy Affairs to assist certain gold mines and the Atomic Energy Corporation, and

● R79,6m for own affairs administrations

Greta Steyn reports that economists saw Du Plessis's announcement as a sign that government is serious about maintaining fiscal discipline In the previous fiscal year, spending increased by 22,2% and overshot the budget by more than 8%

### Fiscal restraint

Sanlam economist Johan Louw said he had expected government to need R1,1-bn to balance its books

"The figures lend credibility to government's promises of fiscal restraint"

Government's lack of credibility was obvious when one looked at the high level of capital market interest rates, he said

"But the latest signs of fiscal discipline could ease the pressure on long-term rates"

Volkscas's Adam Jacobs, pleasantly surprised by the figures, said he hoped government's control of State spending would lead to tax relief for individuals

Nedbank economist Edward Osborn said the minister was to be complimented "especially in view of extraordinary claims on the state made by floods and drought"

Dand eases

'Private sector likely to ignore freeze'

259 B/daw 26/2/88

# Public servants set to demand pay hike

PRETORIA — The Public Servants Association (PSA) will make immediate demands on government for salary hikes if the private sector ignores President P W Botha's plea for moderation in granting increases.

This was decided at a meeting of the PSA's management board here last night.

If the disparity in earnings continued to increase, the drain of professional and skilled workers from the service would quicken to the detriment of the whole country,

GERALD REILLY

PSA president Colin Cameron said after the meeting

Cameron said Botha was told by civil servants at a meeting on Tuesday that government workers were deeply distressed at the drastic resort to a salary freeze.

The PSA was sceptical that the move would succeed in curbing inflation. It could only work if it had the full support of the private sector.

It was known, Cameron said, the private sector had already granted substantial increases and this trend

was likely to continue for the rest of the year.

Cameron said the management board urgently requested government to monitor these increases closely and make the results known publicly.

The board resolved that government must, in co-operation with the PSA, put together an acceptable and effective system for negotiations on salary and service conditions.

Under current conditions, 'government was not obliged to consult the PSA before taking drastic actions such as the recent freeze

Government's legislative 'bulldozing' tactics criticised



# Copyright Bill still a worry

THE Copyright Amendment Bill, now passing through its final stages in Parliament, continues to attract the considerable concern of lawyers, patent attorneys in particular, who remain strongly critical at the way in which government has been seen to bulldoze the amendments through the legislative process.

Most vocal of the critics include the General Bar Council, Association of Law Societies, SA Institute of Patents and at least three engineering associations.

The main bone of contention is that the changes to the copyright legislation could have serious implications for SA industry, and yet the Parliamentary Standing Committee on Trade and Industry has consistently failed (or refused) to hear evidence from people who have a vital interest in the issue, despite requests for this to be done.

This includes the Statutory Advisory Committee on Copyright — set up specifically to guide government on these matters — which

CHRIS CAIRNCROSS

was not even canvassed to comment on the proposed amendments

A Johannesburg patents advocate, Chris Job, who was one of the many who submitted requests to given evidence to the standing committee, echoed the complaints of several others that the Bill was produced at the beginning of February without any notice being given to interested parties to present their comments on the amendments.

Although certain persons and parties are stated in the Bill to have been consulted, Job submitted that they only represented one limited point of view, without the opportunity of many others to present their case as well. In fact, the Bill has been whipped through Parliament without the benefit of any public debate taking place.

A considerable body of foreign as well as SA technology is currently protected in SA against unauthorised copying and pirating

by the existing Copyright Act. This will now be summarily removed when the Bill passes into law, Job observed

Another complaint is that the motivation presented by government for presenting the Bill has been misleading. Economic Affairs and Technology Deputy Minister Theo Alant, who has piloted the Bill through Parliament, has explained that its purpose was to counteract sanctions against SA, and to combat the increasing incidence of litigation

Peet de Pontes, chairman of the Parliamentary Standing Committee, denies that the amending legislation has been hurried through Parliament at all

He told Business Day the standing committee had received many representations supporting the changes to the Copyright Act which, he maintained, had been introduced to remove anomalies existing between patent legislation here and elsewhere. The committee had also decided that no purpose would be served in hearing further evidence

# Minister corrects auditor's report

HOUSE OF ASSEMBLY — Administration spent R15,9m of an allocated R16m on a special job creation programme, Budget and Welfare Minister Dawie de Villiers said yesterday.

He was responding to statements by Harry Schwarz (PFP Yeoville) on the allocation of funds for job creation and housing.

The report of the Auditor-General for general affairs in 1986/87, tabled in Parliament on February 11, said only R10,5m

was spent of the R16m allocated to the Administration: House of Assembly for the special job-creation programme.

It also said only R8,5m of the R17m for housing was spent.

In fact, R17,7m was spent.

The amount was not reflected in the AG's report because of delays in building, the allocation of funds over two financial years and the date of announcement of the allocation. — Sapa.

B/day 26/2/88.



People judge you by your image

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# Opposition slams MP's Trade post

ST  
28/2/88

By LESTER VENTER  
Political Correspondent

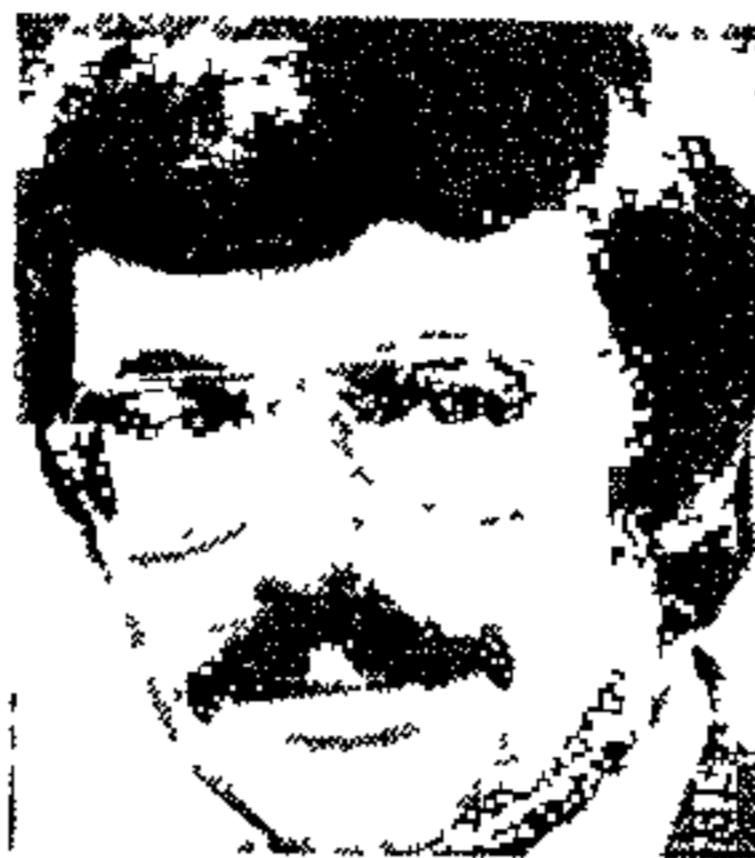
**B E L E A G U E R E D**  
National Party MP Peet de Pontes is under fire from the Opposition to resign his "sensitive" parliamentary job as chairman of the Standing Committee on Trade and Industry

He has been linked with the South African affairs of a man convicted for his role in an international drug smuggling ring

The Conservative Party spokesman on economic affairs, Mr Clive Derby-Lewis, said Mr de Pontes should be suspended from his chairmanship until the affair was cleared up

## Agreement

Mr Roger Hulley, PFP spokesman on economic affairs, said if questions currently on the official parliamentary question paper were not "satisfactorily" answered, Mr de Pontes should



**MP PEET DE PONTES**  
In the eye of a storm

stand down until they were Mr Derby-Lewis said Mr de Pontes should be suspended from heading up the Trade and Industry standing committee because "he has access to sensitive information from time to time"

He called on State President P W Botha to make a statement on the affair

"We would like Mr Botha to justify the circumstances in which Mr de Pontes went to see this man in prison in Switzerland, and how citizenship in the Ciskei was ar-

ranged for him'

Mr Hulley said "I'm not at all satisfied he can claim he was acting bona fide as an attorney"

The public trust was at stake, he said, and "there are some very big question marks".

The Cape leader of the NP, Mr Chris Heunis, said enquiries about Mr de Pontes should be made with the NP's Cape secretary, Mr Sakkie Pretorius. But Mr Pretorius, in turn, said questions should be directed to Mr Heunis

Mr de Pontes was in East London at the weekend and could not be contacted at his home or business for comment

He allegedly has talked to Mr Botha about the growing scandal and the NP apparently has decided to "sit the storm out"

Mr Michael Nel, chairman of the district council of East London City, Mr de Pontes's constituency, said the council would wait for the results of the police investigation currently under way before it acted

The man at the centre of the scandal, Vito Roberto Palazzolo, is back in a Swiss prison serving the remainder of his sentence. He fled from the low-security institution after being visited there by Mr de Pontes and East London Mayor Robert de Lange in 1986

Mr de Pontes and Mr de Lange allegedly helped Palazzolo to enter South Africa and become a resident of Ciskei. He later became a business partner of Mr de Pontes

The Ciskei Government announced yesterday it would revoke Palazzolo's residence permit only after he was given an opportunity to testify in his own behalf

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## Unionist calls for protest

AN international trade union leader has called on the labour movement worldwide to engage in anti-apartheid demonstrations in protest at last week's bannings

This was contained in a resolution released in Johannesburg yesterday by Mr Dan Gallin, secretary-general of the two million-strong International Food and Allied Workers' Associations (IUF) <sup>250</sup>

The resolution called on IUF affiliates "and the general labour movement worldwide," to "demonstrate their active solidarity with the South African labour movement in its hour of greatest need" <sup>29/2/88</sup>

Speaking from a Johannesburg hotel, Mr Gallin (57) said the resolution aimed at increasing international anti-apartheid sanctions

He said "There isn't a single international labour organisation in the world today that does not favour economic sanctions against apartheid. What the government has just done may push the level of emotion in the world over the threshold" <sup>29/2/88</sup>



250

# Trouble forecast over wage freeze

GERALD REILLY

PRETORIA — There's trouble ahead for government unless it leans more heavily on the private sector to curb price rises and big pay hikes, sources said.

A swift and angry reaction from state department and Sats workers is certain if it cannot be clearly shown before mid-year that the private sector is co-operating.

Sats's 200 000 workers, particularly, are in a rebellious mood and are defiantly calling for strike action, although this is outlawed by legislation.

The Consumer Council said at the weekend that if the private sector was not prepared to discipline itself, government should activate a monitoring operation to see to what extent the State Presidents' plea for moderation was being heeded.

Neither the Public Servants' Association nor the federal council of Sats trade unions had any faith that commerce and industry would voluntarily hold back on price rises, a spokesman said.

They believed, too, that fear of clashes with trade unions and threats of strikes and work disruptions would eliminate the possibility of granting only limited salary and wage increases.



B/day 29/2/88

**The MINISTER OF AGRICULTURE**

- (a) R1 255 000 for the twelve months ending on 31 March 1987,
- (b) Opuntia species and Nasselle tuft-grass,
- (c) R989 000 and R266 000 respectively

Road transport operations - privatization  
221 Mr D J N MALCOMESS asked the Minister of Transport Affairs

Whether any South African Transport Services road transport operations were privatized in 1987, if so, (a) how many, (b) which specified road transport operations and (c) to whom was each sold?

**The MINISTER OF TRANSPORT AFFAIRS**

- No
- (a), (b), and (c) Fall away

**Public Service - employees**

269 Mr S S VAN DER MERWE asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

- (a) How many (i) Whites, (ii) Coloureds, (iii) Indians and (iv) Blacks were employed in the (aa) A Division and (bb) any other specified division of the Public Service, and (b) what total number of persons in each race group were there in the Public Service, as at the latest specified date for which figures are available?

**The MINISTER IN THE STATE PRESIDENT'S OFFICE ENTRUSTED WITH ADMINISTRATION AND BROADCASTING SERVICES**

Information in regard to persons in the Public Service, as defined in section 7(1) of the Public Service Act, 1984 (Act 111 of 1984), excluding the National Intelligence Service, as at 30 September 1987 is as follows

(a)	(aa)	(bb)	(i)	(ii)	(iii)	(iv)
A Division	79 375	6 020	4 030	2 631		
B Division	70 591	23 914	7 900	38 130		
Services	72 522	10 449	3 172	34 380		
Non-classified	4 267	27 476	1 619	114 963		
Whites	226 755					
Coloureds	67 859					
Indians	16 721					
Blacks	190 104					

**Own Affairs**

Primary/secondary schools: teacher/pupil ratio  
13 Mr R M BURROWS asked the Minister of Education and Culture

What teacher/pupil ratio was applicable in (a) primary and (b) secondary schools in (i) each of the provincial education departments and (ii) his Department as at the latest specified date for which figures are available?

**The MINISTER OF EDUCATION AND CULTURE**

	(a) primary	(b) secondary
Cape Province	1 20 9	1 16 0
Natal	1 21 2	1 16 4
OFS	1 22 5	1 16 1
Transvaal	1 22 6	1 17 1

(ii) falls away, no school in this sense falls under head office  
The above information is as on the 10th school-day of 1987

High/primary school teachers made redundant

14 Mr R M BURROWS asked the Minister of Education and Culture

- (1) Whether any (a) high and (b) primary school teachers employed by (i) his Department and (ii) each of the provincial education departments were made redundant in 1987, if so how many in each case,
- (2) whether any of these teachers were subsequently employed in another capacity within his Department, if so (a) how many and (b) in what capacity was each of these teachers employed in each province?

**The MINISTER OF EDUCATION AND CULTURE**

- (1) (i) Head Office\* 51 234
- (ii) Cape Natal 18 11
- OFS 19 in (a) and (b) together,
- Transvaal 19 in (a) and (b) together,
- (2) no, (a) and (b) fall away

\*Head Office does not employ any teachers in a teaching capacity

**Average expenditure per type of school**

15 Mr R M BURROWS asked the Minister of Education and Culture

What was the average expenditure, excluding expenditure of a capital nature, per type of school falling under the control of his Department in 1987?

**The MINISTER OF EDUCATION AND CULTURE**

- (a) Ordinary schools R809 477
- (b) Schools and centres for special education R1 428 853

Primary/secondary schools: pupils enrolled

16 Mr R M BURROWS asked the Minister of Education and Culture

What total number of pupils enrolled in 1988 in (a) primary and (b) secondary schools in each specified region of each education department falling under the control of his Department?

**The MINISTER OF EDUCATION AND CULTURE**

	(a) primary	(b) secondary
Natal	55 360	44 806
OFS	42 946	31 355
Transvaal	40 176	20 284
Southern Transvaal	39 016	32 285
Central Rand	37 927	23 922
Eastern Transvaal	24 921	19 913
Western Transvaal	44 876	29 940
East Rand	32 943	21 670
West Rand	17 993	12 783
Far Northern Transvaal	52 866	39 501
Northern Transvaal		

Cape information in respect of 1988 is not yet available

**School hostels: vacant places**

17 Mr R M BURROWS asked the Minister of Education and Culture

What was the total number of vacant places in school hostels for (a) male and (b) female pupils at schools falling under the control of his Department as at the latest specified date for which information is available?

**The MINISTER OF EDUCATION AND CULTURE**

	(a)	(b)
Cape	4 741	as at 1987-12-31
Natal	1 030	as at 1987-02-01
OFS	1 316	as at 1987-05-20
Transvaal	5 656	as at 1988-02-23
Cape	4 328	as at 1987-12-31
Natal	644	as at 1988-02-01
OFS	1 173	as at 1987-05-20
Transvaal	4 778	as at 1988-02-23

**School buildings constructed**

18 Mr R M BURROWS asked the Minister of Education and Culture

(a) How many school buildings were constructed or caused to be constructed by his Department in 1987 and (b) what was the average capital cost of constructing these buildings?

**The MINISTER OF EDUCATION AND CULTURE**

	(a) Number of schools	(b) Average cost
Cape	—	—
Natal	3	R2 575 229 00
OFS	4	R4 630 600 00
Transvaal	—	—

**Black students at universities for Whites**

20 Mr R M BURROWS asked the Minister of Education and Culture

(a) How many foreign Black students were enrolled at universities for Whites in the Republic as at the latest specified date for which figures are available (b) what was the country of origin of each such student

D/D 1/3/88

## Extra <sup>250</sup> funds for Houses

CAPE TOWN — Bills for the additional appropriation of funds for the financial year ending on March 31, 1988 were yesterday tabled in all three Houses of Parliament

The additional amounts were

House of Assembly, R121 645 000, House of Delegates, R34 594 000, House of Representatives, R141 000 000

The House of Assembly estimate includes an additional amount of R64 795 000, to be spent on Education and Culture

Approval was needed for the additional expenditure for the House of Representatives the Minister of Local Government, Housing and Agriculture, Mr David Curry, said

The additional amount for the House of Delegates, added to the original estimate, gave a total of R794 516 000 — Sapa

discussed with the lecturers. Some staff members have already been appointed to other posts.

- (2) no, negotiations regarding the utilization of the buildings are still taking place,
- (3) yes, but it was decided not to make the buildings and facilities available for this purpose,
- (4) no

**Black employees: promotion**

\*10 Mr M J ELLIS asked the Minister of Agriculture and Water Supply

- (a) What is the policy of his Department with regard to the promotion of Black employees and (b) what is the highest level to which Black employees can be promoted?

*NS*  
\*The DEPUTY MINISTER OF AGRICULTURE

- (a) Promotion of Black employees in the Department is effected according to the approved rank structure for General Assistants Grades I to III in the Public Service. Promotions are considered according to merit, proven work achievements and skills
- (b) The highest rank is that of General Assistant Grade III

\*11 Mr K M ANDREW asked the Minister of Education and Culture

With reference to his reply to Question No 6 on 16 February 1988, when were the schools advised of specific changes in the financial assistance that they would receive in respect of (a) 1987 and (b) 1988?

**The MINISTER OF EDUCATION AND CULTURE**

- (a) The maintenance of sports fields 14 April 1987
- the requests to effect savings textbooks 15 January 1987
- consumable items 14 April 1987
- water electricity and telephone 18 May 1987
- (b) 100% on water and electricity in respect of sporting facilities and 10% on telephone calls 15 January 1988

Mr K M ANDREW Mr Chairman, arising out of the reply of the hon the Minister and particularly in respect of 1987, how could he reasonably expect the schools to make the cutbacks that were requested when they were advised at such a late stage in their own budgeting processes?

\*The MINISTER Mr Chairman, the hon member's question is a reasonable one. One would like to do that earlier as far as possible. As far as 1987 is concerned, it was already stated by 1 April 1987. One must also understand that the budgeting process is such that it is only at a fairly late stage that finality is reached on the particular budgeted amounts that is allocated to the various Education Departments. For that reason planning cannot take place far in advance. As far as general savings is concerned, that is done in the time we find for it and also in the process of rationalization. As far as particular items are concerned, it can really only be done after we have been notified of the budgeted amount.

**College/school posts: structural/financial revisions**

\*12 Mr R M BURROWS asked the Minister of Education and Culture

- (1) Whether his Department has undertaken structural and/or financial revisions of college/school posts under its control, if so, (a) what was the total cost of these revisions and (b) when were they implemented
- (2) whether provision was made for the extension of salary parity to women in Post Level 1 if so (a) in what qualification categories has parity been achieved, (b) what is the annualized cost of such parity and (c) when is it anticipated that parity will be extended to all qualification categories in Post Level 1,
- (3) whether in the creation of new promotion posts for the college school sector a date for the final introduction of such posts has been given, if so (a) what date and (b) for what reason
- (4) whether back-pay is to be paid in respect of newly created promotion posts if so, (a) retrospectively to what date (b) for what reason and (c) on whose decision
- (5) whether an increase in salary was paid to

under-qualified teachers, if so, to which qualification categories,

- (6) whether he will make a statement on the matter?

**The MINISTER OF EDUCATION AND CULTURE**

(1) Yes, revised post level ratio norms have been approved,

(a) the implementation of revised post level ratio norms has not yet been finalized and as a consequence the total expenditure is not yet available

(b) the posts will be filled retrospectively as from 1 November 1987,

(2) yes, (a) qualification categories E, F and G (b) R12.5 million, (c) it is the policy of the Department to extend parity to all qualification categories. Implementation depends on the availability of funds

(3) yes, (a) and (b) the posts were established on 1 November 1987 and the policy is to fill the posts with retrospective effect from that date, (4) yes (a) 1 November 1987, (b) and (c) in accordance with the above-mentioned policy,

(5) no, no underqualified teachers for whom salary improvements have been announced are employed by the Department, (6) no

**For written reply**

**General Affairs**

Jan Smuts Airport: improvement of terminal buildings

- 2 Mr P G SOAL asked the Minister of Transport Affairs
- (1) Whether, with reference to his reply to Question No 113 on 17 February 1987 funds have as yet been made available for

the improvement of the existing terminal buildings at Jan Smuts Airport, if not, why not, if so,

(2) whether tenders have been called for to carry out these improvements, if not, (a) why not and (b) when will tenders be called for, if so, (i) when, (ii) from whom were tenders received and (iii) what was the amount of each tender,

(3) whether any tender has been accepted, if not when is it anticipated that a decision will be taken in this regard, if so, (a) which tender and (b) when will work commence?

**The MINISTER OF TRANSPORT AFFAIRS**

(1) No as the approval of the Treasury Committee for Building Norms and Cost Limits, to whom the matter has now been referred, is still being awaited

(2) and (3) Fall away

Jan Smuts Airport: new control tower

3 Mr P G SOAL asked the Minister of Transport Affairs

- (1) Whether, with reference to his reply to Question No 984 on 5 June 1985, the new control tower for Jan Smuts Airport has as yet been completed, if not (a) why not and (b) when is it due to be completed, if so, on what date,
- (2) whether the mobile control tower is still in use at this airport, if not, (a) when was it closed and (b) what action has been taken in respect of the new runway,
- (3) whether he will make a statement on the matter?

**The MINISTER OF TRANSPORT AFFAIRS**

(1) No (a) The electrical systems must still be installed and (b) During August 1988

(2) No (a) 11 January 1988 and (b) It is temporarily out of use

Lugunva Secondary School  
(two)  
Crossroads No 3 Secondary  
School

(b) Yes

(1) 7

(ii) Masivle Secondary School  
Maliso Secondary School  
ID Makize Secondary School  
Crossroads No 3 Secondary  
School  
Fezeka Secondary School  
Langa Secondary School  
Sizamile Secondary School

Teachers retrenched

\*31 Mr K M ANDREW asked the Minister of Education and Development Aid

(1) Whether any qualified teachers employed by his Department were retrenched during the past 12 months if so (a) how many, (b) why in each case and (c) in which regions were they teaching when they were retrenched

(2) whether any qualified teachers employed on a temporary basis were not re-employed when they re-applied for their posts during the above period of 12 months if so (a) how many (b) why in each case and (c) in which regions were they teaching?

The DEPUTY MINISTER OF EDUCATION

(1) Yes

(a) Eleven (out of a total of 44 090)

(b) Two because of unprofessional conduct two because they submitted false information on their application documents one was dismissed due to inefficiency, absenteeism and lack of interest in his work and six had their probationary appointments terminated because of unsatisfactory service

(c) Natal Region and Highveld Region two

(2) Yes

(a) One

(b) The school committee and principal

HOUSE OF ASSEMBLY

concerned were not satisfied with the quality of his work during 1987

(c) Highveld Region

\*32 Mr M J ELLIS—Home Affairs [Reply standing over]

Black employees, promotion

\*33 Mr M J ELLIS asked the Minister of Agriculture

(a) What is the policy of his Department with regard to the promotion of Black employees and (b) what is the highest level to which Black employees can be promoted?

The MINISTER OF AGRICULTURE

(a) The Department of Agricultural Economics and Marketing follows the policy laid down in accordance with the provisions of the Public Service Act 1984 (Act 111 of 1984), with regard to the promotion of Black employees namely according to the relative merit, proven work achievements skills, level of training and in consideration of the suitability for the higher post within the rank structure determined for Black employees and

(b) to the highest level according to the post classification in the Public Service in terms of the said Act but with due observance of the qualifications required for the post concerned

Black employees, promotion

\*34 Mr M J ELLIS asked the Minister of Environment Affairs

(a) What is the policy of his Department with regard to the promotion of Black employees and (b) what is the highest level to which Black employees can be promoted?

The MINISTER OF ENVIRONMENT AFFAIRS

(a) The promotion of Black employees is based on relative merit level of training and suitability for the post

(b) Taking (a) into consideration there is no limitation to the level to which Black employees can be promoted

Own Affairs

Paarl Teachers' College reasons for closing

\*1 Mr A GERBER asked the Minister of Education and Culture

(1) What are the reasons for closing the Paarl Teachers' College,

(2) whether these reasons were discussed with the interested parties beforehand, if not why not, if so (a) when and (b) with whom,

(3) whether these reasons were accepted by the interested parties,

(4) whether he will make a statement on the matter?

The MINISTER OF EDUCATION AND CULTURE

(1) The College is being closed as part of the rationalization of teacher training necessitated by the decrease in pupil numbers,

(2) yes the reasons were discussed at meetings on 9 September 1986 11 June 1987 and 9 October 1987 with a delegation from the Regional Development Advisory Committee (Region A) (Western Cape) and also on 25 September 1987 and 9 October 1987 with a delegation from the Paarl Teachers' College

(3) an understanding for the necessity of rationalization was shown

(4) no

\*Mr A GERBER Mr Chairman arising out of the hon the Minister's reply can he tell us whether it was originally agreed that the teachers college in Wellington would close instead of the one in Paarl and whether he informed the hon member for Paarl about this informally?

The MINISTER The answer to that is no

\*Mr D J DALLING Mr Chairman further arising out of the hon the Minister's reply may I ask him to what use the buildings of the Paarl Teachers' Training College are going to be put now that they are no longer going to be used for teacher training?

The MINISTER Mr Chairman there is a question on the Question Paper in this regard and if the reply to that does not satisfy the hon member is at liberty to have a further question on that placed on the Question Paper

Paarl/Wellington Teachers' College: facilities offered

\*2 Mr A GERBER asked the Minister of Education and Culture

(1) What facilities offered at the Paarl Teachers' College are not offered at the Wellington Teachers' College,

(2) what facilities offered at the Wellington Teachers' College are not offered at the Paarl Teachers' College,

(3) whether certain facilities will have to be transferred from the Paarl Teachers' College to the Wellington Teachers' College after the former is closed, if so (a) what facilities and (b) what will be the cost involved

(4) whether the financial implications of transferring facilities were considered before the Paarl Teachers' College was closed if not why not?

The MINISTER OF EDUCATION AND CULTURE

(1) One handwork centre one swimming-pool two more rooms for tuition in Physical Education four more netball fields,

(2) music laboratory music theatre six more rooms for tuition in music hostel accommodation for 119 more students

(3) yes

(a) facilities for tuition in Woodwork and Metalwork

(b) R1 150 000

(4) yes

Rationalization of any type generates certain costs. These costs must be evaluated against the overhead saving brought about by the rationalization

Facilities that became redundant during the process of rationalization are utilized in every instance in the interests of the country

HOUSE OF ASSEMBLY

250

ACCUS 1/3/88 (250) ~~250~~

# Overspending 'caused by higher pay'

EFFORTS to close the wage gap without insisting on an increase in productivity was the main reason for Government overspending on the 1987/88 Budget, Mr Cas Uys (CP Barberton) said in the Assembly

Speaking in the second-reading debate on the Additional Appropriation Bill, he said the National Party would accuse him of being a racist

However, the fact remained that certain people were being paid increased salaries and wages in efforts to close the wage gap when they did not really earn the extra money

## Tightening belts

The stage was near when the wage gap would be closed but the question was how much longer white civil servants would have to continue "tightening their belts, and waiting still longer for increases while others catch up"

Mr Uys said the Conservative Party accepted that the Minister of Finance, Mr Barend du Plessis, was making genuine efforts to cut State expenditure, and wished him well.

"But we fear he has waited until it is too late. When we warned in the past, the honourable minister laughed at us and now, suddenly, we have this huge, desperate attempt (to cut expenditure)"

Mr Uys said the State President's opening speech to Parliament in which stringent economic measures were announced was an admission that mistakes had been made by the Government in the past few years

Mr du Plessis had made much in his second-reading speech of the percentage cut in Government overspending since 1984/85, from 7,3 percent of the main Budget to 1987/88 when it was only 2,1 percent, but in reality State expenditure continued to increase at more than the inflation rate

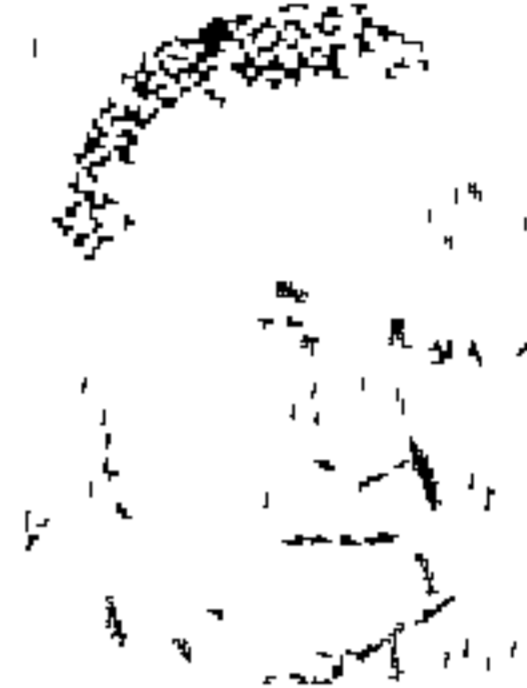
"The situation is that now we are paying the price for previous years of over-expenditure," Mr Uys said.

The CP could not give its unqualified support to the additional budget

Mr Keppies Heyns (NP Vasco) said there was much that was positive to be said about the budget, but that Mr Uys had neglected this and concentrated on the negative



Mr Uys



Mr Schwarz

The fact that over-expenditure as a percentage of the main Budget had been cut so much over a four-year cycle was evidence of an "unqualified success" by the Cabinet that deserved the praise of all

If the CP objected to the additional budget, it should point out where it would not have approved the extra expenditure for various Government departments.

The Government's overspending on its 1987/88 Budget had been better than previous years, but it was still not good, Mr Harry Schwarz (PFP Yeoville) told the House

He said that there were still important areas where there could be improvement

He had "very real concerns" about the financing of the additional appropriation. According to figures issued in December and January, revenue collected to December last year was 13,4 percent higher than for the comparable period in the previous financial year.

## State land

Expenditure on the other hand, was about 19 percent higher

With a greater increase in expenditure than in revenue collected, the deficit before borrowing would be higher and more money would have to be raised from other sources

The minister should say to what extent the deficit had already been financed

The sale of State land to finance the additional appropriation was not a healthy situation. These land sales had already exceeded the amount budgeted for by R3-million.

Once the "kitty" of land, a non-recurring resource, had been used up, there would be nothing left in reserve, Mr Schwarz said — Sapa

# Cabinet <sup>ST</sup> meets to ~~discuss~~ <sup>250</sup> discuss CP threat

□ From Page 1  
programme.

It is certain, however, that the Government will weigh very carefully the impact of specific reform measures against rightwing feelings.

The reaction of MP parliamentarians has led to fears in opposition ranks to the left of the Government that the Nationalists will speed up their encroachment on opposition territory.

PFP leader Colin Eglin told reporters there was a danger that some of his supporters, spurred by their fear of the CP, would be corralled by the NP.

But leaders of the soon-to-be-formed Independent Party of Dr Denis Worrall said there was "no chance" the CP could come to power.

Mr Keith Gurney, chairman of the IP steering committee, said IP calculations showed, however, that CP gains could force the NP into a coalition with groups to its left to maintain a parliamentary majority after the next general election which could come within 24 months.

Just how to attract support from the left, while fending off the threat from the right, will be the thorny task of NP strategists in the seven months leading up to October's nationwide elections for new local authorities.

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Mamelodi: investigation into deaths on 21 November 1985  
 89 Mr P G SOAL asked the Minister of Law and Order

- (1) Whether, with reference to his reply to Question No 268 on 8 September 1987, the further investigation by the South African Police into the deaths of persons killed in Mamelodi on 21 November 1985 has been completed if not, why not if so  
 (a) when (b) what were the findings and (c) what action has been taken as a result of this investigation
- (2) whether he will make a statement on the matter?

The MINISTER OF LAW AND ORDER

- (1) Yes  
 (a) 27 October 1987  
 (b) and (c) The Attorney-General instructed that an inquest should be held
- (2) No

Accident at Halt Road, Elsie's River member convicted  
 90 Mr P G SOAL asked the Minister of Law and Order

- (1) Whether with reference to his reply to Question No 5 on 28 July 1987 any departmental action has been taken against the member of the South African Police convicted of culpable homicide as a result of an accident in Halt Road Elsie's River on or about 19 August 1985 if not why not if so (a) what action and (b) when

The MINISTER OF FINANCE

(1) (a) and (b)	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88
(i) Wages and salaries	3 964 882	4 561 731	5 876 099	6 478 157	7 905 088	9 715 013
(ii) Bonuses	216 341	255 597	341 379	277 375	411 270	594 971
(iii) Housing subsidies	92 447	158 444	277 190	339 294	392 931	449 069
(iv) Contributions to medical schemes and funds	71 643	92 348	123 031	173 525	278 462	215 254
(v) Contributions to pension schemes and funds	701 170	764 084	998 134	1 132 011	1 552 090	1 842 701
(vi) Motor-car schemes	9 284	10 817	11 005	16 487	15 582	21 573
(vii) Leave and retirement gratuities	36 076	34 585	57 673	74 238	73 684	109 084

HOUSE OF ASSEMBLY

(2) whether he will make a statement on the matter?  
 The MINISTER OF LAW AND ORDER

- (1) No Because evidence could not be found that the member concerned made himself guilty of any contravention of the Police Act, 1958 (Act 7 of 1958), or the Regulations promulgated by virtue of the Act (a) and (b) Fall away
- (2) No

Treasury remuneration paid  
 304 Mr A E NOTHNAGEL asked the Minister of Finance

- (1) What total amount (a) was spent in each specified financial year from 1982-83 up to and including 1986-87 and (b) is it estimated will be spent in the 1987-88 financial year on (i) wages and salaries (ii) bonuses (iii) housing subsidies (iv) contributions to medical schemes and funds, (v) contributions to pension schemes and funds (vi) motor-car schemes (vii) leave and retirement gratuities and (viii) other forms of direct and indirect expenditure, in respect of persons whose remuneration is paid from the Treasury.
- (2) what percentage of the (a) total State revenue (b) total State expenditure and (c) gross domestic product does the total of the above-mentioned expenditure comprise in each of these financial years?

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(viii) Other forms of direct and indirect expenditure

	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88
TOTAL	5 340 057	6 165 085	8 029 629	8 875 574	11 007 546	13 421 682

(2)

	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88
(a) Total State Revenue	28.8%	28.9%	31.9%	28.7%	31.6%	33.5%
(b) Total State Expenditure	26.7%	26.2%	28.7%	26.1%	26.4%	27.9%
(c) Gross Domestic Product	6.5%	6.7%	7.4%	7.1%	7.5%	7.6%

Remark In terms of Resolution no 2 Second Report of the former Select Committee on Public Accounts 1981 (2), detailed information regarding spending is no longer submitted to the Treasury and is therefore not available at a central point. The only source from which the information can properly be obtained is the control pay sheets. In terms of Archive instructions these documents are kept for three years only, after which they are destroyed. Departments no longer have all the information at their disposal and calculations had to be made for the various items reflected in the question. Consequently the Treasury cannot unconditionally endorse the correctness of the information.

Sentenced prisoners deaths from natural causes  
 332 Mr D J DALLING asked the Minister of Justice

- (1) How many sentenced prisoners died of natural causes in 1987
- (2) how many of these deaths were due to pneumonia?

The MINISTER OF JUSTICE

(1) and (2) Of the one hundred and fifty (150) sentenced prisoners who died from natural causes during 1987 eighteen (18) died of pneumonia

Offences against security of State sentences served

335 Mr D J DALLING asked the Minister of Justice

How many (a) males and (b) females were serving sentences in 1987 for offences against the security of the State which exceeded (i) 10 years (ii) 5 years and (iii) 2 years?

The MINISTER OF JUSTICE

(a)	(i) 145	(ii) 95	(iii) 48
(b)	(i) 1	(ii) 7	(iii) 3

Crimes against security of State sentences served

346 Mr D J DALLING asked the Minister of Justice

How many (a) White (b) Coloured (c) Asian and (d) Black persons were serving sentences for crimes against the security of the State as at

HOUSE OF ASSEMBLY

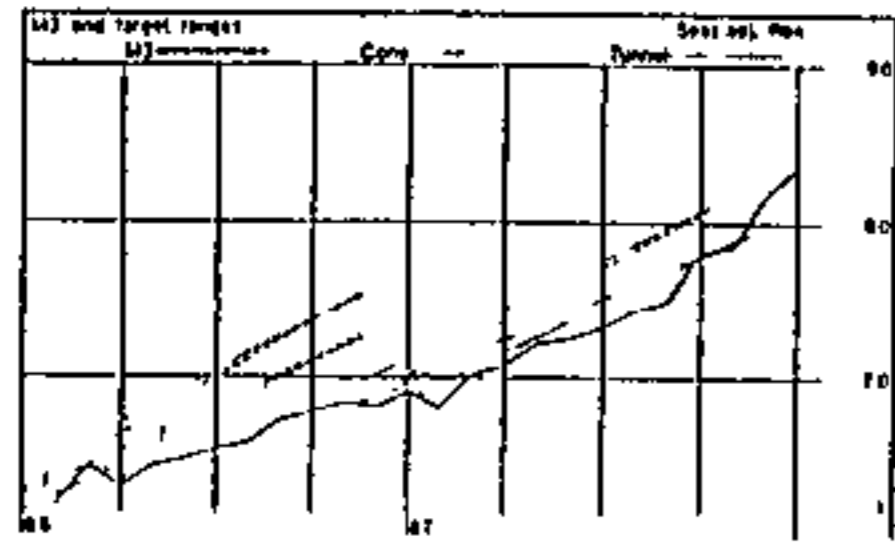
(250) 2300 William 4-14/3/88

# If we must freeze wages, let's freeze from the top

## BUSINESS BAROMETER

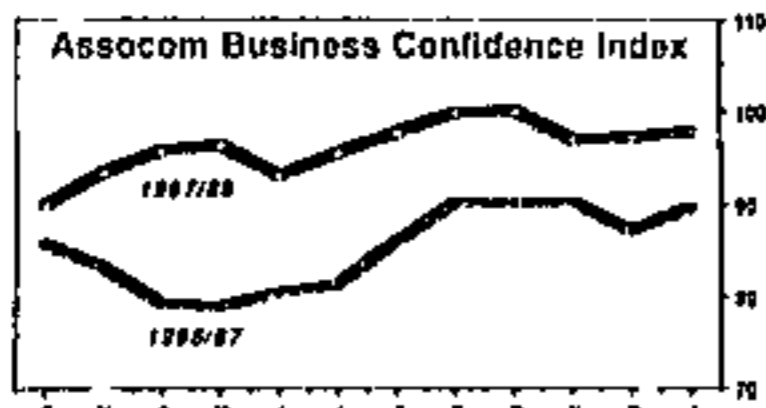
### GENERAL INDICATORS

Money supply accelerates



#### MONEY SUPPLY

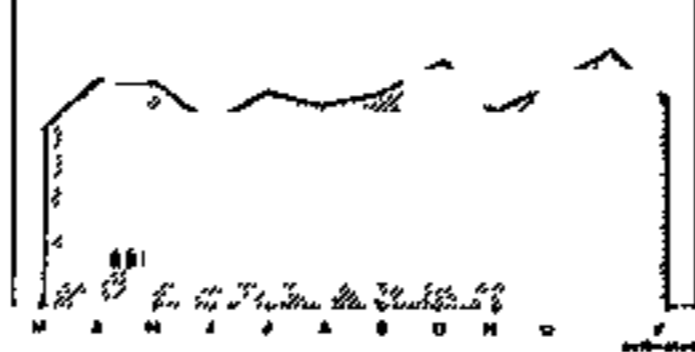
Money supply (M3) grew by 20.19 percent in the 12 months to January, following a 17.44 percent increase to December. These figures are above the Reserve Bank's 12 to 16 percent target range for money supply growth in 1988. They reflect increasing demand for credit from both consumers and investors. The Reserve Bank has brought its target range down from last year's 14 to 18 percent. Demand for credit for much of last year was so low that money supply growth was below the target. But as consumers and investors started to spend towards the end of last year, the amount of credit extended, and hence the money supply, grew faster. Now that economic growth has picked up, too fast an expansion of the money supply could be inflationary — hence the new targets.



#### BUSINESS CONFIDENCE INDEX

Assocom's business confidence index, which measures the movement of 15 economic indicators, registered a small increase to 98.1 in February, from 98 in January. According to Assocom, the business mood is responding to higher economic growth and lower inflation. While the economic upturn was until recently largely based on consumer demand and state spending, private fixed investment in manufacturing industry is now looking more positive. The state president's announcement of new economic measures also had a favourable impact on business sentiment, the association says. The economy is expected to grow by three percent this year but this level of activity may not be sustained into 1989.

Retail trade sales



#### TRADE CONDITIONS

Total retail trade sales for February are expected to be 17.2 percent higher than a year ago according to the Central Statistical Services. But in real terms this is an increase of only 0.6 percent. Wholesale trade sales (excluding diamonds) for January are expected to be 7.4 percent higher in real terms than in the same month last year.

### FINANCIAL INDICATORS

#### Johannesburg Stock Exchange Indices

JSE Indexes	1/3/88	WEEK AGO	% CHANGE
All Market Index	1518	1590	-4.5
All Gold Index	1212	1333	-9
Industrial Index	1429	1455	-1.8

#### Short-term interest rates

	1/3/88	WEEK AGO	YEAR AGO
Three month bankers acceptances	10.45%	10.3%	9%
Prime overdraft rate	13%	13%	12.5%

#### Gold Price

	2/1/88	WEEK AGO	% CHANGE
	428.40	434.40	-1.6

#### Selling price Major currencies against rand

	2/3/88	WEEK AGO	% CHANGE
US dollars	2,1210	2,0877	+1.6
Pounds Sterling	3,7499	3,6896	+1.6
Deutsche Mark	0,7992	0,8105	-1.4
Yen	61,00	61,61	-1
Swiss Franc	0,6603	0,6664	-0.9

#### US Dollar against major currencies

	2/3/88	WEEK AGO	% CHANGE
Dm	1,6952	1,6921	+0.2
Sterling	1,7680	1,7673	+0.04
Yen	129,40	128,62	+0.6
SuFr	1,4005	1,3913	+0.6

Source: First National Bank

SINCE the state president announced his wage and salary freeze for public servants strong opposition has come from across the spectrum of the trade union movement.

Black and white public sector unions, as well as predominantly private sector federations like the Congress of South African Trade Unions and National Council of Trade Unions, have condemned the move.

Among the white unions, the 200 000 strong Federation of South African Transport Services Trade Unions has adopted the most militant stance of outright opposition to the freeze. Union president Dudley Henn has pointed out that since only about 30 percent of Sats workers qualify for incremental adjustments most Sats workers face a total wage freeze.

The white civil servants' union the Public Servants Association, has indicated that it will only support the freeze if the private sector heeds President FW Botha's plea for moderation in granting increases. The PSA's concern is that unless this happens, more and more professional and skilled public sector employees will leave the public service as the disparity between public and private sector incomes grows.

This is not a useful argument to make, since it assumes that the government does not want civil servants to leave the public sector whereas the reverse is the case. The government has been cutting back on employment in the public sector and parastatals for the last three years at least and, in announcing his economic package, Botha made it clear that there would be a further drastic reduction in civil service jobs.

The government's intention in this regard was succinctly spelled out by Dr Azar Jammine of Econometrix. 'Since salaries in the private sector will not be subject to quite the same discipline, it is probable that many public servants will leave the public sector to seek new posts in the private sector. So much the better for it will reduce public expenditure.'

The fact that this will also lead to a drastic decline in the range and standards of public services available to South Africa's vast underprivileged population does not seem to concern either Jammine or the government.

But perhaps the highlight of the past few weeks was Botha's full-page appeal to the nation which appeared in most newspapers. 'Fellow South Africans' he wrote at the taxpayers' expense. 'I have said that we will introduce economic reform. And we will. But we can't do it without the help of every man, woman and child in South Africa. Including you.'

'We have to tighten our belts. We have to control government expenditure. We have to tackle inflation.'

As a patriot, I thoroughly enjoy being exhorted to help save the nation, especially since I don't get asked very often. So it occurs to me in all humility to suggest that the state president might go even further and lead by example.

For a start, he could perhaps consider reducing his own annual salary of R151 137 by, say, half. I know it won't be easy for him to come out on only R75 000 a year but we all have to tighten our belts and anyway, the fact that his salary is tax free should help to cushion the blow.

Another nice gesture might be for cabinet ministers to follow their leader and cut their annual R122 000 salaries by half.

But the real injustice in the government's wage freeze is not just in the huge salaries ministers draw but rather in the fact that, while wages are frozen, prices go on rising.

Since the beginning of the year, prices of sugar, meat, beer, bricks and tyres have all risen by more than 10 percent, while milk prices are due to rise by about that amount shortly. Timber for use in home building has risen by between 16 and 30 percent, while paint has gone up by 8.5 percent. According to Samcor managing

If wage freezes are fine for nurses and teachers and airline pilots, there's no reason why they shouldn't be a blessing a little higher up the scale. In the cabinet, say DUNCAN INNES reports

director Spencer Steiling, the price of motor cars is expected to rise by 18 percent this year.

But the best of all was the statement by Minister of Transport Eli Louw, (salary R122 000) that there would be no general increase in Sats tariffs and fares this year. The very next day one Sats division South African Airways (profit last year R109 million) announced a five percent increase in air fares to Europe.

Injustices such as these are leading some commentators to question the wisdom of the wages freeze. Although the private business sector originally came out strongly against a prices and incomes policy on the grounds that it would not bring inflation down, when they discovered that the state president intended freezing wages and not prices, organisations like Assocom changed their mind and supported the idea.

However, now that the government seems to have begun putting pressure on the private sector to exercise wage restraint in its negotiations with unions, it is having second thoughts. With turnover rising dramatically and many major companies currently reporting huge increases in earnings, companies know that trying to sell wage restraint to the unions will be no easy task.

In this context two arguments are relevant. One is that while most commentators hailed Botha's economic package as an example of Thatcherite free market economics, his wage freeze is in fact an anti free market policy. One does not free the labour market by arbitrarily freezing wages.

Strangely enough, those commentators who usually shout most loudly against government controls over companies have failed to pick up this point publicly.

Secondly, it has been pointed out that freezing public sector wages, at a time when the economy is relying on consumer expenditure to boost the recovery, is tantamount to the government shooting itself in the foot. The counter argument to this is the government does not mind restricting consumer expenditure since it wishes to avoid the economy overheating.

While that latter argument had some validity earlier in the year, it is a dangerous argument to use today. Since January the gold price has fallen by \$70 an ounce and many analysts are talking it lower. If this kind of loss is maintained over the year, it could cost our economy around R3-billion in foreign exchange.

With the surplus on the current account of the balance of payments for 1987 estimated to be only about R6-billion, a loss of R3 billion from this year's gold exports could put an end to the fragile economic recovery.

If the government refuses to consider abolishing the wage freeze on the grounds of justice, perhaps it should consider doing so from the viewpoint of the growth prospects for the economy.

## Where gold leads, the rand is sure to slither

The rand's downward slide has followed the pattern of gold, but just a little later. KATE LAST reports

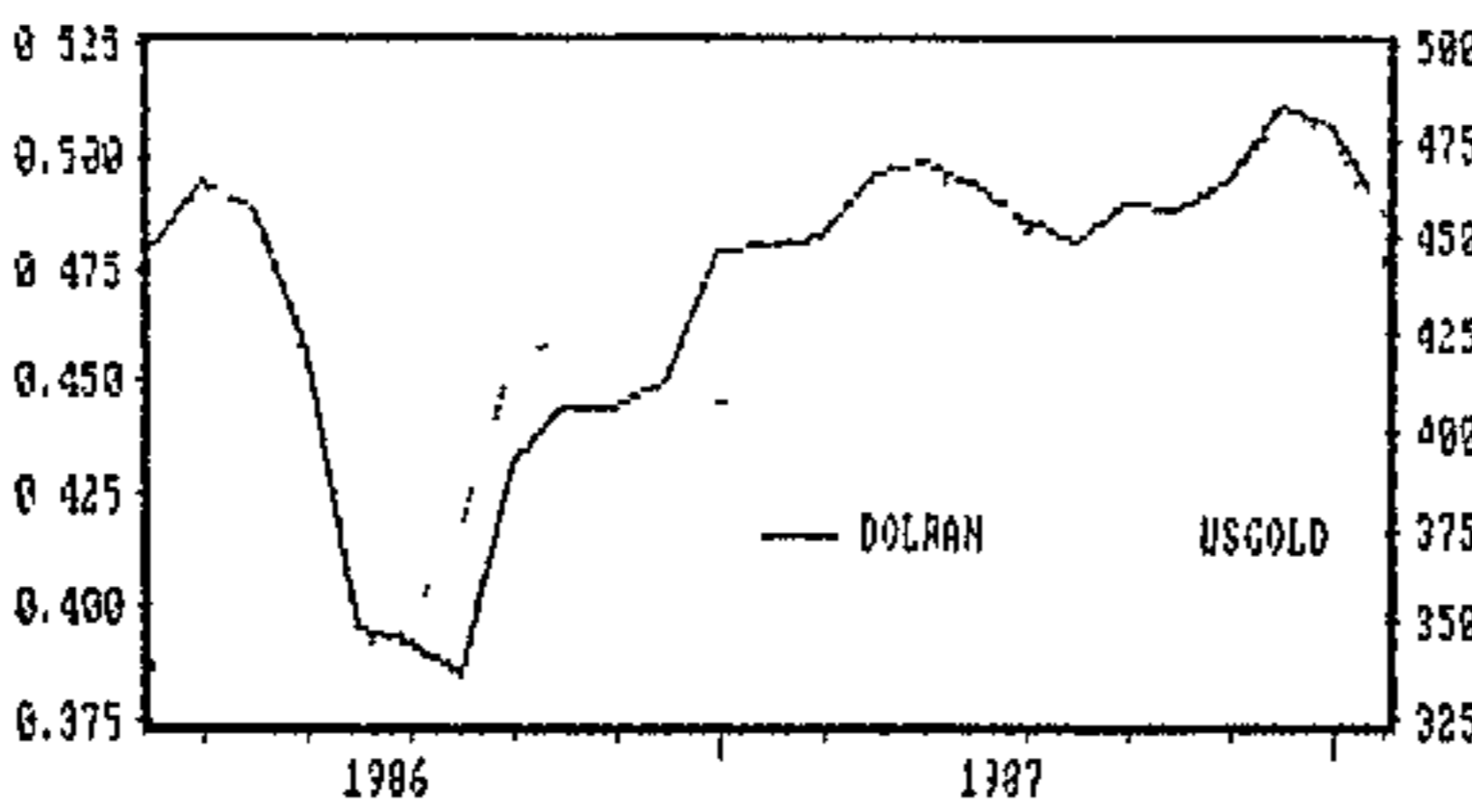
THE "new look" rand which appeared in our lounges this week may not hold up any better than the old one, which has been on a downward roller coaster since January.

The gold price and the level of the US dollar are the major influences on the level of the rand.

But gold and the dollar are not the only influences: politics has considerable impact.

According to the authoritative International Bank Credit Analyst South Africa remains a "risky place" for investors. The recent banning of key resistance organisations will fuel this negative sentiment and will certainly place downward pressure on the rand.

The rand's downward slide since January this year has followed a virtually identical set of movements in the gold price. As the graph suggests, the rand has been lagging the gold



price, following it down after a period of time.

The future direction of the gold price is thus likely to determine that of the rand to a significant extent.

But these movements are not independent of each other. A change in the external value of the dollar is an important determinant of the gold price. If global wealth is measured in terms of dollars (the unit in which gold is priced), a depreciating or appreciating dollar will automatically raise or lower the value of world wealth measured in this way. So the gold price tends to move inversely with changes in the value of the US dollar. A similar inverse relationship exists between movements in the dollar and those of the rand.

Several positive factors have emerged recently in support of the dollar. But it's too early to conclude that the US currency has reached bottom. Exports appear to have decreased and local US consumption spending is higher. This points towards an increasing trade deficit rather

than a narrowing one, and a dollar which will have to slide even lower in 1988 in order to resolve the problems created by the continuing international trade imbalances.

The relatively low inflation rates in the US do not yet fully reflect the impact of the dollar's depreciation because foreign producers have allowed their profit margins to be squeezed. These profit margins are no longer the cushion they were a year ago. In addition, full employment of certain sectors in the US is likely to push inflation upwards.

The world economy seems to be entering a phase of decelerating growth with rising inflation — trends which could be exacerbated if tensions in the Middle East increase and start to push the oil price upwards.

What all of this is telling us is that 1988 should be a year of a lower dollar and a higher gold price. And that implies the rand should strengthen.

But the question will be whether the rand can hold its own with political factors weighing heavily against it.

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255 2/3/88

### What freeze?

Finance Minister Barend du Plessis' statement in parliament last Friday that "it was not true that there was a freeze on salaries in the public sector" is of more than passing interest

State President P W Botha announced the freeze in his opening-of-parliament address, but did qualify it by reminding us that internal increases could still be made

The "freeze" — which could save R2bn in 1988-1989 — was made with an appeal for the private sector to follow suit

So why Du Plessis' apparent about-turn? He explained "People whose salaries were subjected to a scale could get increases if there were further notches they could climb to"

This implies that public servants could qualify for a host of other increments during the "freeze." That, indeed, is the case. Ignoring perks, there stands for general consumption

- "Occupationally specific adjustments,"
- Promotions;
- "The creation and filling of senior positions;" and
- Changes in the nature of personnel, such as large growth in the number of "educators" employed, and low growth in numbers with few or no qualifications



Du Plessis

In 1985-1986, the 10% "general" adjustment translated into a 16,5% overall increase in per capita salary. The gap was explained by notch increases and promotions (1,6%); educators with "low qualifications" (1%); nursing staff (3,1%) and labourers (0,8%)

The private sector is not unknown for using fringe benefits to give the same effect as a pay increase. Though these perks are now subject to various rates of tax, this card can still be played.

The only way Botha could have given

→  
some meaning to a pay freeze was by freezing remuneration, as defined in the Income Tax Act. Even that definition is not settled.

250

# Bargaining system for civil servants in offing

Star 4/3/88  
250 (BB)

A new system of collective bargaining for public servants would be ready for presentation to the Cabinet by the end of June, the Minister entrusted with Administration and Broadcasting Services, Mr Alwyn Schlabusch, said yesterday.

Responding to a debate on a private Member's motion thanking public servants for their service, he said State employees had for years been excluded from collective bargaining systems provided for in the Labour Act, due to the special nature of their work.

The Wiehahn Commission had recommended a number of years ago that civil servants' bargaining for better service conditions be brought within the ambit of the Labour Act, but the Government had not found this acceptable.

It had instead instructed the Commission for Administration to investigate the possibility of an "own" model for public servants.

Such a model had now been developed and presented to organised civil servants' bodies for comment.

"I hope it will result in a better collective bargaining machinery for the public service," he said.

It was also not quite correct to say State officials would not be increasing their earnings at all in the coming year, because there would be incremental adjustments, and increases as a result of promotions and professional differentiation adjustments.

## Privatisation

On the question of privatisation plans and fears expressed by some members of the job security of civil servants who would be affected, the Minister said "We will not charge in without being aware of what we are doing."

The guidelines the Government had set out for itself made it absolutely clear that retrenchment of officials was only to be considered as "absolutely the last option".

The Progressive Federal Party described the debate as all "mother love and apple pie".

And the official Opposition said the motion smacked of a guilty conscience.

Mr Roger Burrows (PFP, Pinetown) said more than half the civil service earned less than R10 000 a year and while the PFP accepted the wage freeze, the civil servants at the bottom of the salary scale would be hard hit.

South Africa needed a small, well-paid and effective civil service that was representative of all citizens.

Mr Chris Jacobs (CP, Losberg) said the civil service was being forced to fight the battle against inflation alone. Reports this week had revealed that the private sector would be receiving its highest increases since 1982.

The motion to thank officials of the State for their "positive role in the administration of the country and planning the future of South Africa" was proposed by Mr Albert Nothnagel (NP, Innesdal).

He must have done this because of a guilty conscience, Mr Jacobs said. "How can you say thank you to them when you've frozen their salaries while the cost of living is going up?" — Sapa and Political Staff

## It's time for them <sup>(250)</sup> to unionise, says CP

*Star 4/13/88*  
The time had arrived for State officials to be given the right to unionise and to negotiate on their service conditions, Mr Arrie Paulus (CP, Carletonville) said yesterday

He said in a debate on a private Member's motion in the House of Assembly on the civil service that civil servants should not be "called in" and told to accept that they were getting no increases

They had received no pay rises in 1983, 1985 or 1988, and, in addition, had been required to forego a third of their bonuses in 1983.

He said the civil service did not have the right to enter labour disputes, so the only way State employees could express their dissatisfaction was through the ballot box "by voting CP".

"The CP will look after the interests of the white worker," he said.

Plan for <sup>(250)</sup>  
Star 5/3/88  
bargaining  
drawn up

PETER FABRICIUS

Public servants will be given a statutory right to negotiate pay and service conditions with the Government if proposals, now under discussion are accepted

Mr Alwyn Schlebush, Minister in charge of the Commission for Administration, said yesterday that a model for public service collective bargaining had already been worked out. Public service bodies had made comments on the model and these were being analysed.

Mr Schlebush added that the Wiehahn Commission had recommended a few years ago that the public service be brought under the Labour Relations Act. The Government had rejected the recommendations, but had decided to consider a consultation system.

Dr Colin Cameron, chairman of the Public Servants' Association, said the new model would essentially legalise and formalise the present system of consultation with the Government. Until now, all such consultation took place only with the good will of the Government.

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# 'No' to dispute system

Political Correspondent

BAD blood has risen between the Government and public sector employees, with State workers criticising the Government's proposals for handling pay disputes

The commission for administration recently put before the employees' organisations a new mechanism for negotiations

This week, the Teachers' Federal Council expressed concern after considering the proposals

It warned it would participate only if the system "worked effectively"

Other powerful bodies are reported to have agreed with the teachers, although they officially said only that they had sent back the Government's proposals with "extensive comment".

250

5

5/15

6/13/88

# SECRET CABINET TALKS ON CP THREAT

Sieme's  
6/3/88  
250

By LESTER VENTER  
Political Correspondent

THE Cabinet is holding a secret meeting this weekend to take stock after the Conservative Party's Standerton and Schweizer-Reneke by-election victories which rocked the National Party.

The meeting, described as a "team building exercise", was understood to have been scheduled some days before the Transvaal by-elections which saw the CP dramatically increase its majorities.

The question of how to deal with the rising rightwing backlash against the Government's reform policy was expected by observers to be one of the chief topics at the meeting.

Neither the venue nor the agenda have been disclosed and a spokesman for President Botha said "I cannot even confirm that there is a meeting".

Several ministerial aides said their bosses would be "out of touch" for the weekend.

The Government is facing stark choices on how to proceed with its faltering reform programme, the electoral threat posed by the CP and the growing armed militancy of the Afrikaner Weerstandsbeweging.

A defiant Mr Eugene Terre Blanche, the AWB leader, reportedly told a packed audience at Bloemfontein City Hall after the elections that if "the Government gives way, that very night the AWB will take over South Africa with violence".

## Chaos

Referring to warnings by Mr Adriaan Vlok, Minister of Law and Order, that an official investigation of the AWB was under way, Mr Terre Blanche said "the bell would toll" for Mr Vlok.

Mr Terre Blanche was accompanied by his newly established armed and uniformed guard, Aquila.

The AWB has become a hot potato for the Government. Its bid to smear the CP with its AWB links proved wholly ineffective in dissuading Transvaal platteland voters from supporting the CP at this week's polls.

The results sent the NP a clear message: More reform means more CP successes.

Most academic analysts said after the polls that the right wing was still under-represented in white politics, but that there was a ceiling on its support which they put at anywhere between 35 and 50 seats of the House of Assembly's 168 elected MPs.

National Party MPs, however, were not placated by the academics' argument.

A leading MP said there was "no ceiling" on the issues exploited by the CP. These were:

- The chaos created on open beaches in the past holiday season,
- The Government's "in correctly perceived drift to a black majority government".

## Goals

• The bad state of the national economy - worsened by the Government's pay freeze in a public sector that employs an estimated 40 percent of all economically active Afrikaners.

Dominant thinking in NP parliamentary circles late this week was that the Government had now to adopt a clearer reform profile.

Several MPs said they believed that not enough white voters had a clear understanding of the meaning, direction and goals of the Government's reform.

□ To Page 2

## Pick 6 winners scoop R9 800

A NET pool of R987 Gosforth Park, Germansburg, ensured 98 lucky Pick 6 winners of a healthy pay-off of R9 800 yesterday.

The winning numbers were 2, 4, 2, 1, 4, 1, 2, 3. The Pick 6 at each of the 100 terminals returned a dividend of R1 900,20c.

## Bomb de

ANOTHER Oshakati blast victim has died. The number of deaths is now 11. Miss Anna Dumeni was killed by a bomb and fracture yesterday. Police are investigating.

## Girls killed

TWO girls, aged 11 and 12, were killed when struck by a car while running across the road.



# R12bn for 1.6m public servants

6/3/88 250

**MORE** than half of the 1,6-million people employed in the public sector in SA are in the Exchequer personnel corps.

They received R12-billion in 1986 in salaries and benefits, says the Commission for Administration

Personnel paid by the Exchequer do not generate income for their departments. They work in central and provincial departments, Parliament, public services of the homelands, parastatals, cultural institutions, universities and technikons

Basic salary expenditure came to R8,96-billion in 1986, and there was a 16,5% increase in salary a head between 1985 and 1986

However, the report denies allegations that since 1980 Exchequer personnel salaries have increased faster

**By Robyn Chalmers**

than those in the private sector

From 1984, salaries of Exchequer personnel rose more slowly than rates in the open labour market — a 10% increase in April 1986 and a 12,5% lift in July 1987

"In spite of general adjustments and occupational specific adjustments, the Exchequer personnel salaries still lag behind, and immediately after adjustments their position is moderately competitive at best"

Factors which contribute to an increase in salaries include "annual notch increases"

The report says public servants do not receive automatic annual notch increases of 5% on average, as is often alleged. Personnel who fail to "perform" satisfactorily and managers appointed on fixed salaries do not receive these increases

# Ccawusa still split into two factions

ALAN FINE

ONE of the two factions in the Commercial, Catering and Allied Workers' Union (Ccawusa) refused on Sunday to take part in the Johannesburg branch AGM, confirming that January's court agreement has not healed union divisions.

The branch AGM was one of eight to be held in terms of the court settlement. Delegates elected at the gatherings are to attend a national conference of the union to be held by mid-May.

The Johannesburg meeting refused to support the adoption of the Freedom Charter

3/10/88  
8/3/88

PRETORIA — PFP criticism of the latest public servants' pay bill — which has soared in five years by 151% to R13,4bn (R5,3bn in 1982/83) — has been sharp

PFP finance spokesman Harry Schwarz said government should take swift and effective action to curb such staggering costs

As a percentage of GDP, public-service pay rose from 6,5% to 7,6%. As a percentage of state revenue, the pay bill soared from 28,8% to 33,5%.

Schwarz said an ever-increasing share of the GDP was being lavished on maintaining the public service. Somewhere a halt had to be called and surely that was now

And it would not help to privatise services which were profitable

# PFP hits at govt's R13,4bn pay bill

GERALD REILLY

As well, the huge amounts spent on ideological activities should be halted or drastically trimmed

The R13,4bn pay bill breaks down into wages and salaries R9,7bn (R3,9bn five years ago), bonuses R594m (R216m), housing subsidies R449m (R92m), medical aid contributions R215m (R71m), pension contributions R1,8bn (R701m), car schemes R21,5m (R8,2m), leave and retirement gratuities R109m (R36m), other direct and indirect benefits R474m (R249m)

2/10  
2/10/88

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# Cost of public service rockets

By David Braun,  
Political Correspondent

The annual cost to the State of the burgeoning public service has soared 151 percent in the past five years

Finance Minister Barend du Plessis has revealed to Parliament that whereas the total cost of public servants in 1982/83 was R5,3 billion, in the financial year just ended it was R13,4 billion

As a percentage of total State revenue, the bill rose from 28,8 percent to 33,5 percent. As a percentage of gross domestic product, public service remuneration rose from 6,5 percent to 7,6 percent

According to Mr du Plessis the R13,4 billion remuneration bill was made up as follows (the figures of five years ago in brackets) wages and salaries R9,7 billion (R3,9 b), bonuses R594 million (R216 m), housing subsidies R449 million (R92 m), medical aid contributions R215 million (R71 m), pension contributions R1,8 billion (R701 m), motorcar schemes R21,5 million (R8,2 m), leave and retirement gratuities R109 million (R36 m), other direct and indirect benefits R474 million (R249 m).

From these statistics it may be seen that housing subsidies rocketed by 388 percent, leave and retirement gratuities tripled, and the value of motorcar schemes rose by 162 percent

Progressive Federal Party spokesman on finance Mr Harry Schwarz said the Government had now itself realised that the State machinery had grown too big and if this growth continued the whole concept of free enterprise would be negated.

Mr Schwarz said the danger of privatisation was that the State's profitable enterprises would be sold off leaving those that did not generate income.

State machinery 'grown too big'

# Public service costs now top R13 billion

Star 7/3/88 (250)

By David Braun,  
Political Correspondent

CAPE TOWN — The annual cost to the State of the burgeoning public service has soared 151 percent in the past five years.

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Progressive Federal Party spokesman on finance Mr Harry Schwarz said today the Government had now itself realised that the State machinery had grown too big and if this growth continued the whole concept of free enterprise would be negated.

Mr Schwarz said the danger of privatisation was that the State's profitable enterprises would be sold off, leaving the so-called Treasury activities (those that did not generate income)

The Government would have to be careful that these services were now kept under control.

Mr Schwarz said: "It is in everyone's interest that the growth of the public service is now controlled."

(250)

Channels for negotiation wanted

# Public servants sceptical of new bargaining plan

PRETORIA — Government workers doubt that the new bargaining system promised them by Minister in charge of the public service Alwyn Schlebusch will be any better than the one they have been "disadvantaged by" for decades.

Schlebusch said at the weekend a new system worked out by the Commission for Administration would be submitted to government for approval by end June.

Staff associations had "furnished comprehensive comment" on the model.

He pointed out that government had rejected a recommendation by the Wiehahn Commission some years ago that the service be brought under the Labour Relations Act, which would have given government workers bargaining rights and machinery for settling disputes.

Public Servants' Association president Colin Cameron said public servants had no legal right to demand meetings with government on pay and service conditions.

The PSA accepted the unique position of public servants which precluded normal trade union rights. The system would legalise the current system of consultation with government, Cameron said.

GERALD REILLY

While Cameron said the new model would give public servants them the right to negotiate with government, other public service sources said this would not be much better than the existing situation.

The present system was totally unsatisfactory and left government workers powerless to move against decisions on salaries which were unacceptable.

There was a Public Service Advisory Council — a toothless body which took the issue no further than "public servant talking to public servants".

What the public servants wanted — and what the new system would not give them — was a system which provided for effective appeals in line with the avenues of conciliation and arbitration open to Sats workers.

"We are not asking for a licence to hold a gun at government's head.

"All we want are reasonable channels through which to ensure we get a fairer deal and where salaries are concerned, realistic increases and not just take-it-or-leave-it rises thrust on us by a Cabinet decision that cannot be disputed," said one

# UNIONS SAY 'NO' TO BOTHA

TWO Congress of South African Trade Unions affiliates have turned down the State President's invitation to a meeting to discuss "salaries and wages."

The unions are the Transport and General Workers' Union and Chemical Workers' Industrial Union

The meeting, scheduled to take place in Cape Town today, comes in the wake of the Government's decision to impose a wage freeze in the State sector

A CWIU spokesperson confirmed that the union had received Mr P W Botha's invitation but said the Cosatu affiliate

By LEN  
MASEKO

would not send any representatives to the meeting.

The TGWU said in a statement that it had decided not to attend the meeting for the following reasons

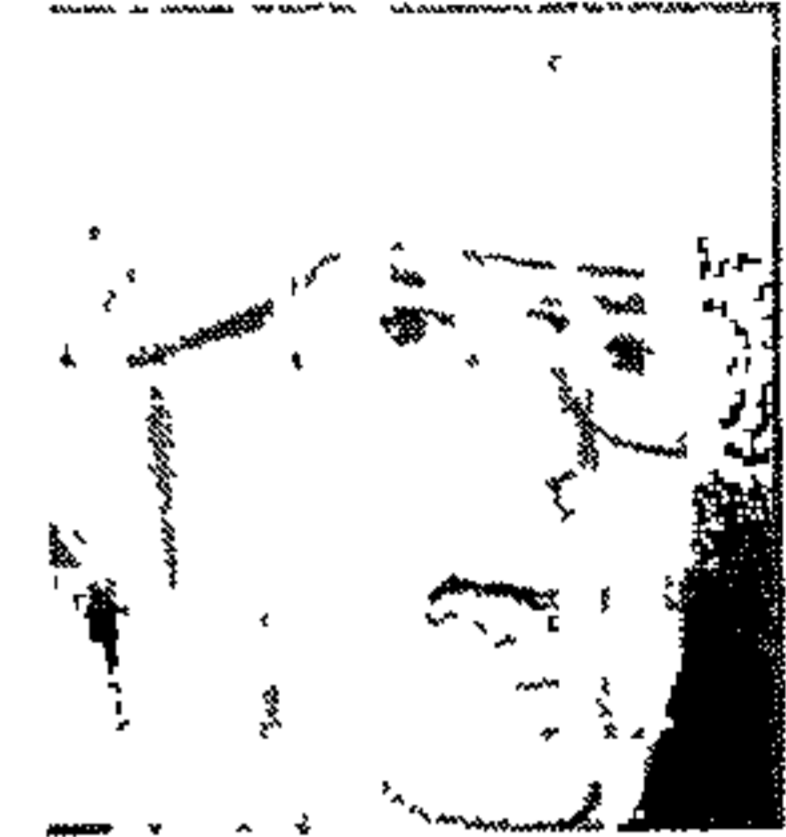
## 'Timing'

- It was inappropriate for the State President to extend an invitation to a Cosatu-affiliated union when the Government had "just imposed restrictions on Cosatu's ability to participate around issues" directly affecting workers,
- The invitation was

"ill-timed" in the light of the Labour Relations Amendment Bill presently being discussed in Parliament. This Bill aimed to "severely restrict the scope of trade unions' activities and abilities" to serve their members effectively,

- Any discussion with the Government about wages and salaries would be "severely compromising" because the Government had already announced wage freezes on members of other unions

The State President's office had not responded to the *Sowetan's* inquiries about the meeting at the time of going to press



PRESIDENT Botha

Sowetan  
9/3/88  
250  
255  
KAP

OS  
9/3/88

# Govt 'to pay R2,5-m for removals'

By Jo-Anne Collinge

The Government appears prepared to spend more than R2 5 million near Koster to move 600 families between two townships which are less than 500 m apart at their closest points

Officials deny that residents of the old settlement of Oukasie will be forced to move 'at this stage' so that they are located a bit further from the western Transvaal town's white suburbs

But the chief executive officer for the new township of Reagile, Mr Daan de Waal says all 600 families at Oukasie are counted on the waiting list for housing in Reagile — despite the fact that a large number say they are comfortably housed where they are

Residents claim they have been under pressure from the township local authority for some months to move out of the area they have occupied since 1929

The Transvaal Rural Action Committee has based its estimates of the probable cost of the Koster move on compensation paid out to residents at Moutse and Mogopa, where removals have taken place, and on professional estimates given for the threatened area of Mathopestad

## COMMUNITY FACILITIES

It reckons conservatively that an average of R4 000 per house would be payable at Koster, where the standard of housing varies from mud-brick structures to large brick homes

Since there are 604 occupied stands in Oukasie, compensation to home owners alone would be in the region of R2,4 million. To this amount would be added compensation for churches and other community facilities

Oukasie is separated from the white area of Koster by a single overgrown field

The settlement is served by a regular grid of sand roads its geometry softened by the lush growth of this rainy summer. The houses are well spaced and large, most of them a bit run-down but quite solid

A fair number are of mud bricks and some walls have fallen in during the recent rains

Many more are built of bricks and a good number stand respectfully behind their stoeps, pillars flanking the entrances

Pass through Oukasie and you come to a second open space, less than 500 m wide. On the other side is Reagile

The public housing is all brick. But the units are small — none is larger than four rooms

"We have tried to find out from the councillors why we should evacuate when we have been so many years in this place," says Mr Ishmael Modise of the Koster Residents' Association

Mr Modise's house has seven big rooms. "And I must leave this for four small rooms?" he asks

The services at Reagile are as basic as those in Oukasie: buckets for sewage removal, no electricity, storm water drains or regular garbage collection

Only one of the half dozen residents interviewed by The Star was indifferent to removal. This woman was not a home-owner and would accept a house of her own wherever she was offered one

## WHY DEMOLISH?

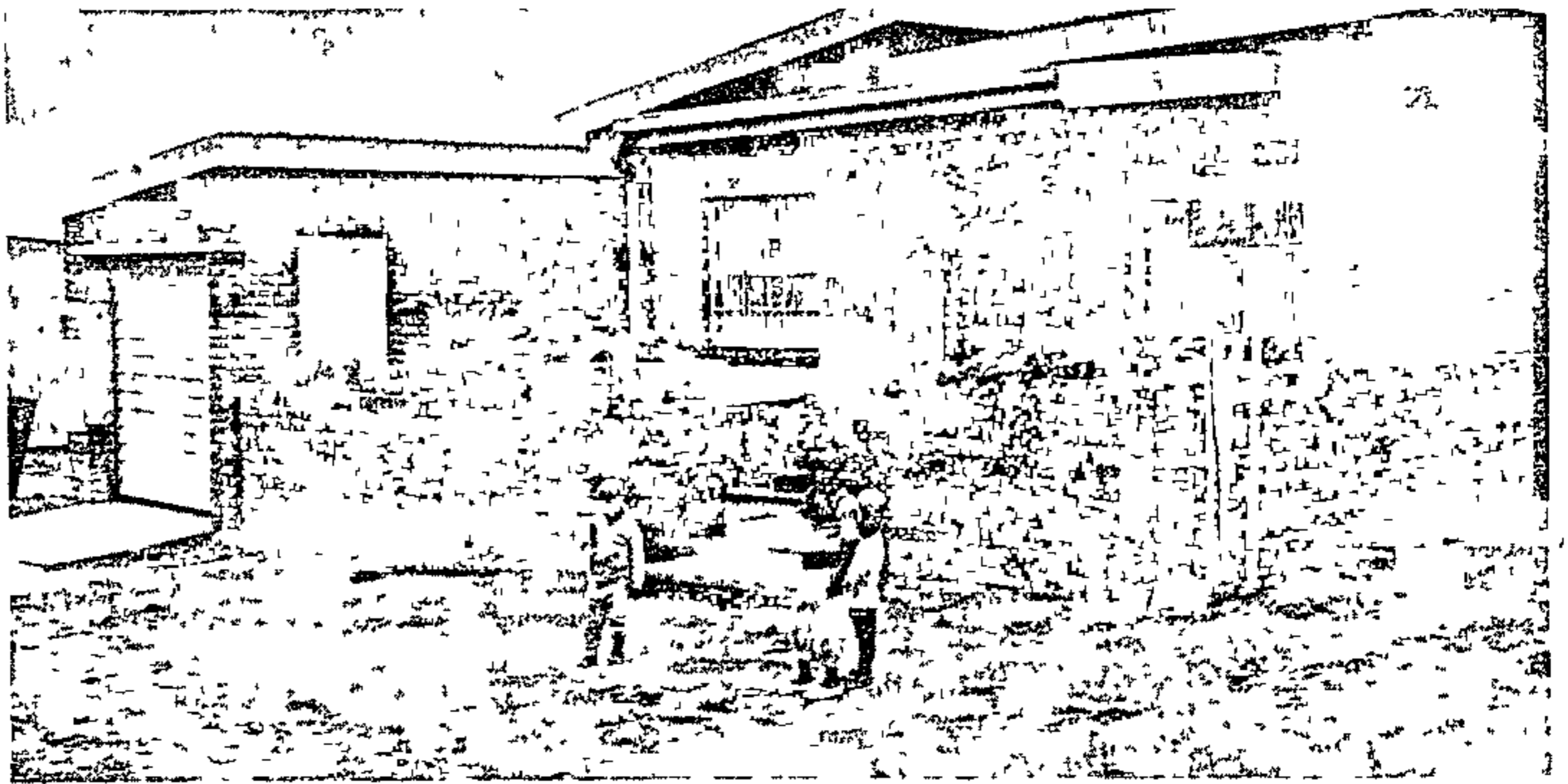
Mr de Waal says there is no immediate plan to move the community. The people being transferred to Reagile at this point are those whose mud-brick homes are collapsing, he says

But residents ask why people who move to Reagile are forced to destroy their old houses in Oukasie before receiving compensation money for the old structure

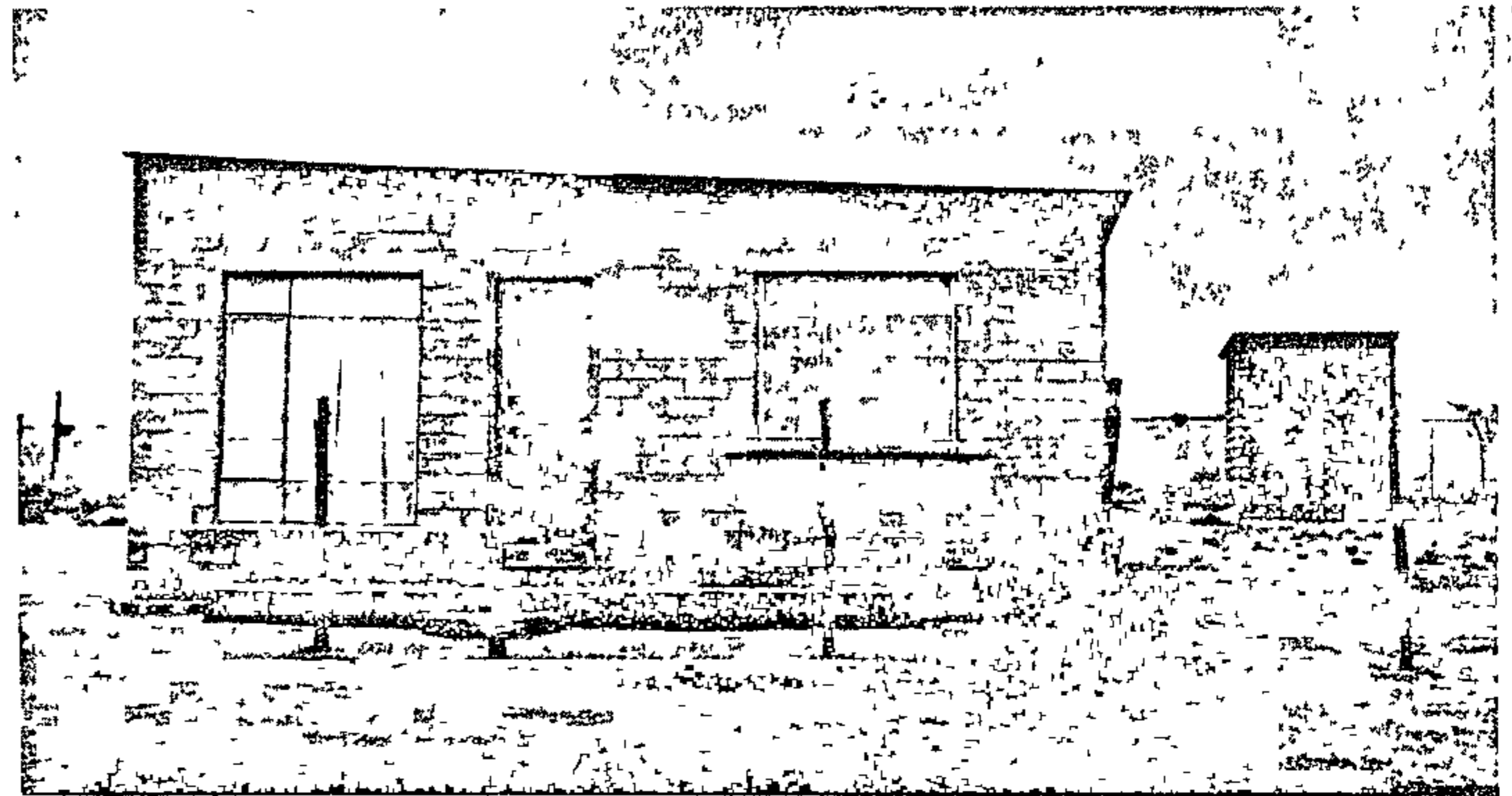
Mr de Waal says it is policy not to pay owners until demolition has taken place

One desperate lodger, who saw the roofs literally taken from over other lodgers' heads, went to the Supreme Court last week and obtained an order temporarily preventing the same happening to him

A moratorium on all demolitions has been informally agreed upon until finalisation of this court order, which might have a crucial effect preventing or facilitating the removal of Oukasie



Some Oukasie residents are being urged to say goodbye to — and demolish — homes like this



This is what awaits Oukasie residents when they move to their new homes in Reagile

# Govt has R17,5bn in pension funds

CPM TMS  
11/3/88

250

269

## Political Staff

THE government's five pension funds, which together have a shortfall of billions of rands, had cash reserves totalling a little more than R17,5bn at the end of March last year, according to National Health and Population Development Minister Mr Willie van Niekerk.

Answering questions put to him in Parliament by Pinetown MP Mr Roger Burrows, Mr Van Niekerk said the Government Service Pension Fund had funds of R12,3bn, Associated Institutions Pension Fund R2,5bn, Temporary Employees' Pension Fund R1,6bn; Authorities' Service Pension Fund R959,3m, and the Authorities' Service Superannuation Fund R40,5m.

The total contribution made by the state to these five funds in the 1986/7 financial year was more than R1,4bn. This amount was further propped up by contributions from various institutions.

Individual contributions to these funds is generally well below most private sector pension schemes, averaging between 26% to a high of 43%.

In answer to a related question dealing with social pensions, Mr Van Niekerk told Parliament the state spent R2,3bn on pensions over the past financial year.

Of this R583m went to whites, R551m to coloured people, R140m to Indians and R1bn to blacks. Some 992 790 people benefited from these pension payouts during the year.



# PW shuffles his cabinet

WEEKLY MAIL REPORTER  
PRESIDENT PW Botha announced a  
minor cabinet reshuffle last night.

Major features were the resignation of Alwyn Schlebusch, the most senior cabinet member, the creation of a new portfolio for privatisation, and the promotion of three deputy ministers.

Schlebusch's post as minister for administration and broadcasting in the president's office will be taken by Dawie de Villiers, with an added responsibility for privatisation.

Three deputy ministers become ministers: Stoffel van der Merwe (now in the president's office dealing with information, broadcasting and the film industry), Kent Durr replaces De Villiers as Own Affairs budget minister, and Piet Badenhorst becomes Own Affairs health minister.

His post as deputy minister of development planning will be taken by Roelf Meyer, whose post as deputy minister of law and order will be taken by Leon Wessels.

All appointments take effect from March 31.

*W. M. ...*

*Steward*

*Steward*

HOUSE OF ASSEMBLY

Indicates translated version

For written reply

General Affairs

Infant mortality rate

387 Dr M S BARNARD asked the Minister of Home Affairs

What was the infant mortality rate for (a) Blacks (b) Coloureds, (c) Indians and (d) Whites in the Republic in 1986?

The MINISTER OF HOME AFFAIRS

(a) 80.0\* (Estimate — registrations incomplete)

(b) 31.6\*

(c) 13.6\*

(d) 7.0\*

\*Per 1 000 births

Gainfully employed people directly/indirectly in State employ

435 Mrs H SUZMAN asked the Minister of Home Affairs

What percentage of gainfully employed (a) Whites (b) Coloureds, (c) Indians and (d) Blacks were (i) directly and (ii) indirectly in State employ in the Republic as at the latest specified date for which figures are available?

The MINISTER OF HOME AFFAIRS

(i)

(a) 4.8%

(b) 1.5%

(c) 0.3%

(d) 4.2%

(ii)

(a) 2.1%

(b) 0.6%

(c) 0.1%

(d) 4.5%

Percentages as at 30 June 1987

HOUSE OF ASSEMBLY

(2) (a) Zimbabwe 27  
(b) Lesotho 32  
(c) Swaziland 16  
(d) Botswana 5  
(e) Mozambique 49  
Total 129

Children born in South Africa

495 Mr P G SOAL asked the Minister of Home Affairs

How many (a) White, (b) Black, (c) Coloured and (d) Asian children were born in South Africa in 1986, (i) including and (ii) excluding the self-governing territories?

The MINISTER OF HOME AFFAIRS

(i)

(a) 72 955

(b) 769 000\*

(c) 81 825

(d) 19 560

\*Estimated

School buildings constructed

519 Mr S S VAN DER MERWE asked the Minister of Education and Development Aid

(a) How many school buildings were constructed or caused to be constructed by his Department in 1987 and (b) what was the average capital cost of constructing these buildings?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

(a) Primary schools 28 complete schools consisting of 700 classrooms and the addition of 142 classrooms at 11 existing schools Besides this 411 classrooms at farm schools were subsidized

Secondary schools 24 complete schools consisting of 1 064 teaching rooms and the addition of 468 teaching rooms at 18 existing schools

(b) Primary school for 1 000 pupils of R1 256 million  
Secondary school for 1 000 pupils R2,932 million  
(Escalation costs and professional fees excluded)

Deportations/repatriations  
539 Mr S S VAN DER MERWE asked the Minister of Home Affairs

(a) How many Black (i) male and (ii) female persons were (aa) deported and (bb) repatriated from the Republic in 1987 and (b)(i) in terms of what statutory provision and (ii) to which states were they so (aa) deported and (bb) repatriated?

The MINISTER OF HOME AFFAIRS

(aa) Deportations

(a) (i) 139

(ii) 1

(b) (i) In terms of section 43 of the Admission of Persons to the Republic Act, 1972 (Act 59 of 1972)

(ii) Lesotho 33  
Transkei 73  
Mozambique 10  
Zimbabwe 10  
Swaziland 10  
Ciskei 3  
Botswana 2  
Bophuthatswana 2  
Venda 5  
Total 140

(bb) Repatriations

(a) (i) and (ii) 37 423 Separate figures in respect of male and female persons are not being kept

(b) (i) In terms of section 16 of the Admission of Persons to the Republic Act, 1972 (Act 59 of 1972)

(ii) Zimbabwe 3 124  
Mozambique 26 870  
Botswana 2 669  
Swaziland 1 349  
Malawi 99  
Zambia 1  
Tanzania 1  
Zaire 1  
Gambia 1  
Lesotho 3 308  
Total 37 423

HOUSE OF ASSEMBLY

BEHIND THE PORTFOLIO CHANGES

Handwritten notes: 05025/13/3/18

By LESTER VENTER  
PRESIDENT BOTHA'S Cabinet reshuffle suggests that a constitutional solution involving black South Africans is a declining priority

That is the view of Professor Nic Olivier, the Progressive Federal spokesman on constitutional affairs  
Dr Stoffel van der Merwe, President Botha's personally designated negotiator with blacks, lost his constitutional planning portfolio in the reshuffle

President Botha said Dr van der Merwe would be appointed to the Cabinet committee charged with negotiating with blacks — but Professor Olivier described the committee as "defunct"  
The public perception was that Dr van der Merwe was spearheading Government moves to get talks about a new dispensation going with blacks

# Has Cabinet shuffle put blacks out in limbo?

Dr van der Merwe's background and open manner was "a great asset to the Government" Professor Olivier said.  
Dr van der Merwe's information portfolio has been elevated to full ministerial status and his work burden is increased, with added responsibility for the SABC and the film industry.  
Key features of the reshuffle were the way it took Par-

liament by surprise and the spreading power base it gives President Botha's Tynhuys office.  
Although it was known by many that Mr Alwyn Schlabusch, Minister in the State President's Office charged with administration and the SABC, was to resign soon, the reshuffle it provoked came without warning.  
Even top Nationalists,

some of them close to the Cabinet, were taken by surprise  
Some sources claimed Dr van der Merwe was less than pleased with being downgraded from his constitutional planning role, his primary field of interest, even though he is now a full member of the Cabinet — but in the less vital information role.  
Among other changes was the sidestep by Deputy Minister of Finance Kent Durr to the post of Minister of the Budget in the House of Assembly Administration

Opposition politicians also noted with interest the promotion of Mr Leon Wessels to Deputy Minister of Law and Order  
Opposition circles in Parliament have long speculated that Dr van der Merwe and Mr Wessels were among Nationalists suffering most disquiet over the Government's increasing suppression of black extra-parliamentary



**MEN ON THE MOVE: Wessels, De Villiers and Durr**  
voices and the lack of progress in constitutional politics

Is Mr Botha moving to head off rumblings in his caucus's liberal ranks, opposition MPs were asking?  
With the Conservative Party's onslaught from the right, accompanied by calls for caution from some quarters of his party, agitation for accelerated accommodation of the aspirations of blacks from other party quarters

Parliamentarians also marked the shuffle as a victory for Mr Chris Heunis, Minister of Constitutional Development and Planning, who was never happy with Dr van der Merwe holding a parallel portfolio in the State President's Office.  
Along with the shuffle has been the broadening of the Tynhuys power base, which Professor Oliver says has

been the tendency over the past five years.  
Before the shuffle, there were two ministerial portfolios held in the State President's Office — administration and broadcasting services, held by Mr Schlabusch  
There was also constitutional planning, held by Dr van der Merwe  
Now, while the State President's Office has shed constitutional planning, it has gained information and film, and privatisation — held by Dr Dawie de Villiers, former Minister of the Budget in the House of Assembly's Own Affairs Ministers Council

GOVERNMENT  
spending seems  
set to meet  
Finance Minister  
Barend du Ples-  
sis's estimate

# Govt spending on last estimate

(25)  
Bleau  
193/88

last month of an  
18,7% increase for the 1987/88  
fiscal year — higher than the  
original Budget target of 16,2%,  
but lower than widely expected

Figures in the latest Govern-  
ment Gazette show government  
spending, at R41,95bn, rose by  
18,6% in the first 11 months of  
the fiscal year compared with  
the same period the previous  
book year

Revenue, at R34,16bn for the  
11-month period, is only 10,7%  
up on the previous year, com-  
pared with a budgeted revenue

GRETA STEYN

increase of 12,6% However, the  
figure inaccurate — too low —  
because February's provisional  
tax payment cheques had not  
been cleared by month-end.

The deficit before borrowing  
was R,8bn — indicating gov-  
ernment's eventual deficit for  
the year could come close to the  
original budget target of R8,4bn  
Earlier predictions by econo-  
mists had set the deficit at  
R10bn or more.

# Govt's homeland spending rockets

GOVERNMENT'S expenditure on the homelands, consolidation, decentralisation and the Development Bank has rocketed by 25,8% to total R7 232,4m during the 1988/89 financial year.

The independent homelands will get R2,2bn compared to R1,9m last year and the self-governing homelands, as well as consolidation expenses, will rise to R4bn from R2,96bn in the 1987/88 financial year.

Decentralisation incentives and subsidies as well as assistance to local authorities will cost R615,6m compared to R585,3m, while government's contributions to the Development Bank will increase from R282,7m to R405,7m, and the secretariat for multilateral co-operation in southern Africa will cost R2,1m, compared to R1,7m last year.

The main assistance of R1,7bn to the independent homelands is for budgetary aid, but other amounts are provided under the foreign affairs vote on project aid, technical and other assistance, tax compensation, distress relief in foreign countries and

17/5/88 Political Staff

the payment of judges' salaries.

Under the development aid vote a further R20m is provided for the purchase of properties in the independent homelands and R43,1m for development in the former self-governing states.

Most of the funding for the non-independent homelands (R2,9m), comes under the programme for assistance to the governments of self-governing territories and is up R887,1m on the previous year.

Consolidation spending will increase from R61,6m to R78,9m.

Government has allocated R580,1m in direct benefits, assistance and rebates for decentralisation, an increase of R35,4m.

Finance Minister Barend du Plessis said problems surrounding the financial relationship between SA and the 10 homelands were a standing item on the agenda of the relative committees in the multilateral system between the countries involved

# Estimates forecast a deficit of R12,5bn

250  
17/3/88 B/low

GOVERNMENT is budgetting for a R12,5bn deficit before borrowing for the 1988/9 financial year, according to revised estimates tabled yesterday.

Total revenue for the year is expected to be R44bn, some 16,3% above the previous year's R37,8bn

On the other hand, expenditure is projected to increase by 12,6%, from R47,8bn to R53,8bn — establishing a R12,5bn deficit.

According to the printed estimates, Customs and Excise receipts in the year ahead are expected to reap some R3,8m. To this must be added a further R1bn in respect of revenue earned for the National Road Fund in terms of the new tax proposals, R330m for the Central Energy Fund and some R180m on extra tax levied on beer, spirits and cigarettes. This represents a total increase of 58,5%.

Inland revenue at existing rates is expected to fetch some R39bn. This is budgetted to be reduced by R1,3bn, in

CHRIS CAIRNCROSS

respect of new tax proposals covering non-residents' tax on interest, stamp duty, transfer duty, income tax on individuals (R117m), rebates (R365m) and rate reductions (R782m).

## Expenditure

Further revenue expected to accrue from the new tax proposals amount to R994m. These come from minimum tax on companies (R350m), tax on long term insurers (R170m), stamp duty on debits (R15m), levy on heavy vehicles (R200m), medical rebates (R144m) and insurance rebates (R65m).

Of total state expenditure for 1988/9 of R532,8bn, the largest allocation (R19,7bn) set out in the printed estimates goes to social services, such as housing, health, area development, education and welfare promotion.

The second biggest slice of the state's budget, R12,1bn, goes to protection services such as defence, police, prisons and justice. It is notable that this activity now consumes almost 23% of the total budget for the year.

Of remaining expenditure, R5,6bn is allocated to public services, such as government establishments, foreign relations, constitutional development, regional development and civil matters.

Some R7,2bn goes to economic services, such as energy and power, agriculture, water supply, forestry, transport, trade promotion and ecological services.

Some R1,8bn goes to state domestic administration, such as personnel administration, buildings and government motor transport. A remaining R6bn has been allocated to miscellaneous areas, such as improvement of conditions of service of public sector employees and state debt costs.

# Spending on black housing to increase

17/3/88  
GOVERNMENT is committed to increased spending on black housing and upgrading programmes, Finance Minister Barend du Plessis says.

He said housing was one of the areas in which social spending "is

250 *Black* Political Staff

bound to grow", and he made special mention of the SA Housing Trust which started early last year with a Treasury interest-free loan of R400m

GOVERNMENT'S subsidies for bus commuters and the losses on SA Transport Services passengers will go up to R736m during the new financial year, an increase of R119m

This includes a R150m increase in the subsidies for black commuters on buses and the total cost during the year is expected to total R470m

In the estimates of expenditure for the 1988/9 financial year tabled in Par-

(250) (409) Blday 17/3/88  
**Black bus subsidy up by R150m**

Political Staff

liament yesterday, R150m has been allocated to Sats for operating losses — the same as in the previous year — and a grant of R116m has been provided, R5,2m less than the previous year.

Finance Minister Barend du Plessis said R75m had been provided in the

1987/8 year to supplement the account for black, coloured and Asian transport

It, future, however, it would only be necessary to provide subsidies for black bus commuters

"It is the intention of the fiscal authority that the regional services councils should assume the entire financial responsibility for urban transport."



# Calculation of travel subsidies explained

HOUSE OF DELEGATES — The subsidies paid to bus companies for the transport of black workers — these will amount to R470m during the 1988/9 financial year — were determined according to various criteria, including whether workers were transported from a resettlement area, township or a squatter camp, Minister of Transport Affairs Eli Louw said yesterday.

Louw, who was replying to a question by Mahmoud Rajab (PRP Springfield), said he could not say whether subsidies were paid to Indian bus operators or operators of other races, because bus companies were non-racial entities.

However, the criteria which were taken into account when subsidies for commuters were considered, included:

Whether the need exists for workers to be transported from their place of residence to their place of employment and

## Political Staff

the unemployment situation prevailing in the area where employment opportunities exist;

Whether the place where workers are to be transported from is a resettlement area, township or squatter camp,

Whether rail facilities exist for commuters and, if not, what the possibilities are for the provision of such facilities in the near future;

The financial position of the bus company which intends providing the service, and whether it is capable of providing and maintaining a reliable and efficient service by availing itself of the necessary servicing and repair facilities and infrastructure

Louw said that after determining what portion of the economic fare the commuter could afford, the subsidy was calculated on the basis of the difference between the economic fare and the portion the commuter could afford to pay.

250  
 18/3/88  
 9/10/89

**S**OUTH Africa has virtually no option but to live within its means. That is the main signal from not only the Budget, but other statements on fiscal policy.

Economist Louis Geldenhuys, an expert on government finance, told the Afrikaanse Sakekamer yesterday that affordability was the key word in fiscal policy.

"SA has to cut its coat according to its cloth. Because our options have become limited, we have to exercise great caution to prevent excessive spending."

Factors such as the balance of payments constraint, the rising deficit and inflation had made caution imperative. Government had realised that SA had to live within its means — and that was why it had budgeted for a real decline in spending, Geldenhuys said.

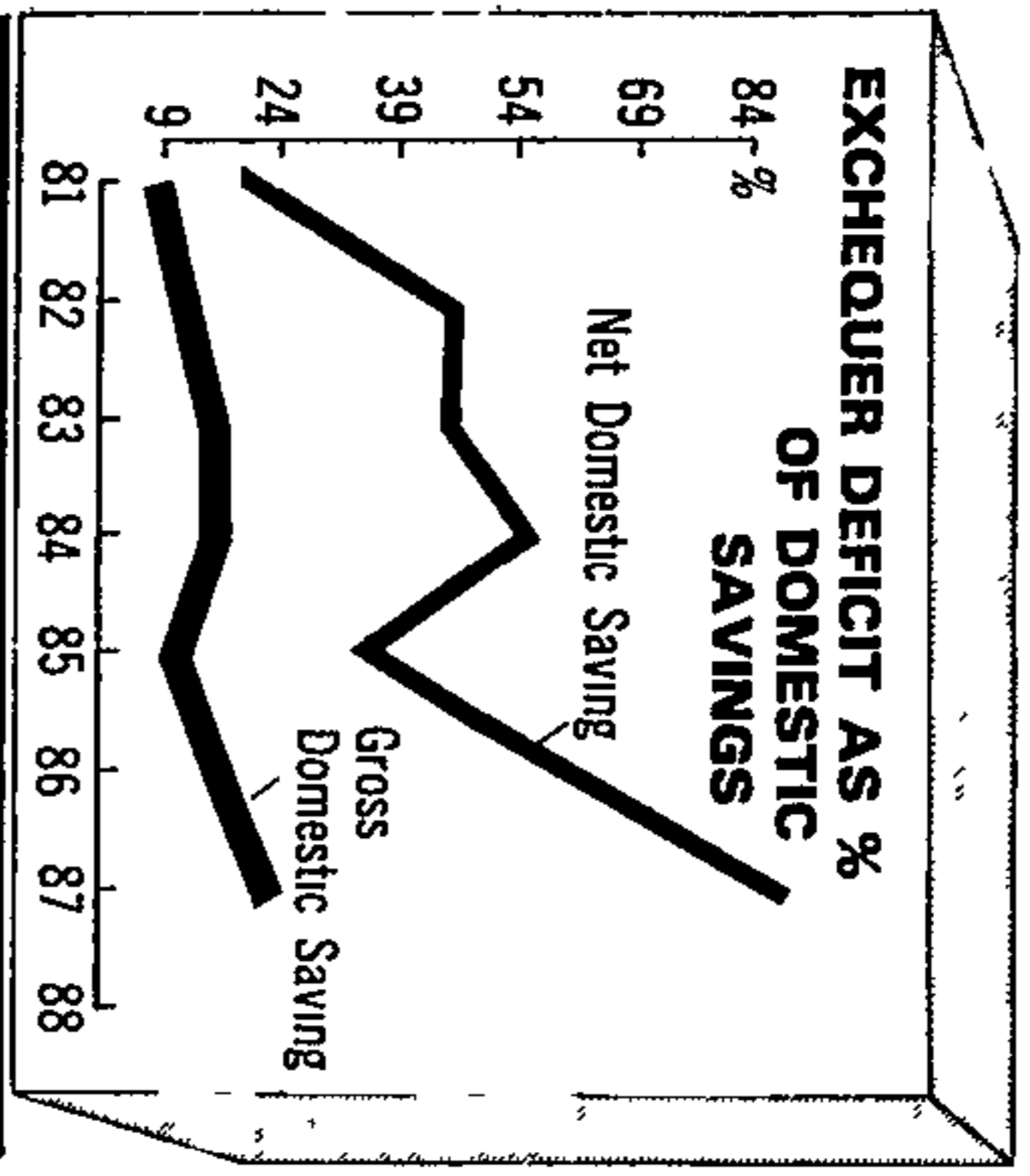
"But I am not too ecstatic over the budgeted increase of 12,6%."

**G**overnment's track record showed it had made a habit of overshooting its budget targets. "It will be a major achievement should the actual growth rate for the next fiscal year be kept under 14,5% — implying marginal overspending of about 1,7%, or about R1bn."

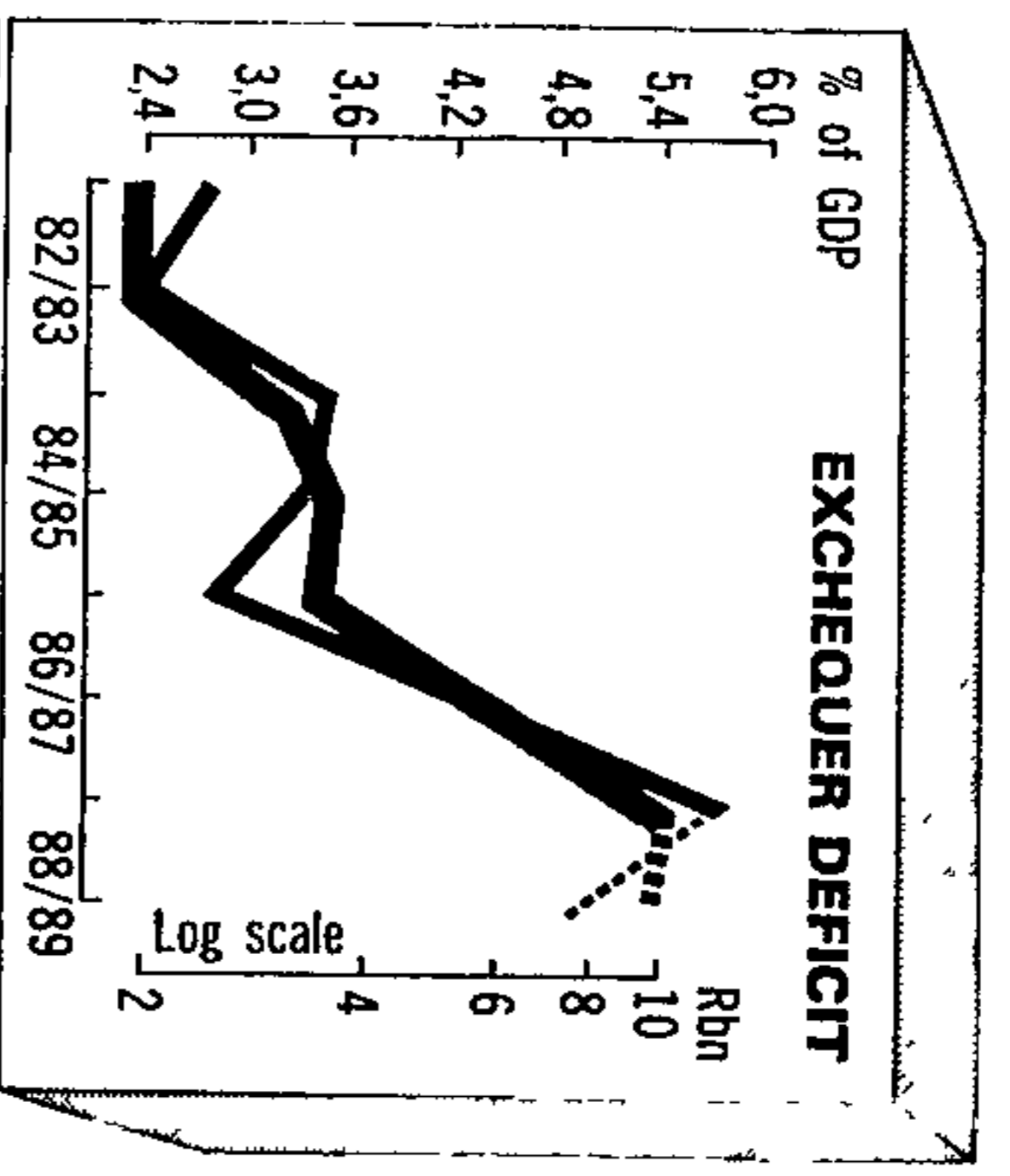
What is Geldenhuys's verdict on the deficit of R9,86bn?

"It is still very large. The deficit has grown rapidly in recent years, which shows that government spending has reached a level where affordability is a genuine problem. SA painted itself into a corner."

One could argue that a Budget deficit of 4,9% of GDP was still expansionary, that it would still boost domestic demand, leading to an overheated economy. "But despite the large deficit, the



Source GEORGE HUYSAER & PARTNERS Graphic JOHN MCCANN



Source GEORGE HUYSAER & PARTNERS Graphic JOHN MCCANN

# 'Boom and bust' days at an end

**GRETA STEYN**

Budget is restrictive. Exchequer spending is budgeted to grow at a slower rate, the financing mix does not mean a large monetary injection and there are higher taxes on business — all of which should dampen domestic demand.

Government's claims on resources had reached a level where it had to take drastic action. A restrictive Budget was appropriate under these circumstances.

Turning to real economic growth, Geldenhuys said the Budget should have a dampening effect on economic activity, which had been rather buoyant — growing at a rate of about 4% in the last six months.

Why will the Budget have a dampening effect on domestic demand, and thus on growth?

"The current upswing is on rather thin ice. Exports are not contributing, and neither is fixed investment

The recovery hinges on consumption spending by general government and private consumption expenditure."

Against the background of a fragile recovery, the present Budget was likely to cool demand through:

- Consumer confidence. Consumers are likely to spend less and become more interest-rate sensitive because government is calling for discipline;
- There was no real tax relief for consumers;
- Government's stance on wages and salaries could work through to the private sector, though to a lesser extent.

The dampening effect would be felt soon — perhaps sooner than other traditional policy measures to curb demand, such as interest rates. The growth in consumer spending was likely to have slowed significantly by the third quarter of this year because of the weak underlying position of the consumer.

The cooling of domestic demand should put a brake on interest rate rises. But lags could cause upward pressure on money market rates to continue until the fourth quarter of this year, with the prime rate peaking at about 15%.

The bottom line for growth this year was a rate of below 3%, probably not more than 2,5%.

This did not imply stagnation — only that SA's days of "boom and bust" could be over. The country was likely to see less dramatic swings in growth, with a reasonably good chance of the growth phase continuing for a longer period, at between 2% and 2,5%, Geldenhuys said.

"SA will do well if we can mark time for a while on our standard of living."

## PSBR ON TARGET

*25*  
*FM*  
*18/3/88*

The Exchequer can spend R3,9bn in March to hit target spending of R46,9bn for the 1987-1988 fiscal year. Spending for the 11 months to end-February amounted to R42bn against revenue of R34bn, giving a crude public sector borrowing requirement (PSBR) of R7,8bn (estimated: R8bn).

For the first 11 months of the fiscal year, the year-on-year increase for receipts is 10,7% (targeted: 13,8%); with spending increasing by 18,6% (16,3%). But PSBR remains below the targeted R8bn.

Private sector economists have predicted a final PSBR of R10bn-R10,5bn.

That would allow the Exchequer to spend an extra R2,2bn-R2,7bn in March, which seems unlikely.

The main, largely unused vote at end-January, R901m in Improvements in Conditions of Service, was debited a further R225m in February.

This leaves R510m in the account, well

within the spending constraints for March. But other large accounts, particularly Defence, Finance and Development Planning, are well within budget, implying the possibility of major drawdowns in March.



February's figures provide further evidence that Pretoria is exerting long-promised discipline over spending. The Exchequer has been particularly hit by low gold mine tax payments and also by a Christmas not so good in GST terms.

Financing of PSBR was in an excellent situation as the final month of the fiscal year took wings. The Exche-

quer balance of R663m at end-January increased to R752m at end-February.

These, of course, are all actual figures. The figures presented by Finance Minister Barend du Plessis in the Budget included estimates up to the close of the fiscal year on March 31.

*Attwood*

*Attwood*

(3) (a) Region	(1)	(aa)	(bb)	(ba)	(bb)	(cc)
N Transvaal	5 989	5 941	3 393	2 548	1 055	
Highveld	7 637	7 603	3 883	3 720	1 097	
Johannesburg	4 889	4 869	1 554	3 315	335	
Orange-Vaal	5 145	5 114	2 693	2 421	719	
OFS	4 416	4 400	2 061	2 339	481	
Natal	1 979	1 963	1 139	824	409	
Cape	2 885	2 841	1 447	1 394	410	
(b)	32 940	32 731	16 170	16 561	4 506	

**ADDITIONAL INFORMATION**

(1) Candidates in the Moutse region do not fall under Northern Transvaal, but under KwaNdebele

The results of the Moutse candidates are as follows

Candidates entered	561
Candidates who wrote	559
Matriculation exemption attained	183
Senior certificate attained	243
Passed	426
Failed	133

(2) Matriculation exemption is normally indicated as a percentage of the candidates who have passed. In 1987, 27,8% of the successful candidates obtained matriculation exemption

(3) Refer Parliamentary question 25, answered on 9 February 1988

(4) The figures used for the answer were the results of 30 418 candidates, which results were already available at the beginning of January 1988. Of these candidates, 14,39% passed with exemption and 35,89% without

**Universities: first-year students enrolled**

628 Mr K M ANDREW asked the Minister of Education and Development Aid

(a) How many, and (b) what percentage of the total number of first-year students enrolled at each university for Blacks in 1987 (1) dropped out during that year and

HOUSE OF ASSEMBLY

(ii) failed their examinations in all subjects at the end of that year?

**THE MINISTER OF EDUCATION AND DEVELOPMENT AID**

The North	Zululand	Medunsa	Visia
(i)	(ii)	(i)	(ii)
(a)	8	155	121
(b)	0,52	10,12	14,8
		3,3	0,29
		5,2	6,2
		32,2	

**Farm schools: unrest/distruption**

629 Mr K M ANDREW asked the Minister of Education and Development Aid

(1) Whether any farm schools falling under his Department were subject to unrest or disruption in 1987, if so, how many,

(2) how many farm schools were there in the Republic as at 31 December 1987?

**THE MINISTER OF EDUCATION AND DEVELOPMENT AID**

(1) Yes, 7 farm schools

(2) 5 576 farm schools as on 3 March 1987.

**Sid 10 pupils failing to write full year-end examinations**

630 Mr K M ANDREW asked the Minister of Education and Development Aid

Whether any Sid 10 pupils registered at schools in his Department at any time in 1987, failed to write their full year-end examinations, if so,

HOUSE OF ASSEMBLY

how many (a) wrote and (b) failed to write all such examinations?

**THE MINISTER OF EDUCATION AND DEVELOPMENT AID.**

(a) 31 531

(b) 1 200

**Schools: student representative councils**

631 Mr K M ANDREW asked the Minister of Education and Development Aid

With reference to his reply to Question No 119 on 23 February 1987, how many schools falling under the control of his Department in each departmental region (a) have and (b) do not have student representative councils?

**THE MINISTER OF EDUCATION AND DEVELOPMENT AID**

REGION	(a)	(b)
Highveld	28	57
Johannesburg	36	23
Cape	0	66
Natal	18	19
Northern Transvaal	0	75
Orange-Vaal	7	33
Orange Free State	0	47

**Five most junior posts: salary scales**

703 Mr C J DERBY-LEWIS asked the State President

(a) What are the salary scales attached to each of the five most junior posts in his Office, (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

**THE STATE PRESIDENT**

(a) (i) R5 049 — 7 932

(ii) R6 093 — 9 507

(iii) R6 093 — 10 371

(iv) R6 093 — 10 371

(v) R7 932 — 10 371

(b) (i) Two Coloured persons

(ii) Two Coloured persons

(iii) One White person

(iv) Posts are vacant

(v) Three White persons

(c) 1 March 1988

**Employees: financial incentive/bonus systems**

720 Mr C J DERBY-LEWIS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

Whether there are any financial incentive or bonus systems for employees in his Department, if not, why not, if so, (a) how many and (b) what are the relevant details?

**THE MINISTER IN THE STATE PRESIDENT'S OFFICE ENTRUSTED WITH ADMINISTRATION AND BROADCASTING SERVICES**

To question 720, as well as on behalf of the Ministers addressed by similarly phrased questions concerning General Affairs Nos 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 736, 737, 738, 739, 740, 743, 744 and 745 and concerning Own Affairs Nos 75, 76, 77, 78, 79 and 81

In respect of the following departments or components of departments financial incentive or bonus systems are not in operation because the activities are not readily suited to the introduction of such systems, a need for such systems does not exist, or it cannot be justified from an economic point of view

General Affairs	Question No
Development Planning	721
Foreign Affairs	722
National Education	723
Education and Training	724
Agricultural Economics and Marketing	727
Trade and Industry	728
Bureau for Information	734
State President's Office	736
Prison Services	739
Mineral and Energy Affairs	740
Own Affairs (Administration, House of Assembly)	Question No
Budgetary and Auxiliary Services	75
Local Government, Housing and Works	78

In respect of the departments indicated hereunder, financial incentive systems are in operation

HOUSE OF ASSEMBLY



591

MONDAY, 21 MARCH 1988

592

Whether there are any financial incentive or bonus systems for employees in his Office, if not, why not, if so, (a) how many and (b) what are the relevant details?

The STATE PRESIDENT

(See reply to Question No 720 on Monday, 21 March 1988 in Column 586 )

Employees: financial incentive/bonus systems

737 Mr C J DERBY-LEWIS asked the Minister of Education and Development Aid

Whether there are any financial incentive or bonus systems for employees in the Department of Development Aid, if not, why not, if so, (a) how many and (b) what are the relevant details?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

(See reply to Question No 720 on Monday, 21 March 1988 in Column 586 )

Employees: financial incentive/bonus systems

738 Mr C J DERBY-LEWIS asked the Minister of Public Works and Land Affairs

Whether there are any financial incentive or bonus systems for employees in his Department, if not, why not, if so, (a) how many and (b) what are the relevant details?

The MINISTER OF PUBLIC WORKS AND LAND AFFAIRS

(See reply to Question No 720 on Monday, 21 March 1988 in Column 586 )

Employees: financial incentive/bonus systems

739 Mr C J DERBY-LEWIS asked the Minister of Justice

Whether there are any financial incentive or bonus systems for employees in the Prisons Service, if not, why not, if so, (a) how many and (b) what are the relevant details?

The MINISTER OF JUSTICE

(See reply to Question No 720 on Monday, 21 March 1988 in Column 586 )

Employees: financial incentive/bonus systems

740 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

Whether there are any financial incentive or bonus systems for employees in the Depart-

*Howard*

ment of Mineral and Energy Affairs, if not, why not, if so, (a) how many and (b) what are the relevant details?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

(See reply to Question No 720 on Monday, 21 March 1988 in Column 586 )

Employees: financial incentive/bonus systems

743 Mr C J DERBY-LEWIS asked the Minister of Water Affairs

Whether there are any financial incentive or bonus systems for employees in his Department, if not, why not, if so, (a) how many and (b) what are the relevant details?

The MINISTER OF WATER AFFAIRS

(See reply to Question No 720 on Monday, 21 March 1988 in Column 586 )

Employees: financial incentive/bonus systems

744 Mr C J DERBY-LEWIS asked the Minister of Law and Order

Whether there are any financial incentive or bonus systems for employees in the South African Police, if not, why not, if so, (a) how many and (b) what are the relevant details?

The MINISTER OF LAW AND ORDER

(See reply to Question No 720 on Monday, 21 March 1988 in Column 586 )

Employees: financial incentive/bonus systems

745 Mr C J DERBY-LEWIS asked the Minister of Defence

Whether there are any financial incentive or bonus systems for employees in the South African Defence Force, if not, why not, if so, (a) how many and (b) what are the relevant details?

The MINISTER OF DEFENCE

(See reply to Question No 720 on Monday, 21 March 1988 in Column 586 )

*Own Affairs*

Applications from White married couples to adopt non-White children

68 Mr C J DERBY-LEWIS asked the Minister of the Budget and Welfare

593

MONDAY, 21 MARCH 1988

594

(1) Whether the Department of Health Services and Welfare received any applications from White married couples to adopt non-White children during the latest specified five-year period for which information is available, if so, (a) how many such applications were (i) granted and (ii) refused and (b) in terms of what statutory provisions were they (i) granted and (ii) refused,

(2) whether this Department keeps statistics of prosecutions instituted against White married couples for contravening the relevant statutory provisions in this regard, if not, why not, if so, how many such prosecutions were instituted during the above period?

The MINISTER OF BUDGET AND WELFARE

(1) No, applications for adoption of children are made to children's courts and not to the Department of Health Services and Welfare. This Department is only responsible for the registration of adoptions in respect of White children

(2) No, it is not the function of the Department to keep statistics of prosecutions

Employees: financial incentive/bonus systems

75 Mr C J DERBY-LEWIS asked the Minister of the Budget and Welfare

Whether there are any financial incentive or bonus systems for employees in the Department of Budgetary and Auxiliary Services, if not, why not, if so, (a) how many and (b) what are the relevant details?

The MINISTER OF BUDGET AND WELFARE

(See reply to Question No 720 on Monday, 21 March 1988 in Column 586 )

Employees: financial incentive/bonus systems

76 Mr C J DERBY-LEWIS asked the Minister of Health Services

Whether there are any financial incentive or bonus systems for employees in his Department, if not, why not, if so, (a) how many and (b) what are the relevant details?

*Howard*

The MINISTER OF HEALTH SERVICES

(See reply to Question No 720 on Monday, 21 March 1988 in Column 586 )

Employees: financial incentive/bonus systems

77 Mr C J DERBY-LEWIS asked the Minister of Education and Culture

Whether there are any financial incentive or bonus systems for employees in his Department, if not, why not, if so, (a) how many and (b) what are the relevant details?

The MINISTER OF EDUCATION AND CULTURE

(See reply to Question No 720 on Monday, 21 March 1988 in Column 586 )

Employees: financial incentive/bonus systems

78 Mr C J DERBY-LEWIS asked the Minister of Local Government, Housing and Works

Whether there are any financial incentive or bonus systems for employees in his Department, if not, why not, if so, (a) how many and (b) what are the relevant details?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS

(See reply to Question No 720 on Monday, 21 March 1988 in Column 586 )

Employees: financial incentive/bonus systems

79 Mr C J DERBY-LEWIS asked the Minister of Agriculture and Water Supply

Whether there are any financial incentive or bonus systems for employees in his Department, if not, why not, if so, (a) how many and (b) what are the relevant details?

The MINISTER OF AGRICULTURE AND WATER SUPPLY

(See reply to Question No 720 on Monday, 21 March 1988 in Column 586 )

*Handwritten signature*

HOUSE OF DELEGATES

Indicates translated version

For written reply

Own Affairs

18 Mr K CHETTY asked the Minister of Health Services and Welfare

*Handwritten note:* Hospitals: intensive care units/wards

*Handwritten note:* The MINISTER OF HEALTH SERVICES AND WELFARE

- (1) Whether there are any intensive care units or wards in hospitals falling under the control of his Department, if so, (a) how many such (i) units and (ii) wards are there in each specified hospital and (b) for which race groups are these units and wards used,
- (2) whether any additional intensive care

units or wards are being planned by his Department, if so, (a) how many of each in respect of each specified hospital, (b) for which race groups and (c) when is it anticipated that each of these units and wards will be ready for use?

- (1) No
  - (a) (i) falls away
  - (ii) falls away
- (2) No
  - (a) falls away
  - (b) falls away
  - (c) falls away

*Handwritten signature*

HOUSE OF ASSEMBLY

Indicates translated version

For oral reply

General Affairs

State President

\*1 Mr P G SOAL — State President [Withdrawn]

KwaNdebele Police Force: proclamation to perform duties in accordance with South African common law

\*2 Mr P G SOAL asked the State President

Whether, in view of the successful application of Chief Gibson Mathebe against the Minister of Law and Order and the Commissioner of the KwaNdebele Police on 6 March 1988, he will consider exercising the powers vested in him in terms of section 25 of the Black Administration Act, No 38 of 1927, read with subsection (4) of section 30 of the National States Constitution Act, No 21 of 1971, to issue a proclamation requiring the KwaNdebele Police Force to perform their duties in accordance with the common law in South Africa, if not, why not, if so, when does he intend to issue such a proclamation?

THE MINISTER IN THE STATE PRESIDENTS OFFICE ENTRUSTED WITH ADMINISTRATION AND BROADCASTING SERVICES (for the State President)

No The court has already applied the common law

Ministers

Question standing over from Tuesday, 15 March 1988

\*8 Mr T LANGLEY — Law and Order [Reply standing over]

Mr T LANGLEY Mr Speaker, may I ask the hon the Deputy Minister what the reasons are for the delay in replying to one simple question? [Interjections]

THE DEPUTY MINISTER OF LAW AND ORDER

Mr Speaker, I have only been asked to request

that this specific question once again stand over. There is also a similar question later in the Question Paper, which in my opinion relates to this particular question

Mr T LANGLEY I think you are afraid to reply to this question! Mr SPEAKER Order!

New Questions

\*1 Mrs H SUZMAN — Justice [Reply standing over]

Legal abortions

\*2 Mrs H SUZMAN asked the Minister of National Health and Population Development How many women had legal abortions in 1987 in terms of the Abortion and Sterilization Act, No 2 of 1975?

THE DEPUTY MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

810

Stutterheim, Eastern Cape: detention centre

\*3 Mrs H SUZMAN asked the Minister of Public Works and Land Affairs

Whether his Department or any persons attached to his Department have been involved in the planning or construction of a detention centre to be built in or near Stutterheim in the Eastern Cape, if so, (a) what is the nature of that involvement and (b) for whom is this detention centre being built?

THE MINISTER OF PUBLIC WORKS AND LAND AFFAIRS

No

(a) and (b) Falls away

\*4 Mr C J DERBY-LEWIS — Justice [Reply standing over]

Pretoria: meeting attended by Minister

\*5 Mr C J DERBY-LEWIS asked the Minister of Law and Order

(1) Whether he and/or the Deputy Minister of Law and Order recently attended a meeting in Pretoria which was also attended by two persons whose names have been furnished to the South African Police for the

# SA's bottomless pit

HOUSE OF DELEGATES — The need to eliminate per capita disparities in the allocation of public funds to different population groups had high priority but was dictated by the availability of funds, Budget Minister Ismail Kathrada said yesterday

In his own affairs budget speech, he said SA's resources were finite and its needs were a bottomless pit. The goals set for the next five years had to be based on the country's economic capability

R461,127m voted to Education and Culture made up the lion's share of the total budget of R841,509m — Sapa



CHE TIMES 24/3/88 250

# Govt employee figures up 10%

By ANTHONY JOHNSON

THE number of central government employees grew by 68 227 or 10.5% last year.

This increase was not due to "excessive employment of personnel" but rather to the assimilation of "large numbers" of railway policemen and former development board officials.

The annual report of the Commission for Administration notes that 6 185 members of the SA Railways Police were transferred to the SAP, and 15 267 people employed by the former development boards were placed in various central government departments.

Had this assimilation not taken place the increase would have been 46 775 or 7.2%, the report states.

During the 12-month period September 30, 1986 to September 30 last year, the number of educators increased by 3 993 (2.4%) and the service departments by 17 071 (14.4%).

The increase of 20.7% in the number of nursing personnel was a gain of 12 591 people. The 6 917 labourers from the former development boards contributed to an increase of 28 101 labourers (19.6%).

*CVT Times 24/3/88*  
**Only 36% employed** (250) (235)  
THE 1,679,000 members of the public sector comprise 16.1% of the 10,459,000 economically active people in South Africa, according to the Commission for Administration. The commission's annual report, tabled in Parliament yesterday, said that 36% of South Africa's total population of 29,025,000 were economically active.

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THE Witwatersrand Chamber of Commerce and Industry (WCCI) has come out strongly against government's stance on a wage and price freeze, saying the move should be avoided at all costs

Consensus at a council meeting was that the WCCI could not issue policy guidelines to its membership on how to apply self-restraint other than to urge members to take cognisance of the State President's appeal in their decision-making on prices and wages

"In the final analysis, business operates in a competitive environment where market forces determine earning levels and prices. Not only is a severe shortage of management and other skills being experienced, but many employers also have to contend with union demands

"These factors alone make it practically impossible for an organisation as widely representative of business as the WCCI to issue guidelines. The chamber remains convinced that business will, in its own

## Reaction to wage freeze

MICK COLLINS

interest, at all times seek to achieve the optimum use of its sources of production, inter alia to reduce the ratio of wages to turnover"

It said it supported the view expressed at last year's Frankel Kruger investment conference by Finance Minister Barend du Plessis that a mandatory incomes policy was not the solution for SA's critical inflation problem.

"Such actions can only introduce dangerous distortions — product shortages, black markets, job hopping — that will have very serious consequences for the country's future economic growth"

24/3/88

8/day

250

## R2,3bn for Representatives

HOUSE OF REPRESENTATIVES — An amount of R2,341bn is needed to finance the four departments of the House of Representatives for the 1988/89 financial year.

Delivering the own affairs budget, Budget Minister Andrew Julius said yesterday the largest amount of R1,108bn was allocated to the education and culture department. This was an increase of 9,7% compared with the 1987/88 Main Appropriation of R1,009bn — Sapa

250  
22/3/88

250

### First figures

Barend du Plessis has revealed that public sector remuneration is expected to cost R13,4bn in 1987-1988, 34,9% of total estimated State revenue

The figure, coming months ahead of official statistics, shows that about 700 000 employees in the "exchequer personnel corps" cost R9,7bn in wages and salaries, R594m in bonuses, R449m in housing subsidies, R215m in medical aid contributions, R1,8bn in pension fund contributions and R605m in other benefits.

The R13,4bn total is 153% more than five years ago, when R5,3bn amounted to 28,8% of total State revenue

The exchequer personnel corps, which excludes public corporations such as Sats and Posts and Telecommunications, employs

### NO NON-RESIDENT TAX

The *FM* last week wrongly said that non-residents' tax is payable on interest on Eskom stock. The error is regretted

about 50 000 who are classified as teachers, nurses and labourers.

Du Plessis was replying to a question from Albert Nothnagel, NP (Innesdal) ■

# 10 pc increase in state employees

D/D 25/3/88

250

CAPE TOWN — The number of personnel employed by central government grew by 68 227 — 10,5 per cent — between September 30 1986 and September 30 last year

However, this increase cannot be ascribed to "excessive employment of personnel" but rather to the assimilation of "large numbers" of people from other sectors of government, according to the annual report of the Commission for Administration

In this regard, the report notes that 6 185 members of the South African Railways Police were transferred to the South African Police, and 15 267 persons employed by the former development boards were

place in the service of various departments of the central government

The 1 679 000 members of the public sector comprise 16,1 per cent of the 10 459 000 economically active people in South Africa, according to the commission

The commission's annual report, tabled in

Parliament yesterday, states that 36 per cent of South Africa's total population of 29 025 000 are economically active

The report notes that blacks comprise 47,5 per cent of the public sector personnel, whites 36,8 per cent, coloureds 12,4 per cent and Indians 3,3 per cent — DDC

50 25/3/88

# Industry expects salaries to rise 15%

A NATIONWIDE survey of manufacturing firms, conducted after President P W Botha's appeal

for private sector wage restraint, has found industry expects salary and wage increases in 1988 to average 15%

The survey, involving more than 1 000 firms, was conducted by Stellenbosch University's Bureau for Economic Research (BER)

BER director Ockie Stuart said yesterday that in 15 of 20 manufacturing sector categories most firms expected to pay average increases of 15% to 20% This expectation

### Business Day Reporter

was highest in the food, footwear, textile, plastics and paper sectors

In five categories — clothing, knitwear, transport, basic metal and fabricated metal — most respondents expected to pay increases of 14% or lower

Stuart said many firms had committed themselves to paying increases in advance of Botha's call, and were now unable to

lower these increases

Another important finding was that productive capacity was increasing through an increase in employment A further positive aspect was, in spite of the rise in the number of employees, the average labour cost per unit of production remained roughly unchanged and was not expected to increase in the next quarter

Stuart said it should be noted that the manufacturing industry was handicapped by a disturbing shortage of skilled labour

## Optimism growing among employers, labour

# Manufacturing is poised for boom

## Captain absent: evidence

SUE RUSSELL

A social worker employed at the Johannesburg Magistrate's court testified yesterday that murder accused Sergeant Robert van der Merwe told him his co-accused Captain Jack La Grange was not there at the shooting of three men.

La Grange, the suspended head of the East Rand Murder and Robbery unit, and Van der Merwe have both pleaded not guilty to the murder of two alleged drug dealers and the attempted murder of a third

It is alleged they murdered Bennie Ogle in Ennerdale on September 28 last year and attempted to murder Ernest Malakoane in the early hours of the next day The State also alleges the pair murdered Peter Pillay on October 4

La Grange has denied any involvement in the killings

The social worker who is employed by the Department of Health and Welfare said he met Van der Merwe at court in December He said van der Merwe told him he was going to be a State witness

Theunissen said as a "reality test" he had said to Van der Merwe "You and Jack jumped into a car and shot those 'ouens' and Van der Merwe's response was "the captain was not there"

The sergeant testified that he did not know Theunissen and the conversation between them had not taken place

Van der Merwe said he did not know why Theunissen should fabricate evidence against him but could only comment that La Grange was an officer and been around the magistrate's court longer than he had

The trial continues before Mr Justice Irving Steyn and two assessors today

MICK COLLINS

THE manufacturing sector is poised for a boom with organised industry reporting a new wave of optimism sweeping through employer and labour ranks

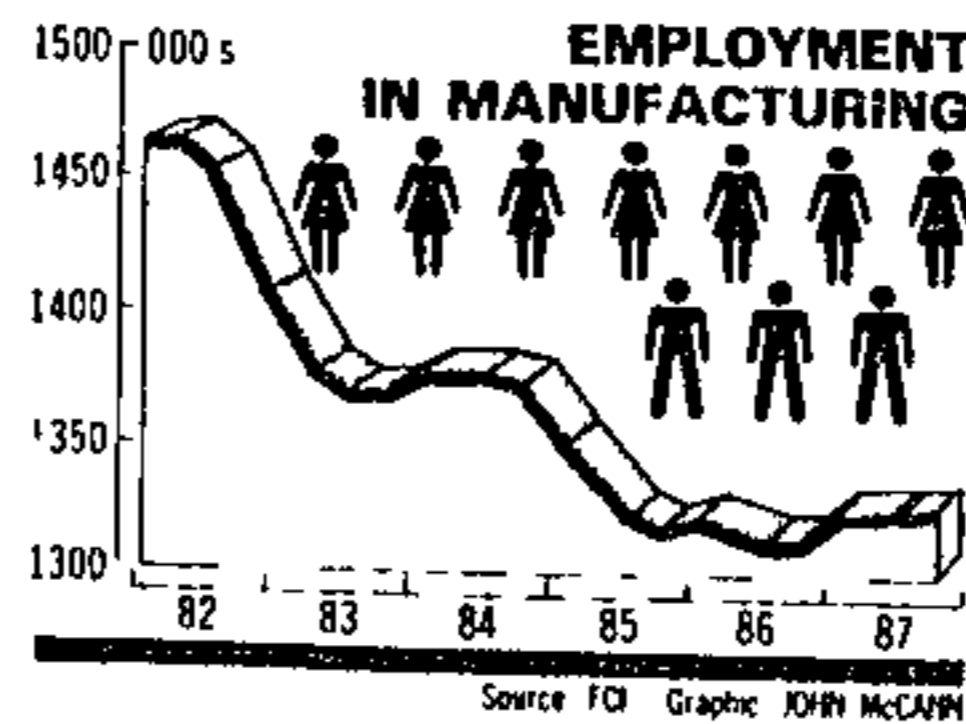
But, the Bureau for Economic Research (BER) and the Federated Chamber of Industries (FCI) have warned that low stock levels and a shortage of skilled staff could inhibit growth later in the year

The BER said yesterday sales were expected to rise in the coming months with industry taking on more factory workers in expectation of more growth

Although the economy was not expected to grow as rapidly as forecast late last year, manufacturers were registering first-quarter confidence at a level not seen in SA since 1982

BER director Ockie Stuart said "A high level of business confidence, expressed by way of satisfaction with prevailing conditions and expectations of sales levels during the coming quarter, is the order of the day in the manufacturing industry"

Outlining results of the BER's latest quarterly analysis of the



sector based on 1 096 firms, Stuart said 70% of manufacturers surveyed reported satisfaction with business conditions

He said: "The net majority expect an increase in tempo of business while only about 5% expect business to decline in the next quarter Growth in the sector has, in recent times, been constrained by a lack of confidence, but this has now clearly been reversed"

Stocks of finished goods had been reported on net balance to be too low to meet expected demand, which meant delivery periods could be expected to lengthen with some companies already facing problems in fulfilment of orders

Particularly vulnerable areas included the wood industry, fur-

niture, rubber and the motor industries

Stuart said "A disturbing result was the extent to which the shortage of skilled labour was causing certain industries serious problems Sectors most hit included machinery, paper, textiles, clothing, wood and transport equipment

"As far as sanctions are concerned, these have had the most noticeable negative effect in the textile and footwear industries" However, after government's announcement of a wage freeze for the civil service, the GDP was not as likely to be as strong as originally forecast

The FCI said an air of optimism and expectancy boded well for the economy during the next 12 months

It said "There is definite optimism in the industrial place This is supported by a considerable number of companies with expansion plans Performance in the manufacturing industry is higher generally — specifically in the electrical and metal sectors"

Almost all reports from members indicated an improvement in performance with expectations running high and more confidence engendered

# Life industry payouts top R5bn

HELENA PATTEN

1987 alone, more benefits were paid out than during the whole of 1985

The investment income earned on behalf of policyholders was R4,92bn, an increase of 16% over the investment income earned in 1986

Total premium income in-

BENEFITS paid out by the life insurance industry in one year passed the R5bn mark for the first time in 1987, the Life Offices' Association (LOA) said in a statement yesterday

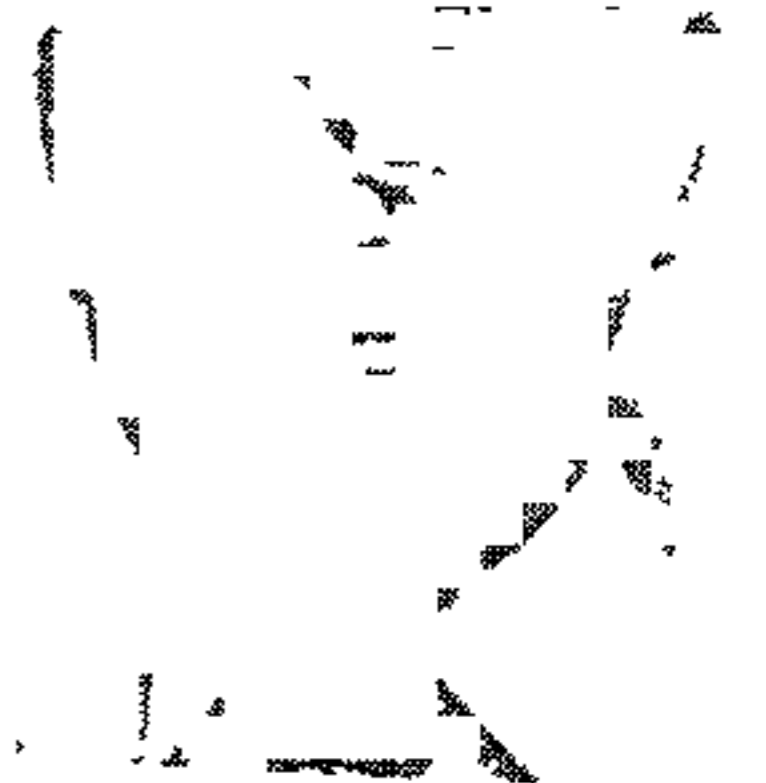
LOA reported a total benefit payout of R5,33bn in 1987, an increase of almost exactly 33,33% compared with 1986 They say in the second-half of

creased 56% to R13,6bn, while total assets increased 20,7% from R54,5bn to R65,8bn in the 1987 year

The industry held 39% of its assets, or R25,7bn, in public sector securities, reflecting the important role the industry played in providing loan capital for the public sector

CMT Times 25/3/88 (250) (Elo)

# Wassenaar slates pension moves



Dr Wassenaar

Political Staff

## 'Farcical' regulations an obstacle to privatization

THE "debased and farcical" regulations adopted by the various state pension fund schemes have created an obstacle to economic reconstruction, Dr Andreas Wassenaar, former Sanlam chairman and qualified actuary, said last night

Addressing the Pretoria Chamber of Commerce, Dr Wassenaar said the regulations had the potential to sink the government's privatization proposals

He dismissed last-

minute attempts by the government to obtain actuarial evaluations of these funds, and proposed instead that a joint committee of consulting actuaries be appointed to examine urgently all the public pensions funds, including those of the parastatals and the municipalities

Dr Wassenaar also proposes that all public sector pension funds be

placed under the control of the Registrar of Financial Institutions

The government's arch critic over its administration of pension funds warned that not only has the Government Service Pension Fund already cost the SA taxpayer billions of rands as a result of "debased fund regulations", it is going to "cost him billions more in the future"

He said the debased

pension fund regulations introduced into the Government Service Pension Fund had also been adopted by the Associated Institutions Pension Fund and other public pension funds. And they have also spread to areas like municipal pension funds

He said many of the regulations, like the "farcical" buy-back provisions, cried out for ma-

nipulation. He warned that anybody in the private sector contemplating taking over any of the government's undertakings would be well advised to start off with an actuarial investigation of the pension funds. Should a substantial actuarial deficit be uncovered this might affect any investment unless the share price is proportionately reduced, or the government accepts financial responsibility

# R195 000 per annum for top civil servants

Daily Dispatch Correspondent

CAPE TOWN — Two of the government's top civil servants are to get remuneration packages of R195 000 per annum each, in terms of the latest estimates of expenditure

The estimates record a budget of R391 000 for the two statutory posts of the Commission for Administration

The commissioners, who are responsible for the employment and service conditions of all civil servants, would appear to be two of the three civil servants noted in the estimates with salaries in excess of R120 000 per annum

The estimates reveal that 3 563 civil servants earn over R50 000 per annum

The very top earners' salaries exceed those of some cabinet ministers, including the minister responsible for the Commission for Administration who is to get a salary of R104 850, plus a reimbursive allowance of R31 839

The secretary for the commission, Mr Ian Robson, said the figure of R391 000, comprised the commissioners' salaries, plus fringe benefits such as a car, plus operating expenses. He said the state contributions for their pension fund and medical aid were

not reflected in this figure and were contained in other budget votes

He said the minister's other benefits were also not reflected in the commission's budget and were contained elsewhere

A PFP MP, Mr Roger Burrows, said the figures would appear to agree with his own estimate that top civil servants were receiving perks of between R40 000 and R50 000. He said the breakdown showed that, besides the three civil servants earning more than R120 000, there were about 20 directors-general earning R119 000

He did not think it unreasonable, "in terms of what a top CE earns", for the most senior civil servant, with 1,6 million civil servants under him, to earn such a high figure

He expressed greater concern with the disparity between the incomes of those in the higher bracket and those at the bottom. He said the lowest labourer earned R177 a month, and this could not be increased unless everybody received an increase or posts were collapsed

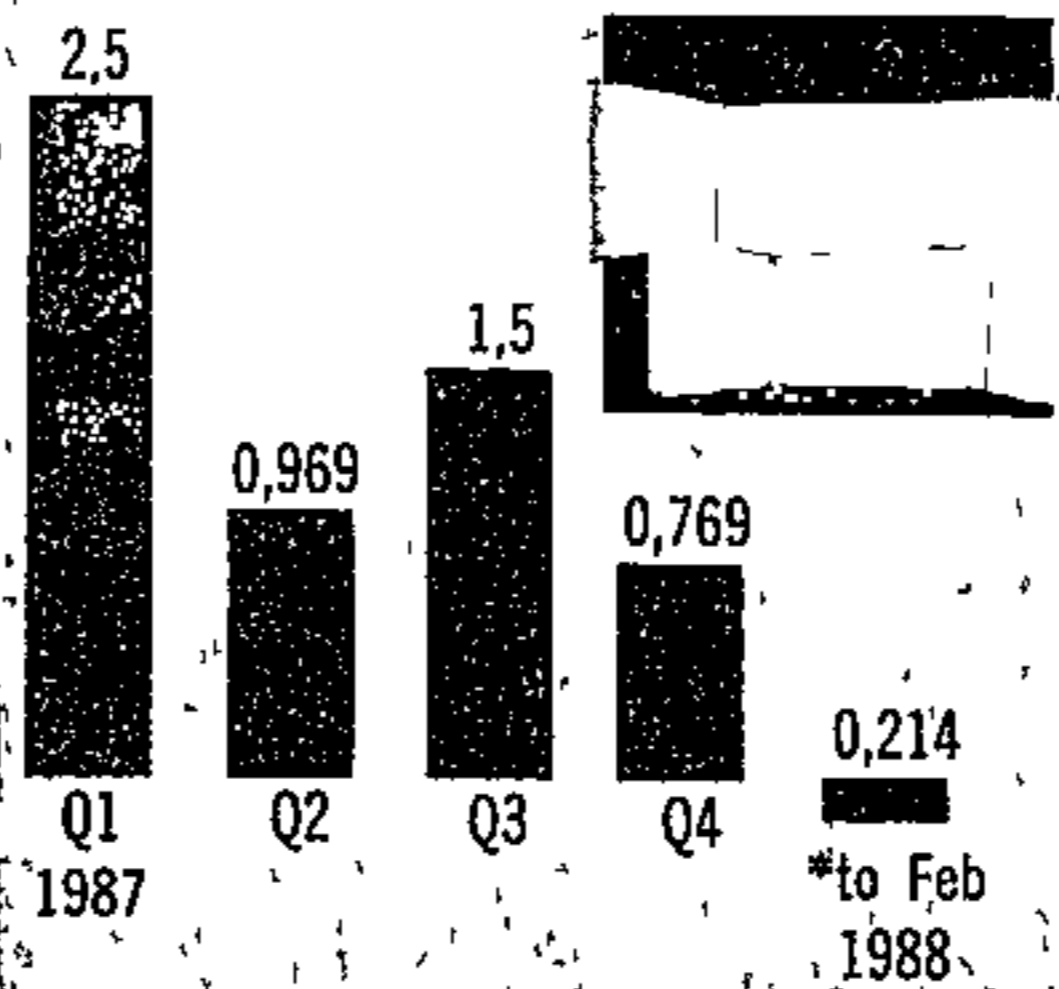
The estimates revealed there were about 290 000 civil servants earning less than R6 001 per annum, 13 335 of these were earning less than R2 001 per annum

D/D-714/88

250



## CURRENT ACCOUNT Rbn



\*Estimate, two months to Feb

Source SA RESERVE BANK Graphic JOHN McCANN

## R200m BoP current account deficit

7/4/88 GRETA STEYN

A DEFICIT of about R200m was registered on SA's current account of the balance of payments (BoP) after the first two months of this year, a rough estimate shows.

There was an estimated deficit of R1.4bn on the services account, while the trade surplus for the two months, according to customs and excise, was R1.2bn — leaving a negative balance of R200m.

Estimates for services — such as freight insurance, dividends, interest and travel — are based on historical figures published in the latest Reserve Bank Quarterly Bulletin.

Figures for this year's services payments and receipts are not yet available. Last year, payments for services amounted to R15.4bn and receipts for services were R6.5bn.

At the end of 1987, economists predicted a current account surplus of about R4bn for 1988.

While their predictions could still be realised, alarm bells are ringing.

If SA is to meet its foreign debt commitments, it cannot allow the current account to swing into deficit.

Even if the surplus is maintained, albeit at a sharply lower level than last year's R6bn, the offspin would be that there is less liquidity in the money market — putting upward pressure on interest rates.

Another offspin could be downward pressure on the rand.

# Civil service elite given huge payouts

CMT TUIS 4/4/88

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~~250~~

**Own Correspondent**

**JOHANNESBURG** — Two of the government's top civil servants are to get remuneration packages of about R195 000 a year each

The Estimates of Expenditure budget R391 000 for the two statutory posts of the Commission for Administration held by commission chairman Dr J de Beer and commission member Dr J E du Plessis

The commissioners, who are responsible for the employment and conditions of service of all civil servants, would appear to be two of the three civil servants noted in the estimates with salaries of more than R120 000

The breakdown of the estimates is such that it is not possible easily to identify the third civil servant

The estimates show that 3 563 civil servants earn more than R50 000 a year

The very top earners' salaries exceed that of some cabinet ministers, including the Minister responsible for the Commission for Administration, Mr Alwyn Schlebusch, who is to get a

salary of R104 850, plus a reimbursive allowance of R31 839.

Secretary for the Commission Mr Ian Robson said the figure of R391 000 comprised the commissioners' salaries, plus fringe benefits such as the car scheme, and operating expenses such as subsistence and travel costs

PFP MP Mr Roger Burrows said the figures would appear to agree with his own estimate that top civil servants were receiving perks of between R40 000 and R50 000

He said the breakdown showed that beside the three civil servants earning more than R120 000, there were about 20 director-generals earning about R119 000

He did not think it was unreasonable, "in terms of what a top CE earns", for the most senior civil servant, with 1,6m civil servants under him, to earn such a high figure

He expressed greater concern with the disparity between the incomes of those in the higher bracket and those at the bottom

He said the lowest-paid labourer earned about R177 a month.

PRETORIA — A showdown between the government and public sector workers' staff associations looms as evidence mounts that the private sector is ignoring the State President Mr P W Botha's plea for moderation on salary and wage increases

Senior public servants said at the weekend that it was becoming more and more apparent that the pay freeze sacrifice, forced on them by the government in the name of inflation, would be in vain

A Public Servants As-

D(D 28/3/88) (250)

## Showdown looms as private sector salaries rise (250)

sociation spokesman said surveys made by consultants clearly indicated the average rises in the private sector this year would be around 17 per cent

He claimed this is supported by the findings of a Stellenbosch Economic Bureau (SEB) survey of 1 000 manufacturers, that rises this

year would range between 15 and 20 per cent

It is pointed out that the 730 000 (CSS figures) working for the central government and provincial administrations would have earned around R1,2 billion more in the current financial year if they had been granted even a 12

per cent rise

This morning the conciliation board appointed by the Transport Minister, Mr Eli Louw, will attempt to resolve the pay dispute between 200 000 Sats workers and management

The SEB finding will be used with other arguments by the federal council of Sats unions to support its demand for 17 per cent pay increases

The Federal Council chairman, Mr Dudley Henn, said the council would not compromise on its demand — DDC

ANYBODY in the private sector intending to take over any of government's nationalised concerns would be well advised to start off with an actuarial investigation of the pension funds.

If an actuarial investigation into the pension fund of a parastatal does reveal a substantial actuarial deficit, this might seriously affect any investment in the parastatal unless the price of the share is appropriately reduced, or unless government accepts and retains financial responsibility in respect of the pension fund's liability in respect of past service.

In view of the evidence to the Parliamentary Standing Committee on SA Transport Services accounts, the pension funds of Sats must be highly suspect. As an investigation of a pension fund may be time-consuming, it would be advisable to look into the pension fund before negotiations on price can be finalised.

A few outstanding facts should be appreciated. Firstly, that there is proper control over private sector pension funds and full disclosure of all the facts to the registrar and to the members of the fund and to the employer.

Secondly, that there is no satisfactory control over and disclosure of all the facts with regard to the public funds. Thirdly, that the pension fund problem has consequently become colossal and the financial implications staggering.

My advice would be that the Association of Consulting Actuaries be asked to appoint a committee of consulting actuaries to undertake jointly the examination of all the public pension funds, including those of parastatals and municipalities. That would give government and all interested parties the benefit of the joint view of three or four firms of consulting actuaries and could be instrumental in bringing uniformity into the approach to issues that are at the bottom of some of SA's major financial problems.

Taxpayers and ratepayers (also potential purchasers of shares in the parastatals) would then know the future liabilities of all public and para-public pension funds.

The Registrar of Financial Institutions controls the private pension funds and has reasonable control over municipal pension funds. He has no control over the Government Service Pension Fund, which happens to be the pension fund which is respon-

# State pension funds: pay later and pay later

In his book "En route to Fairland," former Sanlam chairman ANDREAS WASSENAAR said deficiencies in government pension funds were costing taxpayers billions. Yesterday he continued his attack in an address to the Pretoria Chamber of Commerce. This is an extract from his speech

sible for the debasement of pension fund regulations which has occurred in the past, and which has now become a national financial issue.

The problem is how to move from the present chaotic state to an orderly conduct of our pension funds.

An easy route would be, firstly, to place all public pension funds under control of the Registrar of Financial Institutions, and to empower him to appoint a committee as visualised above to investigate the regulations of all pension funds and to report to him on the financial implications.

Government has permitted the regulations of the Government Service Pension Fund to be debased to an unbelievable extent. We now know that other public pension funds have followed the example of the Government Service Pension Fund. We also know that this practice has spread to some of the municipal pension funds — to an extent not yet known.

It has become practice to use funds as a vehicle to provide unusually lucrative benefits and even pure gifts, mainly through the "buy-back" system, at great cost to ratepayers and taxpayers.

An actuarial valuation as at March 31, 1985, showed a R17bn deficit in the Government Service Pension Fund. We are now three years further on, during which the fund suffered a further loss on the deficit — i.e., a loss on account of the fact that R17bn assets were not there to produce an income to the fund. The

interest loss for three years at 12% per annum would amount to approximately R5,6bn.

So the accumulated deficit is approximately R22bn. These figures apply only to the Government Service Pension Fund. The pension funds of associated institutions, other public pension funds or municipal pension funds have not been included in this estimate. It specifically does not include liability under the "buy-back" system.

On September 21, 1987, new regulations were published in the Government Gazette in which minor changes were announced and one important matter — an amended formula by which the purchase price would in future be determined for service under the "buy-back" system.

his new formula is to be determined by the Director General, not by the Minister. The right and the power to determine this important matter is placed, by law, in the hands of a public servant, who could have a personal financial interest in the matter. So could his successor in office. This is principle so completely wrong that the Minister should not, in my view, have lent his name and office thereto.

The second issue is even more important. The Minister decided initially that a part of this formula was to be kept a State secret, on the grounds

that it is a personal matter between the member and his pension fund.

I have reason to believe that the Minister has decided to reverse his decision and to publish all the details of the formula, as well as the rate of interest involved.

The taxpayer has to find the funds before the salaries of the Minister and the bureaucracy can be paid. The taxpayer then makes direct contributions to the pension fund of R2,70 for every R1 made by public servants.

The fund is heavily in deficit and the assurances which the Minister give to the members and pensioners — namely, that there is nothing wrong with the fund — rest entirely on the ability of the taxpayer to produce the revenue. On top of all this, I challenge the assumption that the public servant will pay in full for the bought-back service. The mere fact that future rates of inflation cannot be predicted proves that such a categorical statement is not valid.

There is no justification to withhold from the taxpayer and the public one single fact or aspect regarding the Government Service Pension Fund, or any other public pension fund which includes the municipal pension funds, and the pension funds of the parastatals.

My estimate is that the civil pensions paid during the year 1986/87 amounted to approximately R1,5bn. This has not been funded in any way. These amounts are paid from Revenue each year. The present-day

liability of this obligation, if it should be actuarially determined, may be anything between five times to 10 times the annual amount — probably therefore between R8bn and R15bn. That would be the present cost to the taxpayer if civil pensions were funded.

An actuarial valuation of civil pensions is therefore urgently necessary, even if it is done merely to show the present value of the taxpayer's future liability.

A "Members of Parliament and Political Office-bearers Pension Scheme Act" was passed in 1984.

It provides for a pension after 15 years' service equal to the full annual salary. The gratuity, in the case of a Minister, equals three times the annual salary. The gratuity is tax free. The member pays a contribution of only 7% for this wonderful pension. If he is a Minister, the contribution is payable for only 12 years.

The rate of contribution payable for only 12 years which would be required to fund a pension of 100% of salaries after only 15 years' service, ignoring increases in salaries and increases in pensions to compensate for inflation, would be approximately 35% of salaries.

There should therefore be a contribution from Revenue of approximately 28% of salaries if this scheme was funded. If we go a step further and assume that salaries would be increased by approximately 10% per annum, the rate of contribution required from revenue would be in the region of 40% of salaries.

If we go yet a step further and assume that pensions would be increased from year-to-year to compensate for inflation, the rate of contribution required from revenue could be in the region of 80% of salaries.

The present generation of taxpayers is spared this burden, which is simply passed on to the future generations of taxpayers — who fortunately do not have a vote right now. In fact, the present generation of taxpayers gains from this transaction, as the 7% contribution by members is paid according to the Act into the State Revenue Fund.

If we were to draw up a balance sheet of SA's future involvement in the deficit and liabilities under its pension funds and other unfunded pension provisions, we would have, to cover all these future liabilities, only one item on the asset side — the present and future taxpayer.

MICK COLLINS

GOVERNMENT was confident of reducing public-sector spending, which should still ensure a real growth rate of close to 3% in 1988, Economic Affairs and Technology Minister Danie Steyn said yesterday.

He told the first AGM of the Witwatersrand Chamber of Commerce and Industry (WCCI) that from past experience any economic upturn was accompanied by increased demand for imports which led to a balance-of-payments problem.

"This is reflected in the sharp increase in imports in the December 1987 to February 1988 period. During January this

## Govt: spending will be reduced

year, the trade surplus amounted to only R550m and increased to R647m in February, which exerted some pressure on the positive balance of payments position."

He hoped this was not a reflection of a trend but rather an isolated incident. The broadly defined money supply had also shown a sharper-than-expected increase of 20.4% in January and 19.9% in

(250) 19/4/88  
B/day ● To Page 2 →

## Govt: public-sector spending will be reduced

February — well above the target of 16% set for its growth.

"The greater demand for funds has led in turn to upward pressure on interest rates. The economy cannot afford an interest-rate hike. In these circumstances, this year's Budget is aimed at preventing overheating in the economy and checking inflation rather than being stimulatory."

Incoming WCCI president Hennie Viljoen urged government to continue its reform process without delay. He said it was imperative that government maintained its resolve in carrying through its new economic package.

"They (government) have raised hopes for the long-term health of our economy, for a new economic era founded on fiscal discipline and tax reduction."

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B/day ← ● From Page 1

He said the need to stick to reform had to be fuelled by an awareness of unemployment, which was running at about 22% nationally, and the need to create jobs.

"It is necessary to highlight the role of the informal sector in promoting job creation. There are detractors who point to non-payment of general sales and other taxes. But the sector does spread the employment net, it does generate wealth that is injected into the economy."

"There are a growing number of examples of operations reaching maturity and emerging into the formal sector. A few years ago there were combi taxi drivers offering transport to and from the townships. Today we have Sabta, a key player in transport," Viljoen said.

# SA's bureaucracy continues to expand

PRETORIA — SA's ever-expanding bureaucracy is reflected again in the latest employment and earnings figures in the public sector, released yesterday by Central Statistical Services

They show at the end of the last quarter last year there were 723 483 working for the central government and the provincial administrations

Most — 526 606 — were in the service of the central government — nearly

by  
15/11/88 GERALD REILLY (250)  
20 000 more than at the end of the first quarter last year

The public sector as a whole — including Sats, the Post Office, self-governing territories, local authorities, parastatals, universities and technikons, marketing boards and public corporations — employed a record 1 702 194.

However, there was a decrease in the

numbers employed by the Post Office — down by 5 201 to 92 191. And the fall off of Sats staff has continued, with the total down by 13 105 to 187 112.

Total payout to the public sector amounted to R6,58bn in the last quarter of 1987 — 7% more than for the third quarter.

The payout to central government workers for the last quarter was R2,09bn

CAPC 1m is 13/4/88

# Thousands of civil servants in buy-backs

## Political Staff

A TOTAL of 33 484 civil servants applied to buy back pensionable service in 1987, according to the annual report of the Department of National Health and Population Development tabled in Parliament yesterday.

The department gives no indication of what this large number of buy-backs is expected to cost public sector pension funds — and ultimately the taxpayer.

However, in an annexure the report disclosed that the state's seven pension funds' total expenditure in 1986/7 amounted to R1,68bn, leaving a balance of R17,33bn at the end of March last year.

The extent to which civil servants are likely to benefit from these buy-back practices was demonstrated by National Health and Population Development Minister Mr Willie van Niekerk.

## Annual pension

In a written reply to a question by Mr John Malcomess (PFP Port Elizabeth Central), Mr Van Niekerk cited the case of a 50-year-old official, earning R48 000 a year, who would get an annual pension of R17 814 on retiring at age 60.

He would also qualify for a tax-free gratuity of about R270 900.

In terms of the buy-back provisions, he could purchase service back to the age of 18 for R213 015 — an amount he can take out as an advance on the gratuity eventually due to him.

This would mean that in addition to enjoying the R57 935 residue in his gratuity package, this official would — at no personal financial cost to himself — be able to boost his final annual pension by almost 400% to R73 669.

Reacting to these extremely generous buy-back provisions, Mr Malcomess said it provided a very clear example of the extent to which the gravy train exists in the public service at the taxpayers' expense.

# Constraint on new capital expenditure

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GRETA STEYN

THE balance of payments (BoP) constraint is likely to hamper the recovery in fixed investment spending.

SA's current account on the BoP has to remain in surplus which means imports cannot be allowed to rise indefinitely while exports decline. Since capital spending in SA is almost entirely dependent on imports, there is a constraint on fixed investment spending.

Standard Bank noted in its Review that imports of capital goods constituted more than 40% of total imports, and together with intermediate goods more than 80% of imports.

"One cannot ignore that for spending on fixed investment to improve, import volumes will have to pick up further," Old Mutual economist David Mohr says.

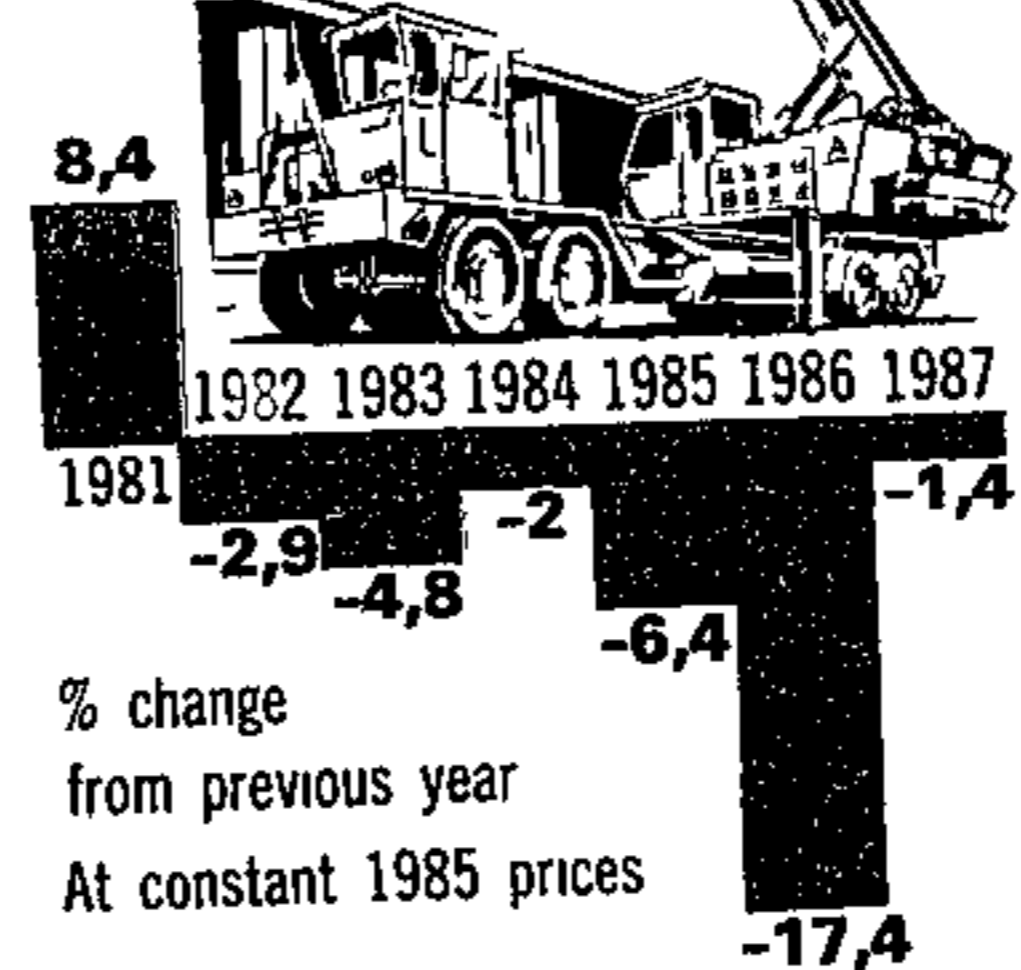
At the same time, exports would have to perform well.

"Export volumes will be the deciding factor when it comes to the BoP constraint and the level of fixed investment we can afford."

In Mohr's view, the performance of SA's exports will become crucial towards the end of this year.

Since 1981, gross domestic fixed investment has contracted every year in real terms. However, the Reserve Bank notes in its latest Quarterly Bulletin an "impressive" recovery took place in the fourth quarter of last

Gross domestic fixed investment



Source SA RESERVE BANK Graphic JOHN MCCARTHY

year — increasing at an annual rate of about 18%. There was still a slight decrease for the whole year, however.

The recovery was reflected in rising import figures and continued into the first quarter of 1988. Customs and Excise figures show for the two months to February this year spending on imports of machinery and equipment increased 47%. A 54% increase was recorded in spending in the transport equipment category.

Exchange rate movements alone could not have accounted for such large jumps in spending, indicating there was a substantial increase in the volume of capital goods imported.

Economists predict the first real increase in fixed investment spending since 1981 this year.



CSIR launches major research programme

# CORROSION COSTS SA R6,8bn

(25) 12/1/88

A MAJOR research programme into corrosion has been launched after it was found corrosion cost the economy more than R6,8bn or 4% of the gross national product (GNP) of R157bn in 1987.

The figure is based on earlier research compiled during a study of the problem by Wits University department of metallurgy and materials engineering (DMME).

The study showed that corrosion in 1983 cost R4,4bn. But analysts said since then that figure had been overtaken as the country's GNP grew. DMME's Professor Paul Robinson said it was customary in industrialised countries to operate on 3,5% of a

MICK COLLINS

country's GNP as a corrosion cost. He said: "But in the case of SA, where we are mining orientated, the economy is faced with heavy losses."

## Hidden

Robinson said the R4,4m discovered during the 1983 research — carried out as part of a thesis by a DMME student under his supervision — was the direct cost to the economy but that there were many other hidden costs.

Dr Bryan Callaghan, of the CSIR's National Institute for Materials Research (NIMR), said the cost to the

economy could be cut by 25%.

He said: "We will extend our research into corrosion and to link industry more closely with the programme. Should industry show sufficient interest, a new coastal site will be established to accommodate tests, not only on metals but on various other materials of economic importance such as plastics."

Corrosion was the direct cause of many factories going out of commission last year.

Callaghan said: "But it would be a mammoth job to try to compile statistics on hidden costs. These include downtime due to equipment failure, especially in the transport and mining sectors."

"From my own experience with corrosion and galvanised piping, the cost to the provincial administration last year was in the region of R25m."

## Tested

At the proposed site, materials would be tested in marine conditions varying from the surf zone to above the high-water mark. The rate of corrosion of steel over an exposure period of 10 years in Pretoria was 4,3 micrometres compared with 37,1 at the Durban bayhead and 219 micrometres on the Durban Bluff.

Callaghan said the NIMR already had corrosion sites at various places in the country including Pretoria, the Durban Bluff and Durban bayhead.

Weeks a slightly over a jugill auo) NIMV (P.O. Box 7531) Durban 401

# Public service not 'a growing monster'

PRETORIA — The public service was not a growing monster living off the fat of the land, the Public Servants Association (PSA) said

The PSA said in its official journal that Finance Minister Barend du Plessis had revealed recently the total cost to the state of the public service soared by 151% during the previous five years

The PSA said a major reason for that was the staffing of own affairs depart-

(250) GERALD REILLY 17/4/88

ments with ethnic personnel  
In addition, the main reasons for the increase in the remuneration bill was threefold

They were the wide-ranging democratic reform processes and security, the implementation of a salary policy aimed at eliminating the wage gap and an attempt to pay officials on a market-

related basis

The PSA also stressed Du Plessis had not only referred to public servants but to exchequer personnel totalling about 700 000 workers

Only 18,6% were appointed in terms of the Public Service Act

Exchequer personnel were made up of public servants, labourers, educationists, nurses and those employed in the services departments

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## NEW SPENDING PRESSURES

Agriculture and police are two divisions of government that found a sympathetic ear with the Standing Committee on Finance after the Budget

The committee notes that too few people work for the police, recommending, in effect, higher pay.

It also says that examination costs at the Technikon RSA are too high, the retirement age of 60 is too low; training facilities are inadequate, as are funds, and man-hours are unnecessarily wasted in court proceedings.

Suspects successfully dealt with by the police are not doing their fair share for the economy. The committee says that

26,4% of serving prisoners cannot be "utilised productively" because of insufficient staff.

Moreover, there is still a "worrying shortage of teachers in certain categories." It recommends "as a matter of urgency" that the provision of funds for teacher training receive high priority.

Another high-pressure spending area, agriculture, also pleaded for more money. The committee notes that as a result of the allocation of money for agriculture as part of the globular allocations to various "own affairs" administrations, "inadequate amounts are allocated for certain departments, including agriculture."

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# South Africa's growth business is bureaucracy

ROGER SMITH

**STATE PRESIDENT P W Botha** came to power as Prime Minister 10 years ago pledging to cut government bureaucracy by rationalising it and making it more efficient.

In 1979 he said the number of State departments would be cut from 39 to 22. Now, in 1988, the latest edition of the directory, State Departments of Southern Africa, shows that on the most conservative listing there are 29 State departments.

Include the various "own affairs" departments as separate departments in their own right rather than as sub-departments of the three administrations of the tricameral Parliament, and the figure immediately swells to 42. Add the four provincial administrations and it takes the figure to 46.

A look at government's own departmental directory provides a figure closer to 50.

But however one juggles the figures, the latest directory, simply by listing all the departments and sub-departments, as well as those of the TBVC and homeland governments, clearly shows a massive proliferation of the bureaucracy in comparison with the position shown in earlier directories.

**T**he steady addition over the years of new departments and sub-sections is also borne out by comparison of employee statistics in the 1978 SA Institute of Race Relations (SAIRR) survey and those in the survey just released, Part Two of 1986.

The statistics for central government departments alone show that in June 1978 there were about 314 000 people employed in these departments. In June 1986, there were about 397 000.

In 1978, government said there were 1,3-million people employed in the public sector. In 1988 the figure is 1,6-million.

This expansion has taken place despite the fact that in the interim the TBVC countries have taken "independence" and their public sector employees are not included in the 1988 figures.

In 1978, Botha's vision of 22 departments was:

- The Office of the Prime Minister;

- The Office of the Commission for Administration,
- The Directorate of National Security (DONS),
- The Department of Finance,
- The Office of the Auditor General,
- The Department of Transport,
- SA Railways and Harbours (SARAH),
- The Departments of and the Departments of Foreign Affairs and Information,
- Industries, Trade and Tourism,
- Agriculture and Fisheries,
- Water Affairs, Forestry and Environmental Conservation,
- Post and Telecommunications (including the SABCO),
- Internal and Constitutional Affairs,
- Justice and Prisons,
- Co-operation, Development and Education,
- SA Police,
- TSADF,
- Manpower Utilisation,
- National Education,
- Community Development and Government Auxiliary Services,
- Health, Welfare and Pensions, and
- Mineral and Energy Affairs

**A**ll these departments are still there in some form or another, but almost all have expanded, a number to the point of dividing to form new departments. The name changes



**P W BOTHA... a pledge**

alone must have involved considerable costs.

The new State Departments directory shows what has happened.

The most obvious and significant expansion was caused by the introduction of own affairs administrations in terms of the new constitution.

The Department of Agriculture and Fisheries (now the Department of Agricultural Economics and Marketing) has ceded various functions

to the new white Department of Agriculture and Water Supply and the new Indian and coloured departments of Local Government, Housing and Agriculture. Including the TBVC countries and the homelands, this brings to 14 the number of departments of agriculture in SA.

A similar picture emerges in other areas, resulting in 14 departments of health, 14 departments concerned with finance or budgetary services and 15 departments of education.

**T**he directory exposes the minor status of the own affairs and homeland departments simply by allowing comparison of their posts and functions with those of the "general affairs" and white departments. In stark contrast to the own affairs and homeland departments, the others are rich in detail on posts, duties and the number of sub-offices.

The new constitution has also seen the creation of a bureaucratic empire under Minister of Constitutional Development and Planning Chris Henris.

A major new department since 1978, the Department of Development Planning, includes four large sub-departments, covering the areas of Urbanisation, Development Co-ordination, Industrial Decentralisation and Constitutional Development.

The department has grown out of

being an adjunct to Internal Affairs (now Home Affairs) into what it is now, ditching Coloured Relations and Indian Affairs along the way (incorporated into the tricameral system).

In 1978 there was a Department of Co-operation, Development and Education. Today there are two departments — Education and Training (to deal with black education outside the homelands), and Development Aid (to promote homeland development, including assistance for black education).

Also in 1978, there was Water Affairs, Forestry and Environmental Conservation. Today there are three new departments in this area — Water Affairs, Environment Affairs (which includes forestry), and the white Department of Agriculture and Water Affairs.

In 1978 there was a Department of Foreign Affairs and Information, formed after the collapse of the Department of Information as a result of the Info scandal, but now the Information component has been re-created in its own right as the Bureau for Information.

**C**loser study of the State Departments directory against earlier directories shows that, within most if not all departments, there has been an increase in the number of functions and posts, often with new sub-sections being created and new offices opened.

But while it provides a brilliant exposition of a self-perpetuating, continually expanding, mammoth bureaucracy there is one area on which the directory can shed little light. It is the area, in fact, where the greatest power lies — the security management system.

The directory provides diagrams of the structures of the national security management system, the organisation of a Joint Management Council (JMC) and the areas covered by regional JMCs, but the publishers confess they were refused a single name, address or telephone number for an otherwise comprehensive directory.

**State Departments of Southern Africa — 1988 is published by Dutton Publishing at R45 or R50, and can be ordered from them at P O Box 2856, Randburg 2125**

*Howard*

Post of private secretary. restrictions  
780 Mr C J DERBY-LEWIS asked the Minister of Transport Affairs

Whether the appointment of persons to the post of private secretary in the South African Transport Services is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

The MINISTER OF TRANSPORT AFFAIRS

- No
  - (a) (i) The appointment of a person to the post of private secretary is a personal choice
  - (ii) On merit
  - (b) As and when vacancies occur
- Overseas loans guaranteed by South African Government

800 Mr C J DERBY-LEWIS asked the Minister of Education and Development Aid

- (1) (a) What overseas loans were guaranteed by the South African Government on behalf of each of the self-governing territories during the latest specified period of 10 years for which information is available and (b) what were the conditions of repayment in each case.
- (2) whether any of these loans have been repaid, if so, (a) how many of these loans have been repaid by (i) South Africa in terms of guarantees given by the South African Government and (ii) these states themselves and (b) in respect of what date is this information furnished?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

- (1) (a) None
- (b) Falls away
- (2) Falls away

Own Affairs

Printing contracts awarded to two companies  
89 Mr D J DALLING asked the Minister of Agriculture and Water Supply

- (1) Whether his Department awarded any printing contracts in 1987 to two companies, the names of which have been furnished to the Commission for Administration for the

*Howard*

HOUSE OF DELEGATES

Indicates translated version

For oral reply

Own Affairs

Temporary teachers' payment at end of each month

\*1 Mr P I DEVAN asked the Minister of Education and Culture

- (1) Whether it is the policy of his Department to pay temporary teachers at the end of each month, if not, why not, if so,
- (2) whether any temporary teachers were not paid regularly at the end of each month, if so, (a) why not and (b) what was the longest period for which the payment of temporary teachers was delayed,
- (3) whether he has taken any steps to prevent such delays in future, if so, (a) what steps and (b) when?

The MINISTER OF EDUCATION AND CULTURE

- (1) Yes
- (2) No
- (a) Falls away
- (b) Falls away
- (3) (a) and (b) Fall away

Mr P I DEVAN Mr Chairman, arising out of the reply given by the hon the Minister of Education and Culture, may I ask the hon the Minister whether he is aware whether there is any other category of teachers whose salaries have been delayed for months?

The MINISTER No, I am not aware of such a position

Mr P T POOVALINGAM Mr Chairman, further arising out of that reply, would the hon the Minister be prepared to inquire from his department to ascertain whether a particular teacher, who resides in Tongatapu and who was required to assist a particular political party to canvass for votes in the election campaign of November 1987, and whose duty was to have terminated on 30 November 1987, was in fact paid for the December-January period?

The MINISTER Mr Chairman, I will certainly look into that matter

Meals at schools

\*2 Mr K CHETTY asked the Minister of Education and Culture

- (1) Whether his Department intends providing meals at schools falling under his control, if not, why not, if so, when,
- (2) whether he will make a statement on the matter?

The MINISTER OF EDUCATION AND CULTURE

- (1) No This is not a function of my Department
  - (2) No
- Mr Y MOOLLA Mr Chairman, arising out of that reply, the hon the Minister says that this is not a function of his department. Could he then perhaps indicate which department's function this is?

The MINISTER Mr Chairman, that is the function of my colleague, the Minister of Health Services and Welfare

Mr Y MOOLLA Mr Chairman, further arising out of that reply, has the hon the Minister taken any steps to get his colleague's department to introduce this? If it has been introduced, where have such schemes in fact been introduced?

The MINISTER Mr Chairman, I did so last year, but this year I have not as yet done so

Teacher absenteeism: survey

\*3 Mr P I DEVAN asked the Minister of Education and Culture

- (1) Whether his Department has conducted a survey on teacher absenteeism, if not, why not, if so, (a) when and (b) what were the findings,
- (2) whether any steps are to be taken to reduce teacher absenteeism at schools, if not, why not, if so, what steps are contemplated,
- (3) whether there was an improvement in school attendance by teachers in 1987 in comparison with 1986, if so, to what extent,

*(NS)*

*Steward*

any contracts or agreements with any trade unions, if so, (a) with what unions, (b) why, (c) on what dates and (d) what are the main terms of these contracts or agreements?

**THE MINISTER OF DEFENCE**

- (1) No (a) and (b) Fall away
- (2) No (a), (b), (c) and (d) Fall away

Cabinet Ministers permitted to serve on boards of directors of companies

788 Mr C J DERBY-LEWIS asked the State President

- (1) Whether Cabinet Ministers are permitted to serve on the boards of directors of local and/or foreign companies, if so, which Cabinet Ministers are directors of (a) local and (b) foreign companies, if not,
- (2) whether there have been any contraventions in this regard over the past year, if so, what action was taken in each case,
- (3) whether he will make a statement on the matter?

**THE STATE PRESIDENT**

- (1) to (3) No

**Own Affairs**

Sea Point: rent-controlled premises  
41 Mr C W EGLIN asked the Minister of Local Government, Housing and Works

- (a) How many rent-controlled premises were there in the Sea Point constituency as at the latest specified date for which information is available and (b) how many such premises were decontrolled in that constituency in 1987?

**THE MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS**

- (a) As at 25 February 1988 there were still 1 129 units, consisting of 608 houses and 521 flats, subject to rent control in the Sea Point, Camps Bay, Bantry Bay and Llandudno areas
- (b) 452 units, consisting of 53 houses and 399 flats, were decontrolled

**State housing sale: houses sold**

44 Mr J J WALSH asked the Minister of Local Government, Housing and Works

- (a) How many houses had been sold by his Department in each province under the State housing sale announced by the then Minister of Community Development on 3 March 1983, as at the latest specified date for which figures are available and (b) how many houses remained to be sold in each province as at that date?

**THE MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS**

As at 31 January 1988 in respect of dwellings erected for Whites from the National Housing Fund

(a) Transvaal	870
Orange Free State	178
Cape	2 189
Natal	503
(b) Transvaal	1 159
Orange Free State	116
Cape	5 601
Natal	210

**Overseas visits**

46 Mr P G SOAL asked the Minister of Local Government, Housing and Works

- (1) Whether he undertook any overseas visits in 1987, if so, (a) which countries were visited and (b) what was the purpose of each visit,
- (2) whether he was accompanied by any representatives of the media on these visits, if so, (a) what were the names of the journalists involved, (b) which newspapers or radio or television networks did they represent, (c) to which countries did each of these persons accompany him and (d) why,
- (3) whether any costs were incurred by his Department as a result, if so, what total amount in that year?

**THE MINISTER OF LOCAL GOVERNMENT, HOUSING AND WORKS**

- (1) No
- (a) and (b) Falls away

*Steward*

- (2) No
- (a), (b), (c) and (d) Falls away
- (3) No, Falls away

**Cape School Board area: school funds**

62 Mr J VAN ECK asked the Minister of Education and Culture †

What fixed amount per school per quarter was levied by each school within the Cape School Board areas as at 1 December 1987 and 19 January 1988, respectively, in respect of voluntary contributions by parents to school funds?

as on 1-12-87

as on 19-1-88

Name of school	First child	More than one child	First child	More than one child
<b>HIGH SCHOOLS</b>				
Bergvliet	R70,00	+R20,00 for every add child	R70,00	+R20,00 for every add child
Camps Bay	R60,00	+R20,00 for every add child	R60,00	+R20,00 for every add child
Cape Town	R45,00	R60,00 per family	R50,00	+R15,00 for every add child
Ellerslie Girls'	R60,00	+R15,00 for every add child	R60,00	+R15,00 for every add child
Fish Hoek Senior	R55,00	+R12,00 for every add child	R60,00	+R22,50 for every add child
Fish Hoek Junior	R55,00	+R12,00 for every add child	R60,00	+R22,50 for every add child
Gardens Commercial	R25,00	R33,00 per family	R40,00	R60,00 per family
Good Hope Seminary Girls'	R20,00	R20,00 per family	R20,00	R20,00 per family
Groote Schuur	R40,00	+R10,00 for every add. child	R40,00	+R10,00 for every add child
Jan van Riebeeck	R30,00	R30,00 per family	R50,00	R60,00 per family
Mantland	R10,00	R13,00 for 2 children	R10,00	R13,00 for 2 children
Milnerton	R45,00	R55,00 for 2 children	R50,00	R61,25 for 2 children
Muzenberg	R35,00	R65,00 per family	R50,00	R80,00 per family
Norman Henshulwood	R40,00	R50,00 per family	R50,00	R75,00 per family
Pinelands	R55,00	R70,00 per family	R65,00	R85,00 per family
Piumstead	R48,00	R69,00 per family	R75,00	R105,00 per family
Queen's Park	R25,00	R37,50 per family	R60,00	R52,50 per family
Rhodes	R50,00	+R15,00 for every add child	R60,00	+R25,00 for every add. child
Rondebosch Boys'	R110,00	+R60,00 for every add. child	R110,00	+R60,00 for 2nd child and R40,00 for 3rd child
Rustenburg Girls'	R60,00	+R30,00 for every add child	R60,00	+R30,00 for every add child
SA College	R125,00	+R63,00 for every add. child	R125,00	+R63,00 for every add child
Sans Souci Girls'	R60,00	+R30,00 for every add child	R85,00	+R42,50 for every add child

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# Parliamentary building to cost R355m

Political Staff

THE new parliamentary building, which was originally budgeted to cost R23,59 million, is now expected to cost R35,1 million.

The air-conditioning in the building, which houses the chamber for joint debates of all three Houses of Parliament, is expected to cost R3,5m, while the benches and chairs in the chamber and the House of Delegates chamber is estimated at R1,06m.

The Minister of Public Works and Land Affairs, Mr Pietie du Plessis, said

yesterday, in reply to a question from Mr Peter Soal (PF, Johannesburg North), that the estimated cost of the extension was now R35 101 352.

But it was not yet possible to calculate the final cost of the project. In a Department of Public Works memorandum, which was tabled in Parliament earlier this year, it was disclosed that the building was originally estimated to cost R23,59m but during 1987/8 financial year an amount of R30,1m was approved by Parliament. Earlier this year, journalists were told the new building would cost

R31,9m but the Department of Public Works memorandum stated that at the end of March this year, it had already cost R31,7m and an extra R1,9m was required.

Mr Du Plessis's reply yesterday, however, indicates that this estimate has now been increased to R35,1m. He said the excavations and basement structure was estimated to cost R3,07m, the general building work R15,4m, site works R311 994, fire extinguishing and security R1,05m, electrical work R2,6m, lifts R1,1m, the sound system and related building work

R2,7m, air-conditioning R3,5m, benches and chairs in the council chambers R1,1m, emergency power installation R357 024, kitchen equipment R404 083, alterations to existing building R92 435 and contractual price escalation R3,4m

● Since the new building was opened for the first time this year, the new chamber of joint sittings, its main feature, has been used only for the delivery of speeches but is expected to be used more frequently now that all three Houses have agreed to a procedure for joint debates.

## State funds look to equity market

CAPE TOWN — Some state and parastatal pension funds — which have collective investments of more than R17bn diverted solely into fixed interest government stock — may in future be permitted, for the first time, to participate in the SA equity market on the same basis as private sector pension funds.

This would mean that at least 47%, or about R7bn, of these funds could potentially be released onto the JSE, or other

CHRIS CAIRNCROSS

more flexible investment vehicles.

Such a development would indicate a major turnaround in government's stance, which has long resisted all efforts to allow these pension funds to be handled on the same basis as those in the private sector.

111  
200 150 ● To Page 2 20/4/88

## State pension funds look to equity market

Pension funds of those parastatals earmarked as possibles for privatisation are likely to spearhead this development. These include Sats and Posts and Telecommunications.

The Auditor-General's report into Sats accounts, tabled in Parliament this week, reveals that Sats' management heads this particular pressure group.

According to the report, Sats has signalled its intention to request Parliament to amend legislation, so as to enable management to invest pension fund money "at its discretion".

A Sats spokesman confirmed yesterday the purpose is to enable the Sats Pension Fund to enjoy the flexibility of participating in the equity market.

111  
200 150 ● From Page 1 20/4/88

He expressed confidence government will give its green light this year.

Current investments of Sats pension funds amount to about R2,6bn. Changes in legislation could mean that more than R500m could be released for investment on the JSE, the spokesman confirmed.

Pension industry figures show equity-linked returns recorded an annualised growth of 26,2% over an eight-year period, as against only 15,7% on fixed interest deposits.

A source in the Finance Department indicated yesterday there was no real obstacle to releasing these pension fund investments onto the equity market.



# Rise for teachers likely

Pretoria Correspondent

2/14/88 250

A teachers' 11 percent pay demand — initially rejected by the State President, Mr P W Botha, earlier this year — is likely to be met in October.

Minister of National Education Mr F W de Klerk told Parliament on Tuesday that backlogs in teachers' pay would be wiped out as soon as possible.

Opposition sources claim it has been agreed to increase teachers' pay by about 10 or 11 percent.

The Teachers Federal Council (TFC) met President Botha earlier this year about pay increases.

## Vat hom Dawie

The newly appointed Minister of Administration and Privatisation, Dawie de Villiers, has been forced to take the unusual step of publicly rebuking a National Party backbencher Germiston MP Derek Christophers effectively said that civil servants were overpaid, underworked, irresponsible and ineffi-

FINANCIAL MAIL APRIL 22 1988

cient

Speaking in the Budget debate, Christophers said that in spite of the civil service pay freeze, very few State officials will receive less than a 10% salary increase this year, thanks to notch and promotion adjustments

He calculated that a third of civil servants can in fact expect an increase of 20% this year. Quoting Assocom studies — and sounding more like a member of the opposition than a Nat — he said bureaucrats have improved their living standards by 5% a year over the past five years, while the living standards of executives in the private sector have actually declined by 5% a year over the same period.

Christophers said a civil servant with a B Comm and four years' service could earn a package worth at least R40 000 this year, while his or her counterpart in the private sector will be looking at no more than R24 000-R36 000. Perks are also far better in the civil service, he said. But in what was probably the most damaging aspect of his speech, in Nat terms, Christophers said senior civil servants did not have to bear the consequences of bad decisions.

"Another advantage that a worker in the public sector has over a man in the private sector is that he is not normally held accountable for the decisions he makes. Hundreds of millions are lost by State officials because of mistakes they make. Even the directors general of the departments are not held responsible for those errors. In the world of commerce and industry, the employee's main task is to be personally responsible for what he does. If it costs his company money, he is out on his neck. If he is Japanese, he might even commit suicide," said Christophers.

But De Villiers, whose responsibility now includes the civil service, did not share this view of the bureaucracy. He issued a scathing statement in an obvious attempt to undo some of the damage. He accused Christophers of "unfounded criticism" against an "extremely talented and dedicated corps of people" who were giving excellent service to their country in the face of difficult circumstances. He said it is untrue that hundreds of millions of rands are lost by civil servants' actions, or that directors general are not responsible for their actions.

The Conservative Party, of course, has not let the speech go unnoticed. ■

22/4/88 fny 250

# Botha sparks a power flutter as he launches the P M Stakes

By LESTER VENTER  
Political Correspondent

PRESIDENT BOTHA has tantalised the Government's power brokers, as well as the top contenders for his job, by setting the stage for his successor — but giving no hint of who the man will be

The President made it clear that the power to anoint a possible successor would be his alone when he announced this week that the post of Prime Minister would be restored — effectively the State President's deputy, to be appointed by Mr Botha himself

The announcement sparked tense, but careful early positioning by the leading contenders for the job

In political circles the names being mentioned this week were Mr F W de Klerk, Minister of National Education and Transvaal leader, and Mr Chris Heunis, Minister of Constitutional Development and Planning and Cape leader. The Foreign Minister, Mr Pik Botha, the Minister of Finance, Mr Barend du Plessis, and the Minister of Education and Development Aid, Dr Gerrit Viljoen, are also seen as runners, but at longer odds. The usually stern State

*24/4/88 STimes*

*(scribble)*

*(scribble)*

President appeared hugely relaxed, even avuncular, in Parliament this week, clearly relishing the power of surprise

And Cabinet sources said yesterday that the announcement of the PM's post might not be his last surprise — Mr Botha may head off a bruising leadership squabble by bringing in as PM a trusted confidant, in the mould of recently retired Deputy President Alwyn Schlebusch, who will not be part of the eventual bid for the presidency

Mr Botha's announcement was part of the plans he revealed this week for elected regional governments for blacks and the possible opening of Cabinet jobs for blacks

Mr Botha also repeated his commitment to a "council of state" It will involve all race groups and arch over the present Parliamentary structure

The exact nature of the council is to be formulated by the proposed interim National Council — which, he said, may be renamed the Great Indaba

## Secret

Before the announcement to surprised Parliamentarians on Thursday, Mr Botha's plans were a secret closely guarded even from senior members of the NP caucus

The new prime minister — who informed sources say may be named only next year — will act as chairman of the Cabinet and be responsible for the day-to-day running of the country. Mr Botha will concern himself with policy and ceremonial matters

Two Cabinet Ministers told the Sunday Times that if the man named for the job is seen as a potential successor to Mr Botha, the job could make him — or break him

He will immediately become the man other contenders will set out to neutralise

This has led some Cabinet members and top bureaucrats to speculate that Mr Botha may repeat the move he made when he brought his trusted friend, Mr Alwyn Schlebusch, back from retirement to take a Cabinet seat in the Tuynhuys office

A candidate being named for

□ To Page 2

## Race is on in P M Stakes

□ From Page 1

such a tactic is Mr Hendrik Schoeman, the retired Minister of Transport and leader of the House of Assembly. Mr Schoeman is popular and respected in Government circles

Government members said yesterday they were encouraged by sympathetic international reaction to Mr Botha's plans

Much of it interpreted his actions as a defiance of the growing right-wing threat to political reform

A substantial body of legislation, primarily a Bill to establish the National Council and at least one constitutional amendment, will have to pass through Parliament to make the envisaged reforms possible

*(scribble) (250)*

Warts & all,  
it IS a start

OPINION: Page 28

## Public sector salary bill could hit R30bn

PRETORIA — The public sector salary bill could soar above R30bn in the 1989/90 financial year according to sources here

The current total payout exceeds R25bn, and staff associations after this year's salary freeze are likely to demand pay-hikes of about 20%. 25/4/88

SSO GERALD REILLY B/804

The fight, it was stressed, would continue for parity with the private sector, where increases of 18% and more had already been granted this year.

The Public Servants' Association has appointed consultants to monitor pay-rises in the private sector.

Board paid out unauthorised R4,7m

250  
Bldg 25/4/88

# Dodgy-spending probe drags on

AN INVESTIGATION into unauthorised spending by the now defunct Highveld Area Development Board appears to have lasted almost two years and is not yet finished.

A report by the Auditor-General, tabled in Parliament last week, shows at least R4,7m was spent without authorisation.

PFM spokesman on Transvaal black affairs Peter Soal said yesterday the Development Planning Department brought evidence of irregular expenses to the attention of the accounting officer of the Transvaal Provincial Administration in July 1986 — the month the boards were closed down — and again in September 1986.

"It appears that by February 1988 the investigation has not yet been completed," Soal said.

The report also shows that:

- An R11,5m head-office building, built in 1986, was only 60% occupied on completion;
- A R1,2m computer was bought in December 1985, and by January 1987 it had still not been used and no programmes had been supplied. During this period the

MANDY JEAN WOODS

board continued to buy outside computer services;

□ Board members voted in May 1986 to be paid a collective sum of R35 647 until March 1987 — eight months after the board was officially closed down,

□ There was unauthorised excess spending totalling R4,7m (including the computer),

□ The financial reports were submitted more than two months late — because of staff shortages, according to the board; and

□ The general account had an accumulated deficit of R3,6m at June 1986 compared with an accumulated surplus of R1,4m in 1985.

Soal intends following the matter to its conclusion which, he says, is repayment of the irregularly spent monies.

"This is a scandalous waste of money and I will pursue this matter until I get satisfactory answers. It is a frivolous waste of desperately needed money for development in the black townships," he said.

Attack on business under fire

# De Kock and PW at odds on controls

RESERVE Bank Governor Gerhard de Kock has publicly differed with P W Botha over the President's threats that direct controls may be used to force the private sector into line on wage and prices restraint.

De Kock warned on Friday — the day after Botha's attack on business in Parliament — that direct controls over wages and prices would create more problems than they would solve.

His stand won him strong support this weekend from private sector economists and business leaders, while Assocom is seeking urgent meetings with Cabinet members to clarify Botha's remarks.

Economists point out that the President's own Economic Advisory Council (EAC) had rejected direct interference with prices and wages.

De Kock said in his speech to the Cape Town Afrikaanse Sakekamer that present monetary and fiscal policies made a gradual reduction of SA's inflation rate well within reach.

If money supply growth was kept to within the 12% to 16% target range, and government stuck to its Budget, the inflation rate would probably show a further gradual decline.  
"More direct controls over prices and

200  
6/10/88  
25/1/88

GRETA STEYN

wages or any other form of incomes policy will be unnecessary

"And if the announced monetary and fiscal policies are not effectively applied, more direct controls over prices and wages would not be the answer.

"In fact, such direct controls would then create more problems than they would solve," De Kock said.

Economists said yesterday that direct controls on prices and wages had not worked anywhere in the world and would not curb inflation in SA

● **Comment: Page 8**

Rand Merchant Bank economist Rudolf Gouws, agreeing with De Kock, said "While the business cycle is in an expansionary phase, it is only logical that wages will rise. It is naive to expect businessmen to keep wage increases below the inflation rate so long as the macroeconomic situation leaves them little option."

With the business cycle in an upswing, adequate wage increases were necessary to attract and hold labour. Direct controls over increases would interfere

● To Page 2

# De Kock and PW are at odds on controls

with the natural course of the business cycle.

Anglo American senior economic consultant Aubrey Dickman joined De Kock in rejecting direct controls over prices and wages. In his view, this would be harmful to business, confidence and growth prospects.

"Calls for wage restraints to buy time while fundamentals are being corrected is one thing, but direct controls interfere with the very basis of the market mechanism — everything we rely on for the optimum production of goods and services."

Volksskas economist Adam Jacobs said a freeze on prices and wages did not address the real causes of inflation. He said the most important price — the exchange rate — could not be fixed. A weak rand could cause a general rise in the price level — at a time when real incomes were declining.

Assocom expressed its concern at the remarks made by the State President regarding the private sector, saying the association had been supportive of the anti-inflation plan.

"There appears to be misunderstanding-

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From Page 1 6/10/88 5/14/88

ing as to the implementation of the anti-inflation plan, as well as about the nature of the commitment from the private sector on prices and wages."  
The organisation is seeking urgent interviews with both the Minister of Finance and the Minister of Economic Affairs and Technology to clarify the situation.

ROBERT GENTLE reports that Anglo American chairman Gavin Relly reacted to Botha's remarks by saying: "I think it is too early to take a view of what is happening, as the process of reducing inflation will take time. Many concerns were locked into wage increases which they had little opportunity of modifying."

"In other cases, a bargaining process has to play itself out. I'm sure everyone should do their best to contribute to the State President's endeavour to bring down inflation."  
"As a first step, it is certainly desirable to try to keep wage and salary increases as far below the rate of inflation as possible."

The MINISTER OF EDUCATION AND DEVELOPMENT AID

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

921 Mr C J DERBY-LEWIS asked the Minister of Justice

- (1) Whether employees in the Department of Justice are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF JUSTICE

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

922 Mr C J DERBY-LEWIS asked the Minister of Justice

- (1) Whether employees in the Prisons Service are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF JUSTICE

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

923 Mr C J DERBY-LEWIS asked the Minister of Defence

- (1) Whether employees in the South African Defence Force are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF DEFENCE

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

924 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

- (1) Whether employees in the Department of

Mineral and Energy Affairs are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

925 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

- (1) Whether employees in the Department of Trade and Industry are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

926 Mr C J DERBY-LEWIS asked the Minister of Transport Affairs

- (1) Whether employees in the Department of Transport are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF TRANSPORT AFFAIRS

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

928 Mr C J DERBY-LEWIS asked the Minister of Law and Order

- (1) Whether employees in the South African Police are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF LAW AND ORDER

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

929 Mr C J DERBY-LEWIS asked the Deputy Minister of Information

- (1) Whether employees in the Bureau for Information are permitted to (a) taken on extra employment and (b) participate in any type of business of their own, if so,
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF INFORMATION, BROADCASTING SERVICES AND THE FILM INDUSTRY

See reply to Question No 906 on 26 April 1988 (col 1190)

Persons of Eastern European origin who entered RSA

950 Mr C J DERBY-LEWIS asked the Minister of Home Affairs

- (a) How many persons of Eastern European origin entered South Africa over the latest specified period of five years for which figures are available, (b) how many of these persons (i) were (aa) visitors and (bb) immigrants and (ii) had been granted (aa) permanent and (bb) temporary residence permits and (c) from which countries did they come?

The MINISTER OF HOME AFFAIRS

1983 1984 1985 1986 1987

(a)	1983	1984	1985	1986	1987
Bulgaria	19	21	16	24	27
Czechoslovakia	132	169	93	123	55
East					
Germany	5	16	2	14	5
Hungary	150	157	281	190	168
Poland	5 060	5 393	4 561	3 520	2 781
Rumania	20	61	31	65	36
Russia	110	72	76	156	54
Yugoslavia	559	485	735	668	526
Total	6 055	6 374	5 795	4 760	3 652

(b) (i) (aa)

Bulgaria	19	21	16	24	27
Czechoslovakia	128	169	86	123	55
East					
Germany	5	16	2	14	5

Hungary	137	148	275	187	164
Poland	4 953	5 305	4 521	3 511	2 763
Rumania	20	60	30	63	35
Russia	109	63	76	156	54
Yugoslavia	548	428	708	665	514
Total	5 919	6 210	5 714	4 743	3 617

(b) (i) (bb)

Bulgaria	0	0	0	0	0
Czechoslovakia	4	0	7	0	0
East					
Germany	0	0	0	0	0
Hungary	13	9	6	3	4
Poland	107	88	40	9	18
Rumania	0	1	1	2	1
Russia	1	9	0	0	0
Yugoslavia	11	57	27	3	12
Total	136	164	81	17	35

(b) (ii) (aa)

Bulgaria	1	0	0	0	0
Czechoslovakia	0	15	2	9	1
East					
Germany	0	0	0	0	0
Hungary	1	12	15	6	1
Poland	103	74	79	71	35
Rumania	2	10	5	11	0
Russia	1	2	0	6	0
Yugoslavia	6	11	13	13	17
Total	114	124	114	116	54

(b) (ii) (bb)

Bulgaria	19	21	16	24	27
Czechoslovakia	128	169	86	123	55
East					
Germany	5	16	2	14	5
Hungary	137	148	275	187	164
Poland	4 953	5 305	4 521	3 511	2 763
Rumania	20	60	30	63	35
Russia	109	63	76	156	54
Yugoslavia	548	428	708	665	514
Total	5 919	6 210	5 714	4 743	3 617

(c) As set out in (a) and (b) above

Own Affairs

post of private secretary restrictions in regard to period of service

92 Mr C J DERBY-LEWIS asked the Minister of the Budget and Works  
Whether the appointment of persons to the post of private secretary in the Department of

Budgetary and Auxiliary Services is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

**THE MINISTER OF THE BUDGET AND WORKS**

See reply to Question No 774 on 26 April 1988 (col 1183)

**Post of private secretary: restrictions in regard to period of service**

83 Mr C J DERBY-LEWIS asked the Minister of Health Services

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

**THE MINISTER OF HEALTH SERVICES AND WELFARE**

See reply to Question No 774 on 26 April 1988 (col 1183)

**Post of private secretary: restrictions in regard to period of service**

84 Mr C J DERBY-LEWIS asked the Minister of Local Government, Housing and Works

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

**THE MINISTER OF LOCAL GOVERNMENT AND HOUSING**

See reply to Question No 774 on 26 April 1988 (col 1183)

**Post of private secretary: restrictions in regard to period of service**

85 Mr C J DERBY-LEWIS asked the Minister of Agriculture and Water Supply

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

**THE MINISTER OF AGRICULTURE AND WATER SUPPLY**

See reply to Question No 774 on 26 April 1988 (col 1183)

**Post of private secretary: restrictions in regard to period of service**

86 Mr C J DERBY-LEWIS asked the Minister of the Budget and Welfare

Whether the appointment of persons to the post of private secretary in the Department of Welfare is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

**THE MINISTER OF HEALTH SERVICES AND WELFARE**

See reply to Question No 774 on 26 April 1988 (col 1183)

**Post of private secretary: restrictions in regard to period of service**

87 Mr C J DERBY-LEWIS asked the Minister of Education and Culture

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

**THE MINISTER OF EDUCATION AND CULTURE**

See reply to Question No 774 on 26 April 1988 (col 1183)

**Employees: extra employment/own businesses**

108 Mr C J DERBY-LEWIS asked the Minister of Education and Culture

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

**THE MINISTER OF EDUCATION AND CULTURE**

See reply to Question No 906 on 26 April 1988 (col 1190)

**Employees: extra employment/own businesses**

109 Mr C J DERBY-LEWIS asked the Minister of Local Government, Housing and Works

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

**THE MINISTER OF LOCAL GOVERNMENT AND HOUSING**

See reply to Question No 906 on 26 April 1988 (col 1190)

**Employees: extra employment/own businesses**

110 Mr C J DERBY-LEWIS asked the Minister of Health Services

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so

(2) whether this permission is granted subject to any conditions, if so, what conditions?

**THE MINISTER OF HEALTH SERVICES AND WELFARE**

See reply to Question No 906 on 26 April 1988 (col 1190)

**Employees: extra employment/own businesses**

111 Mr C J DERBY-LEWIS asked the Minister of Agriculture and Water Supply

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

**THE MINISTER OF AGRICULTURE AND WATER SUPPLY**

See reply to Question No 906 on 26 April 1988 (col 1190)

**Employees: extra employment/own businesses**

112 Mr C J DERBY-LEWIS asked the Minister of the Budget and Works

(1) Whether employees in the Department of Budgetary and Auxiliary Services are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so

(2) whether this permission is granted subject to any conditions, if so, what conditions?

**THE MINISTER OF THE BUDGET AND WORKS**

See reply to Question No 906 on 26 April 1988 (col 1190)

**Employees: extra employment/own businesses**

113 Mr C J DERBY-LEWIS asked the Minister of the Budget and Welfare

(1) Whether employees in the Department of Welfare are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so

(2) whether this permission is granted subject to any conditions, if so, what conditions?

**THE MINISTER OF HEALTH SERVICES AND WELFARE**

See reply to Question No 906 on 26 April 1988 (col 1190)



reconstruction of agriculture with central banks and government institutions  
Austria and Belgium — to pay visits to banks and other financial institutions

- (2) No  
(3) Falls away

Post of private secretary: restrictions in regard to period of service

post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

THE MINISTER OF ENVIRONMENT AFFAIRS

See reply to Question No 774 on 26 April 1988 (col 1183)

760 Mr C J DERBY-LEWIS asked the State President

Post of private secretary: restrictions in regard to period of service

Whether the appointment of persons to the post of private secretary in his Office is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

THE STATE PRESIDENT

See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary: restrictions in regard to period of service

761 Mr C J DERBY-LEWIS asked the Deputy Minister of Information

Whether the appointment of persons to the post of private secretary in the Bureau for Information is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

THE MINISTER OF INFORMATION, BROADCASTING SERVICES AND THE FILM INDUSTRY

See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary: restrictions in regard to period of service

762 Mr C J DERBY-LEWIS asked the Minister of Environment Affairs

Whether the appointment of persons to the

post of private secretary: restrictions in regard to period of service

765 Mr C J DERBY-LEWIS asked the Minister of Finance

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

THE MINISTER OF FINANCE

See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary: restrictions in regard to period of service

766 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

Whether the appointment of persons to the post of private secretary in the Department of Trade and Industry is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

THE MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary: restrictions in regard to period of service

767 Mr C J DERBY-LEWIS asked the Minister of Agriculture

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

THE MINISTER OF AGRICULTURE

See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary: restrictions in regard to period of service

768 Mr C J DERBY-LEWIS asked the Minister of Justice

Whether the appointment of persons to the post of private secretary in the Department of Justice is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

THE MINISTER OF JUSTICE

See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary: restrictions in regard to period of service

769 Mr C J DERBY-LEWIS asked the Minister of Manpower

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

THE MINISTER OF MANPOWER

See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary: restrictions in regard to period of service

770 Mr C J DERBY-LEWIS asked the Minister of Education and Development Aid

Whether the appointment of persons to the post of private secretary in the Department of Education and Training is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

THE MINISTER OF EDUCATION AND DEVELOPMENT AID

See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary: restrictions in regard to period of service

771 Mr C J DERBY-LEWIS asked the Minister of National Education

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 773, 775, 776, 777, 778, 781, 782, 783 and 784 and concerning Own Affairs Nos 82, 83, 84, 85, 86 and 87

No

The MINISTER OF NATIONAL EDUCATION  
See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary restrictions in regard to period of service

773 Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

(a) (i) As soon as a private secretary has completed the prescribed period for assessment of his promotability in the occupational class of which he is a member, he is assessed, depending on his rank, by a departmental merit or efficiency assessment committee to determine his suitability for promotion in the relevant occupational class (It should be mentioned that an Occupational Class Private Secretary does not exist. Officers are drawn from various occupational classes to be utilised as private secretaries.)

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING  
See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary restrictions in regard to period of service

774 Mr C J DERBY-LEWIS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

To question 774, as well as on behalf of the Ministers concerned to the similarly phrased questions concerning General Affairs Nos

(b) The same as that of his peers in rank in the occupational class of which he is a member, or in any other occupational class in which he may qualify for promotion, on the basis of applicable qualifications and experience

Post of private secretary: restrictions in regard to period of service

775 Mr C J DERBY-LEWIS asked the Minister of Education and Development Aid

Whether the appointment of persons to the post of private secretary in the Department of Development Aid is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

The MINISTER OF EDUCATION AND DEVELOPMENT AID  
See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary restrictions in regard to period of service

776 Mr C J DERBY-LEWIS asked the Minister of Public Works and Land Affairs

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

The MINISTER OF PUBLIC WORKS AND LAND AFFAIRS  
See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary: restrictions in regard to period of service

777 Mr C J DERBY-LEWIS asked the Minister of Justice

Whether the appointment of persons to the post of private secretary in the Prisons Service is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

The MINISTER OF JUSTICE  
See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary: restrictions in regard to period of service

778 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

Whether the appointment of persons to the post of private secretary in the Department of Mineral and Energy Affairs is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY  
See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary restrictions in regard to period of service

781 Mr C J DERBY-LEWIS asked the Minister of Water Affairs

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

The MINISTER OF WATER AFFAIRS  
See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary: restrictions in regard to period of service

782 Mr C J DERBY-LEWIS asked the Minister of Law and Order

Whether the appointment of persons to the post of private secretary in the South African Police is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

The MINISTER OF LAW AND ORDER

See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary, restrictions in regard to period of service

783 Mr C J DERBY-LEWIS asked the Minister of Defence

Whether the appointment of persons to the post of private secretary in the South African Defence Force is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

The MINISTER OF DEFENCE

See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary: restrictions in regard to period of service

784 Mr C J DERBY-LEWIS asked the Minister of National Health and Population Development

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service if so what are the relevant details if not (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

See reply to Question No 774 on 26 April 1988 (col 1183)

Transfer of local government functions

890 Mr M J ELLIS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

(1) Whether, with reference to the reply of the Minister of Education and Culture to Question No 58 on 14 August 1987 the transfer of local management functions has been concluded if not, (a) why not and (b) when is it anticipated that it will be completed, if so.

HOUSE OF ASSEMBLY

(2) whether the identification and functioning of provincial public libraries have been finalized, if not, why not, if so, (a) which provincial public libraries have been identified as White own affairs, (b) why have they been so identified (c) when were they transferred to his Department and (d) who took the decision in this regard,

(3) who will be responsible for (a) ordering and (b) buying books for such libraries?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

(1) No

(a) The investigation is extensive and complicated

(b) As soon as the investigation has been completed and the procedural requirements of the Constitutional Act, 1983 (Act 110 of 1983) for the transfer of functions have been completed with

(2) Provincial administrations do not have provincial public libraries. Provincial administration do, however, provide professional support and supply stocks of books to libraries of local authorities. The Cabinet has decided that the afore-mentioned service should be continued by the provincial administrations as a general affair and that the own affairs administrations may decide whether they want to continue utilising the service and to what extent. A library of a local authority may, depending on its clientele group, be an own affair for that group

(a), (b), (c) and (d) Fall away

(3) Falls away

Privatization of hospitals/health facilities

897 Dr M S BARNARD asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

(1) Whether it is the intention to privatize in the current year any hospitals or other health facilities falling under the provincial administrations, if so, (a) how many and (b) which (i) hospitals and (ii) other health facilities,

(2) whether he will make a statement on the matter?

HOUSE OF ASSEMBLY

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

To questions No 897, 898 and 899

(1) Privatisation possibilities in respect of hospitals and other health services can only be determined after the investigation in this regard, with which Dr W J de Villiers is still busy, has been completed and his recommendations have been considered by the Committee of Ministers on Privatisation and Deregulation

(a), (b)(1) and (4) Fall away

(2) No

Privatization of hospitals/health facilities

898 Dr M S BARNARD asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

(1) Whether it is the intention to privatize in the current year any hospitals or other health facilities falling under the Department of Health Services and Welfare of the House of Assembly, if so, (a) how many and (b) which (i) hospitals and (ii) other health facilities,

(2) whether he will make a statement on the matter?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

See reply to Question No 897 on 26 April 1988 (col 1188)

Privatization of hospitals/health facilities

899 Dr M S BARNARD asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

(1) Whether it is the intention to privatize in the current year any hospitals or other health facilities falling under the Department of National Health and Population Development, if so (a) how many and (b) which (i) hospitals and (ii) other health facilities,

(2) whether he will make a statement on the matter?

HOUSE OF ASSEMBLY

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

See reply to Question No 897 on 26 April 1988 (col 1188)

Employees: extra employment/own businesses

905 Mr C J DERBY-LEWIS asked the State President

(1) Whether employees in his Office are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The STATE PRESIDENT

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

906 Mr C J DERBY-LEWIS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

To question 906, as well as on behalf of the Ministers concerned to the similarly phrased questions concerning General Affairs Nos 905, 907, 908, 909 910, 911, 912, 913, 914, 916, 917, 918, 919, 920 921, 922, 923, 924 925, 926, 928 and 929 and concerning own Affairs Nos 108, 109 110, 111 112 and 113

(1) (a) and (b) Individual officers and employees as well as members of the Services Departments may, in terms of the statutory provisions applicable to them, ask for permission to do additional work or to participate in any business undertaking of their own, other than their work in the Public Service Departments. Such applications are considered by the Minister of the department concerned or his delegate in the Department

HOUSE OF ASSEMBLY

The MINISTER OF LAW AND ORDER

See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary: restrictions in regard to period of service

783 Mr C J DERBY-LEWIS asked the Minister of Defence

Whether the appointment of persons to the post of private secretary in the South African Defence Force is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

The MINISTER OF DEFENCE

See reply to Question No 774 on 26 April 1988 (col 1183)

Post of private secretary restrictions in regard to period of service

784 Mr C J DERBY-LEWIS asked the Minister of National Health and Population Development

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service if so, what are the relevant details, if not (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

See reply to Question No 774 on 26 April 1988 (col 1183)

Transfer of local government functions

890 Mr M J ELLIS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

(1) Whether, with reference to the reply of the Minister of Education and Culture to Question No 58 on 14 August 1987, the transfer of local management functions has been concluded, if not, (a) why not and (b) when is it anticipated that it will be completed if so

The MINISTER OF LAW AND ORDER

(2) whether the identification and functioning of provincial public libraries have been finalized, if not, why not, if so, (a) which provincial public libraries have been identified as White own affairs, (b) why have they been so identified (c) when were they transferred to his Department and (d) who took the decision in this regard.

(3) who will be responsible for (a) ordering and (b) buying books for such libraries?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

(1) No

(a) The investigation is extensive and complicated  
(b) As soon as the investigation has been completed and the procedural requirements of the Constitutional Act, 1983 (Act 110 of 1983) for the transfer of functions have been complied with

(2) Provincial administrations do not have provincial public libraries Provincial administration do, however, provide professional support and supply stocks of books to libraries of local authorities. The Cabinet has decided that the afore-mentioned service should be continued by the provincial administrations as a general affair and that the own affairs administrations may decide whether they want to continue utilising the service and to what extent. A library of a local authority may, depending on its clientele group, be an own affair for that group

(a), (b), (c) and (d) Fall away

(3) Falls away

Privatization of hospitals/health facilities

897 Dr M S BARNARD asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

(1) Whether it is the intention to privatize in the current year any hospitals or other health facilities falling under the provincial administrations, if so, (a) how many and (b) which (i) hospitals and (ii) other health facilities.

(2) whether he will make a statement on the matter?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

To questions No 897, 898 and 899

(1) Privatisation possibilities in respect of hospitals and other health services can only be determined after the investigation in this regard, with which Dr W J de Villiers is still busy, has been completed and his recommendations have been considered by the Committee of Ministers on Privatisation and Deregulation

(a), (b)(i) and (ii) Fall away

(2) No

Privatization of hospitals/health facilities

898 Dr M S BARNARD asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

(1) Whether it is the intention to privatize in the current year any hospitals or other health facilities falling under the Department of Health Services and Welfare of the House of Assembly, if so, (a) how many and (b) which (i) hospitals and (ii) other health facilities.

(2) whether he will make a statement on the matter?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

See reply to Question No 897 on 26 April 1988 (col 1188)

Privatization of hospitals/health facilities

899 Dr M S BARNARD asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

(1) Whether it is the intention to privatize in the current year any hospitals or other health facilities falling under the Department of National Health and Population Development, if so (a) how many and (b) which (i) hospitals and (ii) other health facilities.

(2) whether he will make a statement on the matter?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

See reply to Question No 897 on 26 April 1988 (col 1188)

Employees: extra employment/own businesses

905 Mr C J DERBY-LEWIS asked the State President

(1) Whether employees in his Office are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so.

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The STATE PRESIDENT

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees extra employment/own businesses

906 Mr C J DERBY-LEWIS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so.

(2) whether this permission is granted subject to any conditions if so, what conditions?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

To question 906, as well as on behalf of the Ministers concerned to the similarly phrased questions concerning General Affairs Nos 905, 907, 908, 909, 910, 911, 912, 913, 914, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 928 and 929 and concerning own Affairs Nos 108, 109, 110, 111, 112 and 113

(1) (a) and (b) Individual officers and employees as well as members of the Services Departments may, in terms of the statutory provisions applicable to them, ask for permission to do additional work or to participate in any business undertaking of their own, other than their work in the Public Service Departments. Such applications are considered by the Minister of the department concerned or his delegate in the Department

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(2) Yes The normal prescribed conditions are as follows

— The person concerned should in no way be hampered in the performance of his official duties

— The work should be performed entirely outside the prescribed hours of attendance

— The work should not be of such a nature that the State, Government or the department may be embarrassed in any way

Employees: extra employment/own businesses

907 Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

908 Mr C J DERBY-LEWIS asked the Minister of Foreign Affairs

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF FOREIGN AFFAIRS

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

909 Mr C J DERBY-LEWIS asked the Minister of National Education

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF NATIONAL EDUCATION

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

910 Mr C J DERBY-LEWIS asked the Minister of Manpower

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF MANPOWER

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

911 Mr C J DERBY-LEWIS asked the Minister of Public Works and Land Affairs

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF PUBLIC WORKS AND LAND AFFAIRS

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

912 Mr C J DERBY-LEWIS asked the Minister of Agriculture

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF AGRICULTURE

See reply to Question No 906 on 26 April 1988 (col 1190)

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Howland

Employees: extra employment/own businesses

913 Mr C J DERBY-LEWIS asked the Minister of Finance

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF FINANCE

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

914 Mr C J DERBY-LEWIS asked the Minister of Home Affairs

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF HOME AFFAIRS

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

916 Mr C J DERBY-LEWIS asked the Minister of National Health and Population Development

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

917 Mr C J DERBY-LEWIS asked the Minister of Environment Affairs

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF ENVIRONMENT AFFAIRS

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

918 Mr C J DERBY-LEWIS asked the Minister of Water Affairs

(1) Whether employees in his Department are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF WATER AFFAIRS

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

919 Mr C J DERBY-LEWIS asked the Minister of Education and Development Aid

(1) Whether employees in the Department of Education and Training are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees: extra employment/own businesses

920 Mr C J DERBY-LEWIS asked the Minister of Education and Development Aid

(1) Whether employees in the Department of Development Aid are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

HOUSE OF ASSEMBLY

The MINISTER OF EDUCATION AND DEVELOPMENT AID

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees' extra employment/own businesses

921 Mr C J DERBY-LEWIS asked the Minister of Justice

- (1) Whether employees in the Department of Justice are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF JUSTICE

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees extra employment/own businesses

922 Mr C J DERBY-LEWIS asked the Minister of Justice

- (1) Whether employees in the Prisons Service are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF JUSTICE

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees, extra employment/own businesses

923 Mr C J DERBY-LEWIS asked the Minister of Defence

- (1) Whether employees in the South African Defence Force are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF DEFENCE

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees, extra employment/own businesses

924 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

- (1) Whether employees in the Department of

HOUSE OF ASSEMBLY

Mineral and Energy Affairs are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,

(2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees extra employment/own businesses

925 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

- (1) Whether employees in the Department of Trade and Industry are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees, extra employment/own businesses

926 Mr C J DERBY-LEWIS asked the Minister of Transport Affairs

- (1) Whether employees in the Department of Transport are permitted to (a) taken on extra employment and (b) participate in any type of business of their own, if so,
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF TRANSPORT AFFAIRS

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees' extra employment/own businesses

928 Mr C J DERBY-LEWIS asked the Minister of Law and Order

- (1) Whether employees in the South African Police are permitted to (a) take on extra employment and (b) participate in any type of business of their own, if so,
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

HOUSE OF ASSEMBLY

The MINISTER OF LAW AND ORDER

See reply to Question No 906 on 26 April 1988 (col 1190)

Employees extra employment/own businesses

929 Mr C J DERBY-LEWIS asked the Deputy Minister of Information

- (1) Whether employees in the Bureau for Information are permitted to (a) taken on extra employment and (b) participate in any type of business of their own, if so,
- (2) whether this permission is granted subject to any conditions, if so, what conditions?

The MINISTER OF INFORMATION, BROADCASTING SERVICES AND THE FILM INDUSTRY

See reply to Question No 906 on 26 April 1988 (col 1190)

Persons of Eastern European origin who entered RSA

950 Mr C J DERBY-LEWIS asked the Minister of Home Affairs

- (a) How many persons of Eastern European origin entered South Africa over the latest specified period of five years for which figures are available, (b) how many of these persons (i) were (aa) visitors and (bb) immigrants and (ii) had been granted (aa) permanent and (bb) temporary residence permits and (c) from which countries did they come?

The MINISTER OF HOME AFFAIRS

1983 1984 1985 1986 1987

(a)					
Bulgaria	19	21	16	24	27
Czechoslovakia	132	169	93	123	55
East Germany	5	16	2	14	5
Hungary	150	157	281	190	168
Poland	5 060	5 393	4 561	3 520	2 781
Rumania	20	61	31	65	36
Russia	110	72	76	156	54
Yugoslavia	559	485	735	668	526
Total	6 055	6 374	5 795	4 760	3 652

(b) (i) (aa)

Bulgaria	19	21	16	24	27
Czechoslovakia	128	169	86	123	55
East Germany	5	16	2	14	5
Hungary	150	157	281	190	168
Poland	5 060	5 393	4 561	3 520	2 781
Rumania	20	61	31	65	36
Russia	110	72	76	156	54
Yugoslavia	559	485	735	668	526
Total	6 055	6 374	5 795	4 760	3 652

(b) (ii) (bb)

Bulgaria	19	21	16	24	27
Czechoslovakia	128	169	86	123	55
East Germany	5	16	2	14	5
Hungary	137	148	275	187	164
Poland	4 953	5 305	4 521	3 511	2 763
Rumania	20	60	30	63	35
Russia	109	63	76	156	54
Yugoslavia	548	428	708	665	514
Total	5 919	6 210	5 714	4 743	3 617

(c) As set out in (a) and (b) above

Own Affairs

Post of private secretary - restrictions in regard to period of service

82 Mr C J DERBY-LEWIS asked the Minister of the Budget and Works

Whether the appointment of persons to the post of private secretary in the Department of

Hungary 137 148 275 187 164

Poland 4 953 5 305 4 521 3 511 2 763

Rumania 20 60 30 63 35

Russia 109 63 76 156 54

Yugoslavia 548 428 708 665 514

Total 5 919 6 210 5 714 4 743 3 617

(b) (i) (bb)

Bulgaria 0 0 0 0 0

Czechoslovakia 4 0 7 0 0

East Germany 0 0 0 0 0

Hungary 13 9 6 3 4

Poland 107 88 40 9 18

Rumania 0 1 1 2 1

Russia 1 9 0 0 0

Yugoslavia 11 57 27 3 12

Total 136 164 81 17 35

(b) (ii) (aa)

Bulgaria 1 0 0 0 0

Czechoslovakia 0 15 2 9 1

East Germany 0 0 0 0 0

Hungary 1 12 15 6 1

Poland 103 74 79 71 35

Rumania 2 10 5 11 0

Russia 1 2 0 6 0

Yugoslavia 6 11 13 13 17

Total 114 124 114 116 54

HOUSE OF ASSEMBLY

# Govt reviews subsidies for house buyers

250 Bldg 26/4/88  
CHRIS CAIRNCROSS

CAPE TOWN — Government is being forced to re-evaluate its first-time house-buyers' subsidy scheme, as a result of the growing financial burden it is imposing on the state's coffers.

According to the Department of Public Works and Land Affairs annual report, tabled in Parliament yesterday, the scheme is being reviewed to ensure the state "is not ensnared in an accumulative obligation which may embarrass it at a later stage".

The subsidy scheme, representing a joint effort by the state and the private sector, briefly entails that 33,3% of the interest payable by a first-time buyer is subsidised during the first five years. The ceiling placed on the unit cost of the house is R40 000.

Since it was first introduced in 1983, about 21 569 units have been completed, and this level of participation is rapidly increasing.

Changes to the subsidy scheme now being considered include.

That the subsidy amount, calculated over five years, be paid over a seven-year period, on the basis that the full subsidy covering the first two years be

● To Page 2 →

## Home subsidy scheme is under scrutiny

paid in equal monthly instalments, with the balance spread over the remaining five years in annually diminishing amounts;

Existing houses be included in the scheme,

That a maximum be laid down for the total cost of the dwelling and the site in order to avoid "unwarranted manipulation" to qualify for the R40 000 limit,

That the R40 000 limit be increased to compensate for the increase in building costs since the scheme was first introduced four years ago,

That the scheme be made more acces-

sible to the lowest-income groups by the payment of a constant subsidy on a dwelling costing R27 500 or less, including the cost of the land, on condition the total subsidy payable over the proposed seven-year term shall not exceed R6 000

Government has estimated that under these proposed new conditions a programme involving 10 000 dwelling units would push the state's financial commitment to R87m a year. The private sector's investment, in turn, would amount to R400m annually.

250 Bldg 26/4/88  
● From Page 1 ←

250 (12/27) B/day 27/4/88

# Govt to put 22 900 properties on sale

CHRIS CAIRNCROSS

CAPE TOWN — The state has identified 22 900 properties which it is prepared to place on the market, in an accelerated land sale programme scheduled to start in July this year, says the Public Works and Land Affairs Department annual report tabled in Parliament this week.

A department spokesman yesterday confirmed the sales programme represented official policy to sell off state land, where it cannot be used in the foreseeable future.

This has been policy since 1982 and,

according to official statistics, has resulted in sales of nearly R70m since its inception. This involves some 4 723ha of rural land and 1 690 unspecified urban properties.

The report says the 22 900 properties represent about 80% of the state properties on a central computerised property register.

The register is to be used to monitor the marketing of "redundant" state land.

It will also form the nucleus for implementing the Rating of State Property Act of 1984, which is expected to come into effect from July 1.

Government spokesmen made clear the property sales programme will not take the form of a massive clearance sale, but will rely on existing market conditions to determine whether the prices offered are acceptable.

They also emphasised that much of the property available may not be marketable.



27/4/88 Biday

# Pay freeze angers Sats artisans' association

GERALD REILLY

THE Federation of Sats Trade Unions was upset by the "double talk" of President P W Botha, Artisan Staff Association (ASA) president Hugo van Dyk said in Maritzburg yesterday

He told the ASA congress it had become plain SA workers were being used as pawns to further the ends of politicians

The time had come for Sats unions to unite — and for the first time there was solidarity in the federation

If the current salary dispute could not be satisfactorily settled through official channels, the congress should give direction on possible reaction

Van Dyk said after the ASA had lodged a moderate 16,2% increase demand with Transport Minister Eli Louw in September last year, Botha had made a "dictatorial" announcement freezing public-sector pay

To add fuel to the fire, Louw had told the federation "in a very meek and mild manner" he had to abide by Botha's announcement

"This is the sorrowful situation the federation found itself in, and it had no option but to declare a dispute and the outcome of conciliation proceedings is now awaited"

On privatisation, Van Dyk said although the De Villiers report had not yet been accepted by the Cabinet and no White Paper had been tabled, the Transport Minister and Sats management had gone ahead with reorganisation and decentralisation

Van Dyk said the ASA, through the federation, would have to have discussions with Louw to determine in which direction privatisation was heading. There was "total uncertainty" among Sats workers

Post of private secretary restrictions in regard to period of service  
779 Mr C J DERBY-LEWIS asked the Minister of Communications

Whether the appointment of persons to the post of private secretary in his Department is subject to any restrictions in regard to period of service, if so, what are the relevant details, if not, (a) what procedure is followed in (i) assessing such officials for promotion purposes and (ii) granting them promotion and (b) what are their prospects for promotion?

The MINISTER OF COMMUNICATIONS

No,  
(a) (i) they are subjected to merit assessment in the manner prescribed for officers of similar rank in the Department,

(ii) they are considered for promotion to higher posts which become vacant and to which they aspire in competition with the other officers referred to, due regard being had to their comparative ability, in instances where their claims to promotion are equal in respect of their ability, their comparative seniority is taken into account, and

(b) the same as officers of similar rank in the Department

Employees pension/housing/unemployment benefits

943 Mr J B DE R VAN GEND asked the Minister of Communications

Whether (a) Whites, (b) Blacks, (c) Coloureds and (d) Indians employed by the Post Office as (i) permanent, (ii) temporary and (iii) casual and regular employees receive any (aa) pension, (bb) housing and (cc) unemployment benefits, if so, what is the scale of contributions made by the Post Office in each case?

The MINISTER OF COMMUNICATIONS

(a) (i) (aa)<sup>1</sup> Yes (bb)<sup>2</sup> Yes (cc)<sup>3</sup> No  
(ii) Yes Yes Yes  
(iii) No No No

(b) (i) Yes Yes No  
(ii) Yes Yes Yes  
(iii)\* No No No

(c) (i) Yes Yes No  
(ii) Yes Yes Yes  
(iii) No No Yes

(d) (i) Yes Yes No  
(ii) Yes Yes Yes  
(iii) No No Yes

Contributions  
<sup>1</sup> R2,74834 for each Rand a permanent official contributes to the Government Service Pension Fund and R2,00 for each Rand a temporary official contributes to the Temporary Employees Pension Fund

<sup>2</sup> Both permanent and temporary officials complying with certain requirements are subsidized on housing loans up to R50 000. The maximum subsidy payable on a compulsory monthly instalment is R391,50  
<sup>3</sup> 0,9% of the contributor's income

HOUSE OF DELEGATES

†Indicates translated version

For oral reply

Own Affairs

Question standing over from Thursday 21 April 1988

Springfield/Transvaal Colleges of Education councils/senates established

\*1 Mr M RAJAB asked the Minister of Education and Culture

(1) Whether, with reference to his reply to Question No 43 on 4 August 1987, councils and/or senates have been established at the (a) Springfield and (b) Transvaal College of Education, if not, why not, if so, (i) when, (ii) what are the (aa) names and (bb) qualifications of the persons appointed to each such council and/or senate and (iii) what procedure was followed in appointing these persons,

(2) whether the Teachers' Association of South Africa was consulted in regard to the appointment of persons to these councils and/or senates, if not, why not, if so with what result?

The MINISTER OF EDUCATION AND CULTURE

(a) Council, yes, Senate, no  
(b) Council yes, Senate, no

The Senates of the respective colleges will be established after nominations are received from the Councils in terms of the provisions of the relevant regulations. The inaugural meetings of the Councils are to be held on 9 May 1988 for Springfield College and 11 May 1988 for Transvaal College

(1) Councils — 15 April 1988

(ii) (aa) COUNCIL OF THE SPRINGFIELD COLLEGE OF EDUCATION  
Chairman Prof J M Niven (Emeritus Professor of Education of Natal University),  
Vice-Chairman Prof L E

Peters (Rector of Springfield College of Education),

Prof T H Bennett (Vice Rector Academic — University of Durban-Westville),

Prof M Moodley (Dean of the Faculty of Education — University of Durban-Westville),

Mr E Osman (Chief Education Specialist — Department of Education and Culture),

Mr M Pillay (Chief Superintendent of Education — Department of Education and Culture),

Mr L T Peter (Deputy Director Education Administration — Department of Education and Culture),

Mr J A Louw (Deputy Director Personnel Management — Department of Budgetary and Auxiliary Services),

Prof R Som (Rector — M L Sultan Technikon),

Prof D Bughwan (Retired Professor — University of Durban-Westville),

Mr M M Moodley (Vice Rector of Springfield College of Education),

Dr B T Naidoo (Medical Practitioner)

Mr T Singh (Retired School Principal),

Mr S Khan (Retired School Principal),

Mr P C Samuels (Principal Glenridge Primary School),

Mr S Sewdarsen (Principal Isipingo Secondary School)

COUNCIL OF THE TRANSVAAL COLLEGE OF EDUCATION

Chairman Prof P Joshi (Professor of Medicine — MEDUNSA),  
Vice-Chairman Mr H du B Kemp (Acting Rector — Transvaal College of Education),

# WHO RULES US ALL

## Revamped structures of government

250

### STATE PRESIDENT.

- Elected by Electoral College comprising — on a proportional basis — white, coloured and Indian MPs and 'recognisable' black leaders
- Functions include chairing Central Policy-Making Body comprising representatives of all groups
- Appoints prime minister and Cabinet
- May chair Cabinet meetings and National Council on occasion

### POLICY-MAKING BODY

- Headed by State President
- Comprising designated representatives of all groups and communities
- Responsibility for matters such as "population relations," macro-economic policy, financial priorities, security and foreign affairs

### PRIME MINISTER

- Appointed by State President
- Need not necessarily come from parliament
- Chairs Cabinet and handles day-to-day administration of the executive
- Answerable to the State President

### CABINET

- Appointed by the State President
- Headed by the PM
- Responsible for "general affairs" portfolios
- Members need not necessarily be MPs or members of other statutory bodies and can be black, coloured, Indian or white

### NATIONAL COUNCIL:

- Effectively an ongoing constitutional conference looking at ways to accommodate the aspirations of all groups. Representatives from all communities nominated, elected or designated by various elected bodies including parliament, the regional councils for blacks and the homelands. The name, form, composition and functions of the council are still being considered and negotiated
- While it is sitting the council may have an input into ongoing "own affairs" legislation and in so doing will give blacks a say in central decision-making

### PRESIDENT'S COUNCIL.

- Appointed by the State President to operate on a part-time basis and deal, inter alia, with matters currently handled by special advisory bodies such as the Economic Advisory Council and the National Manpower Commission
- Continues to serve as a parliamentary deadlock breaking mechanism in relation to "general affairs" legislation
- Will comprise members who are black, white, coloured and Indian

### NON-INDEPENDENT HOMELANDS.

- Ethnically-based geographic regions with their own elected legislatures and executives. Limited responsibility to the South African parliament through the minister of constitutional development and planning and the minister of finance
- Representatives to be delegated to the National Council

PM 29/4/88

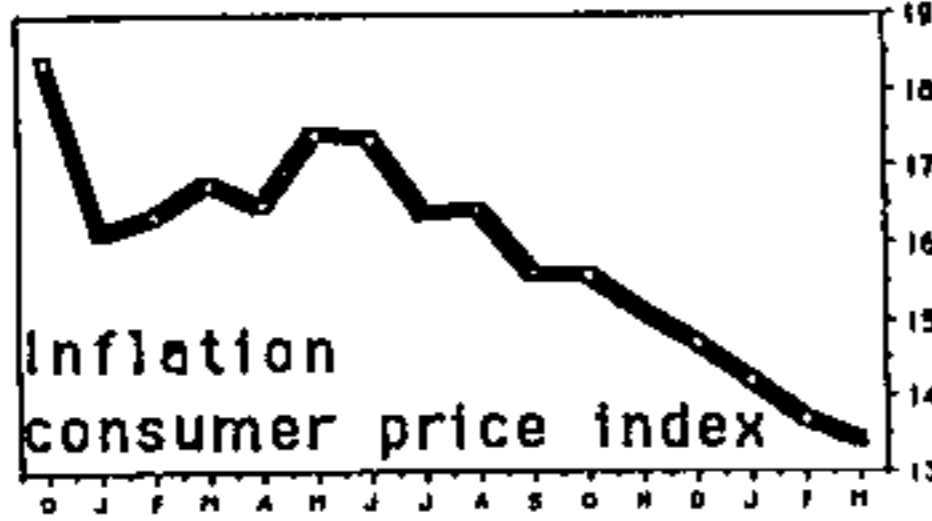
THE ECONOMY

# Volunteer, says PW. It's now compulsory

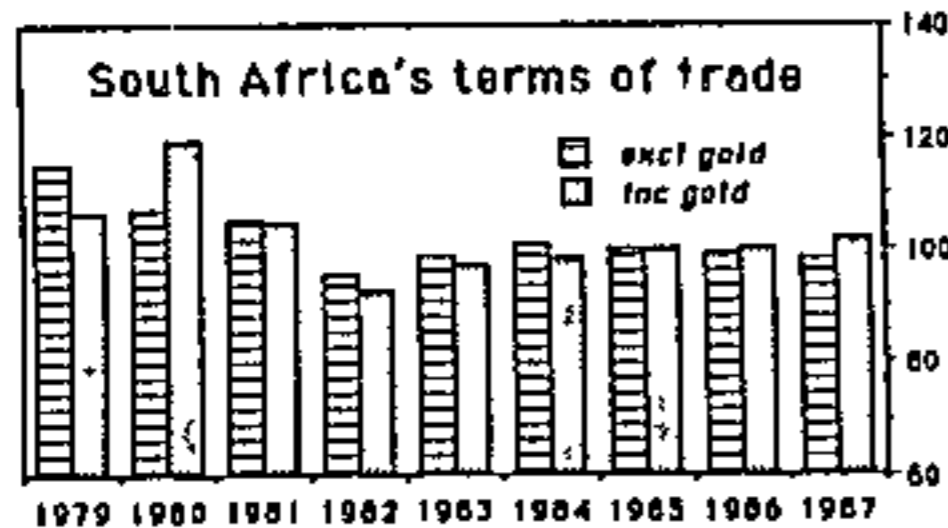
29/4-4/5/88  
 (250)  
 W/Mail

## BUSINESS BAROMETER

### GENERAL INDICATORS



**CONSUMER PRICE INDEX**  
 Inflation, as measured by the consumer price index, dropped to 13,4 percent in March from 13,7 percent in February and 14,2 percent in January. Food price inflation was unchanged in March at 17,1 percent. The CPI showed a year on year increase of 13,8 percent for the lower income group and 13,4 percent for middle and higher income groups.



**ECONOMICS OF GOLD MINING**  
 Reserve Bank governor Gerhard de Kock outlined changes in the economics of gold mining in South Africa in a speech he made at the opening of Anglo American's Eastern Gold Holdings project last week. Between 1970 and 1987 the US dollar price of gold increased on average by 16 percent a year (from \$36 in 1970 to \$447 in 1987) and the rand price by 23 percent per year. Average cost per metric ton increased over this period at an average annual rate of about 16 percent in rand terms. The rise in the gold price was accompanied by a 40 percent decline in South Africa's physical gold production — from 1 002 tons in 1970 to 605 tons in 1987. This was partly because the average grade of ore mined dropped from 13,3 grams per ton milled in 1970 to 5,3 grams per ton in 1987. The net result of the rise in price and the decline in output was gold mining became even more important to the South African economy than before, De Kock said. Measured at current prices, the "value added" by gold mining as a percentage of gross domestic product increased from 5,5 percent in 1970 to 9,1 percent in 1987. Gold exports as a percentage of total exports increased from 30 percent in 1970 to 37 percent in 1987. At current production levels and at the present rand-dollar exchange rate, each \$50 per ounce change in the gold price means a change of about \$1 billion or more than R2-billion in the value of South Africa's annual gold output.

**SOUTH AFRICA IN WORLD GOLD MINING**  
 In 1986 South Africa's output represented about 50 percent of gold production in the non communist world and 39 percent of total world production. This is a substantial decline in South Africa's relative share of world gold production since 1970, when its

output was 79 percent of non-communist and 68 percent of total world production.

**PRIVATE CONSUMPTION EXPENDITURE**  
 South Africa's real economic growth rate averaged 5,8 percent annually in the 1960s, 3,3 percent in the 1970s and 1,8 percent between 1980 and 1987. Economic growth in this period became more and more attributable to private consumption expenditure and less and less to investment and exports, according to Sanlam's April Economic Survey, published this week. The average contribution of private consumption expenditure to economic growth rose from 42 percent in the 1960s to 52 percent in the 1970s to more than 80 percent in the first eight years of the 1980s. Consumer spending has been growing much faster than disposable income, indicating people are drawing on their savings or using credit to finance purchases. The financial position of consumers has been weakened by inflation and rising taxes. The personal savings rate has declined from average 11,3 percent in 1960-69 to 10,2 percent in 1970-79 to only five percent in 1980-87.

### FINANCIAL INDICATORS

#### Johannesburg Stock Exchange Indices

JSE Indexes	27/4/88	WEEK AGO	% CHANGE
All Market Index	1585	1649	-3,9
All Gold Index	1191	1273	-6,4
Industrial Index	1488	1514	-1,7

#### Short-term interest rates

	26/4/88	WEEK AGO	YEAR AGO
Three month bankers acceptances	11,75%	11,10%	9,8%
Prime overdraft rate	14%	14%	12,5%

#### Gold Price dollars

	26/4/88	WEEK AGO	% CHANGE
	447	456,90	-2,1

#### Gold Price rands

	26/4/88	WEEK AGO	% CHANGE
	965,52	976,31	-1,1

#### Selling price Major currencies against rand

	27/4/88	WEEK AGO	% CHANGE
US dollars	2 1525	2,1380	+0,6
Pounds Sterling	4,0316	4,0526	-0,5
Deutsche Mark	0,7794	0,7769	+0,3
Yen	58,06	57,96	+0,2
Swiss Franc	0,6420	0,6453	+0,5
Financial Rand	2 84	2,8333	+0,5

#### US Dollar against major currencies

	27/4/88	WEEK AGO	% CHANGE
Dm	1,6777	1,6610	+1
Sterling	1,8730	1,8955	-1,2
Yen	124 97	123,92	+0,8
Swfr	1 3890	1,3726	-1,2

Source: First National Bank

PRESIDENT PW Botha's recent threat to impose a prices and incomes policy on the private sector has been strenuously opposed by trade unions, business leaders and Reserve Bank Governor Gerhard de Kock.

The Congress of South African Trade Unions (Cosatu) has stated that it "completely rejects the state president's plans to impose a general wage freeze" while the National Council of Trade Unions (Nactu) has promised to "fight this attempt at every factory in every industry".

Pick 'n Pay's Raymond Ackerman, who seems to have been indirectly singled out by Botha for special attention because his company recently agreed to pay wage increases between 12 and 25 percent, has called the proposal "totally unrealistic". Ackerman's views have been endorsed by economists within Anglo American, Rand Merchant Bank and Volkskas.

Significantly, too, Gerhard de Kock saw fit to respond almost immediately to Botha, arguing that "such direct controls would create more problems than they solve".

Clearly, Botha's outburst has not won him many friends. This must come as a bit of a disappointment to Finance Minister Barend du Plessis, who is particularly keen to cultivate the business community. The loud silence currently emanating from our finance minister over this issue suggests he wishes he were minister or something else just at the moment.

After being regularly condemned over the past umpteen years for his lack of economic understanding, Botha only recently managed to become the blue eyed boy of the business community when he announced at the opening of parliament that the government was to freeze public servants' wages and launch a massive privatisation campaign.

Here at last, wrote Econometrix director Azar Jammine, was a "coherent philosophy in support of free enterprise". As an exercise in orthodox Thatcherism, raved a Johannesburg daily, "President Botha's speech could hardly have been improved upon".

In reality, freezing public sector wages has as much in common with Thatcherism as bath water has with knitting needles.

But because so many in the business community and the press liked both the idea of freezing public sector wages and that of privatising state assets they ignored the contradiction. Privatisation promotes market forces

After years of being derided for lack of economic understanding, the state president at last won the approval of business, only to tarnish his record last week.  
**DUNCAN INNES reports**

but Botha's wage freeze does the reverse: it subordinates the wage market to the arbitrary dictates of those in power.

Further evidence of the government's desire to keep important sections of the market under its control was provided by its commitment to push ahead with the Labour Relations Amendment Bill. What this Bill does in part is to restrict the rights of workers and trade unions in collective bargaining thereby interfering in the functioning of the labour market.

However, because so many employers see this Bill as an opportunity to break the power of the unions they have not in general campaigned against it.

They failed to see that the government's commitment to union bashing, embodied in this Bill, also represented a continued commitment to the policy of directly controlling markets.

This point was hammered home to the business community a few weeks ago when the government circulated the draft of the Control of Harmful Business Practices Bill.

This Bill effectively gives the minister of economic affairs the power to fix prices, declare certain business practices unlawful, dissolve businesses terminate agreements and fine offenders R200 000 or jail them for five years.

This time the business community rose to the occasion, attacking the "arbitrary powers" the Bill conferred on the minister and criticising the use of "price controls" which, the Association of Chambers of Commerce (Assocom) pointed out, ran counter to the idea of free enterprise.

And then came the Botha bomb shell because the private sector had not voluntarily responded to his proposal that it should exercise wage and price restraint, he would consider using legislation to compel private businesses to toe the line.

His statement raises questions about what precisely Botha means when he uses the word "voluntary". When he first announced his public sector wage freeze he called on the private sector "voluntarily" to exercise similar restraint in its negotiations around wages. Now he says because they failed to do so he will compel them to toe the line.

The indirect reference to Raymond Ackerman is ominous, coming so soon after the public pillorying of Chris Ball. Should we assume that every time a leading businessman does something the state president dislikes that businessman can expect to be hauled over the coals?

Nactu recently pointed out that in the past the business community has been ineffective and unwilling to oppose the government. "It might now find that, having compromised so often in the past, it may be impotent to do anything against this onslaught".

Perhaps some might find this warning extreme. Others might feel it provides food for thought.

# Old wounds re-open in Samcor dispute

By EDDIE KOCH

THE reasons why more than 3 000 workers shut down the SA Motor Corporation (Samcor) assembly plant last week in protest at their union's involvement in the company's share ownership scheme are not easy to unravel.

The National Union of Metalworkers of South Africa (Numsa) agreed in November last year to set up a trust in which workers would hold 24 percent of the company's shares on condition that the dividends be used for community projects.

At the time the agreement was seen by Numsa as a victory for the union. Numsa had opposed Ford's original plan to give shares to workers on an

individual basis.

The union saw the Samcor share ownership scheme as going some way to meeting Congress of South African Trade Unions policy that disinvestment should take place in such a way "that the social wealth of the country remains the property of the people of South Africa for the benefit of all".

So why did the work force object so vehemently to a seemingly sound agreement? Reasons put forward by workers so far don't help to clarify the issue.

Press reports have quoted striking workers as saying they did not want

was the main cause of the dispute.

Fred Sauls, national secretary for Numsa's motor section, said the group had been campaigning against the agreement for more than four months.

The dissident group, he said, was made up of former members of the Motor Assembly and Component Workers' Union of South Africa (Macwusa) who were reluctant to accept the merger between Macwusa and other metal and motor unions last year that led to the formation of Numsa.

Three weeks after the agreement was signed, he said, the rival group announced its opposition to the fund and in February this year "instructed

R187 million and that if this amount were divided among the 4 000 workers it would give each worker at least R40 000, said Sauls.

"Workers did not realise that for this to happen the company would have to sell its entire plant and stock. In their minds it was a chance to get R40 000 and the idea spread like wildfire."

There has been a long history of rivalry in the Eastern Cape between Macwusa and the National Automobile and Allied Workers Union (Naawu), the biggest motor workers' union, to join Numsa.

Asked if the Samcor strike had undermined the ability of Cosatu unions

W/Mail  
 29/4-4/5/88

PUBLIC SECTOR - GOV. GENERAL

MAY - DECEMBER 1988

*Howard*

Region	Number of Houses	Welfare Housing Number of Persons	Cape Town	
Pretoria	—	—	Bellville	10
Breyton	—	4	Citrusdal	—
Coligny	—	43	Durbanville	—
Ermeelo	—	33	George	—
Pietersburg	50	40	Goodwood	—
Potchefstroom	—	69	Hartenbos	—
Klerksdorp	—	36	Hermannus	—
Orkney	—	12	Cape Town	60
Lichtenburg	5	—	Knyasa	—
Ottsdal	—	46	Kraaifontein	—
Phalaborwa	—	18	Malmesbury	—
Pretoria	—	355	Montagu	—
Rustenburg	—	38	Mossel Bay	24
Sannieshof	—	2	Napier	—
Verwoerdburg	—	68	Neuwoudtrivle	—
Wolmaransstad	—	42	Paarl	—
Johannesburg	—	—	Prins Albert	—
Alberton	—	30	Riversdal	—
Benoni	—	120	Springbok	—
Boksburg	—	44	Swellendam	18
Brakpan	—	15	Fish Hoek	—
Carletonville	—	20	Vredenburg/	—
Edenvale	—	24	Saldanha	—
Germiston	—	64	Wellington	—
Kempton Park	—	30	Worcester	19
Johannesburg	98	745	Kimberley	—
Krugersdorp	—	60	Kimberley	30
Randburg	—	110	Postmasburg	—
Randfontein	—	88	Bloemfontein	—
Roodepoort	52	218	Bloemfontein	92
Vereeniging	—	38	Bultfontein	8
Durban	—	—	Dealesville	9
Amazimtoti	—	44	Hartsmuth	16
Durban	—	198	Kroonstad	3
Howick	—	40	Ladybrand	3
Kingsborough	—	8	Parys	6
Pietermaritzburg	105	55	Sasolburg	80
Pinetown	—	—	Villiers	4
Port Shepstone	8	62	Warden	7
Queensburgh	—	60	Welkom	40
Richmond	—	20		
Vryheid	—	2		
Westville	—	24		
Port Elizabeth	—	—		
Alwal North	—	35		
Beacon Bay	—	50		
Despatch	—	13		
Fort Beaufort	—	24		
Joubertina	—	21		
Kirkwood	—	14		
Komga	—	12		
East London	—	106		
Port Elizabeth	—	119		
Queenstown	—	38		
Uitenhage	—	30		

Welfare housing/dwelling units in RSA

39 Mr P G SOAL asked the Minister of Local Government, Housing and Works

Whether, with reference to his reply to Question No 3 on 19 August 1987, his Department intends building any (a) welfare housing and (b) dwelling units in the Republic in 1988, if not, why not, if so, (i) how many units in each case and (ii) in which centres will they be constructed?

The MINISTER OF LOCAL GOVERNMENT AND HOUSING

(a) and (b) No, but the honourable members kindly referred to my reply to Question 7



*Howard*

HOUSE OF REPRESENTATIVES

Indicates translated version

For oral reply

General Affairs

State President

Appointment of Prime Minister: consideration of Minister of colour

\*1 Mr P A C HENDRICKSE asked the State President

(1) Whether, with reference to his recently announced proposals for constitutional reform, any consideration has been or will be given to appointing a Minister of colour as Prime Minister.

(2) whether he will make a statement on the matter?

\*The DEPUTY MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING (for the State President)

(1) and (2)

On 21 April 1988, I said the following about the matter in the House of Assembly

"The State President should mainly concern himself with matters such as for example population relations, macro-economic policy and the determination of financial priorities, security and foreign affairs, as well as ceremonial occasions and functions which developed by convention. The day to day administration under Ministers should then rather continue under the chairmanship of a Prime Minister appointed by the State President"

This is naturally a matter that requires further consideration. If the proposal is accepted, the State President will deal with the matter at that stage. The person for such an appointment will necessarily be considered on the basis of his expertise with regard to administration.

In the meantime the status quo is maintained

Ministers

Former director-general of SABC: resignation

\*1 Mr P A CHENDRICKSE asked the Minister of Information, Broadcasting Services and the Film Industry

(1) Whether he was consulted beforehand in connection with the resignation of the former director-general of the SABC, if not, why not, if so, (a) when, (b) what was the purpose of these consultations and (c) what action did he take in consequence of these consultations,

(2) whether he will make a statement on the matter?

\*The MINISTER OF INFORMATION, BROADCASTING SERVICES AND THE FILM INDUSTRY

(1) No

(a) to (c) Fall away

(2) In order to avoid any misunderstanding regarding the reply given above I want to state clearly that I had discussions with the Chairman of the Board, as well as with the members of the relevant committee of the Board, regarding the circumstances which lead to the resignation of the former director-general

However as the matter falls within the jurisdiction of the Board and outside the jurisdiction of the Minister, these discussions cannot be described as "consultation"

\*2 Mr W J DIETRICH asked the Minister of Law and Order

(1) Whether, with reference to information furnished to the South African Police for the purpose of the Minister's reply, a Sharpeville mother was arrested at the Vereeniging charge office for breast-feeding her baby in public early in November 1987, if so, (a) in terms of what statutory provisions, (b) what were the circumstances surrounding the incident and (c) what is her name,

(2) whether any action has been taken against the policeman concerned, if not why not, if so (a) what action and (b) when,

(3) whether any steps have been taken to prevent further arrests for offences of this nature, if not, why not, if so, (a) what steps and (b) when?

CAPE TOWN 5/5/88  
250

# PSA calls for new salary rises

PRETORIA — The Public Servants' Association (PSA) have submitted new demands for a general salary increase "in line with that given in the private sector"

They have also called on the Commission for Administration to re-examine the general salary clamp on the public sector in the light of evidence that massive salary and wage rises have been given in this sector

The chairman of the PSA, Dr Colin Cameron, said here yesterday that the association had submitted factual evidence to the Commission for Administration that there had been salary rises of up to 20% over a wide spectrum in the private sector

The clamp on salary increases in the public service was therefore unwarranted

The PSA have demanded a percentage increase to bring salaries in line with the private sector. They have refused, however, to divulge the percentage

Dr Cameron said the public service was forced to accept it when the State President announced there would be no general salary increases

However, they reserved the right to reassess the situation if it was found that the private sector failed to comply with Mr Botha's call to help cut inflation

# Govt firm on public service wage freeze

**Political Staff**  
The Government is standing firm on its policy not to grant pay increases to public servants — despite renewed demands from the Public Servants' Association (PSA).

**Minister of Administration and Privatisation**  
Dr Dawie de Villiers said yesterday that the Government's policy on pub-

lic service pay increases was well known and he saw no need to depart from it.

He was responding to renewed demands for a pay rise from PSA chairman Dr Colin Cameron.

Dr Cameron said the PSA was repeating its demands for a rise because the private sector had not honoured the Government's appeal for wage restraint.

250

Star 16/5/88



# Public servants renew pay demand

By Claire Robertson  
Pretoria Bureau

250  
The Public Servants Association has again approached the Government for a pay increase this year following the wage freeze instituted in the public sector.

Dr Colin Cameron, head of the 200 000-member PSA, said yesterday there were no signs that the private sector was heeding the Government's call for inflation-curbing measures and there was "major discontent" among PSA members that they were being "excluded from participation in the economic cycle" while salaries and prices rose in the rest of the country.

In accepting the wage freeze earlier this year, the PSA reserved the right to ask again for a pay increase should it appear that the private sector had not taken similar steps to curb inflation.

In a letter sent to the Commission for Administration this week the PSA pointed out there had been salary increases of up to 20 percent over a wide spectrum in the private sector. The clamp on salary increases in the public service was therefore unwarranted.

The PSA had asked for an undisclosed percentage increase to bring salaries in line with the private sector, Dr Cameron said

# Parliament can now divide itself to sit in nine different venues

PARLIAMENT this week conducted its business in four Chambers at the same time, complicating logistics for journalists and officials

This latest development in the tricameral system resulted from a decision of the House of Assembly to divide in two appropriation committees, with one debating the Budget vote of Agriculture and the other of Environment Affairs

The purpose of such a division is to speed up the proceedings of Parliament so that twice as much work can be done by the Assembly at the same time

The precedent for such a division was actually established in pre-tricameral days when the Assembly divided into two committees to deal with two Budget votes simultaneously

The difference then, though, was that the second committee used the old Senate Chamber while this week it used the old House of Delegates Chamber

The division of Houses of Parliament is likely to be a permanent feature from next year, but on a much grander scale

250  
3

By DAVID BRAUN, Political Staff

In terms of new rules for joint debates among the three Houses, we may see the three Chambers sitting together, but in up to nine different venues

These are the Chamber of Parliament (the specially built hall for joint debates), the House of Assembly, the House of Representatives, the House of Delegates, the old House of Delegates and the venues in each of the four provincial capitals where Parliament will move to debate provincial issues

Later this month the first joint debates will in fact be held in the four provincial capitals.

The idea behind this new concept is to bring the Legislature closer to the people so that the residents of the province concerned may attend debates in their capitals.

The mechanics of bringing three Houses together and then dividing them between four or more Chambers are somewhat complex. In the first instance, any Member of Par-

liament may attend any of the debates he or she chooses

In practice, the Transvaal MPs are likely to attend the debate in Pretoria while those from the Cape will attend the debate in Cape Town, and so on

When Parliament divides into two, three or four different committees in order to use the four Chambers in the parliamentary complex, MPs will also be free to attend any of the debates

However, though they may sit and debate together, they may not vote together.

Voting must still take place within the racial blocks of whites, coloured representatives and Indians so that separate majorities may be recorded for each of the three Houses.

From the new rules it is apparent that parliamentary proceedings will in future be conducted in public.

At joint meetings of the Houses

At separate meetings of each House,

In extended public committees of the Houses, and

In appropriation committees of each House

Any Bill on general affairs, or any provision of such a Bill, may be discussed in an extended public committee

An extended public committee is to consist of members of the joint standing committee under which the particular Bill or provision falls, and all other MPs who attend the proceedings of the extended public committee.

Voting may take place at a joint meeting of the Houses or at a separate meeting of the House concerned, and for that purpose "voting days" may be set aside

If voting takes place at a joint meeting, the Speaker may determine the procedure to record the votes of the three Houses separately

## HOUSE OF ASSEMBLY

Indicates translated version

For oral reply

General Affairs

State President

SABC: resignation of former director-general

\*1 Mr S C JACOBS asked the State President †

- (1) Whether he made any requests or gave any instructions to the Minister of Information, Broadcasting Services and the Film Industry in connection with the resignation of the former director-general of the SABC, if so, (a) when, (b) what was the purport of these requests or instructions and (c) what was that Minister's response thereto

- (2) whether, either directly, indirectly or through an official of his Office, he contacted any other person to whom he made requests or gave instructions in connection with the resignation of the said director-general, if so, (a) when, (b) (i) in what manner was this person contacted and (ii) who is the person and (c) (i) what requests did he make or instructions did he give and (ii) to whom,
- (3) whether he indicated, during the discussion he had with the said director-general in 1987 about a news broadcast involving the Chairman of the Ministers' Council of the House of Representatives, that he wanted to have this director-general dismissed or thought that the latter must or ought to relinquish his position?

The MINISTER OF INFORMATION, BROADCASTING SERVICES AND THE FILM INDUSTRY (for the State President)

- (1), (2) and (3)

I refer the hon member to my address concerning this matter in the House of Assembly on 21 April 1988

Mr D J N MALCOMESS Mr Speaker, on a point of order May I point out to you that the Hansard of the House concerned has not yet been

HOUSE OF ASSEMBLY

*Handwritten signature*

distributed Secondly, Sir, in terms of a decision given by the Chairman of this House it was suggested to hon Ministers that they do not refer to answers given to questions put in other Houses

The MINISTER I have been referring to a speech by the hon the State President in the House of Assembly, in other words, in this House [Interjections]

Mr SPEAKER Order! I will consider the matter and give my decision later

†Mr S C JACOBS Mr Speaker, on a point of order is this the way in which the hon the Minister replies to a question? Does he do it by implying that all the questions that

†Mr SPEAKER Order! The hon member for Port Elizabeth Central has raised a point of order on which I intimated that I shall give a ruling later All further questions on this should therefore stand over until then

Ministers

Questions standing over from Tuesday, 3 May 1988

\*25 Mr J B de R VAN GEND — Constitutional Development and Planning [Reply standing over]

Nodal point: appointment of designated person

\*30 Mr R M BURROWS asked the Minister for Administration and Privatisation

- (1) Whether a designated person in each State Department has been appointed as a "nodal point", if so, (a) what is the function of a person so appointed, (b) (i) when and (ii) by whom were these appointments made and (c) which persons were so appointed in each Department,
- (2) whether he will make a statement on the matter?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

- (1) No, but co-ordinators of special services, who are sometimes informally referred to as "nodal points", have been designated
- (a) Manages the special services compo-

*Handwritten initials*

*Handwritten signature*

ment, obtains, analyses and evaluates information which may be of importance, from a security and welfare point of view, to the department concerned, provides inputs from a security and welfare point of view to the head of department concerned and to other members of management regarding policy formulation, interpretation and execution, serves as liaison point for special services within the department concerned as well as with other institutions

- (b) (i) and (ii) Such designations are done by the head of department concerned, as necessary

- (c) Persons from any occupational class within the department concerned may be designated as such

- (2) No

Mr R M BURROWS Mr Speaker, arising from the reply given by the hon the Minister, can he give us the exact official title of these persons?

The MINISTER Mr Speaker, I am not aware of any specific title they carry They are co-ordinators, as I have said in my reply to the hon member They are people who have been nominated as co-ordinators They are casually referred to from time to time as "nodal points"

Mr H H SCHWARZ Mr Speaker, further arising from the hon the Minister's reply, will he please tell us whether the word "nodal" has the meaning assigned to it in the *Oxford Dictionary* or in *Weber's Dictionary*, or whether it has a peculiar meaning which he himself has attached to the word? [Interjections]

New Questions

Proposed economic policy for RSA: publications involved in advertising campaign

\*1 Mr C J DERBY-LEWIS asked the Minister of Information, Broadcasting Services and the Film Industry

With reference to his reply to Question No 15 on 1 March 1988, (a) which publications were involved, in the month of March 1988, in the advertising campaign in the Press aimed at presenting the Government's proposed economic policy for the Republic and (b) what was

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the combined circulation figure of these publications for that month?

†The MINISTER OF INFORMATION, BROADCASTING SERVICES AND THE FILM INDUSTRY

- (a) Newspapers

Rapport

Sunday Times

Sunday Tribune

The Star

Beeld

Citizen

Burger

Argus

E P Herald

Volkshad

Oosterlig

Daily News

City Press

Ilanga

Sowetan

Imvo Zabantsundu

Magazines

Financial Mail

Finance Week

Finansies en Tegniek

African Business Publication

- (b) Total circulation figure 2 258 991

Tugs Willem Heckroodi/Danie du Plessis

\*2 Mr C J DERBY-LEWIS asked the Minister of Transport Affairs

- (1) Whether, with reference to his reply to Question No 805 on 25 March 1988, a decision has as yet been taken on the request for assistance in the form of providing South African Transport Services personnel to operate and maintain the tugs *Willem Heckroodi* and *Danie du Plessis* sold to the Government of Mozambique in 1986, if so, (a) when and (b) what was the decision, if not, what are the reasons for this delay in taking a decision,
- (2) whether Transport Services have made an appeal to personnel to volunteer for such duties in Mozambique, if so, how many personnel have responded to this appeal,
- (3) whether Transport Services personnel will be compelled to perform such duties?

HOUSE OF ASSEMBLY

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**HOUSE OF REPRESENTATIVES**

Indicates translated version

For written reply

General Affairs

**Coloured military pensioners**

12 Mr P A CHENDRICKSE asked the Minister of National Health and Population Development

(a) What was the amount paid per month to Coloured military pensioners (i) in each year from 1961 up to and including 1987 and (ii) in 1988 as at the latest specified date for which figures are available, (b) what was the percentage increase in each such year and (c) (i) in which years were bonuses paid to such pensioners and (ii) what was the amount of the bonuses paid out in each of these years?

**THE MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT**

(a)(i) and (b)

Particulars of amounts paid in respect of Coloured military pensioners are available only from 1974. Particulars of increases calculated as fixed percentages are available only from 1976

Year	Amount per month (R)	% Increase
1974	61 870	—
1975	68 405	—
1976	68 887	10
1977	72 947	10
1978	86 857	25
1979	104 530	63
1980	152 229	77
1981	160 491	12
1982	155 577	15
1983	164 668	10
1984	183 604	10
1985	204 965	15
1986	311 292	67
1987	367 405	10

The favourable increases in 1979 and 1980 are attributable to differential treatment in respect of the old guard and in 1986 to the result of parity

(ii) 1988 (30/4/1988) R355 196

HOUSE OF REPRESENTATIVES

(c) (i) None only general increases as reflected in the third column  
(ii) Falls away

**Airways pilots remuneration**

25 Mr P C MCKENZIE asked the Minister of Transport Affairs

(1) Whether the South African Airways have made a survey of the remuneration of pilots in the service of foreign airlines, if so, (a) how does the remuneration of Airways pilots compare with that of such pilots holding similar positions and (b) in respect of what date is this information furnished

(2) whether the Airways have made a survey of the remuneration of Airways pilots in relation to that of persons holding comparable positions in the South African market-place if so what were the findings?

**THE MINISTER OF TRANSPORT AFFAIRS**

(1) and (2) As negotiations regarding the remuneration of S A Airways pilots are still proceeding information regarding the survey cannot be divulged at this juncture

26 Mr P C MCKENZIE asked the Minister of Transport Affairs

(1) Whether with reference to the Helderberg air disaster near Matielands on 28 November 1987, he will furnish information on the crew of this aircraft, if not why not, if so (a) what were the names of the crew members (b) how many years of service had each rendered to the South African Airways (c) what position did each hold at the time and (d) what were their annual salaries in each case.

(2) whether he will disclose the amounts paid out to dependants of these crew members, if not why not if so (a) what amounts were paid out in each case, (b) what is the breakdown of each of these amounts (c) what percentage of the pensions pay-out had been contributed by (i) the Airways and (ii) these crew members and (d) in respect of what date is this information furnished?

**THE MINISTER OF TRANSPORT AFFAIRS**

**THE MINISTER OF THE BUDGET**

(1)	(a)	(b)	(c)	(i) Total					
				Race groups		Years up till and including 30 April 1988			
D J Uys	21	Captain		1984	1985	1986	1987	1988	
D H Attwell	12	Senior First Officer		Coloured	9 356	11 219	14 011	14 984	15 200
G Birchall	11	Senior First Officer		White	477	552	644	682	679
G M Bellagarda	28	Flight Engineer		Totals	9 833	11 771	14 655	15 666	15 879
A G Daniel	15	Flight Engineer							
N M van Schalkwyk	16	Senior Cabin Controller							
Mrs F Strijdom	17	Cabin Controller							
H L K Burger	16	Cabin Controller							
J A A van Zyl	12	Cabin Controller							
M M de Almeida	5	Cabin Attendant							
A R Kallermann	6	Cabin Attendant							
Miss S Laurens	5	Cabin Attendant							
E F van der Westhuizen	10	Cabin Attendant							
P L Cramb	3	Cabin Attendant							
Mrs L O'Brien	8	Cabin Attendant							
Mrs J A McEwen	2	Cabin Attendant							
Miss H M Kruger	8	Cabin Attendant							
Mrs E L Schalekamp	7	Cabin Attendant							
A E Schalekamp	8	Cabin Attendant							

**(ii) Category of employment**

Year	Classification	Coloured	White
1984	A-Division	2 315	403
	B-Division	1 832	74
	Non-Classified	5 209	
Totals		9 356	477
1985	A-Division	3 191	500
	B-Division	2 188	52
	Non-Classified	5 840	
Totals		11 219	552
1986	A-Division	4 379	580
	B-Division	3 583	64
	Non-Classified	6 049	
Totals		14 011	644
1987	A-Division	4 967	591
	B-Division	3 748	91
	Non-Classified	6 269	
Totals		14 984	682
1988	A-Division	4 970	611
	B-Division	3 924	68
	Non-Classified	6 306	
Totals		15 200	679

**Own Affairs**

Administration. House of Representatives staff

12 Mr P A CHENDRICKSE asked the Minister of the Budget

How many persons classified as (a) Coloured and (b) White were employed by the Administration House of Representatives in (i) total and (ii) each category of employment (aa) in 1984 1985, 1986 and 1987, respectively, and (bb) as at the latest specified date in 1988 for which figures are available?

Year	Classification	Coloured	White
1988	A-Division	4 970	611
	B-Division	3 924	68
	Non-Classified	6 306	
Totals		15 200	679

HOUSE OF REPRESENTATIVES

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**South African embassy, Washington.  
Professional lobbyists/advisers/consultants**

977 Mr R A F SWART asked the Minister of Foreign Affairs

Whether the South African embassy in Washington, USA, employs the services of any professional lobbyists, advisers or other specialist consultants, if so, (a) what are the names of the persons or bodies concerned, (b) what amount was paid to each in the latest specified financial year for which figures are available and (c) in respect of what services was each amount paid?

**THE MINISTER OF FOREIGN AFFAIRS**

The Department of Foreign Affairs is prepared to furnish the Honourable Member with the particulars on a confidential basis

**Gas turbines/piles/air-conditioning chillers for Mosgas project, manufacturing capacity of industrial sector**

1026 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

(1) Whether the gas turbines, piles and air-conditioning chillers required for the Mosgas project are within the manufacturing capacity of the South African industrial sector, if so,

(2) whether any tenders for these items have been awarded to South African companies, if not, why not, if so, to which companies in each case?

**THE MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY**

(1) and (2)

**(a) Gas Turbines**

(i) At present not locally manufactured. The turbines cannot be locally manufactured within the project schedule to meet the project's specific requirements

(ii) Not awarded to a local company for reasons stated above

**(b) Piles**

Are being made in South Africa by Chicago Bridge & Iron (Pty) Ltd, a South African registered company using Iscor Steel

*Howard*

**(c) Air-conditioning Chillers**

There are two air-conditioning chiller packages on the offshore project. On the accommodation module the chiller supply has been awarded to Grasso (Pty) Ltd as a sub-supplier to Northern Air. The South African content of the chiller order has been estimated as 73%

The order for chillers to the rest of the platform has not yet been awarded

**Mosgas project: tenders**

1028 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

Whether certain tenders in respect of the Mosgas project, the tender numbers of which have been furnished to the Minister's Department for the purpose of his reply, have been awarded, if not, (a) what was the closing date for these tenders and (b) when does he intend awarding them, if so, what are the names of the successful tenderers in respect of each of these tenders?

**THE MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY**

(a) and (b)

Enquiry No	Closing date	Anticipated or actual date
B/MC 001	28/09/87	22/02/88
B/MC 003	22/02/88	30/06/88
B/MC 007	29/01/88	15/06/88
B/MC 009	03/12/87	20/06/88
B/MC 0015	04/01/88	27/06/88
B/HV 001	29/01/88	18/05/88
D/DR 0013	10/03/88	20/06/88
B/MC 0021	21/01/88	03/05/88
B/MC 0026	11/01/88	13/06/88
B/MC 0030	15/01/88	15/06/88
B/MC 0031	29/03/88	15/06/88
B/MC		
0028/33	22/02/88	20/06/88
D/DR 007	08/03/88	08/06/88
B/MC 0019	03/12/87	25/04/88

The unusually extended period between receipt of tenders and award has been due to a variety of technical and commercial factors on the specific enquiries

In view of the sensitivity of overseas companies regarding links with the RSA, it is preferable not to announce the names of successful tenderers

**Own Affairs**

Approved rank structure persons employed at each post level

115 Mr M J ELLIS asked the Minister of Agriculture and Water Supply

How many (a) Black, (b) Coloured, (c) White and (d) Indian persons were employed by his Department at each post level of the approved rank structure as at the latest specified date for which information is available?

**THE MINISTER OF AGRICULTURE AND WATER SUPPLY**

Post level	Grade	(a)	(b)	(c)	(d)
1	Machine Attendant	3	—	19	—
2	Housekeeper	—	—	14	—
3	Photocopying Machine Operator	15	—	6	—
4	Student Artisan	—	—	15	1
5	Agricultural Administration Clerk/Provisioning Administration Clerk/Registry Clerk/Storekeeper	1	—	561	—
6	Farm Assistant	2	—	1	—
7	Boiler Operator	4	—	—	—
8	Driver/Operator Driver	80	1	46	7
9	Telephonist	—	—	27	—
10	Handyman	16	—	31	6
11	Accounting Clerk/Typist/Data Typist	—	—	248	—
12	Copy Composer/Senior Registry Clerk/Ministerial Typist	—	—	34	—
13	Herbarium Assistant/Laboratory Assistant	12	15	963	6
14	Senior Agricultural Administration Clerk	—	—	49	—
15	Agricultural Credit Controller	—	—	11	—
16	Personal Secretary/Farm Foreman	—	—	163	—
17	Senior Store Officer/Liaison Officer/Senior Provisioning Administration Clerk	—	—	95	—
18	Agricultural Research Technician	—	1	857	1
19	Computer Operator	—	—	1	—
20	Vaccine Preparation Assistant/Veterinary Research Assistant	—	—	64	3
21	Programmer	—	—	1	—
22	Artisan (Group C)	—	—	37	—
23	Artisan (Group B)	—	—	68	1

Note All higher post levels than post level 23, in which *inter alia* all the supervisory, guiding and management levels are accommodated, are filled with whites in terms of the employment and utilisation policy of the Administration House of Assembly Information as on 1 May 1988

*Howard*

*Howard*

*250*

Tighter measures needed — bank

# Economy may pay price of govt failings

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B/day  
14/5/88

HELENA PATTEN

THE economy may have to pay the price of government's failure to adopt tighter monetary policy in order to cool it down, says the Standard Bank in its latest economic review.

It says a large 2% or 3% increase in bank rate instead of the small 1% implemented in early May could probably have prevented a continuous upward creep in interest rates for the remainder of 1988.

"It would have brought about a very much quicker slowdown in credit growth and economic activity, because it would have brought home much more dramatically the serious nature of the constraints facing the economy."

The bank says despite Reserve Bank and Treasury efforts to curb future growth, credit demand will retain a strong upward momentum in the near term because the economy cannot be expected to respond immediately to the largely symbolic restrictive policy package put into place on May 5.

"The 1% increase in bank rate in

early May is perceived to have represented no more than a recognition of the status quo, and this has created expectation that this upward adjustment will by no means be the last the Bank will have to make this year."

Fears of a deficit on the current account of the balance of payments in 1988 are unlikely to be realised, owing to the recovery in several export categories and the probability that economic activity and therefore import growth will taper off during the second half of the year.

The review says gold and foreign exchange reserves have declined, because capital outflows exceeded the current account surplus.

The Reserve Bank has been forced to liquidate some of its gold holdings, and its combined holdings of gold and foreign exchange reserves now cover less than two months' imports.

# State's pay bill up 31 percent

STW Political Staff

187088 (250)

CAPE TOWN — The pay bill for the public service rose by more than 31 percent last year

The bill climbed from R11 316 million to R14 841 million between September 1986 and September 1987, the Commission for Administration says in "Exchequer Personnel 1988"

The exchequer personnel are all those public servants paid out of the

main Budget, including central-government departments, parastatals, universities and technikons, but excluding the Post Office and SA Transport Services

The figure for the bill includes salaries, employer contributions to pension funds, and the stabilisation funds of pension funds and service bonuses

It excludes overtime pay, housing subsidies, the State's contribution to medical aid, and special allowances

# Vacant posts will be <sup>250</sup> scrapped — De Villiers

Soetan 19/5/88

ALL vacant posts in the public service not budgeted for have been scrapped and those still vacant after the middle of the year will also be

scrapped. Minister of Administration and Privatisation, Dr Dawie de Villiers, told Parliament that he assured public servants

that the Government was watching economic developments and would if possible give serious attention to meaningful general increases for them

Dr de Villiers denied that South Africa had a public service that was too large. Only 16,1 percent of the economically-active population were public servants in the broad sense, while only nine percent were paid from the Treasury

Dr Rassic du Plessis, member of the Commission for Administration, said the cutting back on vacant posts was part of the Cabinet policy handed down last November that the growth of the public service had to be curtailed



'We are watching the economy'

# Govt hints at pay rise for public servants

STAR 19/5/84

250  
12/11

By Peter Fabricius,  
Political Staff

Cape Town

There are indications that the Government is considering giving public servants a general pay rise this year after all.

Minister of Administration Dr Dawie de Villiers hinted at a possible pay rise earlier this week in Parliament.

He told the House of Representatives that the Government was watching the economy very closely and if the economy allowed it, it would give high priority to a "meaningful general increase".

Mr Roger Burrows, the Progressive Federal Party spokesman on the public service, said today "I think they are going to make some announcement. They seem to be preparing the ground for it".

He said he based his prediction on statements by Dr de Villiers and on the improvement in the economy and on information from public service contacts.

Mr Burrows said Dr de Villiers's statement, taken with the fact that the economy had grown about 4 percent in the first quarter, indicated the Government might make an announcement.

Another indication was that President Botha had expressed his unhappiness that the private sector had not followed suit by restricting its salary increases.

## Demands

The Public Servants' Association — which originally accepted no pay rise this year — renewed its demands for an increase when it became apparent that the private sector was not playing along.

Political observers have also suggested that an increase now would be good politics for the Government before the October 26 general municipal elections.

Mr Burrows also said that contacts in the education field had told him that the negotiations with National Education Minister Mr F W de Klerk for a teachers' selective increase to make up their 11 percent pay backlog had got "caught up" with moves for a general pay increase.

Civil servants upset by new move

# Plan to scrap vacant public posts slammed

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Bldg  
19/5/88

PRETORIA — The public servants corps is upset about Administration and Privatisation Minister Dawie de Villiers' plan to abolish all vacant posts in the civil service not budgeted for this year.

Public Servants Association president Colin Cameron said yesterday "These posts were created for a purpose"

De Villiers is reported to have told the House of Representatives on Tuesday all vacant posts not budgeted for had been scrapped. So would those still vacant after the middle of the year.

He assured public servants, however, that government was watching economic developments and would, if possible, give attention to general increases for them.

Cameron said the move to scrap posts would have three consequences. Services would have to be curtailed, a heavier burden would be thrown onto other government

GERALD REILLY

workers, and if senior posts were abolished this would seriously jeopardise promotion prospects.

"The abolition of the posts — we don't know yet how many the Minister has in mind — would be a severe blow to morale in the service"

Other senior public service sources said government was overreacting to criticism of the "monster" civil service in an effort to appease its critics.

Government had created a vast and complicated constitutional structure which demanded large numbers of workers.

If government wanted to reduce the size of the service it would first have to simplify its constitutional and administrative machinery.

A Commission for Administration spokesman declined to comment on the numbers of posts affected. But other sources said it could amount to several thousand.

**Calling for control**

Two new studies suggest that SA cannot afford Pretoria's habits much longer and support government's promise to rein in spending and use the proceeds of privatisation to pay off debt

In its latest *Economic Report*, Trust Bank argues that overspending, regulation and rising tax rates have hurt government's credibility, crowded out private sector activity, scared off foreign investment and fanned tax evasion and emigration by high earners

"Many of these negative trends could well be completely reversed in the Nineties if government spending can be curtailed, the role of the public sector reduced, tax rates lowered, tariff increases limited and government debt and borrowings brought down."

And Pretoria University economist Geert de Wet, who put together Senbank's latest *Focus on Key Economic Issues*, tells the *FM* "There's been a tremendous increase in government income over the years, but it kept being overtaken by expenditure. It must put the brakes on expenditure, not increase taxes

"Already the high level of taxes is hurting productivity, the work ethic and growth."

Trust Bank highlights some trouble spots.

- Central government spending rose from R9bn in the 1977 fiscal year to R48bn in 1987 — up from 26% to 30% of GDE,
- A rising tax burden produced GST of 12% (with some food exemptions), up from 4% in 1978, and an average personal income tax rate of 11,5%, up from 8,5%;
- Growing debt and higher interest rates pushed central government's interest bill to R6bn in 1987, making debt servicing the

*FM* 20/5/88 49

biggest single expenditure after defence and education "Government has to use virtually its entire borrowings merely to repay interest on accumulated debt", and

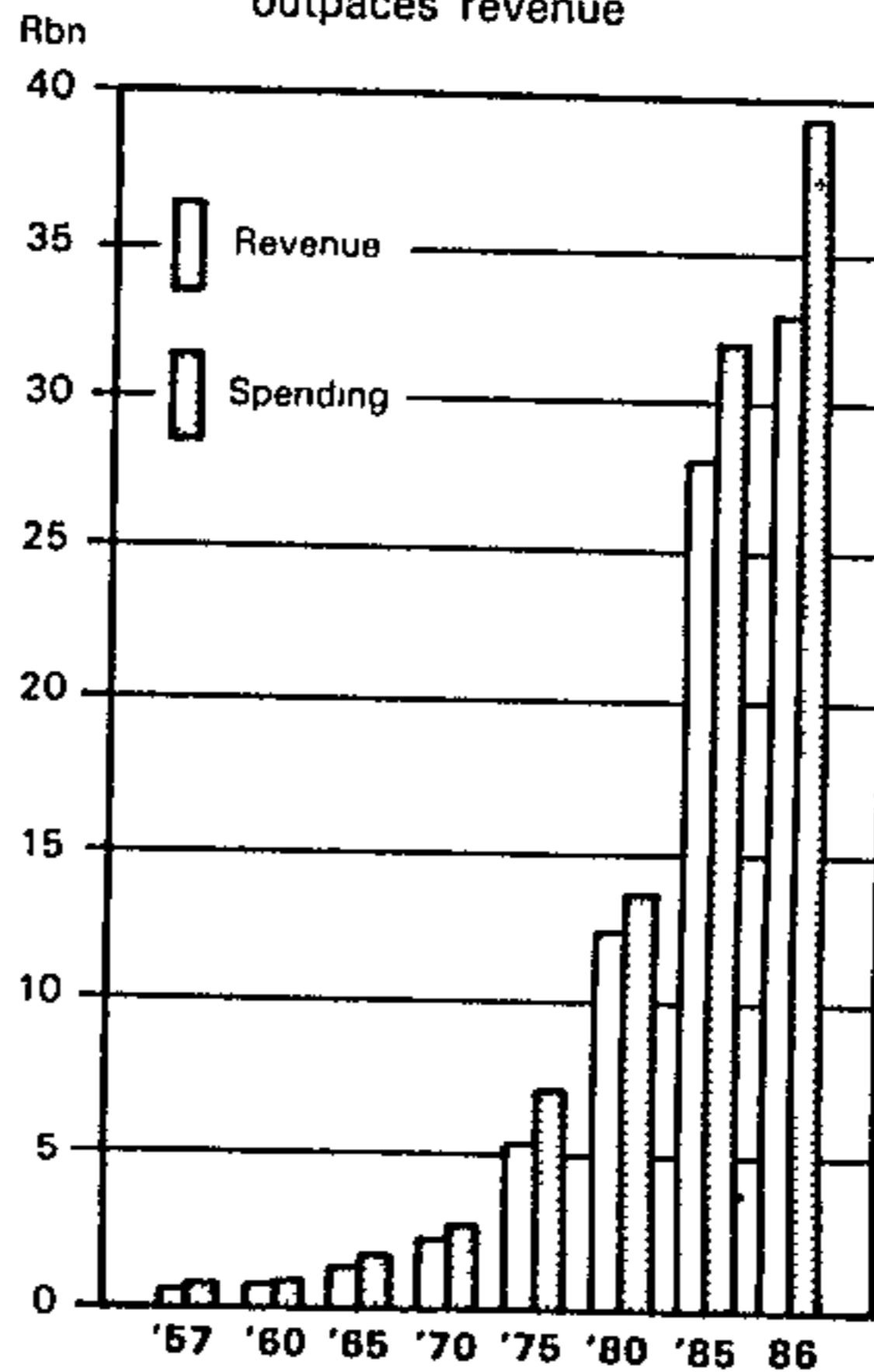
□ The general government sector of the economy was 25% larger in real terms in 1987 than in 1980, while "the private manufacturing sector had shrunk by about 3%

A telling sign of how government has curbed private sector growth it employed 17% more people last year than in 1980, the private sector actually employed fewer

Trust Bank says that by selling assets to pay off debt, government could cut interest payments. A broader programme of spending cuts would allow us to look forward to "a lower public sector borrowing requirement, structurally lower interest rates, lower personal tax rates, higher levels of private sector activity and better overall living conditions

**Shooting up**

Central government spending outpaces revenue



Source: Senbank

in the decade ahead"

The Senbank *Focus* stresses how important it will be for government to check spending to prevent getting into more debt. If, for example, Pretoria had frozen nominal spending at its 1985 level, the rise in revenue the following year would have been sufficient to produce a Budget surplus (see graph)

Instead, as De Wet notes, the more money government collects, the more it spends — so it keeps running up debt. Also of concern is that it's spending more on a burgeoning payroll than on fixed investment. "Though government debt is continuously increasing," *Focus* warns, "it is not being used to expand production capacity and will, therefore, not necessarily lead to increases in income and employment. Thus, it may become increasingly difficult to carry the burden of an increased government debt"

CHC Times 20/5/88

# Worker wage freeze resolve 'weakening'

Own Correspondent

PRETORIA. — The government is weakening in its resolve to freeze its workers' earnings until at least the start of the new financial year next April, according to sources.

This is strengthening speculation that increases will be granted to state department and provincial workers, and SATS and Post Office personnel, from October — the start of the second half of the financial year.

Senior government workers said the crucial municipal elections had become a factor in softening government attitude to the freeze.

There are, they say, upwards of 1 500 000 white workers — all voters — in the public sector, a formidable political force.

Sources said the government was aware that significant numbers of public sector workers were among the flood of defections to the Conservative Party in the past 18 months.

It was stated that to plug or slow this drain before the municipal elections in October would make good political sense.

The Minister of Administration and Privatization, Dr Dawie de Villiers, said that as soon as the state of the economy permitted, a high priority would be given to public sector pay rises.

250

# Subsidy abuse studied



CHRIS CAIRNCROSS

GOVERNMENT is planning to re-vamp the Public Service housing scheme completely as a result of major problems which have led to under- or over-payment of subsidies and possible abuses.

The problem areas had been revealed during investigations by the Auditor-General and were viewed in a serious light, Administration and Privatisation Minister Dawie de Villiers said yesterday.

Speaking during his budget vote in Parliament, De Villiers said the Commission for Administration had been aware of these problems before the Auditor-General's investigations, and had been reviewing the subsidy

scheme with a view to eliminating these problems as far as possible.

De Villiers said the commission had now decided to involve an expert from the private sector "with many years of experience in the building society industry" with its efforts to develop a new subsidy scheme.

He said simplicity of application would be of vital importance to any new scheme. As soon as agreement on particulars of the expert's assignment and remuneration was reached, a further statement would be made. De Villiers told Parliament clear

directives had been issued to prevent possible misuse and dishonest conduct by participants in the housing subsidy scheme.

He warned should any person conceal information or misrepresent his situation, the subsidy would be summarily discontinued, over-payments would be recovered, and he would be permanently excluded from the scheme.

De Villiers appealed for co-operation from financial institutions, surmising they were not always ignorant of cases where subsidy recipients manipulated loan situations.

IN BRIEF

DDP 20/5/88 250

# Public servants get promise of more pay

Daily Dispatch  
Correspondent

CAPE TOWN —  
Public servants —  
denied general salary  
increases this year —  
were promised yesterday  
they would be well re-  
warded for their  
sacrifices in the  
next financial year.

During his Budget  
vote in the House of As-  
sembly, the Minister of  
Administration and Pri-  
vatisation, Dr Dawie de  
Villiers, said the Com-  
mission for Administra-  
tion had already started  
a process of discussions  
and negotiations with  
the various staff associa-  
tions

He emphasised that  
the government was re-  
garding a general salary  
increase as a high pri-  
ority, that would not be  
considered as a "budget  
afterthought"

Dr De Villiers said the  
extent of the increase  
would be determined by  
the financial circum-  
stances and the state of  
the economy, adding  
that he was optimistic  
these issues would not  
present any problems

He said this year's sal-  
ary freeze should not be  
viewed as an indication  
government was neglect-  
ing the importance of  
the civil service but was  
for the longer term in-  
terests of the country.

At the same time Dr  
De Villiers said that the  
continued growth of the  
public sector could no  
longer be tolerated and  
it would have to be stop-  
ped

He noted that the pub-  
lic service personnel  
complement has grown  
by 10,5 per cent, from  
650 000 to 718 000, in the  
past year, partly as a re-  
sult of the assimilation  
of personnel from the  
development boards and  
other parastatals

Excluding these addi-  
tions, growth would still  
have been about 7,2 per  
cent which was still too  
high, Dr De Villiers  
said

He said a total freeze  
had been put on all fur-  
ther recruitment until  
all public service func-  
tions had been properly  
reviewed

An investigation is  
now under way to effect  
a major cut-back in the  
public sector establish-  
ment. The first step, now  
completed, has been the  
identification of vacant  
posts. Dr De Villiers  
confirmed that this had  
already led to some  
6 000 posts being abol-  
ished.

He said the next step  
would be to abolish all  
authorised posts which  
were vacant and which  
had not been budgeted  
for. A cabinet decision  
has already been taken  
on this.

Dr De Villiers said  
that all other vacant  
posts in the public ser-  
vice which were still  
vacant will be thor-  
oughly examined after  
six months. Unless  
strong motivation was  
provided for their reten-  
tion they would also be  
abolished.

He stressed that es-  
sential services, the pro-  
tection services, educa-  
tion and justice were  
excluded from this ma-  
jor rationalisation.

# Promise to bureaucrats

CAPE TOWN Public servants, denied general salary increases this year, were promised yesterday they would be well rewarded for their sacrifices — in the next financial year.

Speaking in Parliament during his budget vote, Administration Minister Dawie De Villiers said the Commission for Administration had already started discussions and negotiations with staff associations.

He said government regarded a general salary increase as a high priority and it would not be considered a "Budget afterthought".

The extent of the increase would be determined by financial circumstances and the state of the economy. He said he

250 (day 20/5/88) CHRIS CAIRNCROSS

was optimistic these issues would not present problems.

This year's salary freeze should not be viewed as an indication government was neglecting the importance of the civil service, but it was for the longer-term interests of the country.

At the same time De Villiers warned that the continuing growth of the public sector would have to be stopped.

He noted that the public service personnel complement had grown by 10,5%, from 650 000 to 718 000, in the past year.

● To Page 2 →

# Public servants will be well rewarded

partly as a result of the assimilation of personnel from development boards and other parastatals.

Excluding these additions, growth would still have been about 7,2%, which was too high.

A total freeze had been put on more recruitment until all public service functions had been reviewed.

De Villiers said an investigation was under way to effect a major cut back in the public sector establishment. The

250 ← ● From Page 1

first step, now completed, had been the identification of vacant posts.

This had led to about 6 000 posts being abolished.

The next step would be to abolish all authorised posts which were vacant and which had not been budgeted for. A Cabinet decision had already been taken on that.

# Public service salary hike?

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THERE are indications that the Government is considering giving public servants a general pay rise this year after all.

"I think they are going to make some announcement. They seem to be preparing the ground for it," Mr Roger Burrows, the Progressive Federal Party spokesman on the public service, said yesterday.

He said he based his prediction on statements by Dr Dawie de Villiers, Minister of Administration and Privatisation, and on the improvement in the economy and on information from public service contacts.

Dr de Villiers hinted at a possible rise earlier this week in Parliament. He told the House of Representatives that the Government was watching the economy very closely and if the economy allowed it, it would give high priority to a "meaningful general increase".

Mr Burrows said that this statement taken with the fact that the economy had grown about four percent in the first quarter, indicated that the Government might make an announcement.

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Blday 20/5/88

## NEWS FOCUS

# State spending curbs still the key

THE MAIN reason for the low budgeted rise in (government) expenditure in the present fiscal year is the decision not to grant general salary and wage increases to public servants. This option will not be available next year, and it is not yet clear which other options there will be for cutting the government's current expenditure.

Given the enormous demands which will continue to be made on spending categories, such as education, socio-economic upliftment, protection services and State debt service costs, it is difficult to see current expenditure falling in relation to GDP. After declining for 10 years, capital spending is now a very small proportion of total spending, and is more likely to rise than to fall further after this fiscal year.

Even if government managed to bring about a reduction in the ratio of government spending to GDP, it is not clear that this would also cause the tax burden to reduce in the years immediately ahead. The reason is the need to redress government's "negative savings" which has been allowed to develop since 1982.

## Competing

A portion of this substantial funding of current expenditure by way of loans is perhaps tenable because it represents an investment in human capital (i.e., education spending), but there is ample evidence that government considers the present level of "negative savings" as "too high," and it has indeed been stressed on several occasions (most recently in the March 1988 Budget speech) that this will have to be addressed.

For this reason, and also since not too much store can be placed on privatisation proceeds in the short-term, because the goals of increased socio-economic spending and the redemption of government debt will also be competing for these funds, a material tax reduction in the years ahead is unlikely.

The White Paper, in fact, acknowledges (with what seems to be a hint of sadness) that, because of budgetary considerations, little room is left for the kind of adjustments

**Tax reform has little chance of achieving government's macro-economic goals unless government succeeds in curbing its spending, argues Rand Merchant Bank economist RUDOLPH GOUWS. This is an extract from a paper delivered to a tax conference this week**

recommended by the Margo Commission.

This reality means that meeting the goal of attaining a satisfactory level of real per capita personal disposable income (PDI) is unlikely to be reached through fiscal means for the foreseeable future. The same conclusion applies to the goal of creating adequate employment.

One of the most important determinants of the rate of growth of private sector employment is private fixed investment. There are some who would argue that the recommended shift of part of the direct personal tax burden to corporate tax will hamper private fixed investment, and that the planned removal of tax allowances will undermine fixed investment and employment creation.

The Commission was, in my opinion, validly sceptical of the benefits of using fiscal measures to boost private fixed investment, and the macro-economic evidence is certainly on the side of the Commission.

Through the Sixties, the ratio of direct corporate tax to total corporate income rose from 16,4% to 18,8%. Over the same period, the average annual growth of private fixed investment was a very high 8,1%

From 1970, the ratio of tax to income fell back to the level of the early Sixties (and was, in fact, lower on average through the period than it had been in the Sixties), yet private fixed investment growth averaged only 1,3% per year. The sharply declining corporate tax burden was unable to offset the many other forces which caused the weak private fixed investment performance.

However, evidence shows there is little to suggest that a higher ratio of corporate tax to corporate income will have an adverse impact on private fixed investment and job creation. A more fundamental determinant of private fixed investment and job creation is the ability of the private sector to mobilise capital, and this ability has diminished badly since the start of the Seventies as the savings ratio fell.

## Commended

But consumers did not save less because they spent more. The decline in savings went hand-in-hand with much slower growth of real consumer spending. The fact is that the sharp rise in the tax burden, and direct tax in particular, has made net new personal savings almost impossible.

(But) government is to be commended for the new approaches to control over departmental spending which are now being implemented, and for setting specific targets for the ratio of government and public sector spending to GDP. Making these intentions a reality is a prerequisite for halting the rise in the tax burden, without which tax reform is not going to bring us much closer to reaching our macroeconomic goals.

# Barend promises stricter controls

*24/5/88*  
*Bladwy*  
DURBAN — Although claims of government overspending did not stand up to scrutiny, stricter controls were being implemented to reduce inflation and boost the economy, said Finance Minister Barend du Plessis yesterday.

He told delegates at the CIS Conference in Durban that the state's percentage of GDP (28%) was considerably lower than European and Scandinavian norms (40%-50%).

Other developing countries had high public-sector participation with only the US and Japan spending less proportionately on state services.

## Role

Du Plessis said the public service was unfairly criticised. It comprised mainly employees deployed in practical tasks such as nursing, emergency services and transport rather than the popularly imagined "pen-pushers".

Nonetheless, as the government was committed to deregulation and privatisation it would play a lesser role in the future economy.

Transition would necessitate the removal of many subsidies so that the true cost of providing services or products was met by the end-user. — Sapa.

has been designed

# Public servants want 30% more

GERALD REILLY

PRETORIA — Civil servants will have to get increases of at least 30% in April next year if they are to be brought into line with private-sector workers, Public Servants' Association (PSA) GM Hand Olivier said at the weekend.

He was reacting to the announcement by Administration and Privatisation Minister Dawie de Villiers that "very favourable" consideration would be given to a general pay rise in the new year "if the economy permits".

Olivier said: "It's no big deal that we might get increases next April.

"That's the least we expect and why government cannot make a positive statement is causing serious concern among public-sector workers."

The Minister's statement appeared to be a rejection of the recent urgent plea made by the PSA for increases before the close of the current financial year.

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PSA  
24/5/77

...ile bearing public interest in mind.

# PSA seeks 30% wage increase

CAP 7045 24/5/88  
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Own Correspondent

PRETORIA. — Public servants will have to get increases of at least 30% from April next year if they are to be brought into line with the private sector or workers, a Public Servants Association (PSA) spokesman, Mr H Olivier, said at the weekend.

He was reacting to the announcement by Mr Dawie de Villiers in Parliament this week that "very favourable" consideration would be given to a general pay rise in the new year "if the economy permits".

## Too late for classification

### DEATHS

JACOBS — Arthur (Boy), passed away peacefully on 20th May 1988. Great is the pain of parting without farewell, but the love we shared will be forever. Deeply mourned by his loving wife Hilda, children and grandchildren. Service at St Paul's Church, Bree St, Cape Town on Wednesday 25th May at 2pm. Thence to Maitland Crematorium for service at 3.20pm. In lieu of flowers donations to Church Fund.

### FOUND

FOX TERRIER Male, found Maitland (Bally factory area) 23 May. Phone 689 8122 a/h.

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(250) Blom 25/5/88

## DISTINGUISHING fea-

**A** ture of economics in our time has been a seeming inexorable rise in public expenditure. By the late Seventies the conviction had gained ground that the share of government in economic life had become disproportionate that a point had been reached where not the *distribution* of income but its *production* should again assume its place as government's overriding concern.

Although SA had never embarked on a doctrinaire programme of nationalisation — and certainly had not developed the full-blown apparatus of a social democracy on European lines — we had nevertheless gradually come to take on some of the trappings of a system of that kind. If we never laid claim to being a welfare state, let alone a socialist one, we certainly took some good strides towards what the distinguished British historian Paul Johnson has dubbed "ethnic socialism".

**B**y means of a steadily-growing public sector on the one hand and the extensive provision of public services and facilities on the other — either free or at below their true cost — a not insignificant redistribution of income was accomplished. When there was added to it a form of social engineering of a unique kind the share of the State in the national economy began to assume an ever-larger dimension.

By the start of the Eighties the hard fact was apparent that, in reality, the State had come to play a disproportionate role in the economy... because the appropriation of resources by the State was perceived to be an impediment to economic growth of the kind now demanded of us.

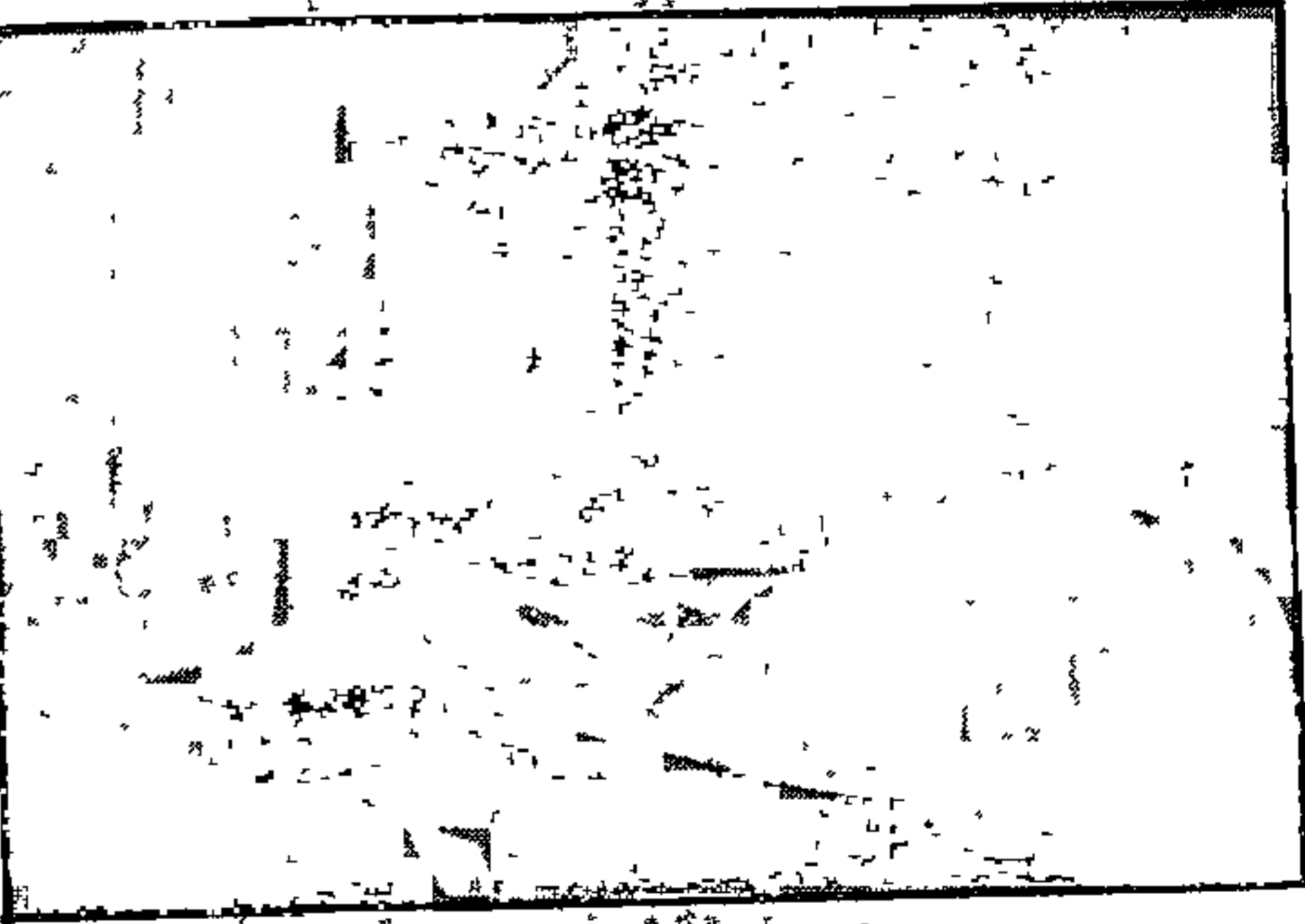
**T**here are, in fact, no criteria for determining a "correct" ratio for State expenditure in a free enterprise economy. The indictment that our State spending "has gone completely overboard" presumably relates to the level of spending vis-a-vis GDP or to the growth of that spending, or to both.

The simple truth is that SA compares not unfavourably with other countries in a similar stage of economic development, thus for "developing countries" as a whole — as defined by the International Monetary Fund (IMF) — the ratio of general government expenditure to GDP in 1982 (latest figures available)

# Barrend braves the critics Of State Spendings

**Finance Minister Barrend du Plessis has challenged critics who claim government is consuming too great a share of the country's wealth. But he does concede that the present state of public finance is unsatisfactory. This is an edited version of a speech delivered to the SA Institute of Chartered Secretaries and Administrators last week**

□ DU PLESSIS... "we must generate wealth and income with all possible speed"



was 32.6%, whereas for SA it was 31.4%.

So let us turn to the charge of an inordinate growth in expenditure. Over the period 1981-1987, nominal GDP in SA grew at an average compound rate of 5.0% pa, whereas expenditure from the State revenue account (which, I take it, is the main alleged culprit) rose over the equivalent fiscal years by 19.5%. In other words, State spending increased faster than did GDP.

It is, as we have seen, a widespread contemporary phenomenon for which there are good and sufficient reasons, of which we may briefly mention rising relative costs, population changes, the provision of new and improved social services and changing perceptions of what constitutes social need.

Another element in our own equation has been the cost of servicing the public debt, which has risen from 9.7% of government expenditure in 1977/78 to 13.1% in 1987/88.

Keeping to authoritative IMF figures, and thereby avoiding any ignominious suspicions, those data show that

in the period 1977 to 1982 — the ratio of general government expenditure to GDP rose from 30.3% to 43.0% for industrial countries as a group.

Put another way, the ratio itself rose by about 11%. For the world as a whole — whatever this figure may mean — the ratio grew from 38.1% to 42.1% — or again by about 11%. For SA, however, the ratio fell, from 32% to 31.4%.

Let us attempt to bring the picture more up to date as far as SA is concerned. We find that over the fiscal years 1984/5 to 1986/7 the ratio of general government spending to GDP fell from 29.4% to 28.7%.

I quote these figures neither with any claim to exhaustive treatment of a complex issue, nor to score sterile debating points, but simply in an attempt to impart some needed perspective to what at times has been a strident or querulous charge. But I certainly do not wish to be

understood as implying that the present state of our public finance is completely satisfactory.

I would draw attention to the commitment we have made — and notably in the 1987 Budget speech — to reduce the share of the public sector in the economy from the level reached in fiscal 1985/86, namely 38%, to about 34.5% of GDP by fiscal 1991/92.

When it is borne in mind that the expression "public sector" includes State corporations with massive capital investment now behind them, it would seem that the figure of 34.5% can if anything be adjusted downwards, quite apart from the obvious spinoffs of privatisation.

Capital spending by general government has shown a declining trend, as a proportion of total expenditure. But it should be borne in mind that this does not reflect the substantial investment in human capital, defence spending, and budgetary assistance to TBVC countries (all of which) are classified in total as current expenditure. Allied to this growth in consump-

tion expenditure has been the continued "dissaving" by government — i.e., the use of loan funds to finance not investment but rather consumption. For the last six years this amounted to R10.7bn, with no less than R3.5bn in 1987 alone. Clearly, this cannot and must not continue, especially in the light of SA's position vis-a-vis the supply of foreign capital.

What is also disquieting is the composition of this consumption expenditure: the large proportion of our State spending that is going not to investment — and not even to the purchase of goods and services from the private sector, but straight to wages and salaries.

**H**ere I fear, is one dimension of spending in which we do compare poorly with several other countries. Nevertheless, the economy has not been growing at a rate anything like sufficient to create private sector jobs for our annual work entrants quite apart from other factors, the public service has been fulfilling an essential function as a stable employer.

(But, the real problem we face as a country (is) that we must generate wealth and income with all possible speed. The whole process of government laying claim to an ever-growing share of GDP must be reversed, so that scarce resources are thereby released for optimal utilisation on the growth path.

(Initiatives include) privatisation, the national priorities committee, the capital priorities committee and the five-year spending plan.

It does not follow, however, that the overall requirements of the fiscus will fall significantly — if indeed at all — in consequence of these several initiatives, it is essentially the *containment* and *restructuring* of exchequer expenditure that is being sought.

It would be very agreeable to be able to say that, in this post-Margo and coming-privatisation era, the quantum of total taxation is in line for drastic downscaling, but I fear it would be lacking in candour to imply that anything of that kind could in fact be on the cards.

What can be done, however, is to ensure that the revenue to be raised is kept to the absolute minimum necessary, and that it is utilised optimally towards the attainment of the great goals we have set ourselves as a country.

been decided upon, if not, (a) why not and (b) when is it anticipated that they will be decided upon, if so, how many private schools have been granted subsidies of (i) 45 and (ii) 15 per cent?

The MINISTER OF EDUCATION AND CULTURE

A similar question was asked by Mr D J DALLING as question 11 The hon member is therefore referred to the answer given on 1988-03-01

Sex education in schools: policy

\*7 Mr R M BURROWS asked the Minister of Education and Culture

Whether he has, further to Recommendation 14 in the Report of the President's Council Committee for Social Affairs on the Youth of South Africa (PC 2/1987) regarding the teaching of sex education in schools, adopted a policy on this matter, if not, why not, if so, (a) what is this policy and (b) when was it made public?

The MINISTER OF EDUCATION AND CULTURE

No, since the matter is dealt with within the family guidance programme of the provincial education departments

Mr R M BURROWS Mr Chairman, arising out of the hon the Minister's reply, can he give us an indication as to whether the whole context of the dangers of Aids is being handled in schools falling under his department?

The MINISTER Mr Chairman, the whole question of sex education is handled by the various education departments I was given no information about the specific question the hon member has now asked me, and if the hon member wants to know, he can telephone me later and I shall give him the information

Mr R M BURROWS Mr Chairman, further arising out of the hon the Minister's reply, can he give us an indication as to whether there has been any communication between his Department and the Department of National Health and Population Development in the context of the Aids programme?

The MINISTER Mr Chairman, from time to time there is close liaison between the departments which deal with community matters

HOUSE OF ASSEMBLY

Mr R M BURROWS Mr Chairman, arising out of the hon the Minister's non-reply to the question I have just asked, could I ask the hon the Minister once again whether there has been any contact between his Department and the Department of National Health and Population Development on the handling in schools of the question of Aids?

The MINISTER My reply will suffice, Mr Chairman

Technical colleges: non-White students

\*8 Mr R M BURROWS asked the Minister of Education and Culture

Whether there is a policy for the admission of non-White students to technical colleges falling under the control of his Department, if so, what is this policy?

The MINISTER OF EDUCATION AND CULTURE

Yes, in terms of the policy it is the primary responsibility of the technical colleges of my Department to train those students who are the responsibility of the Department according to the Constitution. In addition the Department renders services to students of other population groups who are admitted to advanced courses on the N4 - N6 level if institutions of the education department of the particular group do not offer the specific course and if such enrolment is acceptable to the college council and the education departments concerned. This facet of education is dealt with in accordance with Items 2 and 14 of Schedule 1 of the Constitution

Private commercial colleges

\*9 Mr R M BURROWS asked the Minister of Education and Culture

(1) Whether the registration of private commercial colleges, popularly known as 'cram colleges', falls under his Department, if not, under which State Department does it fall, if so, (a) how many such colleges are registered with his Department, (b) what total number of pupils is enrolled at these colleges and (c) in respect of what date is this information furnished,

(2) whether there is a policy for the admission

HOUSE OF ASSEMBLY

of non-White pupils to these colleges, if so, what is this policy,

(3) whether all pupils admitted to such commercial colleges are required to write the examinations of the provincial education departments under which they fall, if not, why not?

The MINISTER OF EDUCATION AND CULTURE

(1) The terms "private commercial colleges" and "cram colleges" are not legally defined. Should certain colleges or a specific type of college be clearly identified the required information could be furnished, (a), (b), and (c) fall away,

(2) falls away,

(3) falls away

For written reply

General Affairs

Five most junior posts salary scales

688 Mr C J DERBY-LEWIS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

(a) What are the salary scales attached to each of the five most junior posts in his Department, (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

To question 688 as well as on behalf of the Ministers concerned to the similarly phrased questions concerning General Affairs Nos 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 704, 705, 706, 707, 710, 711 and 712 and concerning Own Affairs Nos 69, 70, 71, 72, 73 and 80

General Affairs

Office of the Commission for Administration (Question No 688)

(a) (i) R4 701-7 725

(ii) R5 397-7 551

(iii) R5 397-9 507

(iv) R6 095-10 371

(v) R6 789-8 694

(b) (i) 2 Black persons

(ii) 4 Coloured persons

(iii) 1 White person

(iv) 1 Coloured person

(v) 19 White and 3 Coloured persons

(c) 1 March 1988

Department of Development Planning (Question No 689)

(a) (i) R6 093-10 371

(ii) R6 093-10 803

(iii) R6 789-10 803

(iv) R7 551-11 667

(v) R7 932-13 395

(b) (i) 41 White persons

(ii) 6 White persons

(iii) 1 White person

(iv) 3 White persons

(v) 31 White persons

(c) 1 March 1988

Department of Foreign Affairs (Question No 690)

(a) (i) R6 030-9 600

(ii) R6 093-9 939

(iii) R6 093-10 371

(iv) R6 093-10 803

(v) R7 932-13 395

(b) (i) 3 White persons and 4 Black persons

(ii) 25 White persons

(iii) 90 White persons, 6 Coloured persons and 1 Indian person

(iv) 14 White persons and 1 Coloured person

(v) 24 White persons

(c) 1 March 1988

Department of National Education (Question No 691)

(a) (i) R6 093-9 507

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1603

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(i) R6 093-10 371

(ii) R6 093-10 803

(iv) R6 789-11 667

(v) R7 170-10 803

(b) (i) 1 Black person

(ii) 47 White persons, 2 Coloured persons and 1 Indian person

(iii) 7 White persons

(iv) 1 White person

(v) Posts are vacant

(c) 1 March 1988

Department of Education and Training (Question No 692)

(a) (i) R5 049-7 932

(ii) R6 093-9 507

(iii) R6 093-10 371

(iv) R6 441-7 932

(v) R7 551-11 667

(b) (i) 152 Black persons

(ii) 1 Black person

(iii) 2 Black persons

(iv) 2 Black persons

(v) 15 White persons and 5 Black persons

(c) 1 March 1988

Department of Manpower (Question No 693)

(a) (i) R5 049-7 932

(ii) R6 093-7 932

(iii) R6 093-9 507

(iv) R6 093-10 371

(v) R6 093 10 803

(b) (i) 3 White persons

(ii) 2 White persons and 3 Black persons

(iii) 4 White persons

(iv) 580 White persons, 101 Coloured persons, 61 Indian persons and 362 Black persons

(v) 28 White persons and 1 Coloured person

(c) 1 March 1988

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1604

Department of Justice (Question No 694)

(a) (i) R2 925-5 745

(ii) R5 049-7 932

(iii) R6 093-10 371

(iv) R6 093-10 803

(v) R8 694-10 371

(b) (i) 24 White persons, 22 Coloured persons, 4 Indian persons and 65 Black persons

(ii) 25 White persons and 2 Black persons

(iii) 1 303 White persons, 154 Coloured persons, 109 Indian persons and 346 Black persons

(iv) 24 White persons

(v) Posts are vacant

(c) 1 March 1988

Department of Agricultural Economics and Marketing (Question No 695)

(a) (i) R4 701-8 694

(ii) R6 030-9 600

(iii) R6 093-7 932

(iv) R6 093-9 507

(v) R6 093-10 371

(b) (i) 1 Black person

(ii) Posts are vacant

(iii) Posts are vacant

(iv) 1 White person and 1 Black person

(v) 175 White persons and 1 Coloured person

(c) 1 March 1988

Department of Trade and Industry (Question No 696)

(a) (i) R6 093-9 507

(ii) R6 093-10 371

(iii) R7 551-11 667

(iv) R7 932-12 243

(v) R7 932-13 395

(b) (i) 1 White person

(ii) 227 White persons

(iii) 5 White persons

(c) 1 March 1988

Department of Home Affairs (Question No 698)

(a) (i) R4 701-8 694

(ii) R6 093-8 313

(iii) R6 093-10 371

(iv) R6 789-10 803

(v) R7 551-11 667

(b) (i) 1 Black person

(ii) 37 White persons

(iii) 691 White persons, 6 Coloured persons, 7 Indian persons and 328 Black persons

(iv) 1 White person and 2 Black persons

(v) 11 White persons

(c) 1 March 1988

Department of Transport Affairs (Question No 699)

(a) (i) R6 093-9 507

(ii) R6 093-10 371

(iii) R6 093-10 803

(iv) R6 093-13 395

(v) R6 441-8 313

(b) (i) 5 Black persons

(ii) 371 White persons and 2 Black persons

(c) 1 March 1988

Department of Environment Affairs (Question No 701)

(a) (i) R5 049-6 441

(ii) R6 093-7 932

(iii) R6 093-10 371

(iv) R6 093-10 803

(v) R6 441-8 313

(b) (i) Posts are vacant

(ii) 8 White persons, 14 Coloured persons and 8 Black persons

(iii) 269 White persons, 13 Coloured persons, 1 Indian person and 41 Black persons

(iv) 12 White persons

(v) 9 Black persons

(c) 1 March 1988

Bureau for Information (Question No 702)

(a) (i) R6 093-10 371

(ii) R6 093-10 803

(iii) R7 551-11 667

(iv) R7 932-10 371

(v) R8 694-13 395

(b) (i) 30 White persons, 9 Coloured persons, 3 Indian persons and 20 Black persons

(ii) 4 White persons

(iii) 8 White persons

(iv) 1 White person, 1 Coloured person and 2 Black persons

(v) 5 White persons

(c) 1 March 1988

Department of Development Aid (Question No 704)

(a) (i) R5 049-7 932

(ii) R6 093-9 507

(iii) R6 093-10 371

(c) 1 March 1988

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1605

THURSDAY, 26 MAY 1988

1606

(iv) 1 Coloured person

(v) 62 White persons

(c) 1 March 1988

Department of Finance (Question No 697)

(a) (i) R6 093-8 694

(ii) R6 093-10 371

(iii) R6 093-10 803

(iv) R6 789-11 667

(v) R7 551-11 667

(b) (i) 7 White persons

(ii) 43 White persons

(iii) 20 White persons

(iv) 1 White person

(v) 32 White persons

(c) 1 March 1988

Department of Home Affairs (Question No 698)

(a) (i) R4 701-8 694

(ii) R6 093-8 313

(iii) R6 093-10 371

(iv) R6 789-10 803

(v) R7 551-11 667

(b) (i) 1 Black person

(ii) 37 White persons

(iii) 691 White persons, 6 Coloured persons, 7 Indian persons and 328 Black persons

(iv) 1 White person and 2 Black persons

(v) 11 White persons

(c) 1 March 1988

Department of Transport Affairs (Question No 699)

(a) (i) R6 093-9 507

(ii) R6 093-10 371

(iii) R6 093-10 803

(iv) R6 093-13 395

(v) R6 441-8 313

(b) (i) 5 Black persons

(ii) 371 White persons and 2 Black persons

(c) 1 March 1988

Department of Environment Affairs (Question No 701)

(a) (i) R5 049-6 441

(ii) R6 093-7 932

(iii) R6 093-10 371

(iv) R6 093-10 803

(v) R6 441-8 313

(b) (i) Posts are vacant

(ii) 8 White persons, 14 Coloured persons and 8 Black persons

(iii) 269 White persons, 13 Coloured persons, 1 Indian person and 41 Black persons

(iv) 12 White persons

(v) 9 Black persons

(c) 1 March 1988

Bureau for Information (Question No 702)

(a) (i) R6 093-10 371

(ii) R6 093-10 803

(iii) R7 551-11 667

(iv) R7 932-10 371

(v) R8 694-13 395

(b) (i) 30 White persons, 9 Coloured persons, 3 Indian persons and 20 Black persons

(ii) 4 White persons

(iii) 8 White persons

(iv) 1 White person, 1 Coloured person and 2 Black persons

(v) 5 White persons

(c) 1 March 1988

Department of Development Aid (Question No 704)

(a) (i) R5 049-7 932

(ii) R6 093-9 507

(iii) R6 093-10 371

(c) 1 March 1988

HOUSE OF ASSEMBLY





1607

THURSDAY, 26 MAY 1988

1608

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*NS*

*Amundson*

- (iv) R7 551-11 667
- (v) R7 932-13 395
- (b) (i) 33 Black persons
- (ii) 2 Black persons
- (iii) 170 White persons and 197 Black persons
- (iv) 10 White persons and 5 Black persons
- (v) 5 White persons

(c) 1 March 1988

Department of Public Works and Land Affairs (Question No 705)

- (a) (i) R6 093-7 932
- (ii) R6 093-9 939
- (iii) R6 093-10 371
- (iv) R6 093-10 803
- (v) R6 441-9 507
- (b) (i) 1 White person
- (ii) 74 White persons and 7 Coloured persons
- (iii) 341 White persons, 1 Coloured person, 1 Indian person and 1 Black person
- (iv) 29 White persons
- (v) 170 White persons and 1 Coloured person

(c) 1 March 1988

SA Prisons Service (Question No 706)

- (a) (i) R6 093-10 371
- (ii) R6 708-10 371
- (iii) R7 551-11 235
- (iv) R7 932-13 395
- (v) R8 694-13 395
- (b) (i) 46 White persons and 3 Coloured persons
- (ii) 42 White persons
- (iii) 4 White persons, 6 Coloured persons and 13 Black persons
- (iv) 128 White persons and 1 Black person
- (v) 121 White persons, 1 Coloured person and 2 Black persons

(c) 1 March 1988  
 Department of Mineral and Energy Affairs (Question No 707)

- (a) (i) R6 093-9 507
- (ii) R6 093-10 371
- (iii) R6 093-10 803
- (iv) R6 789-10 803
- (v) R7 551-11 667
- (b) (i) 4 Black persons
- (ii) 105 White persons
- (iii) 4 White persons
- (iv) 9 Black persons
- (v) 2 White persons

(c) 1 March 1988

Department of Water Affairs (Question No 710)

- (a) (i) R6 093-9 507
- (ii) R6 093-10 371
- (iii) R6 789-10 803
- (iv) R7 551-11 667
- (v) R7 932-12 243
- (b) (i) 2 Coloured persons and 7 Black persons
- (ii) 215 White persons, 3 Coloured persons and 8 Black persons
- (iii) 12 White persons, 34 Coloured persons and 54 Black persons
- (iv) 6 White persons and 1 Coloured person
- (v) 4 White persons, 35 Coloured persons and 28 Black persons

(c) 1 March 1988

SA Police (Question No 711)

- (a) (i) R5 049-7 932
- (ii) R6 093-10 371
- (iii) R6 789-11 667
- (iv) R7 551-11 235
- (v) R10 371-22 224
- (b) For security reasons the information cannot be supplied
- (c) 1 April 1988

HOUSE OF ASSEMBLY

1609

THURSDAY, 26 MAY 1988

1610

*NS*

*Amundson*

SA Defence Force (Question No 712)

- (a) (i) R3 195-4 353
- (ii) R3 735-5 049
- (iii) R4 353-5 745
- (iv) R5 049-7 932
- (v) R5 049-9 939
- (b) It is not policy of the SA Defence Force to announce its personnel strength
- (c) 1 March 1988

Own Affairs

Administration House of Assembly

Department of Budgetary and Auxiliary Services (Question No 69)

- (a) (i) R6 093-9 507
- (ii) R6 093-10 371
- (iii) R6 789-10 803
- (iv) R7 551-11 667
- (v) R7 932-12 243
- (b) (i) 3 White persons
- (ii) 45 White persons and 1 Black person
- (iii) 2 Black persons
- (iv) 2 White persons
- (v) Posts are vacant
- (c) 1 March 1988

Department of Health Services and Welfare (Question No 70 and Question No 80)

- (a) (i) R5 049-7 932
- (ii) R5 049-10 371
- (iii) R6 093-10 371
- (iv) R6 789-10 803
- (v) R7 932-12 243
- (b) (i) 66 White persons and 3 Black persons
- (ii) 13 White persons and 4 Black persons
- (iii) 234 White persons
- (iv) 10 White persons
- (v) 11 White persons
- (c) 1 March 1988

Department of Education and Culture (Question No 71)

- (a) (i) R4 005-7 170
- (ii) R5 049-7 932
- (iii) R6 093-7 932
- (iv) R6 093-9 507
- (v) R6 789-10 803
- (b) (i) 40 White persons
- (ii) 54 White persons
- (iii) 1 White person and 13 Coloured persons
- (iv) 18 White persons
- (v) 11 White persons
- (c) 1 March 1988

Department of Local Government, Housing and Works (Question No 72)

- (a) (i) R6 093-9 507
- (ii) R6 093-10 371
- (iii) R6 789-10 803
- (iv) R7 551-11 667
- (v) R7 932-12 243
- (b) (i) 46 White persons
- (ii) 125 White persons
- (iii) 2 White persons
- (iv) 2 White persons
- (v) 29 White persons
- (c) 1 March 1988

Department of Agriculture and Water Supply (Question No 73)

- (a) (i) R5 049-7-932
- (ii) R6 093-9 507
- (iii) R6 093-9 939
- (iv) R6 093-10 371
- (v) R6 441-8 313
- (b) (i) 10 White persons
- (ii) 1 Coloured person and 11 Black persons
- (iii) 7 White persons
- (iv) 171 White persons
- (v) 2 White persons
- (c) 1 March 1988

HOUSE OF ASSEMBLY



1611

THURSDAY, 26 MAY 1988

1612

*Howard*

Five most junior posts salary scales  
689 Mr C J DERBY-LEWIS asked the Minister of Constitutional Development and Planning

(a) What are the salary scales attached to each of the five most junior posts in his Department, (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

Five most junior posts salary scales

690 Mr C J DERBY-LEWIS asked the Minister of Foreign Affairs

(a) What are the salary scales attached to each of the five most junior posts in his Department, (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER OF FOREIGN AFFAIRS

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

Five most junior posts: salary scales

691 Mr C J DERBY-LEWIS asked the Minister of National Education

(a) What are the salary scales attached to each of the five most junior posts in his Department, (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER OF NATIONAL EDUCATION

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

Five most junior posts: salary scales

692 Mr C J DERBY-LEWIS asked the Minister of Education and Development Aid

(a) What are the salary scales attached to each of the five most junior posts in the Department of Education and Training, (b) how many of

HOUSE OF ASSEMBLY

1613

THURSDAY, 26 MAY 1988

1614

*Howard*

Five most junior posts salary scales  
696 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

(a) What are the salary scales attached to each of the five most junior posts in the Department of Trade and Industry, (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER OF TRANSPORT AFFAIRS

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

Five most junior posts: salary scales

701 Mr C J DERBY-LEWIS asked the Minister of Environment Affairs

(a) What are the salary scales attached to each of the five most junior posts in his Department, (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER OF ENVIRONMENT AFFAIRS

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

Five most junior posts salary scales

702 Mr C J DERBY-LEWIS asked the Deputy Minister of Information

(a) What are the salary scales attached to each of the five most junior posts in the Bureau for Information, (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER OF INFORMATION, BROADCASTING SERVICES AND THE FILM INDUSTRY

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

Five most junior posts salary scales

704 Mr C J DERBY-LEWIS asked the Minister of Education and Development Aid

(a) What are the salary scales attached to each of the five most junior posts in the Department of Development Aid (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

HOUSE OF ASSEMBLY

Five most junior posts: salary scales  
705 Mr C J DERBY-LEWIS asked the Minister of Public Works and Land Affairs

- (a) What are the salary scales attached to each of the five most junior posts in his Department, (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER OF PUBLIC WORKS AND LAND AFFAIRS

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

Five most junior posts: salary scales  
706 Mr C J DERBY-LEWIS asked the Minister of Justice

- (a) What are the salary scales attached to each of the five most junior posts in the Prisons Service, (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER OF JUSTICE

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

Five most junior posts: salary scales

707 Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology

- (a) What are the salary scales attached to each of the five most junior posts in the Department of Mineral and Energy Affairs, (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

Five most junior posts: salary scales

710 Mr C J DERBY-LEWIS asked the Minister of Water Affairs

- (a) What are the salary scales attached to each of the five most junior posts in his Department,

- (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER OF WATER AFFAIRS

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

Five most junior posts: salary scales

711 Mr C J DERBY-LEWIS asked the Minister of Law and Order

- (a) What are the salary scales attached to each of the five most junior posts in the South African Police, (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER OF LAW AND ORDER

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

Five most junior posts: salary scales

712 Mr C J DERBY-LEWIS asked the Minister of Defence

- (a) What are the salary scales attached to each of the five most junior posts in the South African Defence Force (b) how many of these posts are filled by Whites, Coloureds, Indians and Blacks, respectively, and (c) in respect of what date is this information furnished?

The MINISTER OF DEFENCE

(See reply to Question No 688 on Thursday, 26 May 1988 in column 1601 )

Consumer Council privatisation

995 Mr C J DERBY-LEWIS asked the Minister for Administration and Privatisation

- Whether it is the intention to privatise the South African Co-ordinating Consumer Council, if not, why not?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

- No The South African Co-ordinating Consumer Council is an institution not for gain and the privatisation thereof is not at present being considered

Competition Board cartels

1006 Mr C J DERBY-LEWIS asked the Minister for Administration and Privatisation

- (1) Whether it is the policy of the Competition Board to (a) discourage and/or prohibit cartels,
- (2) whether an exemption was granted to the cement industry in this regard, if so, (a) why, (b) when and (c) in terms of what statutory provisions and/or regulations,
- (3) whether a further exemption of this nature has been granted to this industry, if so, (a) why, (b) when and (c) in terms of what statutory provisions and/or regulation?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

- (1) (a) Yes, see (b)

- (b) Yes, a prohibition on collusion on prices and conditions, market sharing and tender practices was published in Notice No 801 of 2 May 1986

- (2) Yes, a temporary exemption was granted

- (a) To enable the Competition Board to conduct an in depth investigation into the application for exemption of the cement industry and to make a recommendation to me

- (b) Until 2 May 1988

- (c) In terms of section 14(5) of the Maintenance and Promotion of Competition Act, 1979 (Act 96 of 1979)

- (3) Yes

- (a) To enable the Board to complete its investigation (see (2)(a) above) and to make a recommendation to me

- (b) Until 30 September 1988

- (c) In terms of section 14(5) of the Maintenance and Promotion of Competition Act, 1979 (Act 96 of 1979)

Reasonable service: buying back

1096 Mr D J N MALCOMESS asked the Minister of National Health and Population Development

- (a) On what date did the buying back of

reasonable service come into effect, (b) how many public servants who bought back pensionable service have retired since that date, (c) what total amount, excluding any interest on the amounts outstanding, did these persons pay to buy back such service, (d) what total amount was received by these persons in increased gratuities in respect of such service, (e) what total additional amount in monthly pensions is paid to them as a result of their having bought back pensionable service and (f) in respect of what date is this information furnished?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

- (a) 22 June 1955 — to the age of 25 years, 26 August 1966 — to the age of 18 years, 5 December 1980 to 20 September 1987 — to the age of 16 years

- (b) to (e) The information is not readily available

- (f) Falls away

SADF amounts spent on ammunition

1045 Mr C J DERBY-LEWIS asked the Minister of Defence +

Whether he will furnish information on the amounts spent on ammunition by the South African Defence Force in the latest specified three financial years for which information is available, if not why not, if so, what amount was spent in each of these financial years on ammunition (a) for training and demonstration purposes and (b) in actual combat?

The MINISTER OF DEFENCE

(a)	(b)
1985/86 RM163 289	RM72,548
1986/87 RM298,914	RM136 827
1987/88 RM228 389	RM328 742

SADF: chaplains

1076 Mr W J D VAN WYK asked the Minister of Defence +

(a) Which denominations are represented by chaplains in the service of the South African Defence Force and (b) how many chaplains represent each denomination?

could attend the 40 years celebration in Parow

*Cape Times 27/5/88* **R4,4m for MPs' homes** **250**

THE construction of houses for five members of the Ministers' Council in the House of Representatives and for two deputy ministers in Walmer Estate, Cape Town, was expected to cost R4,4 million, the Minister of Public Works and Land Affairs, Mr Pietie du Plessis, said yesterday

250 fm 20/9/88

CIVIL SERVANTS

Money's worth

What is R4bn worth? To State President P W Botha, who has just awarded this amount to civil servants and pensioners in pay increases of 15% or more from January

30/9/88 fm

37

1, no doubt the goodwill of large numbers of voters (see P27) What else is it worth? Y

If not spent, it would fund a sizeable tax cut Consider the numbers from the 1988-1989 Budget R4bn is the equivalent of more than half non-mining corporate tax, a third of GST or all of Customs & Excise revenue

Only R1bn of the pay rise will be paid for in this fiscal year, which ends on March 31. Arrangements will be made in next year's Budget to fund that year's (full) cost What is not known is where this year's money will

come from With Finance Minister Barend du Plessis in Berlin for the IMF conference, Botha would only say the matter would be dealt with "in due course"

Analysts, however, assume the money will be borrowed, despite Botha's apparent reluctance to "use loan money to pay for salaries" Presumably at some point taxes will have to be raised to repay the loans — but politicians obviously prefer this to be later rather than sooner Certainly no tax increases will be announced before October 26

Government budgeted a deficit before borrowing of R9,86bn this year New borrowing will push this figure higher and "can only put serious pressure on rates," says one capital market dealer

However, Old Mutual's Dave Mohr believes the extra spending for this fiscal year does not present a major financing problem: "Improved economic conditions in 1987 which led to increased profits are this year generating higher revenue for government So they should be able to finance it comfortably without much extra borrowing."

The real significance of the allocation, however, lies in the break it represents between fiscal and monetary policy Says Mohr "Until now we have had fiscal policy supporting monetary policy, which has been attempting to slow domestic demand But next year it will be working in the opposite direction"

This divergence will totally distort economic



Mohr

Czypionka

conomic policy, with the Reserve Bank presumably battling to contain money supply, while Treasury simultaneously pushes money into civil servants' hands. Decision making, already complicated by a host of factors, will become even more complex

Of course, a case can be made for salary increases — if they're accompanied by a shake-up of the civil service

Says Standard Bank chief economist Nico Czypionka "Some people, like teachers and nurses, are seriously underpaid Others are doing tasks that shouldn't be done in the first place If government would rationalise functions and eliminate much-abused fringe benefits, it would have the money to fund a well-paid civil service"

See Leaders and Currents Affairs.

**SOUTH African taxpayers are footing the bill for a million-rand housing subsidy scandal that benefits high-living public servants.**

A combination of wide-spread abuse and gross mismanagement in the payment of housing subsidies means hard-pressed taxpayers pay millions of rands MORE than they are already paying to keep South Africa's 943 000-strong public service afloat — in addition to meeting the

### SOWETAN Correspondent

record R13 billion salary bill.

According to informed sources, abuses and manipulation by public servants of complex subsidy provisions, and the failure by officials to interpret and apply them correctly, are rife

throughout government service

The crux of the matter is that public servants are either being paid subsidies to which they are not entitled (for whatever reason), or are using the loans for irregular and undeclared purposes

As a result, these "hidden losses" — borne

by unsuspecting taxpayers — could run into millions of rands once their full extent has been exposed

Disclosures of the scam — which is being investigated on three fronts — comes in the wake of yet another vociferous 30-percent increase demand by public servants which, if

granted in April next year, will add R5 billion to the burden of taxpayers

Extensive overpayments on housing subsidies are being investigated by the Auditor-General, Dr Joop de Loor, the Parliamentary Joint Committee on Public Accounts, and the

Commission for Administration, which sets the guidelines for subsidy payments by all State departments

A top-level report on the abuses is to be tabled soon by the public accounts committee, and it is widely expected that this will lead to strong calls in Parliament to stop the flow of

unauthorised loans and to tighten control of applications

The committee has assessed several reports on alleged malpractices uncovered by the Auditor-General — who in just one simple audit on the books of the administration of the (white) House of Assembly, queried 34 instances of "considerable over-payments". His office, say, informed sources, has processed some 3 000 subsidy allocations in an attempt to gauge the extent of the malpractices

Dr de Loor traced similar discrepancies in spot checks in other departments outside "own affairs" administrations, and has submitted reports in these cases as well to the Commission

### Withdrawn

In Cape Town, Dr Dawie de Villiers, Minister of Administration and Privatisation, who is entrusted with the public service, has said in a statement that he viewed the auditor-general's findings in a serious light

And he warned that subsidies found to be wrongly allocated would be withdrawn and the participants could be excluded from the scheme permanently

The Commission for Administration, meanwhile, which concedes that irregularities have occurred, is itself investigating ways of revamping the housing subsidy scheme to simplify provisions and ensure stricter control — and is to call in an expert from the private sector to assist

The source of the over-payments scam lies in two areas

Civil servants are entitled to a maximum R50 000 bond, which is subsidised to the extent of 67 percent, depending on salary. However, they are also permitted to apply for re-advances — a second subsidised loan



*Cap 6 Times 30/5/88*  
**No pay hikes  
for workers in  
public sector**

*250*  
Own Correspondent

PRETORIA — The government is wary of giving public sector workers a definite undertaking on pay rises — even from the start of the new financial year next April.

A deputation from the Public Servants' Association (PSA) had discussions with the Minister of the Budget and Welfare, Dr Dawie de Villiers, in Cape Town last Friday, and, it is understood, came away with nothing more than a vague promise that increases would be considered next year.

Hopes of an across-the-board increase during the current financial year have now had to be abandoned, PSA officials said.

Last month the PSA pleaded for immediate increases on the grounds that the gap in wages between the private and public sectors was widening, because the private sector was ignoring the president's plea for restraint in salary hikes.

The PSA is expected to make further representations, under pressure from disgruntled members

HOUSE OF REPRESENTATIVES

Indicates translated version  
For written reply  
General Affairs

Air-traffic controllers

9 Mr P C MCKENZIE asked the Minister of Transport Affairs

(N) What number of air-traffic controllers is required to comply with international standards of safety in respect of landing and take-off at the (a) Jan Smuts, (b) D F Malan, (c) H F Verwoerd, (d) Louis Botha, (e) Ben Schoeman, (f) J B M Hertzog, (g) B J Vorster and (h) J G Strijdom airports,

- (2) how many vacancies for (a) air-traffic controllers, (b) cadets and (c) fire-brigade officers were there at each of these airports as at the latest specified date for which figures are available,
- (3) whether the posts of (a) air-traffic controller, (b) cadet and (c) fire-brigade officer are graded, if so, what is the salary scale attached to each such grading?

The MINISTER OF TRANSPORT AFFAIRS

- (1) In the absence of specific international standards requirements are determined in accordance with local needs. Provision has therefore been made for the following number of Air Traffic Controllers in the RSA based on general international standards
  - (a) 38
  - (b) 17
  - (c) 7
  - (d) 15
  - (e) 4
  - (f) 7
  - (g) 3
  - (h) This airport does not resort under the RSA's Department of Transport
- (2) (a) Vacancies for Air Traffic Controllers as at 2 May 1988

Jan Smuts Airport	6
D F Malan Airport	2
H F Verwoerd Airport	0
Louis Botha Airport	0
Ben Schoeman Airport	0
J B M Hertzog Airport	0
B J Vorster Airport	1

(b) 7 of the 36 posts as at 2 May 1988 Cadet Air Traffic Controllers are only apportioned to a specific airport after completion of training

(c) Vacancies for Fireman as at 2 May 1988

Jan Smuts Airport	3
D F Malan Airport	0
H F Verwoerd Airport	3
Louis Botha Airport	1
Ben Schoeman Airport	1
J B M Hertzog Airport	1
B J Vorster Airport	2

(3) (a), (b) and (c) I do not consider it to be in the interest of the persons concerned or in the public interest to furnish this information I am, however, prepared to furnish the relevant information to the honourable member on a confidential and personal basis

Public servants seconded to self-governing territories

13 Mr T ABRAMHAM asked the Minister of Education and Development Aid

- (1) (a) How many public servants have been seconded to each of the self-governing territories and (b) how many of them are (i) White and (ii) Black,
- (2) whether his Department has information on the total number of public servants employed by each self-governing territory, if not, why not, if so, what are the relevant figures?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

(1) (a) KwaZulu	1 007
Lebowa	491
Gazankulu	334
Kangwane	300
Kwandebele	295
OwaQwa	166

(b) (i) The above-mentioned figures include 176 Indians in respect of KwaZulu, 7 in respect of Kangwane and 1 in respect of Lebowa

(ii) Nil Black officials are appointed by the self-governing territories themselves on their own establishment records. Secondment of officials from the RSA Public Service take place when no suitable Black officials are available or, otherwise, where training in

the work situation has to be given

(2) Yes	54 420
KwaZulu	38 060
Lebowa	18 095
Gazankulu	10 609
Kangwane	6 648
Kwandebele	6 389
OwaQwa	

(1) and (2) These figures include CS-Educators

## No general rises for public sector

150 (S) 6/8/88 GERALD REILLY 9/4/88

PRETORIA — Public sector workers can expect no general increases this financial year

This was told to the Public Servants Association by both the Commission for Administration and Administration Minister Dawie de Villiers

Optimism — based on the Teacher Federal Council (TFC) meeting this week with National Education Minister F W de Klerk — that the government's attitude to the salary freeze imposed earlier this year was softening was unjustified, senior government sources said here.

The PSA stated earlier this year that the R250m set aside for specific adjustments this financial year was hopelessly inadequate. It indicated that the pay issue would top the agenda at the biennial conference of the PSA in September.

# R1.045-m extra needed by Govt

Supplementary estimates of expenditure of R38 924 million were tabled in the House of Assembly yesterday, an increase of R1 045 million over the supplementary estimates tabled in the main Budget in March.

The biggest amount to be voted is R550 million for the Department of Transport.

Extra funds for the National Flood Disaster Fund and the improvement in social pensions and allowances make up the R113 million allocation for House of Assembly Administration, R20,5 million for the House of Representatives and R3,9 million for the House of Delegates. — Sapa.

... a part-time council consisting of  
with expertise and experience. — Sapa.

# R205-m hike for some civil servants

*Star 14/6/88 (250)*

By Tim Cohen

The salaries of selected categories of civil servants are to be given a significant boost following a Government announcement yesterday that an additional R205 million has been granted for specific occupational adjustments.

The Minister of Administration, and Privatisation, Dr Dawie de Villiers, said yesterday that the amount would be additional to the R250 million that was budgeted for earlier this year.

The head of the Public Servants' Association, Dr Colin Cameron, said the additional amount was very welcome and was in accordance with the recommendations of the association.

He said the additional grant should not be seen as contrary to the Government's undertaking that public servants would not be getting salary increases this year. The State President, Mr P W Botha, had

said that there would not be a general salary increase, but that from the beginning it was agreed that specific adjustments would be entertained.

The money would be used to assist definite categories which were lagging behind, he said.

The categories, in broad terms, that the association had pinpointed, were

- Certain categories of managerial posts
- Some categories of public servants who were qualified in technical and scientific skills
- Certain "entry grades" — persons starting out in various occupations
- Some categories of artisans and labourers

Noting that parity between the race groups had been achieved in the majority of job categories, he said the amount would not be enough to achieve overall parity.

# GOVT VOTES R205-m FOR RISES

*Sowetan, 15/6/88* ~~250~~ 250

THE public service was abuzz with speculation yesterday about who is going to get the extra R205 million which the Government has allocated for pay rises. Government sources were mum about the increase but elsewhere speculation was rife.

SOWETAN  
Correspondent

Dr Dawie de Villiers, Minister for Administration and Privatisation, announced on Monday that the Cabinet had decided to allocate an extra R205 million for "occupational specific adjustments", in addition to the R250 million set aside for this purpose in the main Budget.

The R205 million was intended to "ease the most serious problems". Dr de Villiers stressed that the increase would only be for public servants paid from the State Revenue Fund — in other words, excluding Sats and Posts and Telecommunications.

Mr Roger Burrows, the Progressive Federal Party spokesman for education and the public service, said he thought the bulk of the increase might go towards overcoming the teachers 10 percent backlog in salary.

He said the R205 million would cover a 10 percent rise for teachers for the period October 1 to next year's Budget.

But Dr Colin Cameron, chairman of the Public Service Association, said it would be "most unfortunate" if the bulk of the money went to any one large occupation.

He said if the R205 million were spread over the entire public service it would not go very far but it would help to address the most serious problems which the RSA had identified when it spoke to President Botha.

practice this is done in consultation with the head of the particular office

(u) Whether it is essential to preserve the documents for the proper continuation of the administration of the country and whether the documents have sufficient research value to be used by researchers

(c) The internationally accepted principle of origin according to which the order that the documents had in the office of origin is maintained or is restored if that order has been disturbed

(d) (i) Thirty years, with the exception of those archives which the Minister of National Education has authorized the head of an office in terms of section 6 (a) (1) to retain for a certain period and those the transfer of which the Director of Archives has deferred in terms of section 6 (b) (1)

(u) The Legislature in its wisdom has decided on the thirty-year period. It is assumed that the reason for this is that documents less than thirty years old are often of too sensitive a nature to be made available

(e) Documents are only made available to researchers under continuous supervision in the reading rooms of archives depots

(3) Yes

(a) All the leading countries in the archival field such as Britain, the Netherlands, Germany and France

(b) A closed period of thirty years is accepted as realistic, and applied, in most of these countries

(4) No. The enormous volume of the documentation makes the compilation of such a central register impractical and undesirable. In most Government offices there are, however, filing systems which have been approved by the Director of Archives in terms of section 3 (2) (1) of the Archives Act and according to which the documents are systematically kept and cared for. This is a matter that constantly

*TRUSAVO*

receives the attention of the Director of Archives

SAP: group areas

1161 Mr C J DERBY-LEWIS asked the Minister of Law and Order

(1) Whether members of the South African Police are in the course of their duties authorized to issue warnings in connection with offences in terms of the Group Areas Act, if so, how many such warnings were issued over the latest specified five-year period for which information is available, (2) whether these warnings gave rise to further action being taken, if so, to what further action?

THE MINISTER OF LAW AND ORDER

(1) No  
(2) Falls away

Woodstock: gathering

1183 Mr S S VAN DER MERWE asked the Minister of Law and Order

(1) Whether, with reference to the report in terms of the Internal Security Act, No 74 of 1982, tabled by him on 16 May 1988, he will furnish details about a gathering in Woodstock on 29 April 1988 during the course of which the persons attending it were ordered to disperse, if not, why no, if so, (a) what was the nature of the gathering, (b) how many persons were present, (c) by whom had it been called, (d) (i) at what time of day and (ii) where in Woodstock was it held and (e) (i) who ordered the persons attending it to disperse and (ii) why was this order given,

(2) Whether any further action was taken or is to be taken as a result of this gathering, if so, (a) what action, (b) when, (c) why and (d) against whom?

THE MINISTER OF LAW AND ORDER

(1) Yes

(a) to (e) At 12h03 on 29 April 1988 approximately 50 persons of all races held an illegal gathering in Porter Street, Woodstock in protest against the new labour legislation. An officer of the South African Police ordered the persons to disperse, as it was an illegal gathering. The persons obeyed the order and dispersed

*TRUSAVO*

1185 Mr P C CRONJÉ asked the Minister of Law and Order

(a) How many cases of (i) murder, (ii) culpable homicide and (iii) assault with intent to do grievous bodily harm were reported at the Tugela Ferry police station in each of the latest specified five calendar years for which information is available and (b) in how many cases were persons charged in each of these three categories of offences?

THE MINISTER OF LAW AND ORDER

	1983	1984	1985	1986	1987
(a)	99	19	105	28	56
(b)	10	4	10	1	12
(i)	115	86	90	59	136
(ii)					
(iii)					

NOTE: Statistics are furnished in respect of the number of cases reported and referred to the courts for trial. In some cases more than one person was charged. However, these statistics are not readily available and are therefore not furnished

Joint Matriculation Board: examinations

1222 Mr K M ANDREW asked the Minister of National Education

(a) How many (i) Black, (ii) White, (iii) Coloured and (iv) Indian candidates wrote the (aa) matriculation and (bb) school-leaving examinations of the Joint Matriculation Board in 1987 and (b) how many such candidates (i) passed and (ii) failed their examinations?

THE MINISTER OF NATIONAL EDUCATION

(a) All candidates write the examination of the JMB. According to the achievement in the examination, matriculation or school-leaving certificates are issued to candidates

(aa) and (bb)	Number that wrote
(i) Blacks	485
(ii) Whites	1 166
(iii) Coloureds	52
(iv) Indians	43

(b) (i) Number passed (ii) Number failed Matriculation school-leaving

(i) Blacks	93	135	257
(ii) Whites	921	192	53
(iii) Coloureds	27	15	10
(iv) Indians	24	12	7

Cabinet Ministers: police protection

1241 Mr C J DERBY-LEWIS asked the Minister of Law and Order

(1) Whether he will furnish information on the cost of providing police protection to Cabinet Ministers at public meetings, if not, why not, if so, what was the cost so incurred (a) in 1985, 1986 and 1987, respectively, and (b) in 1988 as at the latest specified date for which figures are available,

(2) what was the cost incurred in respect of the meetings held by the (a) State President in Potgietersrus in 1986, (b) Minister of Foreign Affairs in Pietersburg in 1986 and (c) Minister of National Education in Randfontein in 1988?

THE MINISTER OF LAW AND ORDER

(1) and (2)

Section 5 of the Police Act, 1958 (Act 7 of 1958) stipulates that the South African Police is responsible for inter alia the maintenance of law and order, as well as the prevention of crime. Police protection rendered to the State President, all Ministers, Deputy Ministers, Leaders of Opposition parties and members of Parliament, falls within the ambit of the said provisions and is performed during the course of normal police duties. Expenses incurred in this regard are therefore not separately identified and calculated

Carol Timp 23/6/88

250

# PSL: All-white commission must accept blacks

Staff Reporter

IT was "totally unacceptable" to members of the 44 000-strong Public Servants League (PSL) that only whites had access to serving on the all-white Commission for Administration, PSL chairman Mr Malcolm Domingo said last night.

He called on the PSL to demand the immediate appointment of "people of colour" to the commission.

Addressing the PSL's national AGM and 21st anniversary Mr Domingo said the PSL "rejected with contempt" the assertion of former Minister of Administration Mr Alwyn Schlebusch that blacks could not serve on the commission.

The commission sets guidelines for the employment and promotion of public servants

Mr Domingo asked whose responsibility it was that no blacks had been appointed.

"Aren't the people who set these preconditions in fact responsible for this state of affairs?" he asked

What made the preconditions so suspect was the "irrefutable fact" that "people of colour" who performed their tasks "excellently" had been appointed to Parliament and the diplomatic service without any noteworthy experience, Mr Domingo said.

Professor Marinus Wiechers, professor of constitutional and international law at Unisa, said black civil servants had a central role to play in shaping a post-apartheid civil service which would ensure that the "inevitable" transition would occur in a peaceful and stable way.

It was up to civil servants to take a clear decision to follow a democratic constitutional option and thereby accept the "necessity of an open, democratic bureaucracy" which allowed full opportunities for all, he said.

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## HOUSE OF REPRESENTATIVES

†Indicates translated version

For written reply

Information is available, (b) what types of employment were allocated to members of each of these race groups and (c) what were the salary scales applicable to each employment category?

General Affairs

The MINISTER OF HOME AFFAIRS

Employees at regional offices

(a) (i) 265

37 Mr T R GEORGE asked the Minister of

(ii) Nil

Home Affairs

(iii) Nil

(a) How many (i) Whites, (ii) Coloureds, (iii)

(iv) 174

Indians and (iv) Blacks were employed at the regional offices of his Department in Johannesburg as at the latest specified date for which

(b) and (c) as at 31 May 1988

Type of employment	White	Black	Salary scale
Director	1	—	R54 94 fixed
Deputy-director	1	—	R43 389X1 830-50 709
Assistant-director	5	—	R33 624-34 803X1431-39 096
Senior Civic Affairs Officer	8	—	R25 371X1 179-31 266
Civic Affairs Officer	9	—	R19 857X789-23 013X1 179-25 371
Chief Civic Affairs Clerk	12	—	R15 912X789-22 224
Assistant Civic Affairs Officer	5	—	R15 123X789-18 279
Senior Civic Affairs Clerk	75	42	R10 371X432-11 667X576-15 123-15 912
Civic Affairs Clerk	95	73	R6 093X348-381-9 075X432-10 371
Typist	1	—	R7 932X381-9 075X432-10 371/10 371X
			432-11 667X576-13 395
Data Typist	4	—	R7 932X381-9 075X432-10 371/10 371X
			432-11 667X576-13 395
Security Officer	16	2	R9 507X432-11 667/11 235-11 667X
			576-14 547
Security Guard	1	—	R6 093X348-6 789X381-8 313/8 694X
			381-9 075X432-9 939
Chief Inspector	1	—	R20 646X789-23 013X1 179-27 729 (P)
Senior Inspector	6	—	R17 490X789-23 013-24 192 (P)
Inspector	21	—	R14 547-15 123X789-22 224 (P)
Personal Secretary	1	—	R10 0371X432-11 667X576-13 395
Telephonist	3	—	R7 551X381-9 075X432-11 667
Scout	—	—	R6 789X381-9 075X432-10 803 (P)
Constable	—	—	R4 005X348-6 789-7 170 (P)
AA III (Guard)	—	—	R3 465X270-4 005X348-4 701
AA III (Messenger)	—	11	R4 353X348-5 745

The information above is in respect of the Regional Office, Johannesburg including the District Offices which fall under it

HOUSE OF REPRESENTATIVES

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Home Affairs, 334, 1863 1871

Defence, 11, 101

Justice, 335, 1881

Education and Development Aid, 577, 613,

Law and Order, 347 348, 778, 1019, 1791, 1806

843, 1034, 1595

National Education, 604, 1829, 1872, 1873

Finance, 338, 1701

National Health and Population Develop-

Foreign Affairs, 1371

ment, 1819

Home Affairs, 789

Own Affairs

Justice, 371, 1685

Education and Culture, 23, 24, 28, 175 614

Law and Order, 12, 253 465, 1275, 1276, 1428,

616 794 795, 796, 919 920, 921

1661

1176 1286 1437, 1438, 1598, 1725,

National Education 65 67, 224, 287, 380, 460,

1726, 1742, 1864, 1873

502, 1164 1165, 1167, 1293, 1369,

Health Services and Welfare, 1282 1283

1594, 1809

Local Government and Housing 1176, 1815

# Dumped, ever-so quietly

SUNDAY TIMES, June 26 1988

7

By DRIES VAN HEERDEN

**THE race to become Prime Minister of South Africa is off — for now. Plans to restore this office, scrapped when the tricameral parliament was created three years ago, were quietly dumped this week.**

Instead, the Government has decided to downgrade the position to "Chairman of the Cabinet".

Political sources said this week that the decision not to create a prime minister as second-in-command to President Botha was taken because of resistance within the hierarchy of the National Party.

Although Mr P W Botha was at pains to point out that the envisaged prime minister would merely be an administrative figure dealing with the day-to-day running of the Government, contenders to Mr Botha's throne and their supporters in the caucus could be convinced that such a man would not be the heir apparent.

Mr Botha sprang his surprise announcement about the resurrection of the prime ministership on an unsuspecting Cabinet and caucus earlier this year.

He said such an aide would enable him to devote more time to broader political issues such as negotiation with black leaders on a future constitutional dispensation.

However, in private discussions senior politicians expressed their reservations,

## Nats scrap scheme to appoint PW's 'heir'

insisting that if a senior member of the Cabinet was appointed it could immediately spark a succession struggle.

On the other hand, if Mr Botha decided to appoint a relatively junior Minister he would run into problems with "old hands" reluctant to accept his authority.

Nevertheless, Mr Botha had hardly made his announcement when names were being bandied about as candidates for the position. Most tipped were Transvaal NP leader F W de Klerk, and Mr Chris Heunis, the Cape leader.

Mr P W Botha, Dr Gerrit Viljoen and General Magnus Malan were also mentioned as other strong contenders.

However, word soon started filtering down that Mr Botha was changing his mind.

For one thing, he had given up the idea of being chairman of "the Great Indaba", and would thus not be pre-occupied with constitutional negotiations.

Why Mr Botha decided to write the job of Chairman of the Cabinet into the Constitution is something of a mystery. As things stand he already has the authority to appoint any Minister to chair Cabinet meetings in his absence.

However, having made such a high-profile announcement about the prime ministership, it is doubtful whether Mr Botha can now afford to let sleeping jobs lie forever.

Political sources said the office could well be revived at a stage when Mr Botha thinks it is necessary to start grooming his successor.

But this may not be for some time. It is generally accepted that the State President will not retire until after the next general election, probably in early 1990s.

J. Z. M. W. W.

- (e) what are the names of the business concerns in question,
- (2) whether normal tender procedures were followed in respect of all products and services so supplied, if so, what procedures were followed, if not, (a) why not, (b) what procedures were followed and (c) who decided (i) not to follow normal tender procedures and (ii) on the procedures to be followed,

- (3) whether a certain person, whose name has also been furnished to the Minister's Department, is (a) associated with either of these business concerns and/or (b) related to a senior official in his Department, if so, (1) what is the nature of his (aa) association with the business concern in question and (bb) relationship with this official and (ii) with which of these concerns is he associated,

- (4) whether this person has done other business with his Department, if so, (a) what other business and (b) when,
- (5) whether normal tender procedures were followed in respect of such other business, if not, why not, if so, what are the relevant details?

#### THE DEPUTY MINISTER OF EDUCATION

- (1) Yes

The questions asked by the hon member in (1)(a), (b), (c), (d) and (e) and also in (2), (3), (4) and (5) and particulars of the replies thereto are relevant to a matter that has been referred to the Commission of Inquiry that was appointed on 17 June 1988 by the State President. In terms of regulation 14 of Proclamation R 106, 1988 I deem it not to be in the interest of the inquiry at this stage to reply to the question in detail.

If the hon member possesses any information which he feels should be brought to the attention of the Commission, he ought to submit it to the Commission.

Should the Commission decide to investigate this matter, the question of the proper observation or otherwise of the procedures will be answered fully in the report of the Commission.

Should the Commission decide not to investigate this particular aspect, I shall at a later

HOUSE OF ASSEMBLY

stage be happy to reply to the honourable member's question, or supply any additional information he may be interested in.

#### Government archives building

\*15 Mr P G SOAL asked the Minister of Public Works and Land Affairs

- (a) What area will the new government archives building in Cape Town cover, (b) what is the anticipated total cost of the building and (c) when is it anticipated that it will be (i) completed and (ii) available for occupation?

#### THE DEPUTY MINISTER OF WATER AFFAIRS AND OF LAND AFFAIRS

- (a) 17 582 m<sup>2</sup>
- (b) R19 000 000
- (c) (i) Early in 1989  
(ii) Early in 1989

#### Identity documents

\*16 Mrs H SUZMAN asked the Minister of Home Affairs

- (1) Whether Blacks applying for passports are required to produce identity documents for which finger-prints have been taken, if so,

- (2) whether such applicants are required to have their finger-prints taken again, if so, (a) since when, (b) on whose instructions, (c) why, (d) in terms of what statutory provisions or regulations and (e) at what stage of the application procedure?

#### THE MINISTER OF HOME AFFAIRS

- (1) and (2)

The Identification Act, No 72 of 1986, which came into operation with effect from 1 July 1986, requires the finger-prints to be taken of every person who applies for an identity document.

Persons who apply for passports and who are not in possession of identity documents issued in terms of the aforementioned Act, are being required by my Department to simultaneously apply for the new identity document. This results in their finger-prints being taken at that point in time for the purposes of the issuing of their identity documents.

J. Z. M. W. W.

\*17 Mr R M BURROWS—Administration and Privatisation [Reply standing over]

#### Educators: remuneration

\*18 Mr R M BURROWS asked the Minister of National Education

- (1) Whether he has met or intends to meet with representative bodies of university, technikon and college/school educators concerning remuneration, if not, why not, if so, (a) on what dates has he met with them since 13 June 1988 and/or does he intend to meet with them and (b) what are the names of the bodies concerned,

- (2) whether he has advised the Minister for Administration and Privatisation of the recommendations he received from the Committee on Education Structures and the Research Committee on Education Structures, as referred to in his reply to Question No 12 on 14 June 1988, if not, why not, if so, when,

- (3) whether he will make a statement on the matter?

#### THE MINISTER OF EDUCATION AND CULTURE (for the Minister of National Education)

- (1) Yes Meetings were held (a) on 23 June 1988 (b) with the following interest groups

Committee of University Principals  
Committee of Technikon Principals  
Teachers' Federal Council  
Union of Teachers' Associations of SA  
African Teachers' Association of SA

- (2) Yes The Minister for Administration and Privatisation had been informed about this matter on 28 April 1988

- (3) No

#### Airports: demonstrators

\*19 Mr J VAN ECK asked the Minister of Law and Order

- (1) Whether members of the South African Police were present at the Jan Smuts, D F Malan and H F Verwoerd airports on 19 May, 9 June and 11 June 1988, if so,

- (2) whether any demonstrators carrying posters protesting against Archbishop Desmond Tutu were present (a) in the (i) (aa) international arrivals lounge area and (bb)

domestic departures area of Jan Smuts Airport on 19 May 1988 (ii) domestic departures area of D F Malan Airport on 19 May 1988, (iii) arrivals area of H F Verwoerd Airport on 9 June 1988 and (iv) international departures area of Jan Smuts Airport on 11 June 1988 and/or (b) in any other areas inside or outside these airport buildings on the above dates, if so,

- (3) whether, with regard to the demonstrations at each of these airports, the Police (a) (i) (aa) requested and/or (bb) ordered these demonstrators to leave and (ii) (aa) removed and (bb) arrested any of them and (b) confiscated any of the posters carried by them, if not, why not, if so, what action was taken on each occasion,
- (4) whether this action was taken as soon as these demonstrators were noticed at these airports, if not, why not,
- (5) whether any further action will be taken against these demonstrators, if not, why not, if so, (a) what action and (b) when?

#### THE MINISTER OF LAW AND ORDER

- (1) to (5)

The occurrences mentioned in the hon member's question must be judged and replied to against the following background

The goal of the Communist/Marxist forces regarding South Africa, namely the establishment of an initial socialistic system as forerunner for a total communist dominated state, is still being purposefully pursued

In this process these forces are using various instruments — this includes terror by unscrupulous terrorists, diplomatic actions, propaganda against the country and the Government, as well as sanctions and boycotts on various levels, and much more

The actors in these actions are people — from confirmed communists and cold-blooded terrorist murderers to so-called harmless "do-gooders" who are treacherously manipulated and abused by the communists

Archbishop Tutu, head of the Anglican Church in South Africa falls into the latter category. Archbishop Tutu has in the past few years by his actions, including amongst other things the propagation of sanctions against the

HOUSE OF ASSEMBLY

PRETORIA — Government's salary and wage bill for nearly a million workers in the exchequer personnel corps could zoom to R18bn in

the 1989-90 financial year, sources said.

Government faces well-documented demands from public sector staff associations, including the Public Servants Association (PSA) and the Teachers Federal Council, for substantial pay hikes from April.

Staff associations' sources said the demands would not be less than 20%

A PSA spokesman said it was reliably estimated, taking into account the 12 months' pay freeze, by end-March next year government workers would be trailing the private sector by between 30-38%

He said the gap was even wider when compared with the CPI

Private-sector rises of up to 20% and higher have been granted this

# Govt pay bill to rise to R18bn?

GERALD REILLY

year in the face of an appeal from the President for moderation

Those have widened the existing gap and intensified dissatisfaction among public sector workers.

Strong demands for substantial pay hikes will come from the PSA's biannual congress in East London in September

Proposals to give the PSA statutory negotiating rights are now with government and could be approved before the year's end.

Last year, the exchequer personnel corps — it includes state and provincial workers, teachers, SADF, prisons and police personnel — was paid R14.8bn

250 B Day 28/6/88.

missions in foreign countries, Chief Judges in Bloemfontein and Matfkeng, Chairman and member of the Commission for Administration and the Heads of certain government departments

(ii) Occupation by the office bearers and their households

Organizations listed as banned and subversive

1228 Mr C J DERBY-LEWIS asked the Minister of Justice

Whether he will furnish the House with the names of organizations which are listed by his Department as (a) banned and (b) subversive, if not, why not, if so, (i) what are their names in each case and (ii) in respect of what date is this information furnished?

The MINISTER OF JUSTICE

(a) The legislation administered by the Department of Justice does not provide for the listing of organizations as banned organizations Section 4(1) of the Internal Security Act, 1982 (Act 74 of 1982), provides for the declaration of an organization to be an unlawful organization in the circumstances referred to in that section The repealed Internal Security Act, 1950 (Act 44 of 1950), and Unlawful Organizations Act, 1960 (Act 34 of 1960) contained similar provisions and organizations declared to be unlawful organizations under those statutes are by virtue of the provisions of section 73 of the Internal Security Act, 1982 still unlawful organizations

(i) The following organizations were declared to be unlawful organizations under the said statutes

ORGANISATIONS DECLARED TO BE UNLAWFUL BY OR UNDER THE INTERNAL SECURITY ACT, 1950

Association for the Education and Cultural Advancement of the African People of South Africa  
Black Parents' Association  
Black People's Convention  
Black Women's Federation  
Border Youth Organisation also known as Border Youth Union

(b) There is no provision for organizations to be listed as subversive

(ii) 13 June 1988

ORGANISATIONS DECLARED TO BE UNLAWFUL UNDER THE INTERNAL SECURITY ACT, 1982

Congress of South African Students

(ii) 13 June 1988

(b) There is no provision for organizations to be listed as subversive

*Handwritten signature: Hansard*

Public Service staff housing subsidies  
1233 Mr R M BURROWS asked the Minister for Administration and Privatisation

What total amount was allocated by the departments and the organizational component referred to in section 6(1) of the Public Service Act No 111 of 1984 for the (a) 1986-87, (b) 1987-88 and (c) 1988-89 financial years for the payment of staff housing subsidies on a (i) compulsory and (ii) voluntary basis?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

To furnish the Honourable Member with the information in the requested form, the individual files of approximately 70 000 staff members receiving housing subsidies will have to be consulted Due to the magnitude of the task, the requested information can not be furnished

Residence permits persons of Eastern European origin

1256 Mr C J DERBY-LEWIS asked the Minister of Home Affairs

With reference to his reply to Question No 950 on 26 April 1988 (a) how many persons of Eastern European origin who entered South Africa on temporary residence permits or tourist visas over the latest specified five-year period for which figures are available returned to their countries of origin and (b) for what purposes did they visit South Africa?

The MINISTER OF HOME AFFAIRS

(a) and (b)

Statuses on the basis required are not available

Deferment of tax

1261 Mr C J DERBY-LEWIS asked the Minister of Finance

(1) (a) Under what conditions may companies apply for deferment of the tax payable by them to the State and (b) for what periods are they granted deferment.

(2) whether the Receiver of Revenue receives interest on such deferred tax, if so at what rate, if not why not?

The MINISTER OF FINANCE

(1) (a) The Income Tax Act provides that "any tax chargeable shall be paid on

such days and at such places as may be notified by the Commissioner or as specified in this Act, and may be paid in one sum or in instalments of equal or varying amounts as may be determined by the Commissioner having regard to the circumstances of the case" While the Commissioner is thus empowered to defer the payment of tax there are no prescribed conditions attaching to such deferment

(b) The period of deferment depends on the circumstances of the case, the Receiver of Revenue concerned having regard to factors such as the financial position of the taxpayer, the amount of tax payable and whether the taxpayer has a good or bad tax-paying record

(2) Where income tax is not paid in full within the prescribed period interest is payable at the rate of 15% per annum on the outstanding balance in respect of each completed month during which any portion of the tax remains unpaid

In the case of sales tax where due to circumstances beyond the control of the person liable for the payment of tax the amount of tax due cannot be accurately determined within the time allowed the Commissioner may subject to such conditions as he may impose accept a provisional payment Any shortfall determined in relation to the actual liability as finally determined is subject to interest at the rate of 10% per annum in respect of the period reckoned from the day after the date by which the tax should have been paid in full to the date of payment of the shortfall amount

Number of first-year students

1263 Mr K M ANDREW asked the Minister of National Education

Whether his Department keeps statistics on the number of first-year students registered at universities in South Africa if so how many (a) White, (b) Coloured (c) Asian, (d) Black and (e) other specified first-year students were registered at each university in each of the latest specified four years for which figures are available?

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2023

WEDNESDAY, 29 JUNE 1988

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2024

Research in respect of investment services to determine the effect of previous advertising campaigns as well as the image of the Post Office as an investment institution

Advertising of the priority-mail service

Development of an advertising campaign for the new Erica telephone

Research on telephone services in the residential market with a view to the development of advertising campaigns

Design and printing of letters and envelopes to encourage business concerns to support the Flood Disaster Relief Fund by buying surcharged stamps and donating bulk post discounts to the Fund

(iv) State Tender Board procedures

Political violence

1140 Mr C J DERBY-LEWIS asked the Minister of Law and Order

How many persons in the Republic died in incidents related to political violence in each year from 1982 up to and including 1987?

The MINISTER OF LAW AND ORDER

I refer the honourable member to my reply to written question 247 which I also regard to be a sufficient answer to this question

Public Service numbers

1142 MR C J DERBY-LEWIS asked the Minister for Administration and Privatisation †

How many (a) White, (b) Coloured, (c) Indian and (d) Black persons were employed by each department and organizational component referred to in section 6(1) of the Public Service Act, No 111 of 1984, as at (i) 1 March 1982 and (ii) the latest specified date for which figures are available?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION

(i) information for each separate department or organisational component is not available

(ii) **250** Numbers of personnel as on 30 September 1987 (Source Payroll statistics)

Department/Organisational component	(a)	(b)	(c)	(d)
Administration House of Delegates	255	38	14 099	233
Administration House of Representatives	4 428	51 794	5	60
Administration House of Assembly	85 377	5 419	130	30 234
Department of Home Affairs	4 689	193	189	1 838
Department of Foreign Affairs	1 308	13	4	75
Department of Finance	8 509	56	22	240
Department of Trade and Industry	932	13	0	96
Department of Justice	17 147	2 560	325	8 120
Department of Agricultural Economics and Marketing	1 963	160	34	842
Department of Manpower	2 888	177	126	724
Department of Mineral and Energy Affairs	778	20	0	170
Department of National Health and Population	8 641	2 473	1 004	15 316
Department of National Education	520	6	1	34
Department of Environment Affairs	2 738	1 643	10	5 785

HOUSE OF ASSEMBLY

2025

WEDNESDAY, 29 JUNE 1988

**250**

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2026

Department of Education and Training

Department of Development Planning

Department of Development Aid

Department of Public Works and Land Affairs

Department of Transport

Department of Water Affairs

Office of the Commission for Administration

Office of the Auditor-General

State President's Office

National Intelligence Service

South African Police

South African Defence Force

Provincial Administration of the Cape of Good Hope

Provincial Administration of Natal

Provincial Administration of Orange Free State

Provincial Administration of Transvaal

Bureau for Information

Psychopaths

1146 Mr C J DERBY-LEWIS asked the Minister of Justice

- Whether certified psychopaths sentenced for rape and/or murder are released from prison after serving their sentences, if so, whether any precautions are taken to ensure that such persons do not commit further crimes of violence after their release from prison if so, what precautions,
- what treatment is given to certified psychopaths while they are in prison and (b) what success has been achieved through such treatment?

The MINISTER OF JUSTICE

- No
- Falls away
- (a) and (b)

The treatment of certified psychopaths is based on a therapeutic community philosophy which implies total treatment. The treatment is divided into three phases of progressive promotion units which last a minimum period of four years. The maximum period is determined by the progress of the individual. The programme makes use of a behaviour therapy and in particular of a token economy which implies that performance is coupled

Department/Organisational component	(a)	(b)	(c)	(d)
Department of Education and Training	5 245	1	3	60 164
Department of Development Planning	559	0	0	104
Department of Development Aid	2 411	4	1	1 416
Department of Public Works and Land Affairs	4 615	2 586	170	6 047
Department of Transport	2 416	231	20	882
Department of Water Affairs	3 041	2 393	19	8 910
Office of the Commission for Administration	841	28	1	59
Office of the Auditor-General	850	8	5	10
State President's Office	123	2	9	7
National Intelligence Service				
South African Police				
South African Defence Force				
Provincial Administration of the Cape of Good Hope				
Provincial Administration of Natal				
Provincial Administration of Orange Free State				
Provincial Administration of Transvaal				
Bureau for Information				

No information is available

It is not SA Police policy to supply information regarding personnel strength

It is not SA Defence Force policy to supply information regarding personnel strength

with the allocation/deprivation of privileges in institutional context which is connected to the treatment programme. The treatment team consists of a consulting psychiatrist, clinical psychologist, social worker, educationist, nursing personnel, workshop personnel and custodial personnel. If two medical practitioners certify in writing that a mentally ill prisoner has recovered to such an extent that his detention in a hospital prison is no longer necessary, he is returned to a prison to serve his sentence or unexpired portion thereof. His release from prison is handled by the statutory bodies which exist for this purpose. However, if one month before the expiry of his sentence of imprisonment such prisoner is still mentally ill to such a degree that it is necessary that he be detained in the hospital prison a judge may in terms of section 19, read together with section 34 of the Mental Health Act, 1973 make an order for his further detention for such period as he may deem necessary.

Up to 23 May 1988 a total of 111 certified psychopaths were admitted and 64 of them have already been released after being decertified. Of these 64 a total of 44 have been released for longer than 3 years, and of the said 44 a total of 31 have not relapsed into crime which brings the success rate to 70.45%

HOUSE OF ASSEMBLY

*H. van der*

Orange Vaal	1 137	134	34
OFS	969	208	45
Natal	535	124	39
Cape	516	215	58
Total	4 232	1 290	368

NOTE There are also primary schools which use both English and Afrikaans as the medium of instruction

(2) Region	(a)	(b)(i)	(ii)
N Tvl	17	1	0
Highveld	2	3	0
Johannesburg	0	0	0
Orange Vaal	47	2	0
OFS	37	2	0
Natal	7	2	0
Cape	8	4	0
Total	118	14	0

(2)(a) (b)(i) and (ii) Section 3(b) of the Education and Training Act 1979 (90 of 1979)

**Public Service salaries/wages**

1109 MR C J DERBY-LEWIS asked the Minister for Administration and Privatisation

What percentage of the total amount spent jointly on salaries and wages by the departments and the organizational components referred to in section 6 (1) of the Public Service Act No 111 of 1984, in the 1981 1984 and 1987 calendar years respectively, was spent specifically on salaries and wages in respect of (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks?

(a)	(b)	(c)	(d)
1981	68.5	9.9	4.1
1984	65.5	11.3	4.3
1987	60.2	12.4	4.8
			22.6

The MINISTER FOR ADMINISTRATION AND PRIVATISATION.

**Medical inspectors at schools**

1124 Mr R M BURROWS asked the Minister of Education and Development Aid

(1) Whether any schools under his control are visited by medical inspectors for the routine medical inspection of pupils, if not, why not, if so in respect of each region in 1987, (a) how many schools were so visited, (b) what total number of pupils was examined and (c) what was the percentage of pupils examined in comparison with the total pupil population,

(2) whether any pupils requiring medical treatment were referred for such treatment, if not, why not, if so, in respect of each region in 1987, (a) what was the total number of pupils so referred and (b) what number of pupils was referred for nutritional and related reasons?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

(1) Yes

(a) Statistics in this regard are kept by the Department of National Health and Population Development since this service was rendered by that Department

(b) 118 834 (Annual report Department of National Health and Population Development, p 15)

(c) 6.3%

(2) Yes

(a) 72 730 (Annual report, Department of National Health and Population Development, p 15) This information can not be supplied per region because of regional divisions of the two departments involved are not the same

(b) See 1(a)

Time spent on subjects

1125 Mr K M ANDREW asked the Minister of Education and Development Aid

How much time is spent each week in each standard from Std 2 to Std 10 in (a) English and (b) Afrikaans medium schools or (i) English, (ii) Afrikaans (iii) the pupil's mother tongue, (iv) Mathematics (v) Geography and (vi) Physical Science?

*H. van der*

The MINISTER OF EDUCATION AND DEVELOPMENT AID

(a) English medium Schools

Subject	Allocation per week in minutes									
	Std 2	Std 3	Std 4	Std 5	Std 6	Std 7	Std 8	Std 9	Std 10	
(i) English	210	210	210	180	210	210	245	280	280	
(ii) Afrikaans	240	210	210	180	210	210	245	280	280	
(iii) Mother tongue	210	210	210	210	245	245	245	280	280	
(iv) Mathematics	210	210	210	180	210	245	210	245	245	
(v) Geography	0	60	60	90	210	210	210	245	245	
(vi) Gen Science	0	90	90	150	210	210	0	0	0	
(vii) Phys Science	0	0	0	0	0	0	210	245	245	

(b) Afrikaans medium schools

Subject	Allocation per week in minutes									
	Std 2	Std 3	Std 4	Std 5	Std 6	Std 7	Std 8	Std 9	Std 10	
(i) English	240	210	210	180	210	210	245	280	280	
(ii) Afrikaans	210	210	210	180	210	210	245	280	280	
(iii) Mother tongue	210	210	210	210	245	245	245	280	280	
(iv) Mathematics	210	210	210	180	210	245	210	245	245	
(v) Geography	60	60	60	90	210	210	210	245	245	
(vi) Gen Science	0	90	90	150	210	210	0	0	0	
(vii) Phys Science	0	0	0	0	0	0	210	245	245	

**Black teachers surplus**

1130 Mr C J DERBY-LEWIS asked the Minister of Education and Development Aid

Whether there is a surplus of Black teachers in the Republic, if so, (a) what is the extent of the surplus and (b) what steps are being taken by his Department in this regard?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

No

(a) and (b) Fall away

**Relations consultants**

1133 Dr P W A MULDER asked the Minister of Communications +

(i)

(ii)

(iii)

Advertising of Beltel (1 April 1987 - 30 June 1987)	R 323 188,73	Ogilvy & Mather, Rightford Searle-Tripp & Mahin
Research to determine the level of awareness of Beltel and thereby measuring the effectiveness of advertising campaigns	R 3 888,00	Ogilvy & Mather, Rightford Searle-Tripp & Mahin
Advertising of Beltel (1 July 1987 - 31 March 1988)	R 386 879,37	Young & Rubicam Transvaal
Strategic research in respect of Beltel with a view to marketing planning	R 60 000,00	Young & Rubicam Transvaal
Advertising of investment services	R 384 388,46	Young & Rubicam Transvaal

(250) Times 10/7/88

**MANPOWER MIRROR by ROBYN CHALMERS**

# Public servants look to trade-union rights

**PUBLIC** servants believe they are getting a raw deal from the Government and are pushing for formal trade-union representation.

The wage freeze has brought to the fore differences between private- and public-sector employees

Unions in the private sector have achieved satisfactory wage increases in most cases this year

But nurses, teachers, public servants, Sats workers and others are saddled with impotent representative bodies, and are having to get used to the idea of no general salary or wage increases this year

## Bloody strike

Architect of the Labour Relations Act and dean of the University of SA's Unisas's School of Business Leadership, Nic Wiehahn, believes that "trade unionism proper is knocking hard at the door of the white-collar worker in the public sector"

He predicts in the Independent Trade Union Guide that there will be "dramatic changes over the next few



**Nic Wiehahn ... dramatic changes due in public-sector industrial relations**

years in the public sector's industrial relations"

Signs were seen in the bloody strike by more than 30 000 railway workers in 1987 as well as calls by the 160 000-strong Sats Federation of Trade Unions for strike action and the resignation of the State President. They were protesting against the wage freeze

Legislation is the major dividing factor between private-sector workers and public servants. Public-sector workers are not allowed to strike, and for most of them the concept of collective bargaining is alien

The present structure allows for public servants, teachers, nurses and others to submit proposals and grievances to the Commission of Administration, after which there is no channel to resolve disputes

## Deep differences

Professor Wiehahn believes that the differences run deeper than legislation

"Public-sector employees are regarded as servants of the community, they are paid from taxes and it is seen as an honour to work for the State

"They render essential services to the community — it is unthinkable that the military, police, and others responsible for law, order and safety should be allowed to go on strike because of labour disputes"

Labour law does make provision for some sections of the public service to have representation, but Professor Wiehahn says that even for them the notion of trade union-

ism is still foreign and regarded with scepticism by the public

There are a few "radical" trade unions, such as one Nactu and three Cosatu affiliates, but on the whole, the culture of the representative bodies is conservative and paternalistic. They refrain from conflict, are apolitical and have a more passive relationship with management

## Backyard

A labour researcher says ideally any formalised system of labour relations should be based on six fundamental rights to work, free association, collective bargaining, withhold labour, protection against victimisation and career development.


The International Labour Organisation (ILO) believes that the public sector should be treated no differently to the private sector

ILO Convention 151 says "Unless significant changes are made in SA to acknowledge labour rights for all workers — including public servants, domestic and agricultural workers — significant labour conflict could develop in the State's backyard on the scale of the 1987 railway strike"



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## 50 000 more in state jobs

star 13/788  
(250) 

The number of state employed people increased by over 50 000 between March 1987 and March this year, the Central Statistical Service (CSS) said yesterday

According to figures supplied by the CSS in a report on public sector employment and salaries and wages, there were 1 688 151 state employees at the end of the first quarter this year compared with 1 635 278 employed at the same time last year

The total salaries and wages paid to workers in the public sector increased by 19,5 percent to R6 208 million for the first quarter of this year when compared with the R5 194 million paid for the same period in 1987

— Sapa

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Monday 19/7/88



250



30 000 public service jobs vacant — survey

# Brain drain hits govt

PRETORIA — Some state services are threatened with disruption unless there is a quick turnaround in the resignation rate in the public service.

Public Servants Association (PSA) chairman Colin Cameron said yesterday the private sector with its higher pay levels for equivalent qualifications was proving a powerful lure for skilled government workers trapped in a pay freeze

Cameron was commenting on a survey carried out by private sector consultants, which showed 33 000 posts were vacant

The survey showed not only are

GERALD REILLY

private sector organisations ignoring government's plea for salary hike moderation, but increases last year averaged 14,8%, and so far this year 15%.

The survey covered five state departments and found a staff shortage of about 13%.

The consultants found the public sector salary backlog was between 25% and 30% and, according to the PSA, by the start of the new financial year the figure would be around 35%.

Commission for Administration chairman Johan de Beer said the

number of empty posts — 33 000 of a total establishment of nearly 800 000 — obviously caused concern, but the greatest concern was the loss of qualified staff.

This raised a short-term problem for the public sector.

In the medium and long term, the private sector would be adversely affected as, without the skills, the public sector would have great difficulty in maintaining standards and providing the necessary infrastructure for economic growth.

De Beer added that the question of salaries would be given a high priority next year

● See Page 3

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LOCAL AUTHORITIES

Salary scales

250

Why should a town clerk help his council to dispose of functions, activities and assets through privatisation, when this is likely to reduce his salary, asks Cape Town's town clerk Stan Evans

He is referring to the fact that, under the Remuneration of Town Clerks Act 1988, local authorities are graded by 13 factors according to the size of their budget and responsibilities

The town clerk's salary is based on the grading Salaries of other top officials are geared to his Evans notes that, if assets are sold, the local authority's points will fall

He suggests that the system has already been abused "It seems a number of local authorities have set up museums, art galleries, camping grounds and other functions or activities calculated to increase their points "

Regional services councils operate a grading system not directly linked to size of budget Evans wants a similar system, or at least a reweighting of the current system, to apply to local authorities, especially if they are to be expected to advance government's economic policies

Evans argues that it would be ludicrous, if a town privatises most of its functions, to downgrade it and still expect to attract responsible officials and councillors "After all, the town has not grown any smaller and the local council remains its government " Others, of course, will argue that smaller government *should* be cheaper

The matter now rests with the Remuneration Board, formed in terms of the Act. Minister of Constitutional Development & Planning Chris Heunis has asked the board to consider a salary formula that would encourage the promotion of economic policy The board met on June 30 and referred the matter to a sub-committee for investigation

Johan van der Merwe, chairman of the board and the Alberton Management Committee, accepts the flaws of the rating system as a basis for salaries (it does have other uses), but notes that a full-scale job evaluation of town clerks is under way This will provide a more realistic basis for salary assessment.

Town clerks and city councils have, collectively, considerable executive influence While one must be thankful that this important question is enjoying attention, it must be asked why the legislature passed such obviously flawed legislation in the first place ■

# Now 1,67 million people <sup>STW 181718</sup> employed in public sector <sup>250</sup>

Pretoria Correspondent

The average salary in the public service is R1 238 a month.

Latest employment, salary and wage statistics released by Central Statistical Services show there were 1,67 million people employed in the public sector at the beginning of this year, 43 percent of them in central government and provincial administrations and 14 percent in local authorities

Whites earned an average of R2 070, Indians R1 512, coloureds R910, and blacks R670 a month

According to the statistics the best paid public servants were the 5 930 whites in the scientific councils with an average salary of R3 486 a month

The 234 012 whites in central

government and 55 468 in local authorities generally earned more than those 60 352 employed in provincial administrations

Central government departments were the largest employers of public servants with a total of 523 577 full-time staff. Of these 66 percent were involved in general affairs departments and 44 percent in own affairs departments.

The largest number of black full-time staff were employed in the local authorities (128 149) and government trade establishments (113 729) while those with the best pay were those employed by central government departments

● See Page 8.

Senior staff lost to private sector

# Public servants paid 40 pc less, survey reveals

Pretoria Correspondent

Public servants earn up to 40 percent less than their counterparts in the private sector

National salary surveys have shown that where the average starting salary of a young man, matriculated and with his national service behind him, is R1 100 in the private sector, it is only R800 in the public service

In the public service monthly starting salaries of graduates average from R1 100 to R2 000, by comparison, in the private sector the same graduates would start on R1 600 to R2 300, depending on their qualifications

A survey done for the Federal Teachers' Council (FTC) in September last year showed that not only were the starting salary packages of public servants lower, but average and top salaries, too

The survey showed that at the age of 22½, public servants earned about R1 250 a month, teachers R1 410 and private sector employees R1 580

A spokesman for the Transvaal Onderwysersvereniging confirmed that the survey represented total salary packages including housing subsidies, pension, medical and transport allowances

He said the gap between private and public sectors had increased to as much as 40 percent because of private sector increases of about 15 percent early this year

The survey showed that at the age of 32½, public servants earned about R2 500 a month and teachers only slightly more, compared to the R3 200 earned by employees in the private sector Ten years on (at 42½), public servants had almost "caught up" to the R3 200-a-month mark, but by this time the average private sector employee could be earning about R4 080

Salaries peaked at about R4 500 a month at the age of 47,5 in the private sector, but only 2½ years later (age 50) in the public service At this stage teachers earned an average R3 750 and other public servants R3 600

The survey bears out the experience of the employee organisations in both the public service and teaching — that the staff lost from these areas to the private sector are often those with 10 to 20 years' experience and in fairly senior positions but earning 20 to 40 percent less than their contemporaries in the private sector

Mr Cas van Rensburg, deputy director of the Public Servants' Association, said these people were usually permanently lost to the public service because it cost too much to entice them back

His concern was shared by the chairman of the Commission for Administration, Dr Johan de Beer, who said interchange between the public and private sectors was usual, but when the economy was up the traffic tended to be "one-way"

Star 18/7/88

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18/7/88

# Spending sailing close to target

B/day 22/7/84 (50)  
HAROLD FRIDJHON

GOVERNMENT spending in the first quarter of the current fiscal year rose to R12,978bn from R11,944bn in the three months ended June 30 1987.

This is an increase of 8,6% without taking into account the discount on the sale of government bonds issued below their nominal values

On a gross basis, including the discount on government bonds, the increase is 12,9% compared with Finance Minister Barend du Plessis' Budget forecast of holding State expenditure down to a 12,6% rise on the previous year.

Total spending before additional appropriations was estimated to be R53,865bn, that is at a monthly rate of just under R4,5bn, which would be R13,5bn a quarter. In the three months to June gross expenditure totalled R13,861bn

## Imports

Revenue for the period amounted to R8,772bn, up by 20,3% on last year with a sizeable increase in customs and excise receipts — largely because of a big jump in imports — and a relatively modest gain from inland revenue.

The deficit before borrowing, R4,7bn, was comfortably financed by the sale of government bonds amounting to R6bn and spread right across the maturity spectrum, with emphasis on short-to-medium-dated securities

Sales of the RSA 10,5% 1991 amounted to R1,385bn while in the longer-dated stocks R606m was sold of the 12,75% 1999. The Public Investment Commissioners bought R1,2bn of the 13% 2005 issue.

The Treasury sold heavily into the bond market during June but payment for these stocks will come into account only this month

# High hopes on pay deals

PRETORIA — A new deal for central government workers in pay disputes is expected to be made law next year.

After lengthy discussions between the Public Servants' Association and Commission for Administration a recommendation has been made to Cabinet that negotiating machinery should be set up providing for arbitration.

The association said that now central government workers could make representations on pay only to the commission

The Public Service Advisory Council was, said the association, a mule with no real powers to back demands.

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GERALD REILLY

Association GM Hans Olivier said he hoped legislation would go through Parliament next year to provide for negotiating machinery

If it did it would be used for the first time in negotiations for pay hikes for the 1990-1991 financial year.

He added that legislation would end the take-it-or-leave-it system which left staff associations powerless.

Senior public servants are confident that, after the current pay freeze, increases of about 20% will be granted from April at the latest

# 'BLACK MINISTERS TO PAVE THE WAY'

GLEN SHELTON

GOVERNMENT proposals for the inclusion of blacks in the Cabinet could help prepare white opinion for more far-reaching change and lead to negotiations with "real" black leaders.

So argues Professor Lawrence Schlemmer, director of the Centre of Policy Studies at Wits, in a paper on various political or ideological strategies in a changing SA, released last week.

Schlemmer says the inclusion of black Ministers or Deputy Ministers in a general affairs Cabinet will be greeted with cries of outrage, both nationally and internationally, since it will be seen to threaten the prospects of participation of the "real" leaders of black people.

"On the contrary, it may facilitate eventual negotiation with the real leaders," he says.

## Reassurance

"One may postulate that so-called moderate blacks in the SA Cabinet will reassure many hesitant white voters that at least some black politicians can be on their side (a very necessary concept for any form of effective power-sharing).

"It will make the idea of a mixed government seem increasingly 'normal' and it may even induce some of the recognised extra-parliamentary black leadership to begin thinking concretely about terms of negotiation."

He says the ultimate interest of white power will become increasingly vexed.

Schlemmer describes his article as a contribution to the critical assessment SA of strategies which are taken for granted or came from ill-thought-out popular wisdom.

He says there is a growing sense of the need for "more flexible, creative and realistic" strategies for change among key opinion-leaders within SA.

# NEW APPOINTMENTS AT

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*em-Trans 11/88*  
**Bargaining deal  
for public sector**

**250 Own Correspondent**

PRETORIA. — The framework of a new collective bargaining system for public servants has been submitted to the cabinet.

It is backed by a memorandum from the Commission for Administration and provides for "impartial" arbitration in the event of deadlocked salary negotiations.

The issue of greater involvement of public service staff associations in determining salary increases and other employment conditions has been a problem for years.

Until now, the public sector had to accept the deal handed them by the cabinet.

Friday, August 9 1988

Rises by negotiation on way

# Talks deal for civil servants

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PRETORIA — New salary negotiating machinery for the three pillars of the public sector — Sats, the post office and central government — is expected to be implemented next year.

Until now the whole of the sector has been lumped together — all three getting the same pay rise deal

The aim of the Public Servants' Association is to secure the right to contest arbitrary increases — and pay freezes like the one imposed in the current financial year — handed them by Cabinet

Senior post office officials have had discussions with the seven postal unions on a new bargaining process, which the unions say will have to include the right to go to arbitration

GERALD REILLY

if a salary hike is unacceptable  
One of the unions — the Posts and Telegraphs Association — has submitted a demand for a pay hike of 25% from January.

The Federal Council of Sats trade unions' claim for 17% increases, however, backdated to April, comes before an arbitrator in Johannesburg tomorrow.

Transport Minister Eli Louw has approved the establishment of a labour council, chaired by labour expert Nic Wiehahn, as a basis for a new salary negotiating deal for Sats workers

At the biennial PSA congress in East London next month the salary issue will top the agenda.

Unions slam Sats' 'inflexible' stance

# Public servants get tough on wage issue

Pretoria Correspondent

Public servants are getting tough over wage negotiations with new action, including protest meetings, planned in the week ahead

The new stance emerged on Tuesday as South African Transport Services (Sats) unions withdrew from a salary negotiation commission and teachers renewed their call for general salary increases

It was also revealed that the public service had a shortage of 42 percent of key financial personnel and steps were being taken to upgrade the qualifications and positions of senior state accountants

The Federation of South African Transport Services' Trade Unions (FSATSTU) has slammed Sats'

attitude towards its demand for a 17 percent salary increase, back-dated to April this year, as "inflexible and uncompromising"

FSATSTU withdrew from a hearing on its salary demands on Tuesday and was expected to arrange report-back meetings with its 160 000 members countrywide, at which it will ask for a mandate to instigate new salary negotiations.

The mood among Sats workers is similar to last year when, in a series of mass meetings, railway employees threatened to strike, though in terms of legislation they were barred from such action

Mr Abraham Koekemoer, general secretary of FSATSTU, said transport workers had sought the undertaking of the commission, appointed by the Minister of Transport to settle the salary dispute between the unions and Sats, that not only the 17 percent figure, but also a lesser figure, be considered.

FSATSTU would not accept the commission's "six or nix" attitude — that, if it could not substantiate a 17 percent claim, they would get nothing at all — and believed it reflected badly on Sats's labour relations

The Teachers' Federal Council (TFC) is to meet the Minister of National Education, Mr F W de Klerk, next Wednesday to renew its urgent pleas for general salary increases

The teachers' mood was indicated in a strongly worded editorial in *Mondstuk*, the monthly newspaper of the Transvaalse Onderwysersvereniging, which asked if, considering the "destructive" results of the handling of the teachers' salary matter, more efforts could not have been made to find alternative solutions to the Government's predicament

# Cabinet gets proposal for new bargaining system

PRETORIA — The framework of a new collective bargaining system for public servants has been submitted to Cabinet

It is backed by a memorandum from the Commission for Administration and provides for "impartial" arbitration in the event of deadlocked salary negotiations.

The issue of greater involvement of public service staff association's in determining salary hikes and other employment conditions has been a ~~feeling problem for years~~ Until now all associations — actu-

GERALD REILLY

ally throughout the public sector, including Sats and the association for post office workers — had to accept the deal handed them by Cabinet

There was no recourse if deals were unacceptable.

It was a take-it-or-leave-it situation and workers were forbidden by law to strike in support of claims.

A task group consisting of representatives of four staff associations and the Commission for Administration, and a sounding-board committee

was established to prepare the framework of the new deal.

If Cabinet accepts the recommendations a bargaining council will be formed with representatives from government and the staff associations.

If, according to the Public Servants' Association journal, the bargaining body fails to reach a settlement, provision is made for an arbitration panel consisting of "independent and impartial members".

Government and staff associations

would appoint an equal number of representatives to the panel.

Quoting labour expert Nic Wiehahn, the journal says government workers were ready for greater bargaining power.

The country was fast moving away from paternalistic attitudes and people wanted to share in decisions that affected them, the journal adds.

Wiehahn also said job security in the public sector had become almost as vulnerable as in the private sector.

LABOUR Relations Act architect Nic Wiehahn's warning that "trade unionism proper is knocking hard on the door of the white-collar worker in the public sector" seems to be well founded

Public-sector demands for more pay are becoming increasingly persistent as employees become aware of the strength of union pressure

White employees in the public sector constitute a powerful pressure group. About 40% of the white electorate is employed in the public sector

Government moves on political reform and economic issues which involve the public sector affect a large body of the electorate

FSA Industrial Relations director Mike Beaumont says this has in the past caused the Government to pay particu-

# Public servants begin to chafe at Govt bit

*STimes 2/11/88 (250)*

lar attention to conditions in the public service

"Historically, civil servants enjoyed a high level of job security. The perception existed that the Government and civil servants often shared common goals in the broad context of employment where the civil servants were required to carry out Government policy"

But times are changing. The Teachers Federal Council (TFC) is pressing the Government for pay increases. Both the teaching profession

and central government have been plagued by resignations

White-collar trade unionism has increased in the public sector. The White Workers Union claims a large and growing membership, but refuses to release figures

Mr Beaumont says it can be argued that there is a belief among public servants that the Government is not looking after them. This is contrary to previous experience. As a result they are less inclined to accept Government policy and have be-

come more independent in their views

He believes the reasons for increased unionisation are

● Employee dissatisfaction about the Government's wage freeze

● The spread of black unionism in the public sector

● The possible loss of common identity between public servants and the Government

● Privatisation

Industrial action in the public sector increased in 1987, notably in the Post

Office and SA Transport Services. Sats strikes in particular were marked by violence and intimidation

Mr Beaumont wonders whether it could be argued that this has created an impression among white public servants that a less compromising and more aggressive style of industrial relations is likely to be effective

"The leadership functions in the unions in the public sector are likely to have a significant impact on the direction of these unions"

the past 10 years, if so, (a) what aspects in respect of each such department and organizational component and (b) when in each case,

(2) whether such privatisation has resulted in financial gain to the State, if so, what steps were taken in respect of the funds so gained?

**The MINISTER FOR ADMINISTRATION AND PRIVATISATION**

(1) Privatisation in the form of farming out of work has been taking place for many years over a wide spectrum of government functions. Complete details are not available. Since the Government's privatisation program was launched during December 1985, the following activities have been privatised in full:

- (a) (i) The grading of butter and cheese by the Department of Agricultural Economics and Marketing was ceased and is at present being undertaken by the dairy industry.
- (ii) The regulating of cotton standards by the Department of Agricultural Economics and Marketing was handed over to the Cotton Board.
- (iii) The Department of Transport entered into agreements with two consortiums for the con-

struction and maintenance of certain roads for a period of 25 years and to run these as toll roads

- (b) (i) 1 January 1987
- (ii) 1 November 1987
- (iii) 22 and 25 March 1988

(2) As no assets have been alienated, there was no financial gain. However, there was a reduction in operational costs and consequently a saving in expenditure to the State.

**Debt long-term/short-term**

1116 Mr C J DERBY-LEWIS asked the Minister of Communications

(1) What was the total long-term and/or short-term debt of his Department as at the end of the (a) (i) 1982-83 and (ii) 1984-85 financial years and (b) latest specified financial year for which figures are available.

(2) How much of this debt in each such financial year was attributable to foreign exchange losses?

**The MINISTER OF COMMUNICATIONS**

(1) The total long-term and short-term debt of the Department at book value at the end of the financial years indicated was as follows:

	Long-term debt (Foreign and Domestic loans)	Short-term debt (Savings Bank Investments)
(a) (i) 1982/83	R 756 444 497	R1 781 994 617
(ii) 1984/85	R1 908 067 849	R2 129 003 713
(b) 1986/87	R2 971 527 041	R3 442 895 403

(2) None, since foreign exchange losses in the financial years in question were not financed from borrowed funds but from revenue and accounted for as financing costs.

**Public Service salary levels**

1131 Dr P W A MULDER asked the Minister for Administration and Privatisation +

(1) (a) (i) How many persons in the Public Service, including all statutory institutions

(2) whether he will furnish particulars of the persons, excluding present ministers and

deputy ministers, who are at present remunerated at the said two levels, if not, why not, if so, (a) what are their names and (b) what posts are occupied by each of them?

**The MINISTER FOR ADMINISTRATION AND PRIVATISATION**

(1) (a) (i) (aa) and (bb) None

(ii) 1 May 1988

(b) Falls away

(2) (a) and (b) Fall away

**Public relations/advertising consultants/agencies**

1132 Dr P W A MULDER asked the Minister of Home Affairs +

Whether any division or directorate of his Department made use of external (a) public relations consultants, (b) public relations agencies, (c) advertising consultants and/or (d) advertising agencies in the 1987-88 financial year, if so, (i) for what projects, (ii) what total amount was spent on each project, (iii) what consultants and/or agencies were involved in each project and (iv) what procedure was followed in allocating these projects to agencies and/or consultants?

**The MINISTER OF HOME AFFAIRS**

(a) to (d) No

**Regional magistrates: change to conditions of service**

1178 Mr C J DERBY-LEWIS asked the Minister of Justice

(1) Whether his Department has permitted a change to be effected to the conditions of service of regional magistrates, if so, (a) what change, (b) when and (c) why,

(2) whether any (a) (i) complaints and/or (ii) charges have been laid, and/or (b) other steps have been taken, against his Department for permitting this change to be effected, if so, what are the relevant details,

(3) whether he has at any stage given an undertaking to the regional magistrates in question, if so what undertaking,

(4) whether he has honoured this undertaking, if not why not?

**The MINISTER OF JUSTICE**

(1) to (4) It is the function of the Commission for Administration to make recommendations or give directions concerning the conditions of service of regional magistrates. There is however (and always has been) an ongoing exchange of communication between the Department, the officials for whom it is responsible and the Commission on conditions of service. The Department is not in a position to permit or not to permit changes in conditions of service. It is not possible to identify any issues to which the Honourable Member may be referring. If he can be more specific in his question, I will attempt to give him the information he requires.

**Tugela Ferry police station: convictions of offences**

1186 Mr P C CRONJE asked the Minister of Justice +

(1) How many convictions were obtained in each of the latest specified five calendar years for which information is available, in respect of persons charged at the Tugela Ferry police station with (a) murder, (b) culpable homicide and (c) assault with intent to do grievous bodily harm,

(2) (a) how many persons convicted of offences in each of these three categories, received heavier sentences than five years imprisonment and (b) what were the sentences in each such case?

**The MINISTER OF JUSTICE**

The required information is not readily available. To obtain the information all court records pertaining to the crimes concerned will have to be examined.

**KTC area, progress in upgrading**

1214 Mr K M ANDREW asked the Minister of Constitutional Development and Planning

Whether, with reference to his reply to Question No 120 on 23 February 1987, any further progress has been made in the upgrading of the KTC area, if not, why not, if so, what aspects of this upgrading (a) has been and (b) remained to be completed as at the latest specified date for which information is available?

# 177 residences for govt officials in SA

SA has 177 official residences including two for the President, Minister of Public Works and Land Affairs Pietie du Plessis said yesterday

It was not possible to reveal the costs of maintaining the President's two residences in Cape Town and Pretoria, as separate figures were not kept in respect of maintenance costs, he said

Du Plessis, replying to a question from the CP's Clive Derby-Lewis, said the other 175 official residences were for "Ministers, Deputy Ministers, certain

23/8/88  
Political Staff  
B10ay (250)  
office bearers of Parliament and the President's Council, the Administrator-General of Namibia, Commissioners-General, the heads of SA missions in foreign countries, chief judges in Bloemfontein and Mafikeng, chairman and members of the Commission for Administration and the heads of certain government departments"

In reply to a question from Roger Burrows (PFP, Pinetown), Du Plessis

said his department was responsible for administering Acacia Park in Cape Town, where some House of Assembly MPs and officials stay during Parliamentary sessions, Laboria Park, where House of Representatives MPs and officials stay, and Pelikan Park, for House of Delegates MPs and officials

There were 144 people employed at Acacia Park including 125 garden labourers, 22 at Laboria Park including 13 garden labourers and 32 at Pelikan Park including 18 garden labourers

Nat bid to win moderate voters

# PW 'surprised Cabinet' with reform moves

*6/Day*  
*238/88*



Business Day Reporter

PRESIDENT P W Botha even took some of his Cabinet Ministers unaware when he announced proposals to draw Africans into the process of government "at the highest levels", said Quarterly Countdown, the SA Institute of Race Relations' monitor of political reform.

This was because the proposals were announced in April soon after 19 organisations were restricted by government and at a time when reform, and in particular plans for the National Council, seemed to have come to a standstill

The proposals, which aimed to give Africans a say in central government decisions without granting them parliamentary representation, consisted of plans for:

- A National Council to prepare a new constitution and to provide a forum that would grant Africans a voice in the process of government "on an interim basis";
- African inclusion in the Cabinet and the President's Council;
- The establishment of regional

councils for Africans outside the homelands.

Countdown said one of the reasons for the announcements at this particular time was the CP gains in by-elections in Randfontein and Schweizer-Reneke. The NP had concluded it could not win back right-wing voters by stalling its reform programme.

NP members believed the only way to make new gains at the polls was to appeal to the white "moderate" voters by reviving its reform programme.

NP MPs such as Boy Geldenhuys had argued that government's failure to spell out plans for African participation in central government was creating uncertainty and driving NP supporters into the CP camp.

Officials told Countdown the proposals were primarily an attempt to remedy this before the October municipal elections.

## Helderhero project delay



# 177 residences for govt officials in SA

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Political Staff

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There were 144 people employed at Acacia Park including 125 garden labourers, 22 at Laboria Park including 13 garden labourers and 32 at Pelikan Park including 18 garden labourers

# A handy device to enforce the Govt's will

CAPE TOWN — The President's Council is running the country

President Botha and his Nationalist Cabinet are still really in charge but the laws are now being made by the President's Council, a largely nominated body not directly answerable to the electorate

Government spokesmen will contradict this statement, saying the President's Council is merely enforcing decisions taken by the House of Assembly which was directly elected and answerable to the white electorate

But the fact is the House of Assembly cannot make decisions on its own. In terms of the 1983 Constitution it must make decisions on general matters jointly and equally with the other two chambers of Parliament — the House of Representatives and the House of Delegates

If just one of these refuses to go along with the Assembly, Parliament is in deadlock and the President's Council makes the decision

That is the situation in this short sitting of Parliament because the House of Representatives has adjourned and refuses to pass any legislation

The Assembly continues to churn out a variety of draft laws but, if the Government wants to put them on the Statute Book, it will have to take them to the President's Council

This, says Labour Party leader the Rev Allan Hendrickse, makes a mockery of consensus and a farce of joint decision-making

The 60-member President's Council is therefore suddenly in the spotlight

What is the President's Council, what does it do, where does it fit into the constitutional structure and who sits on it?

In terms of the Constitution the President's Council has several functions

**By DAVID BRAUN, Political Correspondent**

Although government spokesmen may deny it, the country's laws are being made by the President's Council, a largely nominated body not directly answerable to the electorate

It shall, at the request of the State President, advise him on any matter he refers to it for its advice (excluding draft legislation) which, in its opinion, is of public interest

It shall make a decision with regard to legislation referred to it by the State President

The State President may refer to it any legislation which has been rejected by one or two of the Houses of Parliament, or legislation which has been passed in different versions by the Houses

In such a situation the President's Council may recommend that a Bill passed by just one House be presented to the State President for assent, or that it shall not be so presented

In the case of different versions of a Bill being passed by the Houses, the President's Council must decide which one must be presented for assent

The key to the deadlock-resolving functions of the President's Council is made up of

- 20 members designated by majority vote in the Assembly (in other words, Nationalists).
- 10 members designated by majority vote in the House of Representatives (members of the Labour Party)

- Five members designated by majority vote in the House of Delegates (at the time of composition of the current council, members of the National Peoples' Party)
- 25 members appointed by the State President of whom 10 shall be nominated proportionately by opposition parties in the various Houses (six in the Assembly, three in the House of Representatives and one in the House of Delegates)

Thus it may be seen that the in-built majority of the National Party Government is 35 members out of the 60-seat Council

These 35 members can be said to represent the Government's 122 directly elected MPs while the remaining 25 represent the combined total of 164 MPs of all the other parties in Parliament

This is no quirk of the Constitution, it was deliberately designed that way to ensure the National Party could continue to hold all the power in emergencies

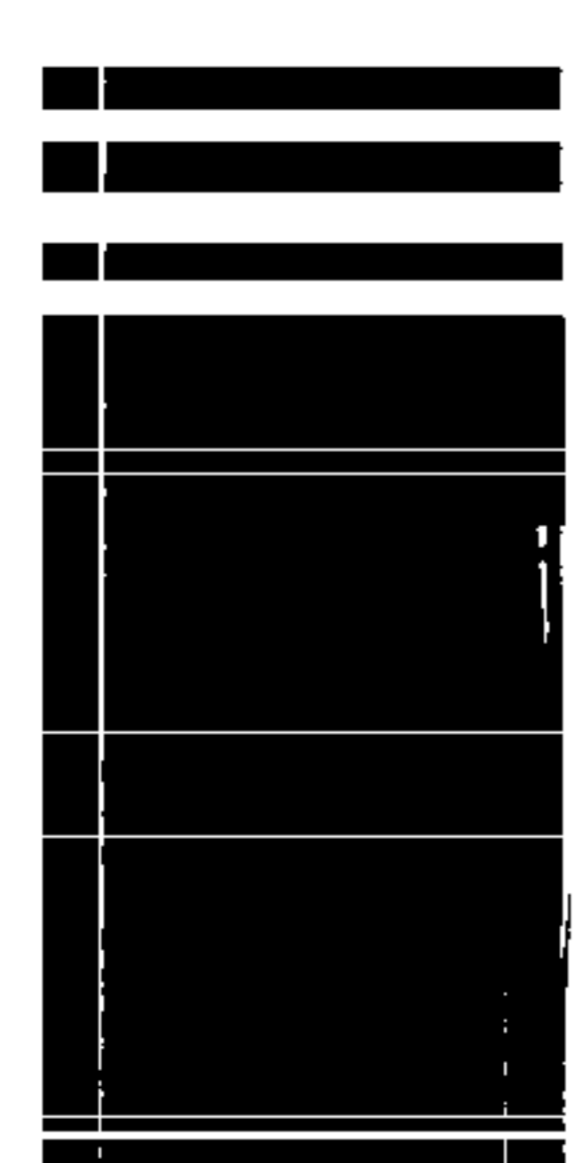
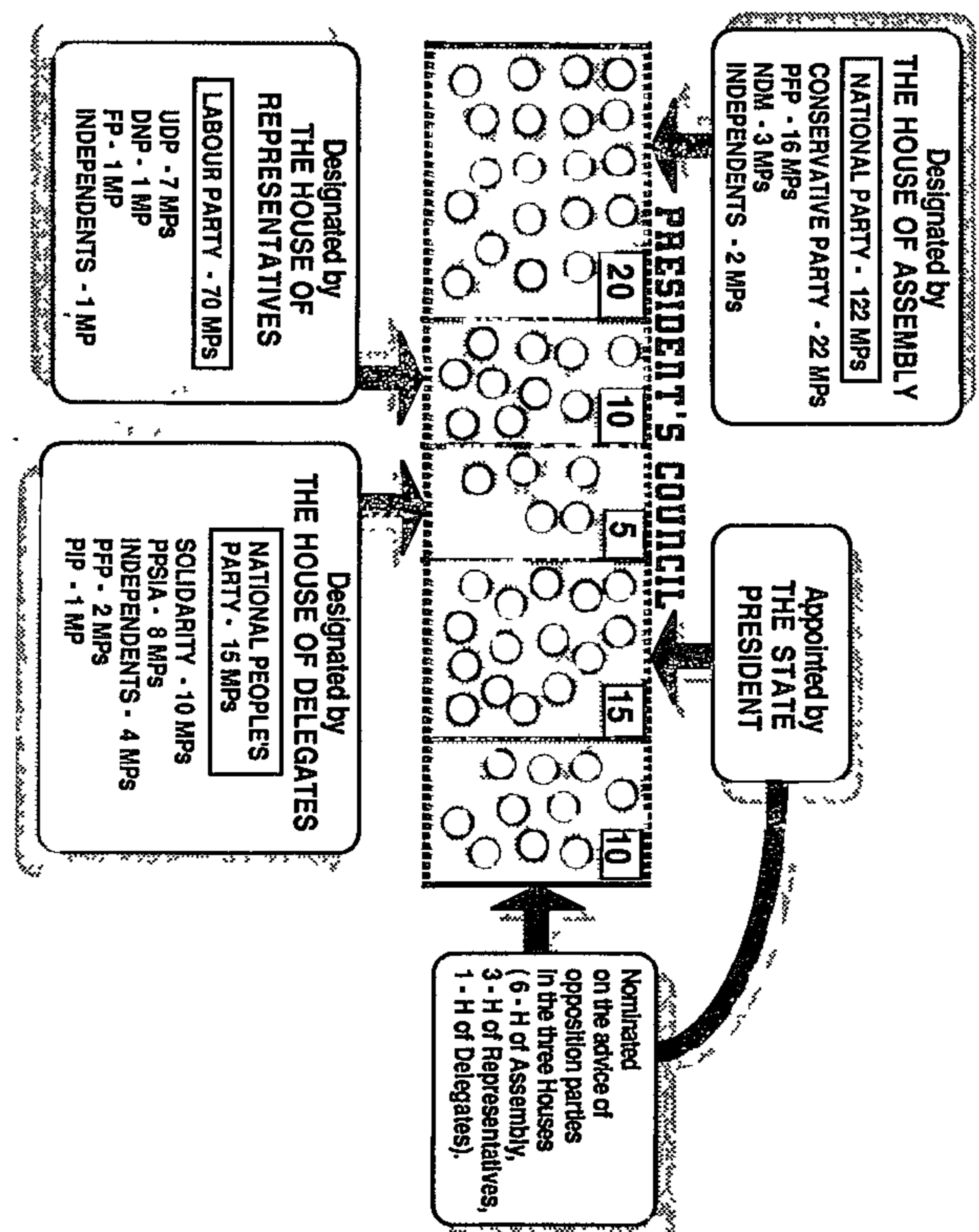
The quorum of the Council is 30, so there is no prospect that it could be crippled by a walkout of all the non-Nationalists

In practice, the President's Council has been largely used as a form of political graveyard, a place where the political parties can hand out largesse to old and faithful friends

President's Councillors earn the same package as members of Parliament — about R58 000 a year plus other fringe benefits

The Council usually sits for about two weeks a month and, until now, has mostly kept itself busy with investigations either commissioned by the President or itself

But its real use to the Government is as a handy device to force its will on Parliament



Department of Justice moves to curb exodus

# Govt's lawyers will get pay hikes earlier

250  
B/Day 26/8/88

GOVERNMENT had decided to advance salary increases to September for legal staff in the Department of Justice — to stop the loss of experienced lawyers which had reached unacceptable levels, Justice Minister Kobie Coetsee said yesterday.

The increases, which were to have come into effect on November 1, will now be implemented on September 1.

Coetsee said the number of resignations by August 1 showed that the salary increases could not wait until November 1

"During the past few years, more and more experienced legal staff re-

## Business Day Reporter

signed from the Department of Justice to accept positions outside the public service"

□ GERALD REILLY reports from Business Day's Pretoria bureau that Public Servants' Association (PSA) GM Hans Olivier said resignations from key areas of the public service had reached a point where immediate and drastic action was called for from government.

A Justice Department official said 178 officials with law degrees resigned in the first seven months of this year, 179 last year, 125 in 1986 and 68 in 1985

Olivier said the PSA had warned

government repeatedly that a critical staff situation was being created because of resignations

"What has happened in the Department of Justice is exactly what is happening in other branches of the service"

A break-down point in some services would soon be reached unless government acted to stem the flood of discontented workers

Olivier said "What is most disturbing is even if government grants substantial pay hikes, most of those who have left the service are lost to the service for good.

"We warned months ago that resignations were crippling some services and now it seems the panic button has been pressed"

Incredible perks, says PFP MP

# 'FAT CAT'

w/ ARGUS  
25/8/88  
250  
~~300~~

# MINISTERS

by BRUCE CAMERON  
Political Staff

**WHILE** ordinary South Africans are being told to pull in their belts, Cabinet Ministers are comfortably letting theirs out.

Their fat-cat image has never been plumper and not even half the story of their self-indulgent spending is known, says Mr Peter Soal MP (PFP Johannesburg North)

In the past few months Mr Soal has been attempting to establish the details of some of the extravagances

Firstly, through a series of questions in Parliament he found out that Cabinet Ministers last year spent R159 291 of the taxpayers' money on Christmas cards for friends and colleagues, with individual cards costing up to R4,50

But when he attempted to check up on reports of how Cabinet Ministers spare nothing in decorating and redecorating their offices and official homes both in Cape Town and Pretoria, he got nowhere

### R600 postboxes

He was told by the Minister of Public Works and Land Affairs, Mr Pietie du Plessis, that the "information is not readily available"

He was, however, prepared to say the repair and maintenance of State-owned buildings in the Pretoria area cost R62-million last year and R26,4-million in Cape Town

### New cars for MPs at R7,8-m

The taxpayer is about to pay out R5,8-million for a fleet of new cars for MPs.

Next month, with the fourth anniversary of the tricameral system, the 140 members of the House of Delegates and Representatives become eligible for new cars.

Every MP is entitled to a car every four years with a purchase price of R42 000

On top of this they are given about R250 a month for running expenses.

Because of elections and the turnover in the House of Assembly, the 170 members' cars are issued on a more staggered basis

"It is time they came out of their protected luxurious environment and joined the human race to see how the average citizen struggles"

The 34 ministers of govern-

ment in own and general affairs each receive a salary of R137 000 a year and they have luxury homes in Pretoria and Cape Town for which they pay a nominal rent

They have chauffeur-driven, fuel-eating luxury German cars, as well as a second "personal" car for which they are given an allowance covering all costs, including the purchase price

They travel free for life on SAA. Some even arrive by SAAF helicopter for party affairs

They receive free television sets, video recorders, flowers and vegetables

Their expense accounts are enormous. Their wives often accompany them on trips both local and overseas — compliments of the taxpayer.

"Life is sweet in the Cabinet and oh so easy to then tell the ordinary taxpayer to do his patriotic duty and protect the economy," Mr Soal said

These figures were dramatically up from the R27-million spent in Pretoria in 1974 and R16,9-million in Cape Town

It was in 1984 that the Department of Public Works was installing R600 postboxes at the new homes for the new tricameral Cabinet Ministers

Mr Soal is convinced there is a splurge of self-indulgent spending "while the genuine grievances of teachers and civil servants are rejected in a cavalier fashion".

"It shows how completely out of touch the Cabinet is with the ordinary people

Local Councils Act: draft regulations

\*6 Mr R R HULLEY asked the Minister of Local Government and Housing

(1) Whether, with reference to his reply to Question No 5 on 15 March 1988, the draft regulations required by section 6 of the Local Councils Act, No 94 of 1987, have been published, if not, why not, if so, (a) when, (b) what has been the response thereto, (c) when is it anticipated that the (i) regulations will be promulgated and (ii) first local councils will be brought into existence,

(2) whether any further developments have taken place with regard to the six local areas which had applied for local council status by 15 March 1988, if so, what developments in each case?

THE MINISTER OF LOCAL GOVERNMENT AND HOUSING

(1) No The concept of Local Councils is new in local government affairs and a variety of matters have to be taken into account in the preparation of regulations to ensure the orderly establishment of local councils. For this reason a private Law Consultant and expert in Local Government affairs has been appointed to prepare the regulations which, on account of their comprehensiveness, could not be provided to me on the anticipated date. The draft regulations have recently come to hand and I have requested the comments of the United Municipal Executive of South Africa. I am likewise requesting the comments of the Association of Combined Divisional Councils, the Administrators of Provincial Administrations and those institutions in Local Areas which have already indicated their interest in establishing Local Councils. I expect these comments by 23 September 1988. After the comments have been considered the regulations will be finalised and promulgated. This will enable me to proceed with the establishment of local councils. I refer to my recent interview with the hon member for Constantia, when I informed him of the developments, and I shall be pleased to receive his comments on the

*Handwritten signature: H. H. H. Howard*

draft regulations

(a), (b) and (c) (i) and (ii) fall away. I may add that services in local areas are being rendered by the Western Cape and Algoa Regional Services Councils by virtue of agreements I have entered into in this regard.

(2) No Please refer to my aforementioned reply.

Bodies from 14 Local Areas have since applied for the status of local councils.

Mr R R HULLEY Mr Chairman, arising from the hon the Minister's reply, I take the opportunity to thank the hon the Minister for giving me insight into the draft regulations and I will certainly respond accordingly, but I would like to ask him whether he is able to give an assurance that all possible steps will be taken to establish these bodies on 26 October or as close to that date as possible, so that they may be part of the setting up of the regional services councils thereafter.

The MINISTER Mr Chairman, we will do our utmost to achieve that as soon as possible after 26 October. That is our intention.

For written reply

General Affairs

Independent Black states criteria for budgetary

1141 Mr C J DERBY-LEWIS asked the Minister of Foreign Affairs

(1) What criteria are used in determining the amount of budgetary aid to be allocated to the four independent Black states,

(2) whether his Department has information on the total amount budgeted by these states during the latest specified five-year period for which figures are available, if so, what percentage of this amount was contributed by the Republic during this period?

The MINISTER OF FOREIGN AFFAIRS

(1) Since the establishment of the Joint Financial Adjustment Committees between South Africa and the TBVC States, multi-year adjustment programmes have been launched which are used as a guideline for determining the extent of budgetary aid. These multi-year programmes in short

should ideally entail an increase in budgetary assistance of 25% per annum (with 1986/87 as the basis year), the growth rate in current expenditure being limited to 10% per annum and that in respect of capital expenditure, use be made mainly of concessional funding in order to facilitate a 20% growth per annum in total capital expenditure. At the same time the own revenue of the TBVC States should increase by 20% per annum. The main purpose of this programme is to reach a break-even point between revenue and expenditure in 1991/92 which will eliminate the necessity of mobilising any bridging finance.

In terms of the multi-year adjustment programmes, task teams, consisting of officials from RSA Government Departments, the Development Bank of Southern Africa and the respective independent states, jointly meet on a regular basis to pay penetrating attention to each state's draft budget as well as to discuss other important budgetary matters which during the course of a financial year may require special attention.

As regards a more equitable approach to budgetary aid, the South African Government is still of the opinion that the system of norms and standards should form the basis for future financial relations between South Africa and the TBVC States. Due to various reasons this system could not be implemented up until now.

However, the Multilateral Technical Committee on Finance reached consensus

(2) The required information is furnished in the table here below

	Transkei R million	%	Bophutha- swana R million	%	Venda R million	%	Ciskei R million	%
1984/85	R896,9 <sup>1)</sup>	26,2 <sup>3)</sup>	R1 029,3 <sup>1)</sup>	5,1 <sup>3)</sup>	R245,2 <sup>1)</sup>	51,5 <sup>3)</sup>	R459,8 <sup>1)</sup>	41,5 <sup>3)</sup>
1985/86	R1 180,3 <sup>1)</sup>	26,1 <sup>3)</sup>	R1 270,9 <sup>1)</sup>	14,5 <sup>3)</sup>	R274,5 <sup>1)</sup>	48,6 <sup>3)</sup>	R606,0 <sup>1)</sup>	36,8 <sup>3)</sup>
1986/87	R1 312,7 <sup>2)</sup>	29,3 <sup>4)</sup>	R1 410,7 <sup>2)</sup>	13,1 <sup>4)</sup>	R399,5 <sup>2)</sup>	44,3 <sup>4)</sup>	R729,0 <sup>2)</sup>	36,6 <sup>4)</sup>
1987/88	R1 604,4 <sup>2)</sup>	33,6 <sup>4)</sup>	R1 662,3 <sup>2)</sup>	21,6 <sup>4)</sup>	R514,8 <sup>2)</sup>	44,3 <sup>4)</sup>	R947,0 <sup>2)</sup>	35,3 <sup>4)</sup>
1988/89	R1 952,0 <sup>2)</sup>	34,5 <sup>4)</sup>	R1 746,0 <sup>2)</sup>	25,0 <sup>4)</sup>	R568,0 <sup>2)</sup>	49,5 <sup>4)</sup>	R1 068,5 <sup>2)</sup>	38,5 <sup>4)</sup>

Notes

- 1) Actual expenditure according to Auditor-General reports
- 2) Total estimates of expenditures (original as well as additional estimates of expenditure)
- 3) Direct financial assistance by South Africa as a percentage of actual expenditure
- 4) Direct financial assistance by South Africa as a percentage of total estimated expenditure

*Handwritten signature: Howard*

# Salary rises likely for key civil servants

AR665 250  
30/8/88

The Argus Correspondent

PRETORIA. — Certain groups in the public service could get salary adjustments before the end of the year as government concern over the number of resignations and shortages in certain key departments continues to grow

This follows the announcement by the Minister of Justice, Mr Kobie Coetsee, that lawyers in the public service would get increases from September 1

However, Mr Ian Robson, secretary of the Commission for Administration, has warned that the increases will be for certain, already identified occupational groups, a small percentage of the public service workforce

The size of the increase and the date from which it would be effective would depend on the urgency of the need and the availability of money, Mr Robson said

## Competitiveness

Occupational adjustments have been made annually in recent years in an attempt to ensure moderate competitiveness between key groups in the public and private sectors.

There was concern at the number of resignations in the public service and particularly at the loss of experienced personnel to the private sector. Occupational adjustments could place the public service in a better position to retain these staff, Mr Robson said.

Although general salary increases were announced — the last was the 12,5 percent increase in June last year — Mr Robson said it was not government policy to release details of occupational adjustments



Picture HANNES THIART, the Argus

**TRICKS FROM TAIWAN:** A barrel of fun in the form of 26 youngsters from the Republic of China enthralled an audience at the Wynberg Indoor Sports Centre with their expertise with unlikely objects. The Chinese Youth Folk Sports Troupe are on a goodwill tour of South Africa and will perform in Stellenbosch today. Here Hsu Yi-Yang juggles a shuttle-cock while Wang Yi-Yun shows what can be done with a Chinese toy called a diablo.

## Electric blanket fire razes home

A SHORT circuit in an electric blanket is believed to have started a fire which destroyed a house in Somerset West. Damage is estimated at about R200 000

The fire started about 6 20pm yesterday while the occupants, Mrs Winifred Barrie and Mrs Hester Evans, were in another part of the house. They fled, and flames had burst through the roof when the fire brigade arrived — Staff Reporter

# Vague promises fail to block skills drain

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20/8/78

PRETORIA — Senior state workers said yesterday the manpower drain from the public sector was deteriorating into a major crisis as government delayed concrete announcements about pay increases

The sources added that, although the Commission for Administration was unable yesterday to provide resignation figures since January, the drain was worsening, particularly among professional and skilled workers

The pay issue will top the agenda of the Public Servants' Association annual meeting in East London next month.

Administration and Privatisation Minister Dawie de Villiers will open the meeting and hopes are high, particularly against a background of October's municipal elections, that he will give a firm indication of

GERALD REILLY

what public sector workers can expect. At the weekend Education and Training Minister Gerrit Viljoen said government was "painfully" aware of the backlog in public sector pay and would tackle the issue as soon as possible

Similar vague undertakings have been given by National Education Minister F W de Klerk to teachers and by De Villiers to state department workers

The Teachers' Federal Council warned yesterday the drain of high-level educators could only worsen in the absence of more definite information on pay

It estimates educators' salaries are running 38% behind those paid to workers in the private sector

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Mr. De Villiers in Monday

# Anatomy of the Botha Cabinet

The Cabinet is currently composed of the State President and 17 Cabinet Ministers. Formally it is the most important body in the South African parliamentary system. It is the effective policy making body. Yet rarely is it asked: What kind of background does a member of the Cabinet have? What kind of social characteristics do Cabinet Ministers share? The following patterns can be identified:

**SEX:** The Cabinet is all male. No woman has been a Cabinet Minister.

**RACE:** Under the new Constitution the Cabinet was opened to coloured and Indian representation. With the resignation of the Reverend Allan Hendrickse and the suspension of Mr Amichand Rajbansi, it is now entirely white.

**BIRTH PLACE:** Eight members were born in the Transvaal, seven in the Cape and three in the Free State. None were born in Natal or overseas. These figures reflect the growing importance of the Transvaal, economically and politically, since the National Party first came to power in 1948. Vorster's larger Cabinet had five members born in the Transvaal. In the first 14 years of Union there was not one Minister born in the Transvaal.

**AVERAGE AGE:** 56,8 years, slightly younger than Cabinets under Vorster, Verwoerd, Strijdom and Malan.

This is partly a reflection of preference for making appointments for competence rather than seniority and partly due to the increasing need to co-opt technocrats. Youngest Ministers are Mr Barend du Plessis and Dr Stoffel van der Merwe, both 48, the oldest (by some seven years) is Mr P W Botha at 72.

**SCHOOLING:** Almost all members have had a Christian-National education, attending Afrikaans medium schools, primarily in rural areas. Dr Gerrit Viljoen, General Magnus Malan and Mr Willem van Niekerk attended the Afrikaanse Hoër Seunskool in Pretoria.



President Botha... oldest member of the Cabinet

BY DR RUPERT TAYLOR  
Lecturer in Political Studies at  
the University of the Witwatersrand

**UNIVERSITY EDUCATION:** Only three members do not hold a university degree. All but one have attended a university. Fourteen graduated from an Afrikaans university and one (Dr Stoffel Botha) from an open university — Wits. Prominent is the University of Pretoria (six Ministers) closely followed by Stellenbosch (five Ministers).

This contrasts with the superiority of Stellenbosch graduates in the Cabinets of Malan, Strijdom, Verwoerd and Vorster. The transformation reflects the greater number of Ministers born in the Transvaal, the growth of the University of Pretoria and its closer ties to the civil service.

Many Cabinet Ministers were active in student politics, in the youth branch of the National Party and in the Afrikaanse Studentebond (ASB).

**OCCUPATIONAL BACKGROUND:** Characteristic of all Cabinets, the most

common background is law — five members have practised as attorneys. Three have a firm background in farming and three others, previously attorneys, have combined their political careers with an interest in farming — Mr Eli Louw has a sheep farm, Dr Stoffel Botha farms cattle and cotton and Mr Kobie Coetsee has a farm which breeds cattle and sheep.

Mr Pik Botha and Mr Adriaan Vlok had successful public service careers. Dr Gerrit Viljoen, Dr Stoffel van der Merwe and Mr Willem van Niekerk have been university professors. Mr Barend du Plessis has been a director of twelve companies, Mr Gert Kotzé has been chairman of Volkskas and Mr Danie Steyn held a management position in Armscor.

Almost all Cabinet Ministers were upwardly mobile prior to entering politics fulltime. This is not too surprising when set against overall changes in the Afrikaans social structure.

**NATIONAL PARTY INVOLVEMENT:** Although Ministers come from a variety of backgrounds, many of their parents were actively involved in National Party politics at national and local level. Dr Dawie de Villiers's father was a National Party MP for Vasco (1953-61), General Malan's father was an MP and Speaker of the House of Assembly, Mr F W de Klerk's aunt was married to Strijdom and his father rose through the Party to become President of the Senate.

Mr Barend du Plessis, Mr Kobie Coetsee and Mr Chris Heunis come from families which were active in politics at the local level. Family connections are important.

Traditionally a Cabinet position is closely tied to having played an important role in the National Party machine, in local government and in Parliament. Some Ministers first entered Parliament through provincial councils. Once in Parliament, most worked their way up through organisational work for the party, serving on parliamentary committees and commissions.

## Broederbond links

Moving away from the traditional pattern, a number of Ministers have been co-opted into the Cabinet for their technical experience and specialist know-how. Hence, for example, General Malan and Dr Viljoen only became National Party MPs after being appointed to the Cabinet and Mr Willem van Niekerk is not an MP.

As one would expect, most Cabinet Ministers hold important offices within the National Party.

**BROEDERBOND LINKS:** Although at least a dozen Ministers are listed in Ivor Wilkins and Hans Strijdom's book "The Super-Afrikaners" as members of the Broederbond (notably Dr Viljoen, who was chairman from 1974 to 1980) it is hard to say how many are members today. The list is now over ten years old.

In sum it is clear that the people occupying the top positions in government are disproportionately drawn from limited sections of the population.



250 1/2/88

# Govt cagey on pay rises

Pretoria Correspondent

Certain groups in the public service could get salary adjustments before the end of the year as Government concern over the number of resignations and shortages in key departments continues to grow

This follows the announcement last week by the Minister of Justice, Mr Kobie Coetsee, that lawyers in the public service would get increases from September 1

However Mr Ian Robson, secretary of the Commission for Administration, has warned that the increases will not be across-the-board, but only for certain, already-identified occupation groups

They were likely to affect only a relatively small percentage of the total public service workforce

The size of the increase and the date from which it would be effective, would depend on the need and the availability of funds, he said

Occupation specific adjustments have been made annually in recent years in an attempt to ensure moderate competitiveness between key groups in the public and private sectors

Mr Robson said there was concern at the number of resignations in the public service, particularly the loss of experienced personnel to the private sector

In June this year Dr Dawie de Villiers, Minister of Administration and Privatisation, announced that an additional R205 million was being made available for adjustments, bringing the total available for this purpose in the current financial year to R455 million. No money was provided for general increases

Teachers are to get R140 million of the total for occupational specific increases from Decem-

... occupation groups

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Teachers are to get R140 million of the total for occupational specific increases from December 1. Other smaller groups to benefit can expect their increases between November 1 and early next year

Justice staff increases were forwarded to September because the loss of lawyers had reached unacceptable levels, Mr Coetsee said

Public service sources interpreted Mr Coetsee's move as an attempt not only to retain the staff needed for efficient running of the legal system, but also to maintain public confidence in the country's judiciary

The Federation of South African Transport Services Unions today embarks on phase two of its campaign for a 17 percent across-the-board increase for transport workers, back-dated to April this year

Mr Abraham Koeckmoer, general secretary of FSATSU, said following the withdrawal of the unions from a commission appointed by the Minister of Transport to investigate salary claims, the matter was now being taken to an arbitration court

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CPA TCA # 3/9/88

# Parliament's big bill for taxpayer

By ANTHONY JOHNSON  
Political Correspondent

OUTRAGED opposition parties yesterday described the latest two-week session of Parliament as "a monstrous waste of money", which set the taxpayer back at least R3 million

This follows a government decision effectively to nullify the outcome of much parliamentary work during the past fortnight and reconvene later this month to consider once again bills that had already been passed by the House of Assembly

However, the tab for the session could well have been four times higher, had most departments not been operating on skeleton staffs

Experts estimate that it costs about R1 million a day to keep the three Houses of Parliament and support staff functioning under normal circumstances

But with just key personnel attending Parliament during the short session, experts estimated yesterday that

costs could have been kept down to about R250 000 a day.

Additional travel costs during the period would add about another R25 000 to the overall bill

Commenting on the government's decision to withdraw the trilogy of controversial Group Areas bills and return them to joint parliamentary committees, PFP spokesman on finance Mr Rupert Lorimer said "This whole thing is a monstrous waste of money, due to the gross inefficiency on the part of the government, which insisted on going ahead with the session when it was quite apparent that no consensus on the measures was possible in the first place"

The leader of the CP, Dr Andries Treurnicht, said the repeated convening of Parliament — already three times so far this year — was costing the taxpayer "many thousands of rands"

# Pay revolt

THE Public Servants League, long regarded as conservative, is on the verge of a pay revolt.

The league is demanding that the government increase salaries and redress grievances

"We can no longer remain silent," said PSL organiser Frank Titus

"We spoke to the State President in May but our pleas seem to have fallen on deaf ears. We demand a living wage"

The league, which has 44 000 members, is launching a campaign at a public meeting at Spes Bona High School in Athlone this Saturday.

Speakers will include a Western Cape executive member of the Congress of South African Trade Unions (Cosatu)

League members include caretakers, labourers and cleaners, some of whom earn as little as R152 a month

## Salaries frozen

Most public servants earn between R3 000 and R6 000 a year. More than half earn less than R10 000 a year. The average salary in the Western Cape is R448 a month.

State President PW Botha announced in May that all public servants' salaries were to be frozen, but there had been increases in certain sectors, like the Department of Justice, said PSL executive member Arthur Farred

The PSL is unhappy about insecurity faced by many of its members categorised as non-classified workers.

"A non-classified worker in the Public Works Department is retiring in September after 50 years. He will receive no gratuity, only a monthly pension of between R150 and R200"

A Cape Provincial Administration worker claimed certain posts were open to whites only — contrary to government claims that posts were open to all

The CPA had advertised posts for whites only. Many black matriculants worked as cleaners because they were not considered for clerical jobs, he said

# BUSINESS D

WEDNESDAY, SEPTEMBER 7 1988

60c (54c + 6c tax)

TAL and CAPE 80c (71c + 9c tax)

250 8/day 7/9/88

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## Govt spending blamed for rising tax burden

PRETORIA — The amounts taken from individuals in income tax in the past decade spiralled more than 500% from R1,87bn in 1978 to R12,26bn last year, Inland Revenue figures have shown

In the same period inflation, as measured by the CPI, rose less than 250%. Economists said the figures reflected government's inability to curb spending and its almost insatiable need for finance to support apartheid-rooted schemes

The total collected by Inland Revenue in 1978 was R5,78bn compared with R34,85bn in the 1987/88 financial year

GERALD REILLY

Indirect taxation in the 10 years increased from R160,53m to R11,30bn last year, although GST was not imposed until the 1978 tax year

In that year, GST collections amounted to R654,64m and total indirect taxation to R839,43m

That contributed to total revenue collections, excluding customs and excise duties, in 1979 of R7,19bn

Stellenbosch Economic Bureau chief Ockie Stuart said the huge increase in

tax payments by individuals highlighted the narrowness of the country's tax base

Efforts were made in 1978 with the introduction of GST to widen it, but it became clear with government spending being maintained at a high level, the combined take was not enough to reduce the tax rate

Stuart said "Government's failure to significantly curb the huge rate of state spending has made it impossible for relief for taxpayers"

The result had been a steady erosion of disposable incomes and an impoverishment of the tax-paying population

ALL mail from SA has been...

ONE Turis

250

September 12, 1988 3

## TFC calls for salary statement

Own Correspondent

PRETORIA. — The Teachers' Federal Council (TFC) has demanded that the government make a clear statement on its plans for the next general salary increase in the public sector.

It was made during discussions with the Minister of National Education, Mr F W de Klerk.

The discussions followed a meeting the previous day between the TFC standing committee and Finance Minister Mr Barend du Plessis, Education and Culture Minister Mr Piet Clase and Mr De Klerk.

Mr Du Plessis gave the teachers a rundown on the country's economic plight.

On Friday, TFC president Mr Dudley Schroeder said the TFC called on Mr Du Plessis to explain publicly why government could not afford adequately to pay the country's teachers.

The TFC has asked Mr De Klerk to advance the date of the partial salary adjustment from December 1 to September 1.

It is asked too that urgent attention be given to the further backlog of 4% which will remain after the payment of the partial increase.

The TFC again told Mr De Klerk of the increasing seriousness of teacher resignations.

Mr Schroeder said the result of a TFC survey into the teacher drain would be released in due course "because of their profound effect".

Mr Schroeder said the pay problem being grappled with was one of financing. It was also one of determining spending priorities.

These were matters not primarily the responsibility of Mr De Klerk.

Because of the "seriousness of the situation", Mr Schroeder said, an extraordinary meeting of the full council would be held in Durban on Thursday.

State services to be reduced

250 B/day  
12/9/88

# Govt's plan to cut back its spending

GOVERNMENT'S long-term plan to fight inflation by drastically curtailing the growth in budget expenditure is based on sharply cutting back state services and, ultimately, reducing the size of the public sector.

By NEIL JACOBSON and GERALD REILLY

This was told to Business Day by senior political sources at the weekend after Friday's announcement by President P W Botha that government had accepted in principle the Economic Advisory Council's plan of action for combating inflation.

He said slower growth of government expenditure was an absolute prerequisite in achieving even the modest growth rate enforced on SA by the constraint on the current account of the balance of payments. High government expenditure has been a major contributor to GDP growth in the past decade.

The sources said government was now fully aware of the country's precarious financial situation and was truly committed to trimming its expenditure.

Botha said on Friday government's latest long-term fiscal plan, now being finalised, aimed at drastically containing the growth in budget expenditure. More measures being considered were a decrease in the budget deficit before borrowing, and if that was achieved, a decrease in the tax burden. Botha said government was in any case committed to "the avoidance of further increases in the tax burden".

## Approach

The first approach was to either cut services now provided by government, or to increasingly apply the user-charge principle. This was already in operation through toll roads, higher fees for medical services and in the plan that parents should contribute towards education.

Government was also striving to achieve greater cost-efficiency in the public sector. A cost benefit manual for use by the public sector in its capital

In spite of the political sensitivity of cutting back the size of the public service, it is understood government ac-

cepted this to be a natural consequence of cutting back services. A source said: "The aim is a smaller but better paid civil service"

● To Page 2

## Govt's new plan to reduce its spending

expansion programme had been completed and was immediately to be implemented on an experimental basis by two departments

250 ← From Page 1 12/9/88

Botha said the solution to the country's inflation problem was not to be found in a large-scale suppression in the demand for goods and services, as SA could not, at this stage, afford large-scale unemployment

offered no solution and the administrative burden on the state was unacceptable

Government was also opposed to direct wage-and-price controls These

Government's overall anti-inflation action plan would be co-ordinated and monitored by the Central Economic Advisory Service, which was already preparing a new economic development plan for SA

Public sector  
Capit Times 13/9/88  
set to shrink

250

EAST LONDON — Public servants were warned yesterday that changes which lay ahead could result in shrinking of personnel in government service

Speaking at the congress of the Public Servants' Association, Minister of Administration Dr Dawie de Villiers said necessary political and constitutional changes lay ahead



13/9/88

(258) Star

EAST LONDON — A system of collective bargaining may be introduced for civil servants next year, the Minister for Administration and Privatisation in the Office of the State President, Dr Dawie de Villiers, said yesterday

Opening the 55th congress of the Public Servants Association, Dr de Villiers said the Cabinet was considering a system proposed by the Public Service Commission and approved in principle by staff associations

A Cabinet decision was expected shortly and legislation providing for collective bargaining might be submitted to Parliament next year, he said

The mere existence of a collective bargaining mechanism would not necessarily guarantee "labour peace" in the civil service, but should rather be seen as an "instrument" which could contribute to healthy relations

Turning to civil servants' re-

# Public sector may bargain for salary rises

muneration, Dr de Villiers said in reaching its decision to freeze salaries this year the Government had to weigh up the "legitimate" claims of civil servants against the implications of a general salary adjustment for the economy

Making a plea for "understanding and patience", he said the Government was aware of the problems experienced by civil servants. A general salary increase remained a high priority for the new financial year

and it would be forthcoming "if economic circumstances allowed it"

It was often suggested that salaries should be linked to the inflation rate, but it would be impossible to ever combat inflation effectively in this way

Some civil servants had doubts about the effectiveness of the Government's remuneration policy, but this was often based on ignorance

Much prominence was given to general salary increases

while other important improvements in remuneration were often not noted. The annual "occupation-specific" improvements were an example of this

The Government had initially budgeted an amount of R250 million for improving service conditions this year, but as a result of the critical salary position, had made a further R205 million available for this purpose

Dr de Villiers congratulated the PSA on its decision to investigate the possibility of opening its membership to other population groups

The president of the Public Servants' Union, Mr S Singh, said although four associations currently existed within the public service, everyone was working towards the same goals and he was looking forward to the day when it would no longer be necessary to have four associations — Sapa

Association calls for hard line on bargaining

250/8/88

# Public servants list a series of demands

14/9/88

EAST LONDON — Public servants were demanding a concrete programme to make their salaries market-oriented, president of the Public Servants' Association (PSA) Colin Cameron told the association's annual meeting in East London yesterday.

This programme would include a general salary increase, additional career-differentiated adjustments, the creation of a realistic housing subsidy, an adjustment to pensions, travelling allowances comparable



● CAMERON

with other sectors and cash awards for long service

Public servants were also demanding a declaration of intent from government to restore the confidence of public servants and a plan of action to stabilise the public service structurally, he said

The PSA was also pursuing a hard line where bargaining was concerned as "our traditional policy of responsible consultation did not achieve the results that we had hoped for.

"This saddens me somewhat because our stature as self-respecting civilised public servants has been relegated to that which is akin to a trade-union mentality"

Cameron said it had become clear that nothing was done about salaries

unless the personnel associations took primary charge.

He said although the rules had changed, he hoped public servants would still conduct themselves with dignity

The association would keep an eye on the situation in which the authorities were finding it increasingly difficult to negotiate working conditions with racially exclusive staff associations

Under the expected new bargaining structure, the numbers of people involved in each staff association would determine its recognition

At yesterday's meeting Cameron was re-elected president for the 10th consecutive year.

P C Botha was re-elected vice-president — Sapa.

# Civil servants want 20% salary increase

Own Correspondent

JOHANNESBURG — The Public Servants' Association is to confront the government with a demand for a substantial salary increase, of at least 20%, from April next year

This was resolved at the PSA's biennial congress which closed in East London yesterday

Government sources here said that if the 20% increase was agreed to, taxpayers would be saddled with an additional bill of R3 billion, to bring the total paid to civil servants next year to more than R18 billion

The government took a beating on a number of issues at the congress and was accused of stimulating a staff crisis by freezing salaries this year

The congress asked that for budget purposes the different groups in the public service should be separated when remuneration was being decided

The congress also claimed that insufficient funds were made available

annually to bring about market-related remuneration

Privatization developments, as well as the apparent unplanned abolition of posts in the public service, had created problems, the PSA president, Mr Colin Cameron, said

He said the manner in which the issue was being handled gave rise to a feeling among government workers that many of their functions had suddenly become less important, and that their life's work had become a fruitless exercise

The congress said that if the government was concerned with the upliftment of the morale of public servants and with the restoration of lost loyalty, the solution was remedial action

The government was asked to agree to substantial pension adjustments, from next April, and that widows' pensions be improved to 75%, from the current 50% of a member's pension

The PSA congress was also dissatisfied with the discriminatory retirement age

# Attempt to hold country to 80-m

By Deborah Smith,  
Pretoria Bureau

The Department of Health and Population Development planned to spend about R1,5 million on a population development joint marketing strategy to be launched in January, said the responsible Minister, Dr Wilhe van Niekerk

South Africa would be funding the national campaign, on television and in the print media, while the self-governing states would fund the campaign on a local level, he said after a meeting with the Ministers of Health of the self-governing states

Dr van Niekerk said R993 000 had been made available to each of the self-governing areas for the establishment of a population development programme during the 1988/1989 financial year

They were working towards limiting the population in South Africa to 80 million, which was all the natural resources could support. At the present growth rate this figure would be reached by the year 2020

Population development was a mutual problem which was why they were trying to involve the other states in finding a solution

Thursday

2283

WEDNESDAY, 28 SEPTEMBER 1988

2284

The collection of contributions in respect of all Black workers under the Contributions in Respect of Black Labour Act was stopped after promulgation of the Abolition of Development Bodies Act, 1986 on 30 June 1986

Black housing: amount spent

1231 Mr J S PRINSLOO asked the Minister of Constitutional Development and Planning +

- (1) What total amount was spent by his Department on Black housing in the Republic during 1984 and the period 1 January to 31 May 1988, respectively,
- (2) how many dwelling units for Blacks were erected during 1984, 1985, 1986, 1987 and the period 1 January to 31 May 1988, respectively, out of funds provided by his Department for that purpose?

**THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING**

This matter vests in the Administrators of the different provinces and they furnished the following information

Cape Province		
(1) 1984	=	R18 461 477
01 01 88/31 05 88	=	R32 202 055
(2) 1984	=	3 807
1985	=	1 569
1986	=	9 424
1987	=	2 191
01 01 88/31 05 88	=	980

**Natal**

- (1) The Natal Provincial Government was not involved in the provision of housing for Blacks during 1984. No money was spent on housing as such for Blacks during the period 1 January 1988 to 31 May 1988
- (2) None during the period 1 October 1986 and 31 May 1988

**Orange Free State**

- In respect of Black local authorities
- (1) 1984 — R10 299 285  
1 January - 31 May 1988 — R899 607
- (2) 1984 — 1 841  
1985 — 1 251  
1986 — 189

HOUSE OF ASSEMBLY

2285

WEDNESDAY, 28 SEPTEMBER 1988

2286

1984 —	R39 732 760
1985 —	R36 242 500
1986 —	R38 851 000
1987 —	R226 928 000

(The 1986/87 amounts include additional funds made available)

The amounts as mentioned above include the towns in the self-governing areas and on South African Development Trust land

- (2) 1984 — 3 091  
1985 — 3 191  
1986 — 2 497  
1987 — 1 239 (Only Trust Towns)

The South African Government has implemented selfbuild schemes within all the self-governing territories and Trust Towns and no longer builds family housing units. Furthermore the functions regarding housing and development of towns have been transferred to the self-governing territories who now have decision-making powers

The number of houses mentioned above have thus been erected by Blacks in terms of the selfbuild scheme with loans provided by the South African Development Trust

**Development bodies abolished: officials transferred**

1238 Mr J S PRINSLOO asked the Minister of Constitutional Development and Planning +

- (1) Whether any officials of development bodies that were abolished in terms of the Abolition of Development Bodies Act, No 75 of 1986, have not yet been transferred to other permanent posts in the Public Service, if so, (a) how many in respect of each such development body, (b) why not and (c) when are these transfers expected to be finalized,
- (2) whether he will make a statement on the matter?

**THE MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING**

This matter vests in the Administrators of the different provinces and they furnished the information in respect of (1)

Thursday

**Orange Free State**

- (1) Yes
- (a) Southern OFS Development Board — 190  
Orange-Vaal Development Board — 69 (part)

(b) In terms of section 4(5) of the Abolition of Development Bodies Act, 1986 (Act 75 of 1986) staff employed in the Sorghum beer industry have been placed under direct control of the Administrator, with the result that such staff have not been transferred to Public Service posts. Negotiations are presently under way to privatise the Sorghum beer industry

- (2) A statement pertaining to the privatisation of the Sorghum beer industry will be issued at an appropriate time in which the position of the staff will also be dealt with

**Natal**

- (1) Yes
- (a) 1 026
- (b) In terms of section 4(5) of the Abolition of Development Bodies Act, 1986 (Act 75 of 1986) staff employed in the Sorghum beer industry have been placed under direct control of the Administrator, with the result that such staff have not been transferred to Public Service posts. Negotiations are presently underway to privatise the Sorghum beer industry

- (c) The process of privatisation is time-consuming, but a target date of 30 April 1989 has been set

- (2) A statement pertaining to the privatisation of the sorghum beer industry will be issued at an appropriate time in which the position of the staff will also be dealt with

HOUSE OF ASSEMBLY

# 15% pay rise for

# civil servants

By TOS WENTZEL, Political Correspondent  
A SALARY increase of about 15 percent for public servants from January 1 was announced today by President Botha.  
Pensioners will also receive increases from January 1

More than 700 000 public servants will be affected by the latest salary increases, according to figures published recently by the Commission for Administration

Addressing a joint session of Parliament, Mr Botha said the public service increases would cost the State R3-billion

Details of how the increases would be financed would be provided by Finance Minister Mr Barend du Plessis on his return from Berlin, where he is attending an international conference.

The increases in social pensions would cost R790-million and higher civil and military pensions would cost R160-million

## Imbalance

Mr Botha said the government was advancing the increases, which had been due to take effect on April 1

For social pensioners, the 15 percent increase would mean R3270 a month more for white pensioners. Pensioners in other population groups would receive the same amount.

In the case of civil pensioners, the increase would apply to all people who retired by December 31

This entailed an increase of one percent for each year of retirement with a maximum increase of 10 percent.

Military pensioners' increases would be 15 percent from January 1.

Mr Botha said the increases were aimed at evening out the imbalance between the public sector and the private sector as well as lightening the financial burden of public servants.

## "Opportunistic"

Progressive Federal Party civil service spokesman Mr Mike Ellis MP said the increases were an election gimmick. They were overdue "but the timing is opportunistic"

The announcement was so transparently an election gimmick that some MPs had expected Mr Botha to add that the increases would be withdrawn for those people who did not vote for NP candidates.

He expressed concern over the effect the increases would have on what was already an economy in crisis

"While the PFP believes salaries should keep pace with the cost of living this is nevertheless the time to reconsider the enormous size of the civil service"

NR645

26/9/88

250



(250) same 27/9/88

'Good news, but an election gimmick'

# Public service pay rise largely praised

PARLIAMENT — The salary increases awarded to public servants and Post Office staff yesterday have been generally welcomed. But there is unhappiness among transport workers, who will not benefit.

President Botha said yesterday that public servants and pensioners would receive an extra R4 000 million in the form of a 15 percent increase in their monthly cheques from January 1.

Post Office staff will receive about 15 percent from the same date, the Home Affairs and Communications Minister, Mr Stoffel Botha, announced.

But SA Transport Services (Sats) workers will not benefit from the increases. According to the Sats Federal Council, the workers were awarded 12 percent increases by an arbitrator last week.

President Botha told a joint sitting of Parliament it was obvious that backlogs in the public service could not be allowed to become too big. So the Government had decided that the pay increase scheduled for April 1 next year would be brought forward to January 1.

The general increase in salaries would be granted to everyone who received remuneration from the Treasury. The amount involved in the increase, calculated on an annual basis, would be close to R3 billion.

More than 700 000 public servants will benefit. The two biggest categories of public servants are labourers and educators, with more than 150 000 people in each.

In addition to pay rises, R790 million, calculated

By David Braun,  
Political Correspondent

ed on an annual basis, was being allocated for an increase in social pensions and R160 million for increases in civil and military pensions.

All the pension increases will be effective from January 1.

In the case of social pensions, the increase will be 15 percent, or R32,70 a month, for white pensioners. Social pensioners of the other race groups will also get R32,70 a month more.

In the case of civil pensioners, increases will be granted to all people who retired before or on January 1 1989. It will be 1 percent for each year of retirement with a minimum increase of 10 percent. The same applies to Post Office pensioners.

Military pensioners will be given an increase of 15 percent.

Mr Botha said the increases were the maximum that could be afforded in current circumstances.

The PFP spokesman on the public service, Mr Mike Ellis, said that while the increase was good news, the timing was a transparent election gimmick.

This view was shared by the CP. Its public service spokesman, Mr S C Jacobs, said his party had been fighting for the increases the whole year.

Only a few months ago the increase had been rejected by the Government. Now suddenly, a few weeks before the elections, the Government came with its pay increase announcement.

## Teaching profession hopes exodus will stop

Education Reporter

The organised teaching profession yesterday welcomed the announcement by the State President of a 15 percent salary increase for public servants from January 1 and said it might slow the rate of teacher resignations.

Teachers, who have already been granted an occupational

specific adjustment of seven percent from December 1, will in effect receive a salary increase of 22 percent from next year.

The president of the Teachers' Federal Council (TFC), Mr Dudley Schroeder, confirmed that the 15 percent increase would be in addition to the seven percent adjustment, which was granted

to narrow the 11 percent gap between the salaries of educators and other civil servants.

Mr Mike Myburgh, president of the Transvaal Teachers' Association, reacted more cautiously. He said teachers were happy that an increase had been granted, but it remained to be seen whether or not it would alleviate the crisis situation.

was Mr Carol Overmeyer, of 17 Wal- ble and no crime was suspected.

# R4bn boost for civil servants

CAPE TOWN 27/9/88 250

THE government's surprise R4-billion boost to civil servants' pay packets was last night welcomed by its beneficiaries — but warnings of a disastrous inflationary spiral were sounded by politicians, commerce, industry and economists.

All public servants and pensioners are included in the 15% salary and pension increase bonanza — which comes into effect three months ahead of time on January 1.

The public servants' increases will cost R3 billion, social pensions rises R790 million and military pensions R160 million.

During yesterday's joint sitting of

Parliament, President P W Botha said that on his return from the IMF conference in Germany, the Minister of Finance, Mr Barend du Plessis, would disclose how the increases were to be financed.

Later, Mr Botha told SATV that the money would simply have to be found — whether it was borrowed or financed through increased taxes.

The PFP leader, Dr Zach de Beer, said the worst feature of Mr Botha's statement had been the failure to say how the extra expenditure would be financed.

To page 2

From page 1

"Panic hand-outs by politicians under pressure are bad news for the national economy and for South Africa," he said.

The Conservative Party said the increases were welcome but "too little and too late."

The head of the Public Servants' Association, Mr Hans Olivier, said he was pleased with the increase which the government had been virtually "forced" to grant because of the exodus of top civil servants. However, public servants still trailed behind their peers in the private sector.

Assocom said it accepted the need for market-related adjustments to civil servants' pay, but that the timing of the increase was "inappropriate."

It would have been better if the April 1 date for the rise had been retained in view of the "clear message of the past couple of months" for the need to cool the economy to protect the balance of payments.

Although the announcement came as "no surprise", economists predicted that the long-term economic implications would outweigh any political gains made ahead of the October 26 municipal elections.

Nedbank's chief economist, Mr Edward Osborn, said wage spirals across the board in the private sector would follow the government's lead.

"Labour costs will rise, adding to inflationary pressure, and we can expect a round of increased consumer demand with serious implications for the balance of payments."

The sentiment was echoed by Anglo American's economic consultant, Mr Jim Buys.

The anticipation of higher salaries would be reflected in spending patterns, making higher interest rates crucial, he said.

The Afrikaanse Handelsinstituut said the increase was a "necessary measure" in the light of the number of staff leaving the public service. However, it added its voice to fears about the effects on inflation and balance of payments.

● The government's salary and wage bill next year will exceed R18 billion — more than a quarter of next year's expected budget.

According to the Commission for Administration, salary and related expenditure in 1987 amounted to R14,8 billion for nearly a million exchequer personnel. This included government contributions to pension funds and service bonuses.

Exchequer personnel includes SADF, police, post office and prisons staff, as well as nurses, teachers, university and technikon employees — Political and Own Correspondents.

## Interest record broken



*Howie*

HOUSE OF ASSEMBLY

†Indicates translated version

For written reply

General Affairs

N13 Highway: proposed toll road

1429 Mr C J DERBY-LEWIS asked the Minister of Transport Affairs

Whether the Department of Transport has at any time consulted the Johannesburg City Council in connection with the proposed toll road on the N13 highway, if not why not if so, (a) (i) with whom and (ii) when were these consultations held and (b) what was the outcome thereof?

The MINISTER OF TRANSPORT AFFAIRS

No, not as such but discussions were held on 8 June 1988 at which an official of the Johannesburg City Council was present

1430 *ASD* Talks on SWA cost  
1431 Mr C J DERBY-LEWIS asked the Minister of Foreign Affairs

(a) What was the total cost to the State of the recent visits to (i) Brazzaville (ii) Cairo and (iii) New York in connection with the discussions on South West Africa (b) what was the duration of each visit (c) how many members of each South African Delegation had their expenses paid by his Department (d) (i) how many members of each such delegation were representatives of Government Departments and (ii) which Departments were represented and (e) what were the functions of these members during the above-mentioned discussions?

The MINISTER OF FOREIGN AFFAIRS

(a) (i), (ii) and (iii) Some of the expenditures which have to be borne by the respective foreign governments have not yet been determined and consequently total costs cannot accurately be established at this stage

(b) The duration of each visit was as follows

- (i) Brazzaville 12 to 14 May 1988
- (ii) Cairo 22 to 25 June 1988

(iii) New York 7 to 15 July 1988

(c) The relevant government departments involved in the peace talks and the media representatives who accompanied the delegation to Cairo each paid their own expenses

(d) (i) All members, with the exception of the media representatives who accompanied the delegation to Cairo

(ii) Department of Foreign Affairs SA Defence Force National Intelligence Service

(e) The members of the delegation performed integrated official functions

SADF charges against serving members

1436 Mr C J DERBY-LEWIS asked the Minister of Defence

(1) Whether the South African Defence Force has laid charges relating to refusal to perform military service against any of the serving members of the Defence Force whose names appeared in a certain newspaper report particulars of which have been furnished to the Defence Force for the purpose of the Minister's reply, if so (a) what charges and (b) against whom if not,

(2) whether he intends taking any steps in this regard, if so (a) what steps and (b) when if not, why not?

The MINISTER OF DEFENCE

(1) and (2) No, because no charge can be laid against persons who only indicated that they would refuse to do Military Service Where offences however are committed suitable steps in terms of the Defence Act 1957 (as amended) will be taken

Municipal elections: financial assistance to candidates

1466 Dr W J SNYMAN asked the Minister of Information Broadcasting Services and the Film Industry

(1) Whether candidates in the municipal elections of October this year have been promised any financial assistance by his

# BID FOR 4 100 JOBS

ABOUT 24 industrial centres are to be deregulated in terms of draft legislation which has been submitted to the Government by the Small Business Development Corporation for approval.

The draft legislation, which will be published in the *Government Gazette* today for comment, could see more than 900 small businesses coming into

operation without obstruction and which could result in the creation of some 4100 permanent employment opportunities.

Comments will be submitted to a Trade and Industries standing committee which will advise the State President.

The envisaged centres are situated around the country and they include Athlone, East London,

Paarl, Port Elizabeth, Chatsworth, Bloemfontein, Wadeville and Reef and Pretoria townships.

Enterprises would hire their premises from the SBDC in terms of the Temporary Removal of Restrictions on Economic Activities Act.

The step signified an effort to create the climate for entrepreneurship which the country needed badly.

OUR ORIGINAL

## Credibility gap

Talk is cheap, but Pretoria's policies aren't.

When State President P W Botha opened parliament in February, he called for bold privatisation, a leaner public service, low taxes, and the curbing of inflation. The latest Reserve Bank *Quarterly Bulletin* shows how wide the gap is between words and actions.

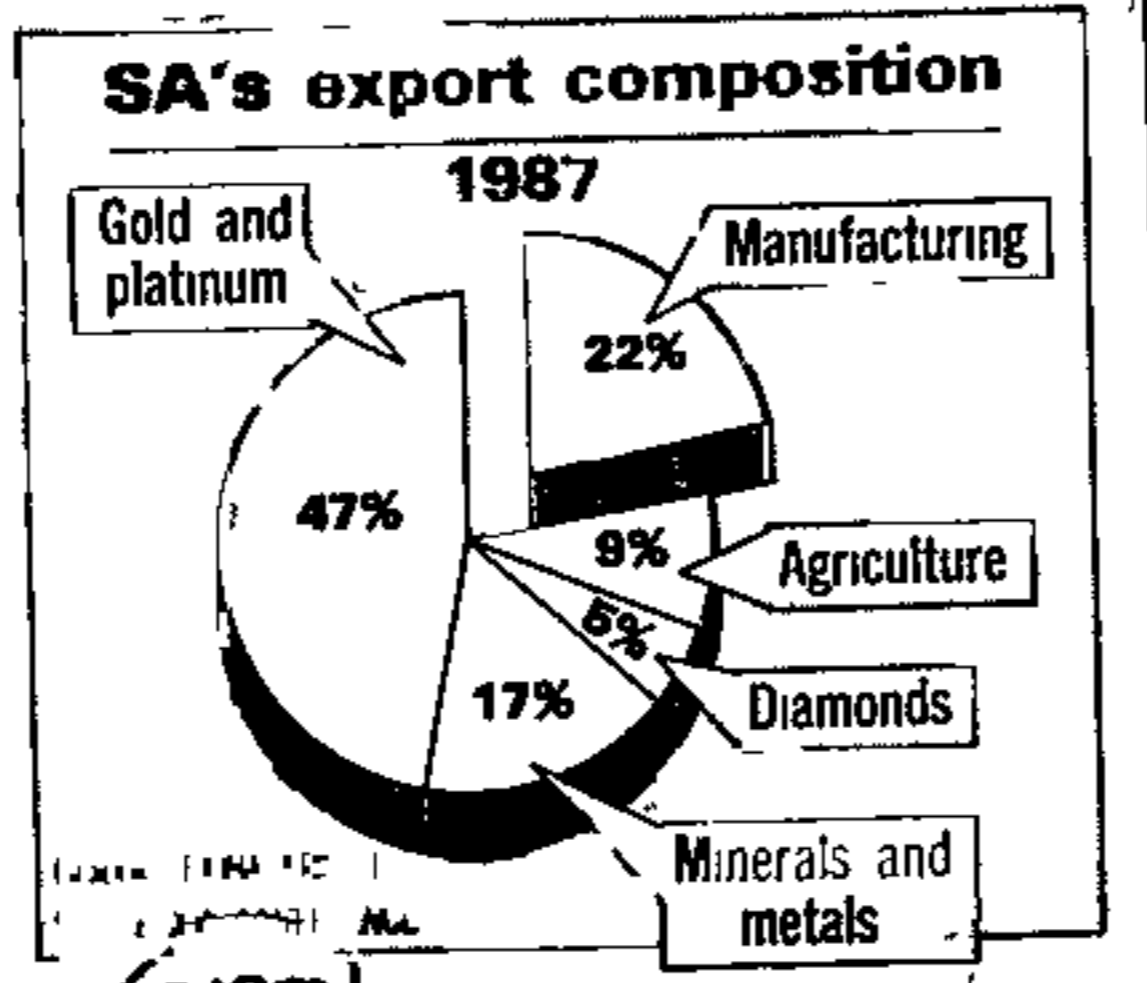
"Discipline in government finances" apparently doesn't mean balancing the books. Central government debt, R55,85bn in February, had grown to R63,38bn by July — 17% higher than a year earlier.

Spending has stayed high after the speech and continues to outpace inflation. The *Bulletin* says total issues, excluding debt redemption, were R23,43bn in February-June, 14% more than in the same five months last year. The R4bn increase to civil servants and pensioners — of which some R1bn will be paid this fiscal year — will push spending even higher without cuts somewhere else.

Botha also called for the "smallest possible" level of taxes — which we haven't yet reached. Both GST and customs collections, for example, were far higher after his speech than a year before. Government took advantage of the upsurge in imports and retail sales to increase revenue rather than cut tariffs or the GST rate.

GST revenue in February-June was R4,49bn, nearly 16% above last year. Cus-

7/10/87



## Banker hits at govt spending

CHRISTOPHER TUCHER

RUNAWAY public spending was to blame for crowding out an otherwise exportable surplus, Standard Bank MD Conrad Strauss told the Institute of Directors yesterday

"We mistakenly regarded government consumption, not manufactured exports, as a source of economic growth"

He said a defence force and civil service that SA could no longer afford were the "price for ideologically skewed social projects"

"Our national focus has been too strongly on the socio-political rather than the economic," he said

While government's share of GDP had doubled over 20 years, private-sector investment and exports remained unchanged, he said

SA had failed to shift its export base from gold and commodities into manufactured goods — "We rely too much on our natural endowment, exporting only what we find under our feet"

250

Isolated Bldg 6/10/88

Strauss attacked the policy option of a seige economy in a time when the rest of the world was relying increasingly on trade. He called on SA to "throw in its lot with the world by making any political adaptations necessary to achieve international acceptability"

Otherwise, he warned, it would join the ranks of Albania and Cuba in isolated and senseless poverty.

Regarding financing growth, the private sector had become solely dependent on local capital "SA has frittered away the benefit of foreign capital."

That, however, offered no excuse for unrestrained monetary policy "Interest rates are too low," he said

toms revenue increased more than 45%, to R1,21bn

Furthermore, import surcharges as high as 60% were slapped on in August

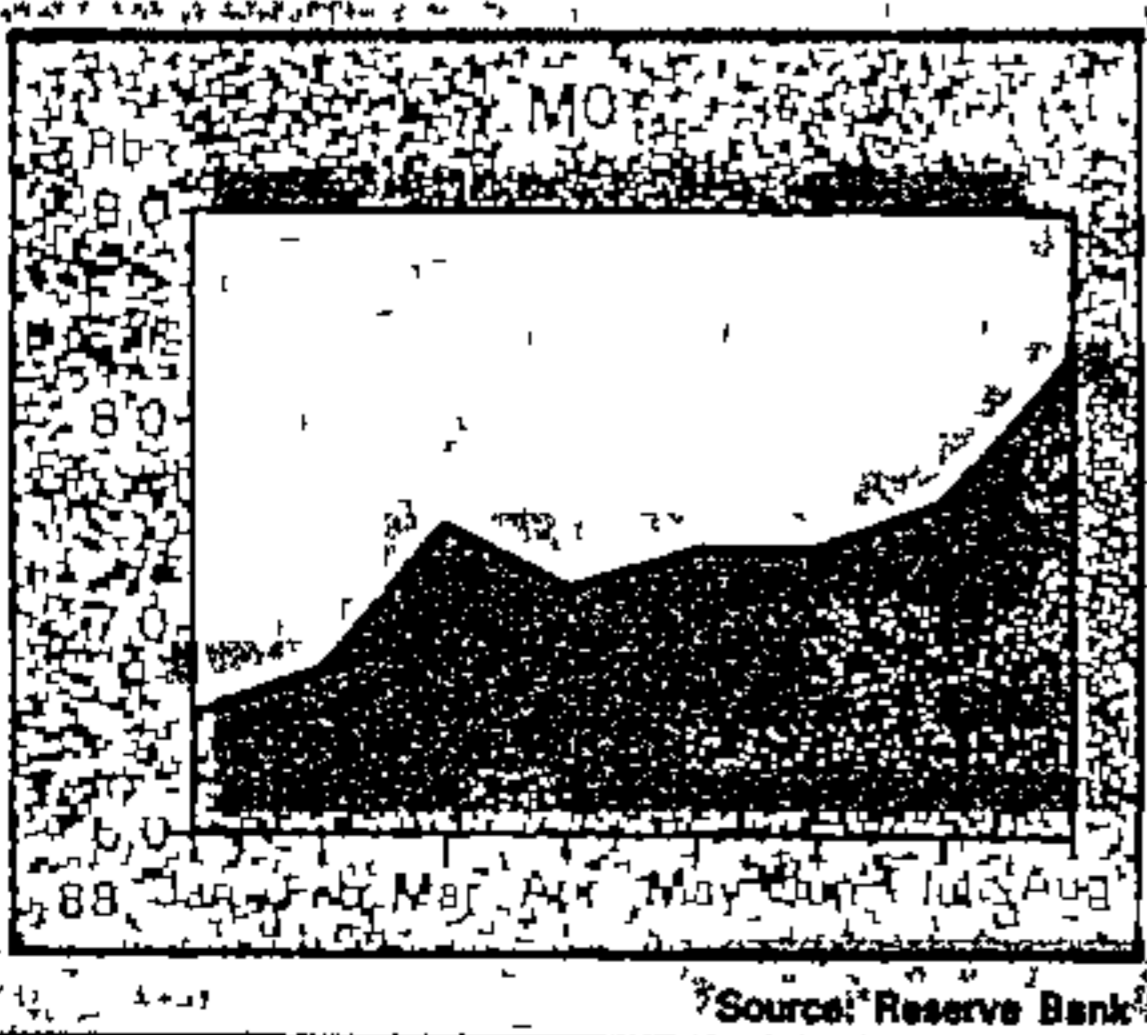
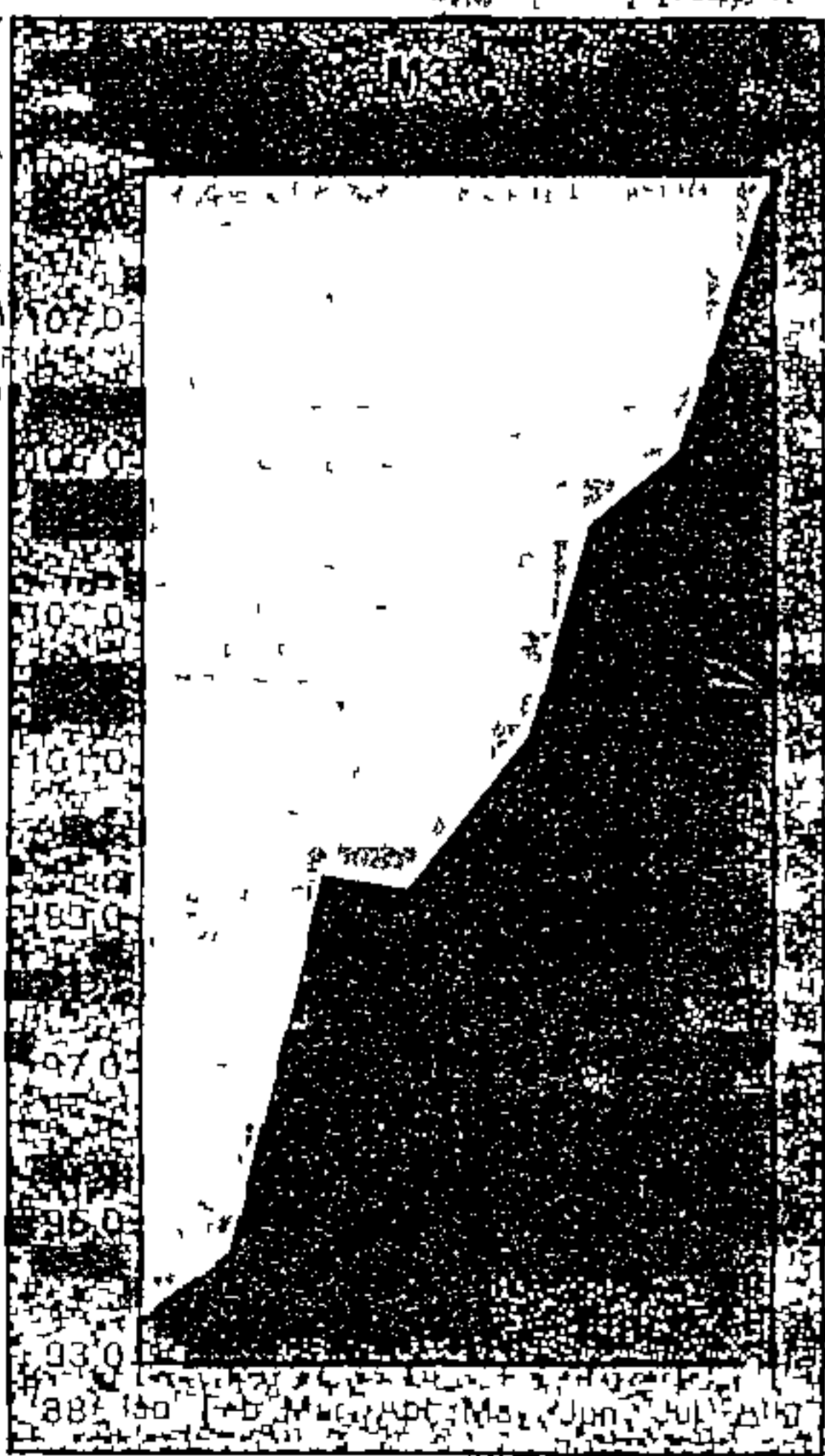
The only major fall was miscellaneous revenue — stamp duties and fees, transfer duties, interest, dividends and other inland revenue — which was down 43%, from R2,16bn in February-June 1986 to R1,24bn this year.

Overall, more revenue was collected in March, April, May and June than in each corresponding month last year. Revenue in the four months rose from R10,97bn last year to R12,78bn this year — an increase of 16,5%

Botha also said: "Inflation impoverishes the housewife, the worker, the salary earner, the small businessman and the pensioner. Government is concerned about this"

But not concerned enough to control the underlying problem. runaway money supply growth. In the six months after his speech, the monetary base and broad aggregate M3 increased at annualised rates of 47% and

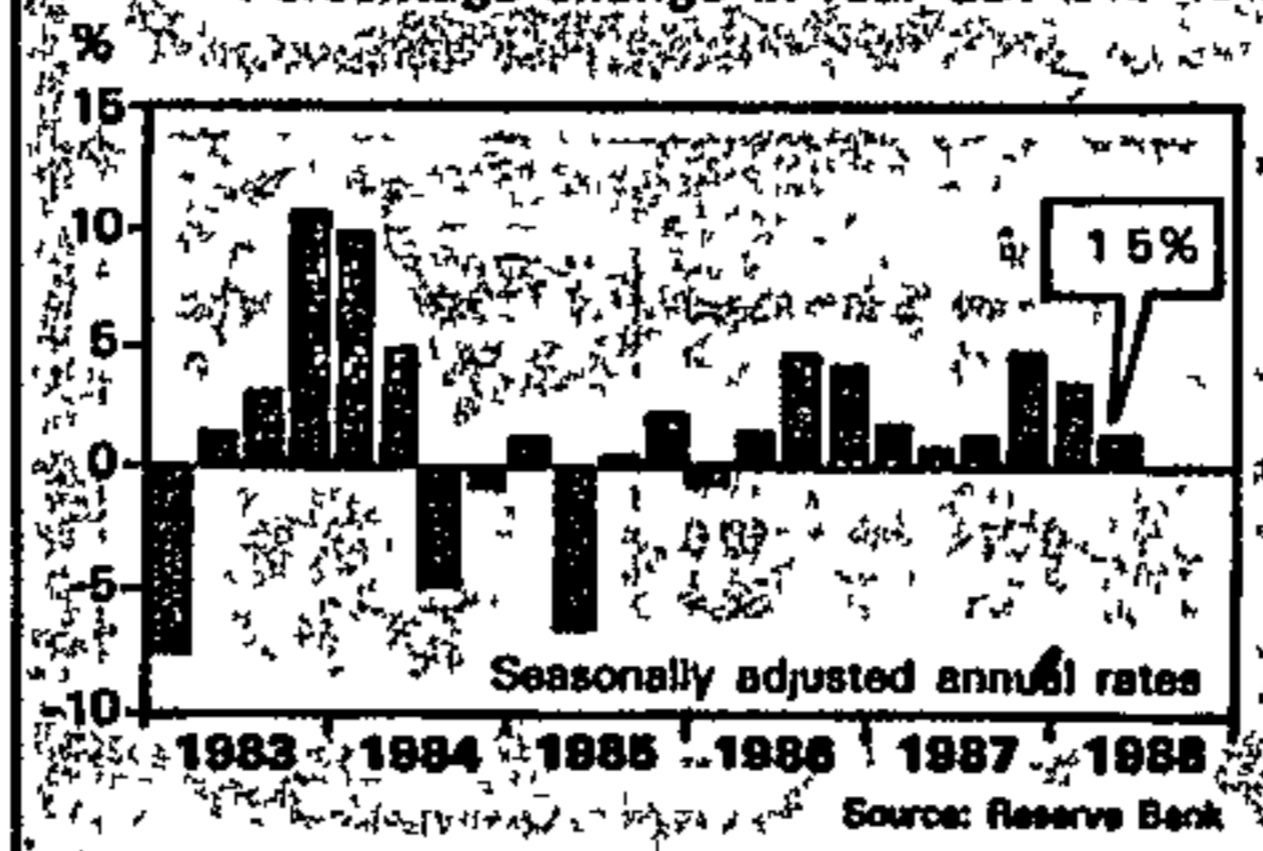
### Soaring monetary inflation



Source: Reserve Bank

### Little growth

Percentage change in real GDP



Source: Reserve Bank

29%, respectively

Privatisation is not covered in the *Bulletin*, but a brochure distributed to Sats employees a few months after Botha's speech puts the topic in perspective: "Privatisation is a long-term process which can take as long as 10 years to complete. It is possible that certain large units may never be privatised."

Botha got one thing half-right in February. He called for "courage and sacrifice" by all. Government has shown little courage in facing up to vested interests: farmers, civil servants and inefficient State enterprises. But consumers and taxpayers will suffer plenty of sacrifice through soaring prices, an ever-higher tax burden, and rising interest payments on a burgeoning government debt.

Also reported in the *Bulletin*

□ It wasn't much of a boom. GDP grew at a seasonally adjusted annual rate of just 1,5% in the second quarter. This follows rates of 5% in fourth-quarter 1987 and 3,5% in first-quarter 1988 (revised down from 4%);

□ The Bank says growth has peaked and sees "a fading away of the upward momentum of economic activity and domestic demand in the middle quarters of 1988." Second-quarter agriculture output was held back by a smaller than expected maize crop. Production levels in manufacturing were hurt by stayaways, strikes and the large number of public holidays. Furthermore, the 4,5% annualised growth in consumer expenditure in the quarter plus higher wholesale and retail sales in July "are likely to have contained significant pre-emptive buying in anticipation of price increases, a tightening of HP conditions, higher interest rates, or a possible increase in the (import) surcharge,"

□ The BoP current account slipped into a R407m deficit in the second quarter, following a R839m surplus in the first quarter. However, seasonally adjusted and calculated at an annual rate, the current account posted a R960m surplus in the second quarter, after a R410m deficit in the first,

□ The total outflow of capital not related to reserves jumped to R2,1bn in second-quarter 1988, after averaging R700m in the previous five quarters. The outflow of long-term capital not related to reserves rose from R300m in the first quarter to R600m, "mainly related to repayments on foreign debts on June 15 and repayments on bearer bonds and notes which do not fall under the standstill

net." Foreigners, however, were net purchasers of R9m JSE securities in the second quarter, after being net sellers in 1987 (R1,2bn) and first-quarter 1988 (R35m)

The outflow of short-term capital not related to reserves (but including unrecorded transactions) rose from R400m in the first quarter to R1,5bn. Heavy outflows in late June were related to "the upward trend in overseas interest rates and to leads and lags in foreign payments and receipts occasioned by fears of progressive further declines in the exchange value of the rand;"

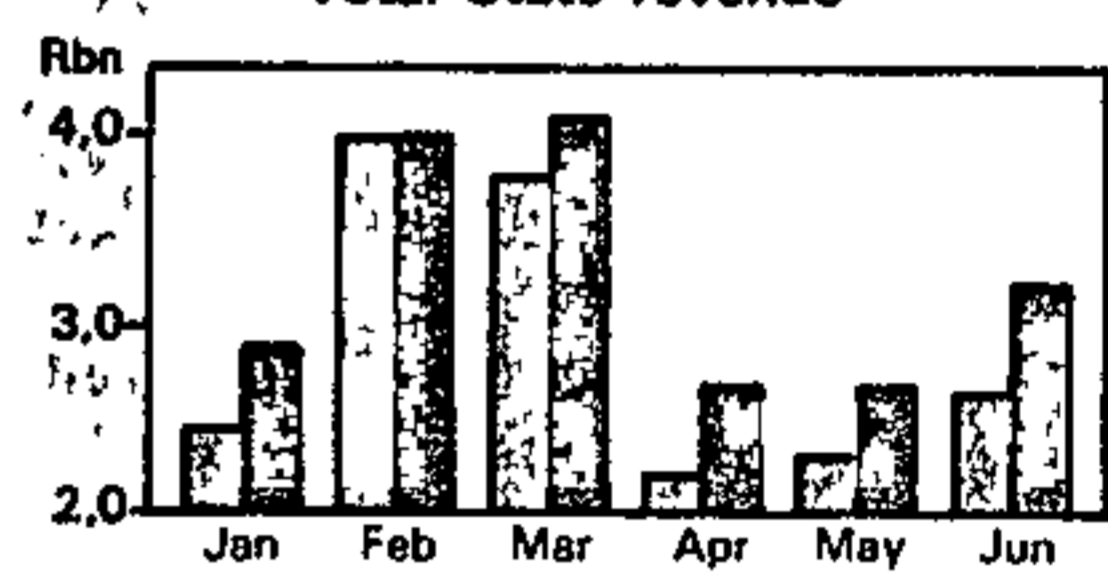
□ The rand fell 13,3% on a weighted average in the first eight months of the year. It was down against the dollar (21,1%), sterling (12,6%), D-mark (6,9%), Swiss franc (2,6%), yen (13,1%), and French franc (6,7%). The finrand fell 13,5%.

□ Gross domestic saving as a percentage of gross national disposable income edged up to 23% in second-quarter 1988 from 22,5% in the first. In 1982, the average was 24,5%. Personal saving remains low, at 2% of disposable income; and

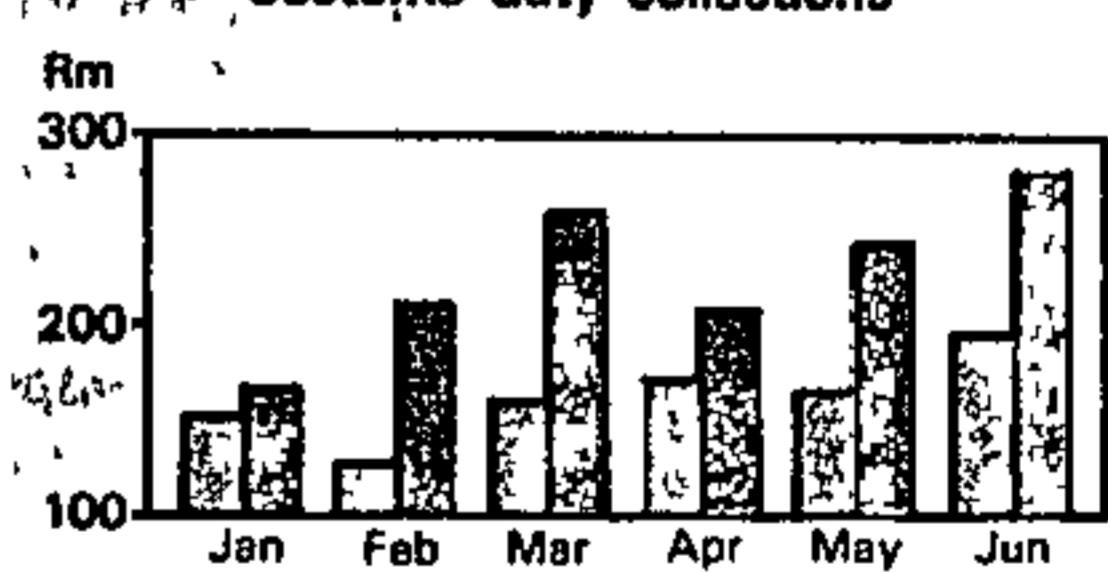
□ The volume of net gold exports in the second quarter returned to a long-term downward trend because of a further decline in the average grade of ore mined, from 5,28 g/t in 1987 to 5,17 g/t in first-quarter 1988 and 5,12 g/t in the second quarter. ■

### Rising taxes

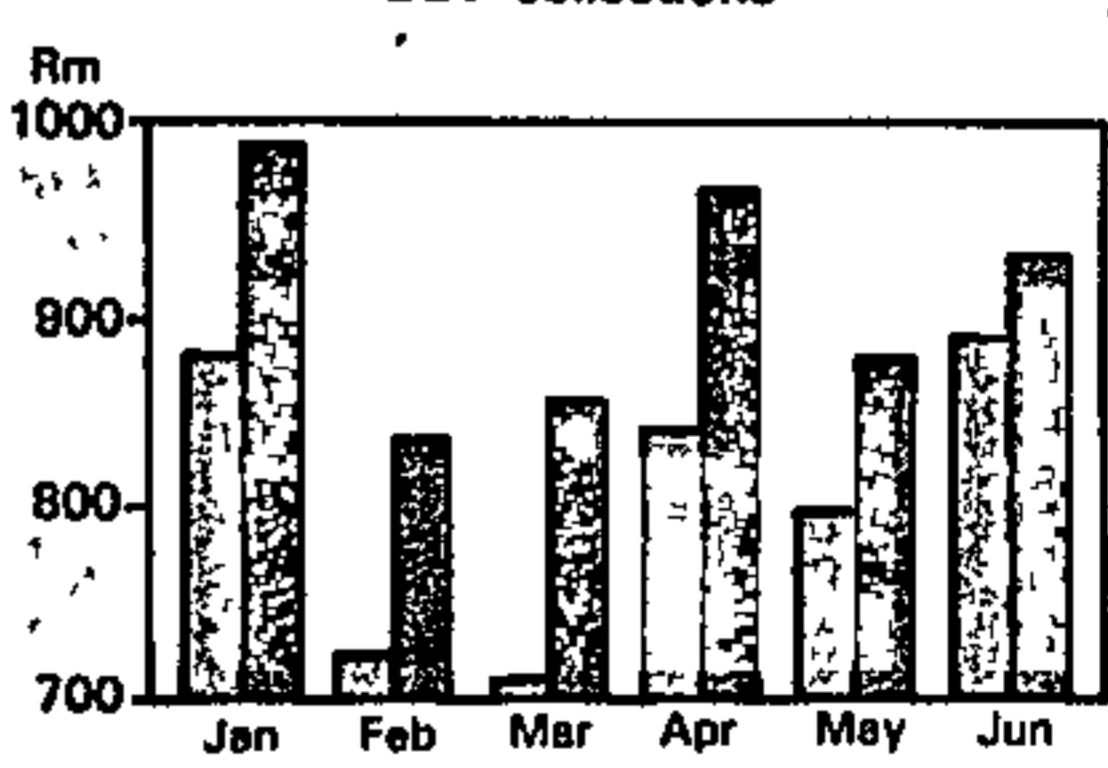
Total State revenue



Customs duty collections



GST collections



# Govt salary bill set to jump 20%

*(Handwritten: 250 B/day 11/10/88)*

GRETA STEYN

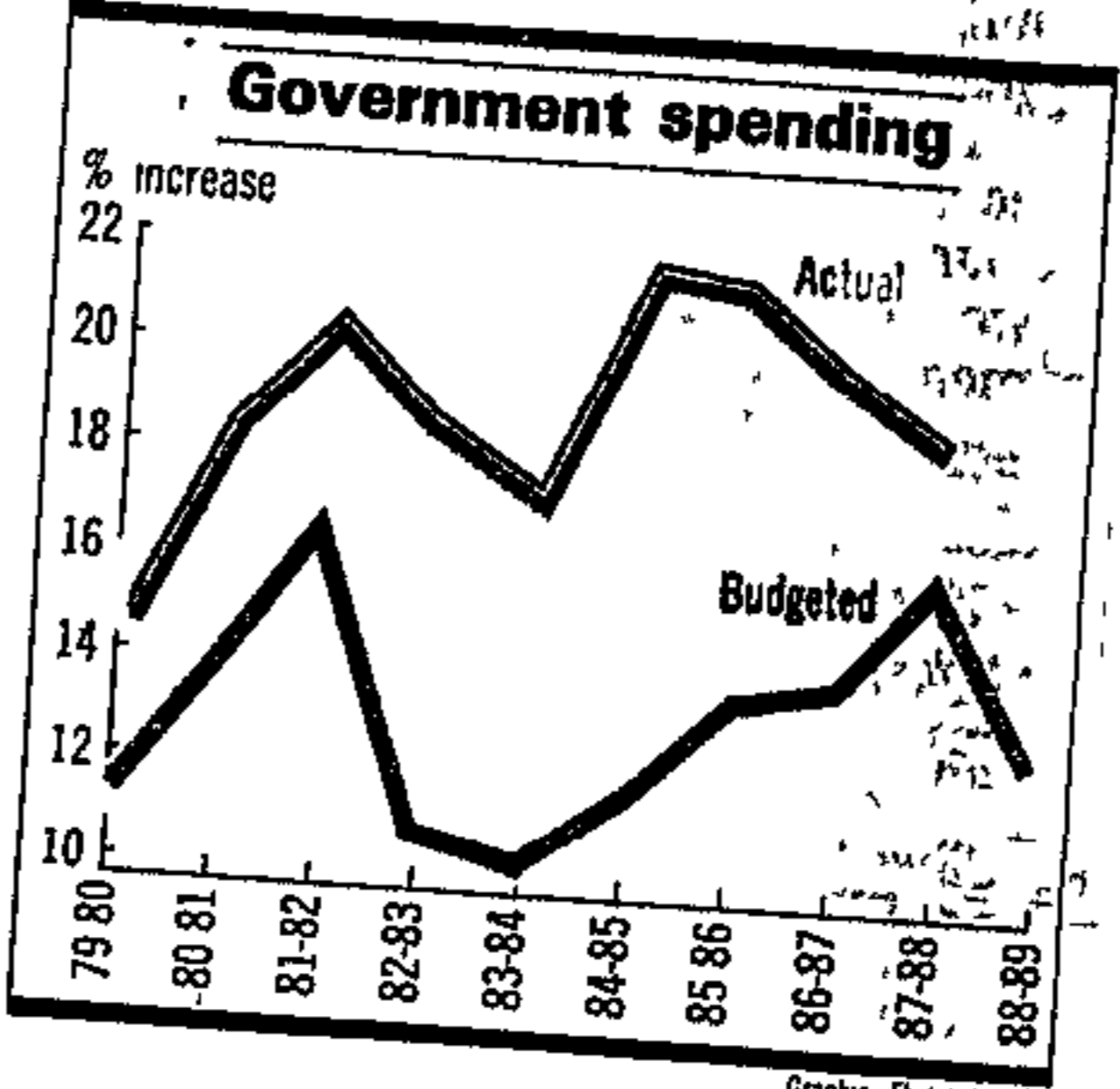
GOVERNMENT'S salary bill was expected to jump by an effective 20% in the next calendar year compared with 1988, possibly thwarting efforts to contain consumer spending.

Economists say the 22% raise for teachers, the 15% for the rest of the civil service plus notch increases will lead to an eventual pay hike of 20% in 1989.

Trust Bank economist Nick Barnardt says, "It is worrying that we can expect a real increase of 5%-6% in civil servants' pay next year at a time when consumer spending should be contained. But I am hoping there will be other compensating action to ensure that fiscal policy remains restrictive."

Even if government manages to cut back in certain areas economists believe it has no hope of meeting its targeted spending of R53,87bn for fiscal 1988/89.

Barnardt estimates spending will exceed the budget target by just over R2bn, flowing from the extra spending on salaries, extra aid for agriculture and the possibility of higher defence spend-



ing. This would continue the trend of the past decade, with spending overshooting targets by a few percentage points. However, latest figures in the Government Gazette indicate government got off to a disciplined start in the first five months of this fiscal year. Spending

● To Page 2 →

# Govt salary bill expected to jump 20%

from April to August was R21,26bn — 12,9% up from the same period in 1987 and slightly higher than the forecast increase of 12,6% for the full fiscal year. With 40% of the total budget spent after five months, economists say government has been on the right track.

Much of government's sound performance so far can be ascribed to lower-than-expected defence spending. But, since defence spending is known to be

erratic, it could rise later in the year. On the revenue side, economists expect the budget target of R44bn to be exceeded by about R1bn with government cashing in on higher GST because of strong domestic spending. Revenue, at R17,08bn, was almost 20% higher than in the previous comparable period.

*(Handwritten: 250 B/day 11/10/88)*  
 ● From Page 1 ←

# Economists fear inflationary waves from govt pay rise

PRETORIA — The nearly R5,5bn that will be pumped into the economy from January until the start of the 1990/91 financial year for increased earnings for government workers and pensioners could create a powerful inflationary wave, according to economists

In fact, this would be almost unavoidable if government raised the needed funds by deficit borrowing or by increasing GST, said Stellenbosch Economic

GERALD REILLY

Bureau economist Glen Moore

Both methods would impact directly on the inflation rate. The rate would rise almost to the extent of any GST hike.

If the funds were to be obtained from higher income tax, the inflationary impact would be largely neutralised

However, if Finance Minister Barend du Plessis and his advisers opted to raise

the funds either by a savings levy or a surcharge on income tax, the inflationary potential would be virtually eliminated and with it the benefits of the pay rise

Du Plessis, it was pointed out, would have to find around R1,3bn for the last three months of the current financial year — January to March — in addition to R4bn needed for the whole of the 1989/90 financial year

PPP finance spokesman Harry

Schwarz said provision for the R1,3bn would have to be made in the additional estimates of expenditure — the multi-budget — in February

"Until then we won't know how it is to be financed except that all the options are economically unhealthy," he said

However, if there was a general election in April-May, as had been speculated, an increase in GST from January was unlikely

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R5.0  
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250

## Public servants seek long-term solution

GERALD REILLY

PRETORIA — Government needs to put together a long-term solution for the problems in the public service before the service is overtaken by disabling personnel crises, the Public Servants Association warns

In the October issue of *The Public Servant* the PSA asks why serious staff situations are allowed to develop to the brink of crisis before remedial action is taken

### Competent

Resignations in the Department of Justice had to reach crisis proportions "before the panic button was pressed" and increases granted. By then, however, the damage had been done and quality staff had gone for ever

The Auditor-General had to report serious misgivings on proper financial control over state funds due to lack of experienced staff. The PSA asks whether it would not be cheaper to give public servants market-related salaries and retain competent staff.

□ PSA GM Hans Olivier said yesterday the article was written before the announcement of the 15% pay rise, but this did not alter the principle involved, nor the threat to the public service



# Govt spending to <sup>249</sup>soar above budget <sup>250</sup>

STW 13/10/88

By Sven Lunsche

The R4 billion salary increase granted to civil servants has once again focused attention on government expenditure, which for the first few months of the 1988/89 fiscal year seemed in line with budgeted estimates

But careful analysis of the latest Exchequer Account figures points to a significant spending overshoot during the current financial year

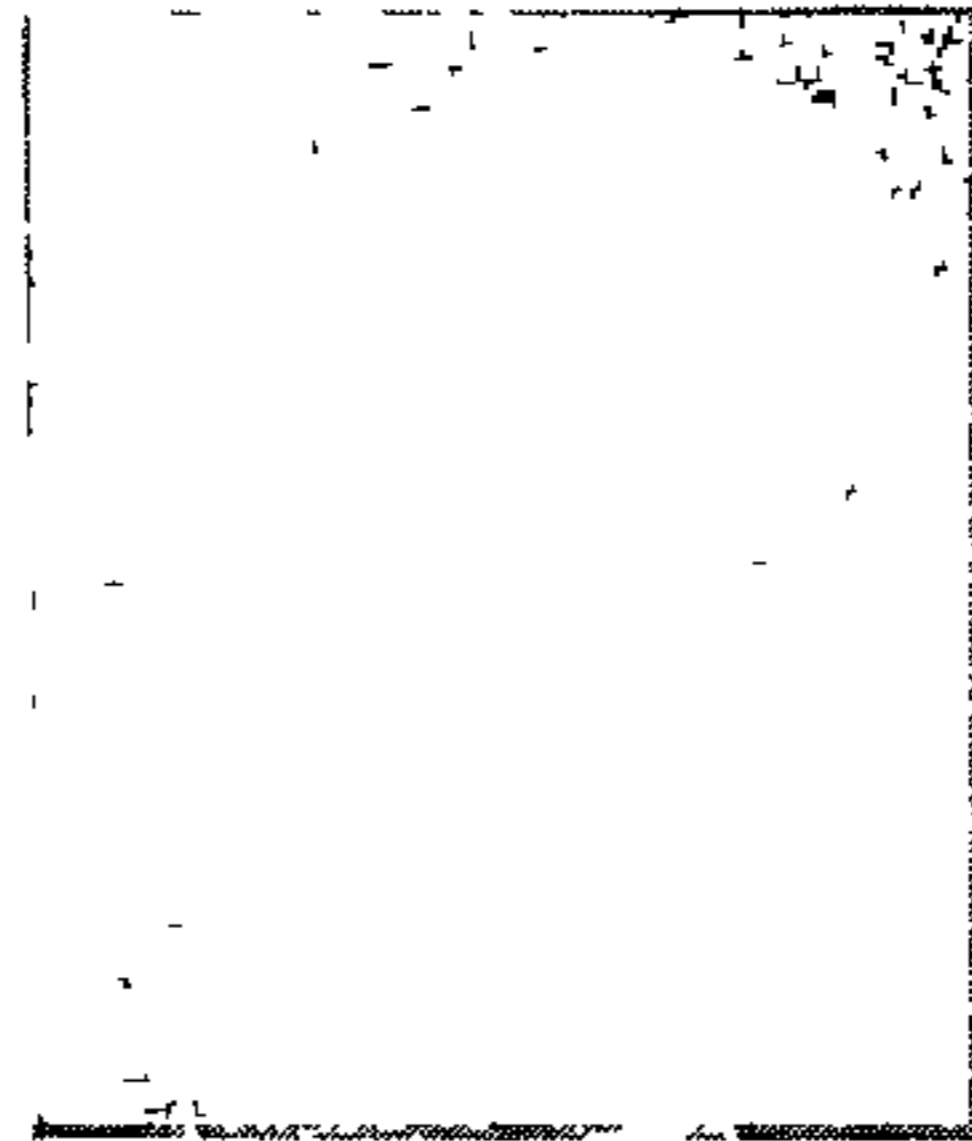
Taking into account an additional R1 billion, which will have to be spent on salary adjustments in the last quarter of 1988/89, Standard Bank's Nico Czipionka estimates government expenditure could total R56,7 billion for the year — 18,2 percent above last year's actual expenditure and 5,2 percent ahead of the 1988/89 budget

In the bank's latest *Economic Review*, Mr Czipionka attributes the apparent spending restraint to date on a temporary slowdown in disbursements under both the defence and the finance votes

"During the first five months of the fiscal year, defence had spent only 32 percent and finance some 35 percent of their respective allocations for the year

"But given present circumstances it is inevitable that defence expenditure during the remaining months of the financial year will not only come up to the full amount allocated, but is likely to exceed it by a fair margin," Mr Czipionka says

He adds that the amounts spent in the socio-economic categories



NICO CZYPIONKA — "Rationalisation of civil service an urgent necessity"

were already above their targets for the annual appropriations

On the other side of the balance sheet, recent Exchequer Account figures, released by the Central Statistical Service, show that revenue collections have also been slightly ahead of expectations, as a result of large customs and excise contributions following the surge in imports

Mr Czipionka estimates that for the year as a whole revenue collections will rise by 16,3 percent to R44,7 billion, which is short of estimated expenditure increases and will therefore yield a deficit of R12,1 billion, or about six percent of GDP. The original budgeted deficit was R9,86 billion, 4,9 percent of GDP

The scenario looks even worse for the 1989/90 financial year

Apart from the 15 percent salary increase for public servants, the government will also have to contend with substantial advances in socio-economic and military expenditure

This could catapult total expenditure for the year to R69,2 billion, 22 percent above the projected level for 1988/89, and given an expected 16 percent rise in revenue collections, could yield an unprecedented deficit of R17,4 billion, 7,5 percent of GDP

Mr Czipionka concludes that the government's share of GDP is continuing to head in the wrong direction, emphasised by the fact that the share of public sector employees as a percentage of the total number of employed has risen from 28,4 percent in 1980 to 32 percent in 1987

"This shows very clearly that if fiscal responsibility is to be maintained a rationalisation of the civil service and a systematic elimination of wasteful expenditure are urgent necessities.

"If the issue is not addressed vigorously, the economy's longer term performance will be seriously affected," Mr Czipionka writes

Davis Borkum Hare's Mike Brown adds that the Economic Advisory Council's intention to reduce state expenditure and the size of the government sector make good sense, but the government had yet to prove it has the political will to embark on this path

250 B/day 18/10/88

# Public sector takes on another 42 572

PRETORIA — The enormous public sector keeps growing and with it a mammoth pay bill

Central Statistical Service (CSS) figures show that in the year to June the number of public-sector workers increased by 42 572

At the end of June 1987, government employed 1 658 252 people, at the end of June 1988 that figure had risen to 1 700 824

The total pay out for a full year is estimated at R27bn

At the end of June, central govern-

GERALD REILLY

ment (general and own affairs departments) employed 506 538 who were paid R2,235bn for the second quarter — R190,143m more than for the same period last year

In the year to June, the provinces employed 227 246 and paid them for the June quarter R726,724m — R205,082m up on the same period a year ago

Self-governing states' personnel rose sharply by 27 884 to 182 331 Their total

pay for the quarter rose R108,236m to R418,035m

Local governments also employed more in the year to June — 4 621 — for a total of 245 546 Their total pay bill was R780,647m — an increase of R131,653m

During the 12 months, Sats' staff continued to shrink by 12 989 to 184 352 Total pay for the quarter was up by R108,911m to R966,612m

The Post Office employed 511 more at 97 531 and they were paid R394,662m — an increase of R68,439m compared with the second quarter last year

250

South

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# Another hike for PSL workers

MORE than 200 000 Public Service workers will receive a further salary increase over and above the 15 percent announced earlier this month by the government

The decision to implement a new salary structure for general assistants — the lowest paid workers in the public sector — follows talks last month between the Public Servants League and the Minister for Administration and Privatisation, Dr Dawie de Villiers

PSL chairman Malcolm Domingo said the increases would only be acceptable if salaries increased to more than R450 a month

He confirmed new salary scales for general assistants would be implemented before the 15 percent increase. No specific date has been set and no details of the adjustment have yet been released by the government

The PSL last month launched a "pay-revolt" to protest against a wage freeze announced earlier this year by the State President. The body specifically focused on the plight of general assistants whose starting wage is about R128 a month. Many continue to be regarded as temporary staff regardless of their length of service

# Civil servants hold key to government

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By FRANS ESTERHUYSE  
Political Staff

KEY indicators in this week's local government elections will include areas where voter strength is dominated by civil servants

A swing towards the white rightwing movement in such areas could have enormous consequences for white politics, according to the Centre for Policy Studies at the University of the Witwatersrand

A research officer at the centre, Mr Richard Humphries, said the key indicators of the relative strengths of the Conservative Party and the National Party lay in the East and West Rand, the Vaal Triangle and Pretoria

## Civil service

Should Pretoria and Verwoerdburg fall to the CP, it will probably mean that the civil service vote is increasingly going to the CP in spite of the recently-announced salary increases for civil servants and teachers.

Mr Humphries says the CP already has support among the lower echelons of the civil service. Should they do well in Pretoria, this support will probably have taken hold in middle and senior levels as well.

It will also mean that the CP is increasingly appealing to the white middle-class voter.

## General election

The National Party is expected to analyse the election results closely before deciding whether to call a general election.

A postponement will possibly benefit the CP.

Mr Humphries says NP-supported independent candidates can be expected to win a number of rural towns in the Transvaal, some in CP-held constituencies. These towns include Nelspruit, White River, Barberton, Delmas, Christiana and Wolmaranstad.

Such victories for the NP will be due to specific local characteristics such as a large English-

speaking presence in Eastern Transvaal towns.

However, should these towns be won by NP supporters, it will not mean that CP support in those areas is necessarily on the wane.

Mr Humphries's analysis shows that the municipal elections will provide no indication of political opinion among people living outside municipal boundaries, particularly farmers.

"Transvaal farmers now generally seem to support the CP."

## Unclear correlation

"An accurate assessment of CP strength among farmers in the other three provinces will not be provided by the elections."

He also notes that there is an uncertain and unclear correlation between municipal and constituency boundaries.

The abstention by the NP and PFP from formal open involvement in large areas across the country will make it difficult to assess accurately their standing among the electorate.

# Bond rate increase worries public servants

PRETORIA — Government workers want the budget allocation for interest subsidies on home loans raised to compensate for rising bond rates

The Public Servants' Association (PSA) is to have discussions this week with the Commission for Administration on a new interest subsidy formula for the public sector

The commission estimates that about 10% of the 718 000 workers in the public sector get subsidised interest loans

The commission was unable to provide a figure for the total budget alloca-

tion this year for the subsidy

The PSA wants a uniform interest subsidy to apply at all income levels

It also wants the R50 000 ceiling, below which the subsidy is paid, raised to a more "realistic" level

The lower income earners in the service are subsidised down to 3% and the higher income levels to 4,5%

PSA GM Hans Olivier yesterday

stressed government workers were not alone in benefiting from subsidised interest rates. He said the practice was common throughout the private sector.

Government sources said it was likely public sector workers would get additional aid to take the sting out of the 2% hike in interest rates and its impact on bond rates

At the end of last week government announced substantial aid was to be given to first-time home-owners, small businesses and farmers to help counter the higher rates

39 B/day 8/11/88  
GERALD REILLY

NOV 04 1988

**JOHANNESBURG.** — A top economist has predicted that the bank rate will rise to 17% or even 18% next year and the governor of the Reserve Bank has warned of "serious consequences" for the economy if correct policies were not followed.

Dr Hans Falkena, chief economist for the United Building Society, told the Financial Mail conference on investment that without an increase in taxation, the budget next year was bound to be too stimulatory, implying that the bank rate would have to go to the 17%-to-18% level by mid-1989.

The governor of the Reserve Bank, Dr Gerhard de Kock, told the conference that warning signals had emerged that government spending might rise faster in the second half of the fiscal year than in the first.

Top businessmen and economists attending the conference interpreted his speech as a clear message to government that action was needed on the fiscal policy front to avert an economic crisis (Full report — Page 10.)

### **Inflation fears**

If the correct policies were not followed in the next six months, SA would face "serious consequences", Dr De Kock said. It was not enough only to announce the correct policies, they had to be implemented too.

Dr Falkena said important changes to monetary policy were needed to achieve the aim of sustained positive real rates of interest.

He said a negative real interest rate policy would sooner or later prove to be highly inflationary, especially because South Africa's major trading partners had high real rates of interest.

"High inflation in turn implies a weak rand and thus massive forward cover losses for the account of the Treasury which will boost the money supply explosively," Dr Falkena said.

In itself a more restrictive monetary policy stance — higher interest rates — would help restore the current, unacceptably low level of personal savings while it would also enforce a more efficient use of capital, which in turn would reduce the propensity to import.

Dr Falkena said GST should be raised to accompany an increase in the bank rate when the gold and foreign exchange reserves were under pressure.

He made a strong plea for major changes to monetary and fiscal policy and said the government should try to use GST — or later, VAT — more actively as a policy instrument to curb domestic demand by reducing the buying power of the private sector.

● More conference reports — Pages 9 & 10

Own Correspondent

CMC  
7/9/85  
11/11/88

# SA is warned of tough times

two white high schools in Bethlehem. This was supposed to cover accommodation, functions, prizes and educative exercises among townfolk

It is believed that the four winning pupils were taken on an overseas trip, along with a chaperone, the town clerk, and Chris van der Walt, deputy director of the NRSC. A fee of R7 000 was paid to Snelco-PRO.

□ The Parent-and-Child five-year project set up in January 1987. The total budget in 1987-1988 was R400 000 of which R80 000 went to a research company, Navtel, R140 000 to Snelco-PRO, R80 000 to regional offices, and R100 000 to head office.

By January 1988, some R365 000 of this had been spent. R11 000 was then budgeted for Marie Vlok of Navtel to go to Berlin. She had been invited at the recommendation of the NRSC to deliver a paper at the *La Prevention Routière* conference.

In April 1988, a further R400 000 was budgeted for 1988-1989. R90 000 to Navtel, R20 000 for research, R90 000 to Snelco-PRO, R100 000 to the regions, and R100 000 to head office.

□ Resort Promotions, set up in February 1987. The project to promote road safety at holiday resorts ran during April, July and September 1987. The budget was R32 000.

The fee for five promotions included R8 000 to Snelco-PRO, R6 000 for travel and subsistence, and R4 500 for petrol. R2 000 was also budgeted for unforeseen expenditure.

□ A Women Drivers Promotion with *Keur* magazine. Set up in July 1987 for August to October 1987, it included workshops in the four main cities and a competition in the magazine. The budget was R38 000 divided into R10 000 for the workshops, R1 500 for a Snelco-PRO employee at the workshops, R15 000 for travel and subsistence for 12 winners, and an R8 500 fee to Snelco-PRO. R17 500 was paid up front for tickets and bookings.

□ In December 1987, R3 000 was spent on four regional and one national press conference, R3 000 for a plane made available to the media, R6 000 for a rescue plane, including adverts, R2 500 for a radio jingle, R2 155 for printing, R30 000 for adverts in

two Sunday papers, R2 000 for map artwork, R13 960 for printing of an information sheet plus R1 500 for artwork, R12 000 for prizes for winners of the Sunday paper competition, R27 000 to Republican Press for promotion in *Keur*, R2 400 in travel and subsistence for radio announcers, R2 000 for phone-in-competitions, R20 000 for 20 hours' helicopter flying time, R3 000 for administration, R2 000 disbursements, R4 000 travel and subsistence for Snelco-PRO personnel and a R30 000 fee to Snelco-PRO for three people from November to mid-December and then one journalist until the end of the school holidays at the beginning of January. The total cost was R187 515 of which R67 000 was paid by sponsors.

□ The Pedestrian Project in February 1988. The budget of R75 000 came from the Mass Information budget of the NRSC (an additional budget) which was paid to Snelco-PRO in two payments.

□ A Director's Trophy for Athletics. This promotion was originated by Snelco-PRO and set up in February 1988 for March 1988. It involved the Transvaal Provincial High Schools Athletics Association, on behalf of the TED. The budget for the total sponsorship amounted to R43 000.

□ Easter Weekend in 1988 had a total budget of R99 100. Of this R3 500 was allocated for a press conference on March 22, R4 000 for installation of a telecommunications network at the information centre, R20 000 to consulting engineers BKS (who also got another R25 000 from the Department of Transport), R800 for student telephone answerers, R5 000 for a computer programmer, R7 000 for negotiations with regional traffic authorities and media, R10 000 for use of a plane to take stills for TV, R5 000 for patrol flights, R7 000 for space in black publications, R7 000 for information material for the regions, R9 000 for admin work; and R20 000 for Snelco-PRO. The Easter weekend budget for 1987 was R191 850.

□ Competitions at educational institutions in April 1988. The budget for this project was R45 000. Of that, travel and subsistence costs amounted to R2 450, R10 000 for prizes, R4 500 for functions; and a R25 000

public relations fee.

□ The Safety Belt Week in June-July 1988 with a budget of R46 028. Of this, R21 000 went to Snelco-PRO, and

□ The Pope's visit in September 1988 was budgeted at R231 000, but scaled down to R88 000. Of this R25 000 went to Snelco-PRO, R25 000 for the hire of a plane and radio network, and some to Braddan Communications.

The NRSC has also appointed a lobbyist, Martin Pieterse of Forum 2000, he has been appointed for three years, at an initial cost of approximately R80 000 for 1988-1989.

It is also understood that complaints about the various overseas trips that officials of the NRSC took form part of the A-G's investigation.

According to NRSC documents, Dreyer, NRSC chairman Johan Driessen, Potchefstroom professor Sarel Smit and their wives all attended a traffic safety conference in Montreal.

Dreyer and Van der Walt and an outside consultant, Hennie Groenewald, accompanied Navtel's Vlok in February 1988 to Berlin for the *La Prevention Routière* conference.

The 1988 SA Truck Drivers' team travelled to Luxembourg this year. Apparently the NRSC's Eric Wise and one regional director accompany the team each year.

Last year the team was refused entry to the competition in the US but went on a three-week tour of the US instead. ■

ROAD SAFETY COUNCIL

# How the cash flows

250 (2/11/88) FMALC 11/11/88

The National Road Safety Council (NRSC), partly funded by a consumer levy on the petrol price, is under investigation by the Advocate General (A-G), Justice Piet van der Walt. The A-G has confirmed he is investigating complaints about the way the NRSC, a directorate of the Department of Transport, has been conducting its affairs.



Van der Walt

The NRSC's annual budget for the year 1988-1989 was R19,9m — derived from the Central Energy Fund via the Motor Vehicle Accident (MVA) fund. Part of that, in turn, is funded by the petrol levy. Judge Van der Walt says, "I've received certain complaints and have sent them a questionnaire to complete. As soon as I've received their answers I'll decide whether to continue with the investigation."

The investigation has also been confirmed by Susan Nell, MD of Snelco-PRO, a public relations company which handles a major

part of the NRSC's publicity and promotional work. "I received a phone call from someone at the NRSC to say they had received a letter from the A-G," Nell told the *FM* last week.

Curiously, NRSC director Louw Dreyer says he has no knowledge of the matter. "It sounds strange. As director I should know about it. Perhaps Transport Director General Ronnie Meyer knows about it."

Meyer, however, is accompanying Transport Minister Eli Louw on an overseas trip and his deputy, Louis Cluver, was initially also in the dark about the investigation. Cluver, however, later confirmed that the department had received a questionnaire from the A-G. "The department will get the requested information from the NRSC and in turn hand it over to the A-G. It will then be up to him whether he wants to pursue the matter," he says.

The NRSC is a statutory body and its expenditure, which is approved by Louw, is audited annually by the Auditor General, says Cluver. He says the directorate of the NRSC is the executive branch of the council and falls under the Transport department. Meyer sits on the advisory board which con-

trols the NRSC.

The NRSC employs some 30 publicity officers at its head office in Pretoria and eight operational regional offices. A large part of its budget, however, is paid to private public relations companies for outside work.



Driessen

According to NRSC figures on its promotions, Snelco-PRO is earning a major slice of this cake.

It is understood that some of the complaints against the activities of the NRSC deal with large amounts of money being paid for promotional work. Among these ventures

□ The Bethlehem Model Town project at a total cost of R200 000 budgeted for 1987-1988 plus a research fee of R50 000 paid to Lynette Lombard of Markfokus, a research company.

Out of the Model Town budget, about R45 000 was handed over to the city council of Bethlehem to run a competition between

P.T.O



## 'Deficit to exceed target by R500m'

GOVERNMENT'S deficit will expand to about R10,5bn during fiscal 1988/89 - R500m higher than the original budgeted target, economists say

A deficit of that size amounted to about 5% of GDP, a far cry from the IMF's 3% guideline

Nedbank's Edward Osborn said government's tax windfall would not cover the entire amount of additional expenditure for the public servants' salary increase, but would contain the deficit significantly.

About R500m might be added to the deficit because of the salary increase, but the eventual outcome of government's borrowing needs would depend on whether spending on other votes could be kept in check

The Trust Bank's Nick Barnardt said "The present fiscal year does not present cause for undue concern. The real

question is the 1989 fiscal year."

He called for "extreme discipline" in terms of the non-salary component of government spending. However difficult it might be, a real decline in this component of spending was needed in the next fiscal year.

"The eventual economic consequences of an expansive fiscal policy in 1989 would be truly too ghastly to contemplate."

However, a deficit of R10,5bn for the current year would not place undue pressure on capital markets in the short term because government was overfunded because of high borrowings in recent months.

Economists are relatively positive about the current fiscal year, based on government's performance so far.

GRETA STEYN

19/11/88

15% increase inaccurate, claims Trust Bank

CAN TIMES 15/11/88  
250 (300)

# Public servant salary bill likely to rise 20%

By AUDREY D'ANGELO  
Financial Editor

NOTCH increases and promotions will probably push up the salary bill for public servants by 20%, not the recently-announced 15% across-the-board, the Trust Bank says in its November Economic Report

Pointing out similarities between the situation now and in 1984, before the start of a long and serious recession, the bank says "The gold price declined markedly in the second half of the year — precisely as in 1984

"This left strict fiscal discipline as the last frontier standing in the way of serious financial shocks in SA

"However, this 'last frontier' was heavily prejudiced by the announcement of a general civil service salary rise of 15%

"The government's total salary bill will probably increase by 20% next year, due to the additional effect of notch increases and occupational improvements"

However, the bank expects the coming downturn to be less severe than the last, with interest rates beginning to come down in

the first half of next year

Although it expects the price of imports to "accelerate in the direction of 20% in coming months", with the Producer Price Inflation (PPI) rate averaging more than 15%, it expects the CPI to peak at 15% in mid-1989, with an average of 14,5% for the year

"In the short term, domestic spending and the balance of payments should stabilize. In the first half of 1989, a marked decline in imports and an improvement in the foreign-reserve position are foreseen — with softer interest rates and a better exchange-rate performance"

## Positive factors

The bank says there will be more unemployment and bankruptcies, and corporate profits will be lower

However, the positive factors which will be in force in 1989 are

● Official debt standstill payments next year will be R3 billion compared with R10 billion in 1985,

● The dollar price of oil — South Africa's single most important import — will be

50% lower in 1989 than it was in 1985,

● The corporate sector is better geared to handle a negative situation. Inventory levels and gearing ratios are much more conservatively managed than four years ago, thus reducing risk exposure significantly,

● The structural policy changes — such as deregulation, promotion of the informal sector and small business activity — have made the economy more flexible and increased its adaptive capacity, and

● Inventory accumulation made up a far greater proportion of 1988's expenditure growth than was the case in 1984. This implies that imports can be reduced next year without the same decline in final demand experienced in 1985

But, stressing the importance of fiscal discipline, the bank says "The eventual economic consequences of an expansive fiscal policy in 1989 would be truly too ghastly to contemplate

"As always, strict discipline is a sine qua non for overall monetary and financial stability in SA"

# State must cut spending <sup>250</sup> <sub>Stoey</sub> ex-FCI boss

2/14/88.  
PRETORIA — State spending would have to be cut drastically if the economy was to get going, FCI's immediate past president Hugo Snyckers said at the weekend

At the AGM of the Pretoria Chamber of Industries, he outlined the elephantine growth of the public sector — a luxury SA simply could not afford

He detailed the proliferation of similar ministerial departments. Referring to labour legislation, Snyckers said it appeared there were 11 ministers of manpower who administered 88 different laws

"The time is ripe to tackle these unwieldy structures"

GERALD REILLY

He stressed it was necessary at all times to weigh political decisions against the likely economic consequences.

The manufacturing sector had performed poorly for two decades in exports and in providing employment. Recorded unemployment had increased from 5,6% in 1982 to 11% in 1988 and the outlook was deteriorating

"Had it not been for the informal sector the consequences would have been catastrophic for the economy"

The attitude was common that economic and financial discrimination

against SA was done purely for political reasons. Although politics played a part in decisions to invest, more important was a country's economic performance and prospects. SA's economic performance in the '80s had not satisfied international economic criteria. Its track record had been poor

Snyckers said the country's GDP averaged less than 1% for the decade. As a result, formal employment had remained virtually static since the start of the '80s. Inflation had remained a double digit problem and the country's savings had fallen steadily from about 7% in the early '70s to marginally above 1%

Govt spending set to rise sharply

Blown

# Stals warns of cash-flow headaches

21/11/88

GRETA STEYN

GOVERNMENT spending was set to rise rapidly, causing cash-flow problems in the last few months of the fiscal year, Finance director-general Chris Stals said yesterday.

The relatively slow rise in spending during the first seven months of the fiscal year could not be kept up, because of spending on wages and "other additional expenses"

Government spending would "definitely exceed" the budget at the end of the fiscal year.

Stals was commenting in an interview on the latest figures on government finance, published in Friday's Government Gazette

The figures show government spending rose by 13,5% in the period from April to October this year, compared with a targeted increase of 12,6% for the full fiscal year. Total spending was R30,36bn — after seven months, only 56% of the R53,865bn budgeted for fiscal 1988/89

Stals said: "We expect a sharp increase in government spending in the last few months of the fiscal year, eventually causing cash-flow problems in the final four months."

Asked whether fiscal policy would be restrictive enough, he said. "It is difficult to say. But fiscal policy must complement monetary policy to cool down the economy."

Reserve Bank Governor Gerhard de Kock has said unless fiscal and monetary policy remained tight, the economy

would face "serious consequences"

Stals stressed that every effort was being made to cut back on spending.

So far, there is no evidence of cash-flow problems. The exchequer balance is a comfortable R2,4bn. The deficit after seven months was only R3,93bn, significantly lower than last year's R5,86bn during the same period. The budgeted deficit before borrowing for the full year is R9,86bn.

The healthy deficit situation was the result of a tax windfall. Revenue rose by a massive 26,5% in the April-to-October period, compared with the budgeted

● See Page 3

figure of 16,3% for the full year. Stals said income from Customs and Excise could level off as imports declined.

Income from customs and excise increased by more than 125% to R3,4bn compared with the same period last year, largely thanks to higher import surcharges.

Inland revenue rose by about 19% compared with a budgeted increase for the year of 12,9%. Stals said the income increase was largely thanks to the buoyant economy, which had seen turnovers increase more rapidly than expected. Phasing out the debtors' allowance on GST had added to the inflow.

On the spending side, defence is still below budget, with less than 50% spent after seven months. Transport and finance are also well below budget.

## Collecting data difficult, says Race Institute

JOHANNESBURG. — Fragmentation of information arising from the tricameral Parliament has made it difficult to obtain accurate statistics about South Africa, says the Institute of Race Relations.

"Restrictions on the media and other forms of censorship complicate matters even further," it adds

In a special preface to its latest survey the institute reports that statistics covering the entire country (including all 10 homelands) are often difficult to obtain and in some cases did not appear to be kept

"To make matters worse," says the institute, "even official publications, never mind the public media, sometimes do not indicate whether figures relating to some or all of the homelands are included or not"

While it was once possible to obtain a figure for spending on African education by asking one minister one question in Parliament, the institute says that obtaining such figures today might necessitate approaching 10 homeland education departments as well as the central government.

### TIME-CONSUMING

"This time-consuming difficulty has been with us for some time and it has recently been made more difficult by the introduction of the 'own affairs' system.

"To get a complete statistical picture of education now involves approaching two general affairs ministries of the central government, three 'own affairs' departments and 10 homeland administrations — 15 departments in all"

The institute says that sometimes it is impossible to obtain a complete picture. It reports, for example, that the latest figure for per capita spending on African education in white-designated areas is R477, but the figures for the four homelands are all less than this. To complicate matters even further, figures for the other six homelands are not available

Leaving out the homelands could give an distorted picture.

— Sapa

R150m fraud probe told ...

# Bank took money after books seized

250  
8/day  
23/11/88

Civil servants  
'R2,4m in red'  
after Ciskei  
investment

THE Harms Commission, investigating possible bank fraud in the Ciskei-registered Eurobank, Eurotrust and Eurobond companies, heard yesterday Pretoria attorney Albert Vermaas had accepted investments even after his companies' books had been seized.

An agent testified she had made a deposit last Friday, and on Monday had introduced Vermaas to a client who wanted to invest R5m in Eurobank

THE Reserve Bank's Chris de Swardt said last night Albert Vermaas's investment schemes, not his accounts, had been frozen, BRONWYN ADAMS reports.

Hennie van Greuning, who is leading the Reserve Bank inspection, said this meant the companies could continue with normal business operations but all non-routine activities had been stopped in order to protect investors.

The Reserve Bank brought an urgent interdict in the Pretoria Supreme Court on Monday night to prevent Vermaas, Eurobank, Eurotrust or Verco from accepting investments from the public

Reserve Bank inspector Hennie van Greuning said unaudited figures showed the net asset value of Verco, the holding company for Vermaas's 28 companies

MANDY JEAN WOODS

(including Eurobank and Eurotrust), was R129,9m on September 30 this year

Of this, R109m was invested in a recently established company, Chieftain Airlines, almost totally owned by Vermaas. The bulk of Chieftain's assets were represented by aircraft

Van Greuning said Vermaas could not have serviced interest on deposits of R150m without more deposits or roll-overs, and he must certainly have known this

As of last Friday, there was R150,1m in outstanding deposits. If none of these investments were rolled over this week, then capital amounts due — excluding interest — would be R30,6m this week and R70,7m by mid-April

He stressed this did not include investments made during the past two weeks



● VERMAAS

● To Page 2 →

PRETORIA — The Public Servants' Association (PSA) is R2,4m in the red after taking an overdraft from Trust Bank for a short-term investment in the Ciskei-registered Eurobank, now under investigation by the Harms Commission.

PSA chief manager of finances Johannes Potgieter told the commission yesterday the PSA (which represents 65 000 civil servants) had invested R5m in Eurobank on September 29 — the first payment of R1m was made two weeks after the founding of the bank in June

The investment was for 60 days and would have expired on November 30

Until last week, PSA directors were unaware of the investment, he said.

The PSA is one of 600 investors who deposited about R150m with the bank

Well-known Pretoria attorney and businessman WA Vermaas has been named as the man at the centre of the alleged financial deposit scam

Potgieter said he was approached by Eurobank agent Fame Fourie on June 29 this year

"We were interested in short-term investments and he proposed an investment in Eurobank I managed to establish that the bank was under the protection of the government of Ciskei, a factor which was reassuring when placing the investment," he said.

Potgieter said he was also impressed with the favourable interest rates, which stood at between 40% and 60%

EDYTH BULBRING reports two organisations named as major investors — Iscor and Sentraoer — said yesterday they had suffered no losses.

Vermaas, who is alleged to have channelled money from Eurotrust through his own account to the Verco Group of companies he controlled, was said by a family member to be unavailable to speak to the Press last night — Sapa

## 'Eurobank took money after books seized'

Van Greuning said the R129,9m asset value for Verco may change after a proper audit of the books because of wide discrepancies in values put on the companies by Vermaas and the Reserve Bank

"For example, Vermaas estimated one mining company at R30m. We estimated its value at R21 000. We estimated another company to be worth R4,6m but a 1985 appraiser certificate we found among the documents puts land owned by the company at R8,8m," Van Greuning said

The only accounting records kept for Eurotrust were six diaries that listed

names of investors and the dates and amounts due, he said

It appeared most of the funds went through Vermaas's loan account and into the Verco group — about R77,8m went through his personal loan account from March to September this year. The cumulative loan accounts in the Verco companies totalled R128,7m

Most investors apparently rolled over their investments, he said. The main sources of the funding for Eurotrust and Eurobank were the investment schemes

8/day  
23/11/88

● From Page 1 ←

250

Budget deficit could top R10bn (250) R/day

# Stals: govt well aware of need to cut its spending

GOVERNMENT realised it must slash its spending to set the economy on a long-term growth track, Finance director-general Chris Stals said yesterday.

He said in the short term, fiscal policy should respond to the business cycle in a counter-cyclical way

"The level of government spending is a problem, especially at the current point in the business cycle. Government spending is increasing too fast at a time when private sector spending is also booming. This does not make economic sense — it means total spending is rising too rapidly."

## Concern

Stals stressed in an interview that government remained committed to reducing its claim on the country's scarce resources. But he acknowledged the current performance was proof little progress had been made so far. The fiscal year, after getting off to a good start, was set for a higher deficit than the budgeted R9,86bn.

He said the main concern was not how to finance additional spending in 1988/89. Treasury had already borrowed substantial amounts on the capital market this year.

He admitted the deficit could end up a little over R10bn. However, estimates in the region of R12bn looked extreme at this stage.

The sale of R600m of Treasury's

GRETA STEYN

shares in Iscor to the Industrial Development Corporation (IDC) would help reduce financing needs. Part of the income would finance Treasury's budgeted R371m contribution to the Development Bank. The rest of the R600m was earmarked for additional spending on housing and infrastructure.

However, even if the capital market did not feel the strain of extra government spending, there was no reason for complacency over fiscal policy.

"The problem is the impact of a rising rate of increase in government spending on total demand for goods and services. Unfortunately, spending is rising at a time of excessive private sector demand. Ideally, fiscal policy should be used in a counter-cyclical way to work against demand pressures."

Government remained committed to bringing the deficit before borrowing down to 3% of GDP by 1992.

With this target in mind, the Finance Minister would make a special effort in the next Budget to keep the increase below inflation. But Stals acknowledged there would have to be some fancy footwork.

Economists estimated salaries, pensions and interest — half the Budget — were already set to rise by 17% — meaning the other half of the Budget would have to be cut dramatically to achieve a real decline in total spending.

# Blame fuel price on govt spending

Staff Reporter

THE government has drawn wide condemnation for the latest petrol price increase and critics called the rise a ploy to fund next year's pay rise for civil servants

According to economists and consumer bodies, the 10c/litre increase is a result of government overspending and will have a ripple effect throughout the economy, adversely affecting the inflation rate

More money had to be found for civil servants, whose numbers increased by 42 572 in the past financial year and who will be paid 20% more next year

A Trust Bank economic report published in July said notch increases and promotions would mean a total increase of 20% and not the 15% across-the-board increase announced earlier

Mr Louis Fourie, economist at Boland bank, said "the basic reason for the higher petrol price

is government overspending, and so the minister has to look for sources of revenue"

The National Democratic Movement said the increase was a highly unusual way of circumventing Parliament

"Instead of increasing state expenditure, and making the ordinary man pay for this, government should look to the lowering of such expenditure. This can best be done by eliminating the duplication of state services to which the government is committed in terms of its group-based approach," the NDM said

Mr Harry Schwarz, PFP spokesman on finance, said the increase would have a "serious effect on the rate of inflation"

"The shock decision by the cabinet to tax the motorist by an additional 9c/l is entirely unacceptable," said Mr Peter Elliott, Director General of the AA

"The AA feels totally aggrieved that once again the motorist is being forced to bear the brunt of government's inefficient tax col-

lection and civil servants' salary increases"

Mrs Lynn Morris, national president of the Housewives' League, said the increase was "totally and utterly indefensible"

An increase in fuel prices would have an unavoidable impact on the consumer price index in 1989, the Associated Chambers of Commerce and Industry (Asso-com) said

It said the increases in the petrol price this year amounted to 28%

Given the problematic nature of the economy at present, it was absolutely essential that government spending be curbed if South Africa wished to survive economically and financially, according to the Afrikaanse Handelsinstituut

The increase was bad news for many farmers who were battling to recover economically, said Dr Koos du Toit, chief economist of the South African Agricultural Union



250

~~8/12/88~~

8/12/88

# Time government spending on credit stopped

HAROLD FRIDJHON

**W**ITH THE evangelical zeal of a man who has suddenly seen the light, Finance Minister Bar-end du Plessis has during recent weeks been preaching the gospel of a firm monetary policy. And on Friday he preached, by implication, against the evils of deficit financing when he chose to tax and not borrow — a glimmer of a change in fiscal policy.

A weak, wavering monetary policy during the past year has been partly responsible for the present diseased state of the economy. The signs of overheating were apparent about 12 months ago, and instead of applying the obvious therapy of a firm upward movement in Bank rate, the authorities held back. They dawdled — and then, when pushed by market forces, with reluctance they agreed an adjustment in the rate by a single percentage point.

The too-little-too-late pattern persisted through the year. If Bank rate had been proactive and not reactive, if Bank rate had been flexible and not rigid, perhaps the money supply aggregates would not be as horrific as they are.

**A** firm two percentage points in December/January and then half percentage steps, perhaps month-by-month, would have indicated that the authorities were, to borrow a phrase, serious about money.

That would undoubtedly have curbed the public's and the importer's beat-the-surchARGE shopping spree — and the downward drift in the value of the rand.

The authorities unfortunately were blind to market perceptions, so that they were unaware that perceptions make markets. Du Plessis' threats of possible further steep Bank rate increases could be influencing current perceptions in the money market.

Ministers should not signal their intentions when it comes to monetary and fiscal policy they should act

first and then talk. Just as Du Plessis has acted with the petrol price — a correct move to fund spending from revenue not from borrowing.

On the other hand, funding spending by selling off the State's assets is intolerable. It is tantamount to selling off the family heirlooms to pay debts incurred through wild and profligate living. In this case, however, the heirs — having lost their inheritance — will be responsible for the debts incurred by their ancestors.

The receipts from the sale of State assets should be invested either in new national assets, such as creating and developing the infrastructure for the future growth of the economy, or they should be used to reduce the national debt.

**S**ome 14.2% of the current Budget will be spent on servicing the national debt. In the previous year it absorbed 12.9% of Budget. At this rate of growth, one is terrified to



DU PLESSIS ... seen the light?

project the increase into the future — which, of course, our heirs will inherit. The increase in the petrol price will provoke an outcry and the usual protests that the higher fuel price

fold, possibly more. With touching naivete the politicians might argue that this is good for business because it expands the economy — but is it? This is an accelerated demand which sets in motion the whirlwind of more money chasing the supply of goods. It is not matched by production and could also lead to an increased demand for foreign goods, with adverse effects on the current account of the balance of payments.

If, say the politicians, there is a bigger demand for goods, producers will increase plant capacity. Perhaps they would if their resources were not curtailed by their tax bills — direct and indirect, such as RSC levies — and if their confidence in the future was not undermined by political uncertainties.

**T**he end result of ever-rising government spending, however, is the reality that if government continues to take an ever-increasing share out of the national resources, the smaller portion left to the private sector is inadequate to finance the growth — the productive growth — necessary to meet the insatiable demand for jobs.

Excessive spending is, however, only part of the mismanagement of the economy.

Too large a part of government current expenditure is financed by borrowing, deficit spending a highly inflationary practice because of the multiplier effect which it has on the economy as a whole. The debt burden increases without creating permanent assets.

In fact, government is doing the very thing which it fulminates against the public for doing: spending on credit, running up bills which they cannot afford, living for today without a care for tomorrow.

But the private debtor knows that, as far as he is concerned, a day of reckoning is inevitable. As for the politicians, they evidently bank on the possibility that they won't be around when the day of reckoning is nigh.

# Minister lays charge against newspaper

Star  
6/12/88

Pretoria Bureau

(10/13)

(250)

The Minister of Manpower and of Public Works and Land Affairs, Mr Pietie du Plessis, last night laid a charge of criminal defamation against the owners of the Afrikaans Sunday newspaper *Rapport* over a report alleging he had misused personnel in his department for personal gain

A spokesman for the Sunnyside police station, in Pretoria, confirmed today that the Minister had laid the charge at about 6 pm last night

Mr du Plessis said he had laid the charge against the newspaper, its publishers and a reporter over the weekend report of the alleged misuse of staff

*Rapport* referred to Mr du Plessis's son, Johan, and two officials in his department who had allegedly allowed themselves to be misused

*Rapport* named Mr du Plessis's administrative secretary, Mr Jan van Tonder, and his chauffeur, Mr Dries van der Merwe. Mr van der Merwe allegedly took leave to work on Mr du Plessis's

farm when the farm manager died

Mr du Plessis said he had also ordered his legal representatives to begin an immediate civil case against the parties involved

He said Progressive Federal Party leader Dr Zach de Beer's plea for a public inquiry into the allegations, while the Advocate-General was still investigating the matter, suggested a motion of distrust in the Advocate-General

Mr du Plessis scoffed at a call for his resignation by the deputy leader of the Conservative Party, Dr Ferdi Hartzenberg

He said he could understand if Dr Hartzenberg had a problem, but if the CP MP was unhappy with the way the department was being handled he could address the matter during the Budget debate

Mr du Plessis advised Dr Hartzenberg rather to give urgent attention to Boksburg and the threatened takeover of the CP by the Afrikaner Weerstandsbeweging

De Klerk bows to pressure

# Govt relents on varsities' subsidy cuts

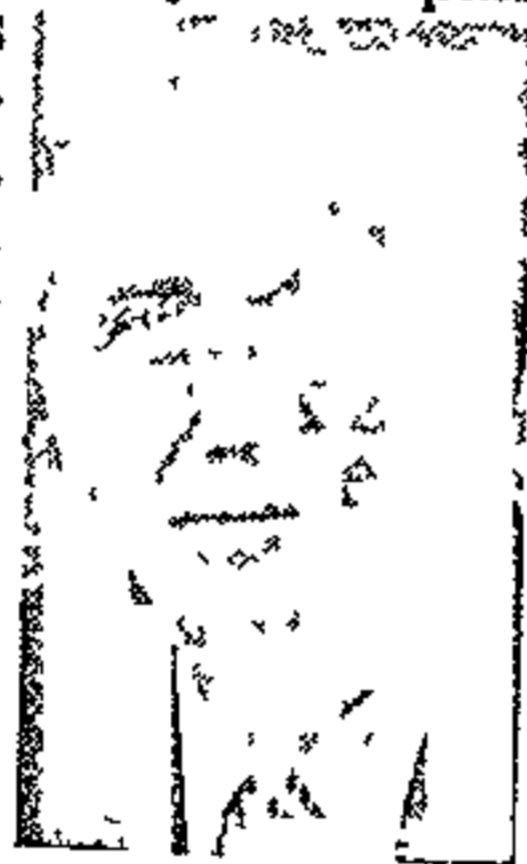
EDUCATION Minister F W de Klerk has bowed to pressure from universities facing harsh government subsidy cuts by approving a fresh grant package

Committee of University Principals (CUP) director Jos Grobelaar said yesterday agreement had been reached with De Klerk to partially reimburse the subsidy cuts planned for next year

He said government had acceded to CUP pressure and earmarked an undisclosed sum for universities. He expected

the sum would be "substantial". It is not clear how funds will be allocated but, according to Grobelaar, there is a possibility it will be on a pro rata basis

The move provides welcome respite for universities facing the huge subsidy cuts announced earlier this year



● DE KLERK

BRENT MELVILLE

Government's subsidy for the University of the Western Cape (UWC) had been slashed by 50% for 1989 in what UWC authorities believed was a political move

UCT vice-chancellor Stuart Saunders said although he had not received confirmation of the minister's decision, the grant would come at a time when UCT was staring at a 27% subsidy cut

Wits University acting vice-chancellor Peter Tyson said "We are definitely expecting a lump sum"

The CUP said universities had been intensely aware of the plight of the economy and had been following rationalisation policies and tighter budget controls. In some cases tuition fees had been increased by as much as 25%

It is unclear whether fees will be affected by the new package.

De Klerk was unavailable for comment late yesterday. His office refused comment and requested questions in writing

(A) (25) (100)

6/12/88

# Millionaire Minister attracts controversy

Star 7/12/88 (250)

By DAVID BRAUN  
Political Correspondent

The Minister of Manpower's decision to sue for libel is not the first time he has been involved in some row or other

The Minister of Manpower, Mr Pietie du Plessis, is like a lightning conductor when it comes to attracting controversy

The 53-year-old millionaire Cabinet Minister, businessman and farmer has frequently been in the news because of some row or other

As a result, he has on several occasions threatened to take legal action against newspapers

This week he laid a charge of criminal libel against a Sunday newspaper which printed allegations that he had misused his Ministry staff, status and position to further the interests of a family business that he owns with his son

Mr du Plessis has denied the charges, saying he has used his staff for his personal affairs only within the recognised norms allowed for a Cabinet Minister

He has always vigorously denied other allegations concerning his business interests and any possible conflict of interests they have with his Government position

Many of these allegations have centred on suggestions of large profits made from property deals and share transactions

Other controversies have concerned Mr du Plessis' political career and his position as Cabinet Minister

Mr du Plessis is of medium build, a man with a relaxed manner who jokes easily with his colleagues. In debate, he does not hesitate to get under the skins of the opposition and has often been involved in heated altercations across the Assembly floor

He is regarded as one of the most effective Government speakers, especially in a destructive role against opposition parties

In May 1985 questions were



**Taking Rapport to task . . . Pietie du Plessis has always denied allegations about his business interests and any possible conflict of interests they might have with his Cabinet position.**

asked in the then Transvaal Provincial Council about the massive 700 percent profit made on a provincial property bought by Mr du Plessis in partnership with his son, Johan, and two others

The official Opposition in the council probed details of the property, which used to be owned by the TPA Works Department and which had been sold to the partnership for R230 000

Ten months after the transaction, the property was worth at least R1.5 million, the Opposition alleged. It wanted to know whether the expected profit was due to the TPA or to the partnership

## Vast profits

A year later, newspaper headlines trumpeted vast profits made by the Du Plessis family in a R10 million land deal near Pretoria

One newspaper said the Minister had become a millionaire almost in the blink of an eye, earning R4 million profit from his share in the deal in less than a year

Also in 1986, the Minister became embroiled in court actions involving the shareholding of his property company

Mr du Plessis at one stage instructed his attorneys to investigate charges of defamation against Metropolitan Life,

in a complex situation involving remarks made in court actions concerning damages of more than R5 million

There were also court actions concerning one of Mr du Plessis' business partners

More recently, the sale of a building leased by the Department of Works (which falls under Mr du Plessis' portfolio of Manpower and Works) is currently the subject of an investigation by the Advocate-General

The Pretoria building, owned by Sanlam, was sold to Mr du Plessis' son, Johan. The Advocate-General is investigating complaints of possible advantage or enrichment

According to reports, the building was sold for R2 million, but its value might be closer to R7 million

In August this year a row blew up when the driveway of Mr du Plessis' official Cape Town residence was upgraded at a cost to the taxpayer of close on R50 000

According to reports, the extensive driveway construction, paid for by the Department of Works, was built, pulled up and built again

The department issued a statement to say the construction was necessary because of its dangerous intersection with a public road. It said the construction had been done in the most economical way possible

On the political front, Mr du Plessis was last year accused of wheeling and dealing in the presidential succession stakes

According to reports, the Minister was patron of the Club of 22, which was allegedly founded by a group of Nationalist MPs who wanted to ensure that Foreign Minister Mr P. W. Botha would succeed Mr P. W. Botha as state president

Reports said President Botha instructed Mr du Plessis to disband the group because he would not tolerate any factionalism in the Cabinet

Mr du Plessis denied the reports at the time. He said the club was an informal social grouping of new MPs who wanted to acquaint themselves with parliamentary procedures and get to know their colleagues

## Two degrees

Mr du Plessis is the MP for Lydenburg, a seat that he narrowly retained in last year's general election, contrary to widespread expectations that the CP would defeat him

He was born in Nebo, Sekhukhuleni and had his schooling at Hoer Volkskool in Heidelberg. After obtaining two agricultural degrees at the University of Pretoria he farmed in the Lydenburg district in the 1960s

In 1966 he was elected to the Transvaal Provincial Council and in 1970 was elected MP for Lydenburg

In 1976 he was appointed chairman of the Commission for Co-operation and Development (then known as the Bantu Affairs Commission) and in 1979 was appointed as Deputy Minister of Finance

He was appointed to the Cabinet as Minister of Agriculture in October 1980

In August 1982 he was appointed Minister of Mineral and Energy Affairs and in November the following year was given his present portfolio of Manpower

As Minister of Manpower, Mr du Plessis has been responsible for guiding the controversial Labour Relations Amendment Bill through Parliament

## GOVERNMENT FINANCES

### Money for petrol

Finance Minister Barend du Plessis' imposition of an additional 9c/l fuel tax from January 16 signals another significant shift to an increasingly important new revenue source. Du Plessis said the 9c/l hike would raise R1,3bn in a full year.

29 (250) FMAIL 9/12/88

29



Du Plessis ... significant shift

(250) FMAIL 9/12/88

It may be remembered that MTC — a harsh, retroactive tax — was imposed in the Budget to balance “temporary” cash flow problems. With the extra hundreds of millions of rands that have since flooded into State coffers, cash flow problems must have become very serious indeed.

Traditionally, the last three months of the fiscal year, particularly the final, herald the heaviest drawdowns on the Exchequer. And while perceptions that a GST hike is on the cards increase by the week, this is politically the least likely move as the Exchequer moves closer to break-point. ■

Given that the fuel levy plus 4c/l that goes to Customs and Excise (which in turn feeds to the Exchequer) will then be 35,9/l, this implies that 1989-1990's petrol sales will garner some R5,2bn for the fiscus. This amounts to an astounding 11,8% of estimated 1988-1989 revenues.

Du Plessis' 9c/l move, ostensibly to help balance the books, will raise just R260m for the balance of the 1988-1989 fiscal year.

In addition, revenues from the Minimum Tax on Companies (MTC) and phasing-out of the debtors' allowance on GST are surging way ahead of estimates. But the biggest “surprise” generator of revenues this year has been bracket creep, or fiscal drag.

In the first seven months of this fiscal year, to end-October, South Africans paid 26,5% more in tax than over the comparative period last year. Yet even with these extra revenues, Du Plessis implied that the estimated deficit may be overshot. Alternatively, that spending will go madly overboard.

Reacting to criticism that uncertainty surrounding State finances might be exerting upward pressures on interest rates, Du Plessis reminded that

- The Budget provided for expenditure of R53,9bn. “Gross” additional expenditure is now estimated at R3,3bn (including salary and pension increases of “about R1bn”). Some R800m will be financed through “rearrangements and savings” in departmental budgets, leaving net additional expenditure of R2,5bn.

- The Budget estimated revenue of R44,0bn. The “best” estimate now indicates about R45,6bn, R1,6bn more, and

- The public-sector borrowing requirement (PSBR), projected in the Budget at R9,9bn, is now estimated to rise to R10,8bn.

Du Plessis said “Government judges this to be too high in present circumstances. . .” The extra R260m from the fuel levy this year, plus R600m expected from the sale of Iscor shares to the Industrial Development Corp, makes life a lot easier.

Accordingly, PSBR “should not be much greater than was estimated in the main Budget. Indeed, it could even be lower.”

# Public servants alive — and well paid to boot

S/Tune 11/12/88 (250)

NEVER mind the pro-  
testations of the Gov-  
ernment — public sec-  
tor pay increases last  
year were far bigger  
than those in the pri-  
vate sector.

According to a handbook  
produced by the Commis-  
sion for Administration, the  
Exchequer Personnel  
Corps — representing near-  
ly 60% of the public sector  
— was paid R15,7-billion in  
the year to September 1987  
that was a 20,2% a head  
increase over September  
1986

Exchequer personnel are  
defined as those paid by the  
Exchequer — including  
central and provincial de-  
partments, Parliament,  
public services of the  
homelands, parastatals,  
cultural institutions, uni-  
versities and technikons

The report, evidently de-  
signed to justify the heavy  
public-sector wage bill,

says Exchequer personnel  
still lag behind the private  
sector and "immediately  
after adjustments their po-  
sition is moderately com-  
petitive at best"

It claims that Govern-  
ment policy is to pay low-  
level public servants 5%  
less than equivalent posi-  
tions in the private sector  
and high-level public ser-  
vants 15% less to compen-  
sate for greater job secur-  
ity

Statistics show that aver-  
age increases in the private  
sector in 1987 were far less  
than 20% a head

According to a survey by  
PE Remuneration Services  
— a division of P-E Corpor-  
ate Services — wage in-  
creases in all industry sec-  
tors, excluding non-profit  
organisations, averaged  
14% in 1987

In the year to the June  
1988, average salaries for

general staff increased by  
16,4%, executives receiving  
18% more For the first  
time since 1982 salary in-  
creases have risen by more  
than the inflation rate —  
before tax erosion of liv-  
ing standards

A survey by industrial re-  
lations consultants Andrew  
Levy, Johan Piron & Asso-  
ciates shows that wage in-  
creases negotiated by em-  
ployers and trade unions in  
the first nine months of this  
year averaged 17,9%

Public servants have  
done well since the date of  
this report. They were  
granted an across-the-  
board increase of 15% in  
October this year after the  
Government forgot about  
its pay freeze

As well as this, politi-  
cians and bureaucrats in  
Parliament, homeland gov-  
ernments and municipal of-  
ficials have received  
healthy salary increases  
and pension benefits

The Government insists  
that mushrooming public-  
sector employees are lag-  
ging far behind in pay when  
compared with the private  
sector

The report on Exchequer  
personnel says "Since the  
beginning of 1984 the sala-  
ries of Exchequer person-  
nel rose at lower rates than  
in the open market

"Since January 1, 1984,  
there have been two gener-  
al adjustments (10% on  
April 1, 1986, and 12,5% on  
July 1, 1987). Therefore, Ex-  
chequer personnel are still  
trailing"

What it fails to point out  
is that although the general  
increase amounted to  
12,5% in June last year, it  
was lifted hugely when all  
the other adjustments were  
added to it

For example, added to  
the 12,5% last year was  
5,3%, which was the effect

of occupationally specific  
adjustments and simulta-  
neous expenses to reduce  
disparities Another 2,4%  
was the combined effect of  
notch adjustments, promo-  
tions and staff turnover,  
adding up to an average per  
capita salary increase of  
20,2%

The report says there are  
almost 10,5-million eco-  
nometrically active people in  
SA, representing 36% of the  
population of about 29-mil-  
lion The 36% is engaged in  
farming, trade and industry  
and the public sector

"There are 1 679-million  
people in the public sector,  
which represents 16,1% of  
the economically active  
population."

Of the R16-billion total  
personnel expenditure,  
R11,7-billion went to basic  
salaries To keep the remun-  
erative packages of the  
Exchequer personnel com-  
petitive with the private  
sector, comparisons with

the open market are peri-  
odically done, it says  
"These are based on au-  
thortative market surveys  
by private companies, the  
Human Sciences Research  
Council and other insti-  
tutions National averages  
are then calculated, serv-  
ing as a basis for determin-  
ing salaries"

Looking at the longer  
term, the Reserve Bank  
bulletin shows that since  
1980 remuneration an em-  
ployee in the public sector  
has risen in real terms by  
7,6%, while in the private  
sector, it has risen by 6,1%  
— not a year, but over eight  
years

But the numbers of pub-  
lic-sector employees have  
grown by 17,7%, while the  
number of tax-paying work-  
ers in the private sector  
remained stagnant No  
wonder the taxpayers are  
buckling under the burden

*Printed 12/12/88*  
**Extra pay hike for  
top civil servants**

*250*  
Own Correspondent

JOHANNESBURG. — Top management personnel in the public service are to get increases from December 1 in addition to the 15% across-the-board increases for all public sector workers from January.

Top management includes directors-general, deputy directors-general, chief directors and directors. According to sources, the December-January pay hikes combined will exceed 20%.

The Public Servants Association president, Mr Colin Cameron, said the PSA had no official notification of the December increases.

A Commission of Administration source said it was firm policy that earnings packages in the service should be kept "moderately" competitive with the private sector.

Earlier this year the Minister of Constitutional Development and Planning, Mr Chris Heunis, revealed in parliament that a director-general in his department earned about R178 000 a year.

## Big rises for civil service

TOP public servants have received salary increases in addition to the 15 percent across-the-board salary hike promised to all Government officials from January 1.

This could mean that the very top echelon of the public service will receive rises of up to 20 percent in the new year.

● Figures released by the commission show that the exchequer personnel corps — representing nearly 60 percent of the public sector — was paid R15 700 in 1987.

This was a 20.2 percent-a-head increase over 1986. (See Business Times Page 7)

(250)



GOVERNMENT FINANCES

250

Fine, for some

FINANCIAL MAIL 23/12/88

Is State spending under control? The answer is yes, if figures for the first eight months of the fiscal year to end-October can be believed. Spending rose by 13%, only slightly more than budgeted, to R34,7bn.

This would suggest a deficit before borrowing no higher than the budgeted R9,9bn. However, Finance DG Chris Stals has reportedly admitted it could end up a bit over R10bn, because of a late surge in spending. Estimates by private economists are as high as R11bn (Volkscas) and R12,1bn (Standard).

Many votes appear to be well within estimates, but pressures from the TBVC countries and six self-governing states are taking a heavy toll. Development planning (statutory amount), the third largest vote after defence and finance (statutory amount), jumped by 19,9%, development aid, the



Stals ... late surge in spending

fourth largest, shot up 45,6%. There's no explanation why these large votes have been so significantly exceeded. Finance (statutory amount) increased by some 16% to R4,8bn, while defence rose a modest 11,4%, also to R4,8bn.

For 1988-1989 the amount voted to development planning and development aid combined is a monumental R11,8bn, 21,9% of total Budget. This easily exceeds defence, the largest single vote, at R8,6bn.

On the other side of the coin, even more noteworthy than the control of spending is the way Exchequer receipts continue to surge, as the first real money from import surcharges slushes in.

Eight-month receipts rose by 26,1% (estimated 16,3%) to R29,8bn. The result is a crude R4,9bn public-sector borrowing requirement (PSBR), significantly lower than a year ago. It is also less than two-thirds of the budgeted R9,9bn deficit for the year.

With sufficient stock already issued to finance PSBR, the Exchequer balance was a healthy R2,5bn at end-November.

Inland Revenue collected 17,9% more over the period, Customs & Excise 116% more, at R4,2bn. If the tempo is maintained for the full fiscal year, it will have a significant effect on overall State finances.

The Budget estimated that receipts would increase by 16,3% to R44bn. If 26,1% is sustained for the full year, total receipts will be R47,7bn, R3,7bn more than expected. This alone should cover the public sector's January 1 15% pay increase if the general Budget is not exceeded.

However, it is not clear exactly what the increase will cost in a full year. It is only one element. According to the Commission for Administration, other factors also contribute to "salary expenditure," including:

- General adjustments,
- "Occupationally specific adjustments,"
- Annual "notch" adjustments,
- Promotions, and
- "Changes in nature of the personnel corps."

Moreover, the State as employer contributes to pension funds and their "stabilisation funds," and also pays "service bonuses." Experience shows that a pay increase leads to a significantly higher overall increase in the cost of employees.

For example, in 1986-1987, per capita pay in the public service increased by 20,2% to R15 724, of which just 12,5% resulted from

a "general" adjustment. Next month's 15% increase could end up closer to 25% overall. A spokesman for the Commission for Administration recently said some 1 000 senior public servants are looking forward to pay hikes over and above the 15% from January 1. The hikes — for directors of State departments and their deputies — include occupationally specific adjustments, and will be financed from R455m already allocated. He wouldn't give further details.

250 FINANCIAL MAIL 23/12/88

# Govt spending 'dictates rates'

INTEREST rate policy next year will depend largely on the pace of government spending, say economists

Most cannot rule out another increase in prime rate, to 19%, in the first quarter of next year as government spending accelerates

Civil servants receive their salary increases in January, raising fears of renewed overspending

UBS economist Hans Falkena expects another one percentage point hike in Bank rate in the first quarter — but what happens after that depends on whether there is a general election

Says Falkena "If there is not a general election, we can expect a tight Budget. Interest rates will then start dropping sooner rather than later. But I would hate to forecast what will happen if there is an election"

250

GRETA STEYN

27/12/88

Monetary policy will remain tight, but "probably not tight enough". Falkena is a champion of real interest rates, and believes that SA cannot afford a Bank rate that is negative in real terms

He argues that Bank rate should exceed its current 14,5% for the whole of next year, given an expected inflation rate of 14,5%

This implies a prime rate of at least 18% for the whole of next year. But Falkena concedes this is not a likely scenario

Simpson McKie economist John Banos agrees that prime will probably hit 19% in the new year, but believes it will peak at that level

● To Page 2



# Govt spending 'to dictate interest rates'

"Monetary policy should remain tight to offset expansionary effects of a widening Budget deficit. Another reason is the balance of payments, which is still not healthy. November's trade surplus was knocked by record import figures, which is proof positive that the economy has not yet slowed down significantly"

But Banos expects the slowdown to come next year — with a vengeance

"Then we'll see prime coming down to about 16% by year-end. But if there is an

election, the picture might be different" Volkas's At Engelbrech is less certain about another hike in prime next year

"The chances are 60% — depending on government spending. But the economy will run out of steam soon, it has to. Rates will decline slowly from the third quarter onwards, possibly reaching 16% by year-end"

● From Page 1



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# MAN POWER - GENERAL

JAN - DEC 1988

# BLACK BOSSES

C/press 3/1/88

# RAPPED IN

# RACIAL

# DIVIDE



Position of the black manager in the South African situation is an unenviable one. In his battle for self-realisation, he finds himself caught between two opposing forces - management and the workers.

South African society is divided into painful categories - those who have power, money and privilege and those who have no power, no money and few privileges - the racial divide. The black managerial group finds itself somewhere between the two groups.

Although there are many laws and protective devices developed to protect the interests and privileges of white people, the philosophy propagated is that it applies to whites in the business world applies on an equal basis to white people.

Superficially, he may appear to be that is, until one catches at the surface.

It is the unwritten rules that cause the trouble for black businessmen. Many have found that they have to perform, compete or fight as individuals in a ball game played by a group.

Another problem is that, because promotions are often done for cosmetic reasons, the black manager may be uncertain why he was appointed to his post.

**MUNTU MYEZA** is the publicity secretary of the Azanian People's Organisation. He served a total of six years on Robben Island, after being found guilty in the Saso/BPC terrorism trial of 1975.

A merit appointment would imply potential ability to perform adequately or successfully because of qualifications, experience or for other reasons.

A cosmetic appointment would be performed for socio-political reasons - to promote the company's image.

Whatever the reason, he has to learn the rules of the game, and fast.

White-owned companies seem to be trying to outdo each other in providing themselves with multi-coloured faces. Hence one hears jargon like "black advancement", "upward mobility of blacks", "affirmative action", "management interface" and a host of others.

This situation is not surprising. It could be seen as a move calculated

to nullify political pressure from the black middle class.

The black manager finds himself in the whirlwind of a changing South Africa. The labour movement is making increasing demands on commerce and industry and the black manager is placed in the firing line.

This strategy is intended to blunt the

thrust of union activity.

The manager is in an unenviable position. On the one hand he identifies with the workers, and on the other, it is his job to side with management and safeguard the interests of the company.

The result is that he has to be a warrior under two flags. One step out of line and both sides will shoot him down.

In this context the black manager finds himself alienated. Alienated from himself, his community and his work. An alienated being

is a being that has lost his sense of self - his origins and direction.

He is buffeted by the winds and tossed by the storms. Nothing matters to him but the job at hand. The morality of his decisions is blurred by the ever-present pressure to perform successfully.

The black manager needs to decide whether he is a black manager or a black person in management. The former leads to alienation while the latter leads to self-identification and purpose.

EMPLOYMENT

# More working, but more jobs needed

## Finance Editor

FOR the first time since the boom days of the early 1980s, the number of people working in manufacturing and construction has begun to rise. However, the increase has been painfully small, especially in relation to the vast pool of unemployed that exists in this country.

At the end of October manufacturing was employing 1 332 800 people, Central Statistical Services reported. This was an increase of 14 300 since the beginning of the year and of 19 300 — or 1,4 percent — since the end of June 1986.

The increase in employment in the construction industry has been somewhat better in percentage terms. At the end of October 302 800 were employed on construction — an increase of 5 300 from the end of 1986 and of 8 800 or three percent since June 1986.

Helpful as these increases are, it is obvious that the economy needs to grow faster and many thousands more people need to

be hired if the unemployment problem is to be even dented.

Just how many people are seeking work is still uncertain. But Central Statistical Services has been doing its best to come up with reliable figures.

It is beyond CSS's means to count everyone without a job, so it follows the American example and conducts a survey which it uses as a basis for determining the unemployment rate.

Its unemployment figures have been challenged on many occasions in the past. But it has revised its methods in the light of the 1985 population census figures and has now produced figures which it believes give a better indication of the problem.

According to these revised estimates the coloured population numbered 3 070 000 people in October. Of these, 1 126 000 were economically active — that is able to work — and 147 000 or 13,1 percent were unemployed.

CSS estimates the unemployment rate in the cities at 15,4

percent and at six percent in the rural areas.

It believes its unemployment figure has a reliability of 99 percent.

Excluding the independent states, it estimates that there are 20 172 000 black people in South Africa of whom 6 469 000 are economically active, with 1 155 000 or 17,9 percent unemployed.

It gives unemployment in the cities as 18,4 percent and in the rural areas as 13,7 percent.

Here again CSS believes the figures are 99 percent reliable, meaning that the figures for the number of blacks unemployed is accurate within plus or minus 100 000.

However, complete accuracy is not essential in highlighting the unemployment problem. It is significant that in 16 months, two major providers of employment such as manufacturing and construction increased their labour force by only 27 100 at a time when there were at least over a million unemployed.

# Sats cut labour force BY OVER 30%

197-11/88

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Own Correspondent

JOHANNESBURG — Sats has cut its labour force by more than 30% in the last six years, according to figures supplied by the organization, and the process is probably not yet completed.

Sats has adhered to an undertaking given by the Minister of Transport that there will be no retrenchments, and the process will be carried out

through natural attrition.

Indeed, according to a Sats spokesman, there are now 2 000 "redundant" employees on the payroll, who will be placed in posts as they become vacated through retirement, resignation or death.

But unionists in the sector say workers still have some fears over their job security.

From a peak of more than 279 000 in 1982, the Sats work

force fell by 84 500 to 194 600 by December.

Employment at SAA fell by about 10% to 10 500 in the period. But the bulk of the decline was in the railways section, which now employs just over 166 000 workers.

The recently publicized "rationalization" of mainline passenger services is one reason for this.

But, as Federal Council of Sats Staff Associations

general secretary Abraham Koekemoer pointed out, goods transport services represent a far more significant proportion of railways activities.

Tonnages carried have varied with the fortunes of the economy.

But, the Sats spokesman said, better technology and work methods, and particularly the blockload fastfreight system, has enabled Sats to

move greater tonnages with far fewer people.

Koekemoer said the unions had often asked management when the process would end. However, there had never been a definitive reply.

Koekemoer expressed concern about the 2 000 surplus staff, most of whom are artisans, he said. "If they keep on reducing the number of available posts, what will they do with these people," he asked

ERM 22/1/88

## RSC JOB-CREATION

Regional services councils (RSCs) joined official employment statistics in the third quarter of 1987 with 7 233 full-time jobs. The average salary for whites was R2 279 a month, against R2 334 for the average white local authority employee, R2 368 for those of city councils and R1 736 in central government.

The RSC salary and wages bill for the quarter was about R24m, implying an annual bill of nearly R100m. So claims in a booklet from the East Rand RSC, that "jobs will be created" by the coming of RSCs, should not be taken lightly.

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W/G ARGUS

23/1/88

(173)

# Economy upturn — more staff wanted

Weekend Argus Correspondent

JOHANNESBURG — Job opportunities in most sectors of the economy are increasing by the day as companies expand their workforces to keep pace with the upturn and to replace staff who left at the end of the year.

According to Mr John Dawkins, managing director of Kelly Personnel, demand for general office staff, particularly temporary, has increased by more than 100 percent since last June

"This was followed by an increased demand for permanent staff. This seems to imply that there is a more active and positive economy

"When companies first experience an upturn in business they are reluctant to recruit permanent staff immediately. They are more likely to employ temporary staff while they gauge if the upturn is going to last

"As soon as they feel confident about the upturn continuing they look to increasing their workforce and take on permanent staff"

The greatest demand is for secretaries with shorthand, word-processing operators and bookkeepers. At the same time a salary survey made by the group shows that in certain job categories where there were shortages last year salaries have risen considerably

For instance, salaries of bookkeepers, secretaries and executive secretaries have increased by 18,3 percent, 18,1 percent and 12,5 percent respectively

Mr Dawkins says that with the increasing demand for skilled staff, starting salaries will become progressively higher as companies strive to retain their staff and to attract additional staff with the necessary skills

He says consumer demand is

increasing and this is fueling the production side of most companies to the extent that many are finding it difficult to keep up with the demand for services and goods

Mr Ray Rosse, general manager, Professional Assignments, says that in the past year there has been a 200 to 300 percent increase in the demand for senior professional people

"Two years ago we had a surplus of applicants and no opportunities. This year there is a complete reversal

"Clients are also taking a much more positive approach to the future and are opening their doors. Discrimination is falling away"

Mr Bruce Herholdt of Don Gray Technical Management Services says the high-technology industry in the Transvaal is desperately in need of graduate and diplomat engineers and technicians for the light current electronics area.



# IDC's scheme means 25 000 new jobs

Star  
8/2/88

~~Finance Staff~~  
Following the State President's new economic deal, a massive R1 billion will go to the country's industrial development as a result of the newly-announced five percent interest scheme by the

~~Industrial Development Corporation (IDC)~~

A welcome side effect, too, will be the flow of an estimated 25 000 more jobs

Mr Carl van der Merwe, IDC's general manager, is reported as

~~173~~  
saying "Quite a few big loans application people who have been hedging their bets in the past few weeks will now come into the picture

"Investment of R1 by the IDC normally means R3 in total For every R1

we spend, you can expect another R2 to come from the private sector"

It is estimated that as a result of the scheme, R300 million will be immediately at the disposal of medium-size independent industrialists

# NMC: SA must not rely on white manpower

*D/D 13/2/88*  
**173**

CAPE TOWN — South Africa will not be able to realise its development potential and offer all its people an acceptable standard of living if the country persists in trying to satisfy its high level manpower needs mainly from the white population

This is the most important message to flow from a new investigation by the National Manpower Commission (NMC) into the utilisation and availability of high and middle level



skilled manpower in South Africa

In the report, the NMC chairman, Mr Hennie Reynders, warns that if this pattern continues, South Africa could face a relative deterioration in standards

He stresses that it is therefore of the greatest importance that all the population groups should have full and equal opportunity to participate fully in the development processes

Mr Reynders notes that one of the main reasons why there has been a lack of progress in the advancement of blacks, coloureds and Asians in management is the attitude of white management personnel

Although they profess to be positively disposed to helping with the upliftment of these groups, there is a notable unwillingness or

inability to put these views into practice Mr Reynders observed

He declared that this situation should be urgently addressed, the more so since it influences the acceptability of the free enterprise system

In its report the NMC loosely defines high-level manpower (HLM) as being those people with at least two years of education and training after Std 10, and medium-level manpower (MLM) as those with a minimum qualification of Std 7 or 8, followed by a few weeks of training

The NMC records that HLM made up about 11 per cent of the economically active population in 1985, and MLM about 25 per cent

White men constituted the single largest source of HLM, although it was observed that the per-

centage of the other three population groups among HLM has been increasing

With most of the statutory measures which hampered the mobility of blacks mostly lifted, the NMC expected that the advancement of this population group into HLM and MLM occupations should increase

As regards manpower shortages, 22 per cent and 36 per cent of all vacancies in the country were for HLM and MLM respectively. The absolute number of vacancies in the case of HLM is generally higher among technicians and technologists

The NMC recommends that the private and public sectors develop an attitude that will contribute to the optimal utilisation of blacks, coloureds and indians, and also women — DDC

# Living standards may drop, report warns

APL Tim's 13/2/88 (173) (28) (29)

Political Staff

**HOUSE OF ASSEMBLY**  
— SA will not realize its development potential and offer all its people an acceptable standard of living if it persists in trying to satisfy its high-level manpower needs mainly from the white population

This is the most important message to flow from a new investigation into the use and availability of high- and middle-level skilled manpower by the National Manpower Commission (NMC).

In a report carrying its findings tabled in Parliament, NMC chairman Mr Hennié Reynders warns that if this pattern continues SA can face a relative deterioration in standards

He stresses that all population groups — in line with the accepted philosophy of the free-market mechanism — should have full and equal opportunity to participate fully in the development processes

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As regards manpower shortages, 22% and 36% of all vacancies were for HLM and MLM respectively. The absolute number of vacancies in the case of HLM is generally higher among technicians and technologists, as well as nurses

*Research shows*  
D 10 22/2/58  
*home business* (173)  
*major employer*

Daily Dispatch Reporter

EAST LONDON — White home-businesses are the fourth largest employer in South Africa, and more than 300,000 families earn about R148 million a month, or R1,8 billion a year, in this way

Research by the Self-Employment Institute, launched to encourage the expansion and development of the unrecorded informal sector of the economy, revealed that about one in every five white households ran some form of business from home

Similar businesses are run by at least 1,5 million people in the black community

The institute's executive director, Mr Theo Rudman, said that survey estimates indicate that the average turnover per household is about R500 per month. The income varies from as little as R50 to R62 500 a month, and involves about 500 000 individuals

The operations are varied, and include housewives baking cakes and bottling jam for sale to shops, dress-making, the sale of knitted and crocheted goods at flea markets, moonlighting assignments by architects, draughtsmen, bookkeepers, plumbers and electricians

From these figures it can be seen that it is fallacious to assume that home businesses, in general, are not lucrative enough to support a whole family, and usually function as a supplement to family income

Indications are that this industry is expanding, and Mr Rudman estimates that within the next year or two a minimum of 25 per cent of all white families will operate a business from home

Local government officials have for decades actively discouraged many of these operations, but certain municipalities are making it easier for enterprises to operate from homes

Entrepreneurs operating from home are able to cut their overheads to a minimum

# Moonlighting

MAGAS 24/2/88

## That's what more people are doing to make ends meet

173  
Staff Reporter

**T**HOUSANDS of people in South Africa are turning to home industries to supplement their salaries — and in Cape Town in particular this has been gaining momentum because of the city council's deregulation policy

However, the executive director of the Self-Employment Institute in Bleackheath, Mr Theo Rudman, believes a lot more can be done, maintaining that the council is actually reregulating rather than deregulating

If tackled properly, home industry could become the backbone of the country's economy, he said in an interview

"For instance, provision is now made for dressmakers, but if somebody wanted to make curtains or other soft goods, he would be breaking the law. The same applies to knitting being allowed, but crocheting not"

Mushrooming informal businesses are starting to attract large numbers of whites as well. Research shows that the number of white families running sideline businesses from their homes to supplement their incomes has soared to almost 300 000 — about one in every five white households — in the battle to cope with inflation and high income tax

The phenomenal growth of mini home business operations in the white as well as black communities has been traced by the Self-Employment Institute, which was launched to encourage the unrecorded informal sector of the economy

Mr Rudman estimates that the total supplementary earnings of white families with home businesses is now running at no less than R148-million a month

The operations — invisible to official economic statistics — range from housewives baking cakes and bottling jam for sale to neighbourhood shops, dressmaking, running newspaper rounds or selling knitted goods at local flea markets, to architects, accountants, carpenters, plumbers and electricians on freelance moonlighting assignments

Average extra monthly incomes work out at about R500, varying from a few rands to hundreds and sporadically even thousands of rands

"Until now there has been an impression that informal sector activities have been almost exclusively confined to the urban black townships," said Mr Rudman. "However, our research shows an incredible expansion into all communities

"Nor are the home businesses confined to the lower-income groups. Among the whites, relatively affluent families also account for a high percentage of the total — largely motivated by a determination to defend their living standards from the impact of inflation and high taxation

"Black families, on the other hand, are often forced to launch home businesses by dire necessity, especially if the breadwinner is officially unemployed

"There are now at least 1,5 million informal sector operations being run by the black community, from street trad-

ing and part-time jobs as gardeners to knitting and sewing circles producing goods to sell to retail shops

"There are carpenters, bricklayers, welders, all using their initiative to build mini businesses of their own — and their contribution to the economy, though impossible to quantify with any accuracy, is enormous

"Thankfully, the Government has finally ordered the dismantling of at least some of the ludicrous regulations that have hampered the development of home industries. But there is still a long way to go before there is full official recognition of the crucial role being played by the informal sector

"Clearing the decks to allow the informal sector to get into full stride has now become a matter of urgency"

Mr Rudman quoted projections compiled by the Institute of Futures Research at Stellenbosch University showing that the modern formal business sector may have jobs for only about half the total labour force of the country within the next decade or so

Because of the swelling numbers of school-leavers caused by the population explosion, the total labour pool looked set to climb from 12 million in 1985 to 17,9 million by the year 2000

### Formal sector

The number of workers needed by the fully developed formal sector looked likely to grow to 9,4 million at best and perhaps only as high as 8,1 million if the average rate of economic growth worked out at only about two percent a year

"Whichever scenario proves accurate," said Mr Rudman, "that means the informal sector will need to absorb about nine million workers if jobs of some sort are to be found for everyone"

The role of the Self-Employment Institute would be to train and prepare more workers to launch their own business enterprises

A pilot training scheme had been started in Cape Town and negotiations were now under way to introduce full-scale operations in Johannesburg within the next few months

Courses would embrace not only basic training in various artisan skills but also how to launch and run a small business — how to apply for loans to cover start-up costs, how to keep accounts, harness costs, how to tackle market research

The institute hoped that the courses would be provided free under the training schemes run by the Department of Manpower

More courses were planned for Durban, Port Elizabeth and East London. It was hoped to help launch at least 20 000 new mini businesses a year



Picture DION TROMP, The Argus

Learning new skills at the Self-Employment Institute in Blackheath are, from left: Lettie Mijamjana, Yvonne Sitole, Clementine Mpomane and Cynthia Govuza.

# Minister is insensitive to Cosatu, claims Soal

By David Braun,  
Political Correspondent

CAPE TOWN — The Minister of Manpower, Mr Pietie du Plessis, had displayed arrogance and insensitivity in his intentions of dealing with Cosatu in terms of the new emergency restrictions, the Progressive Federal Party said on Monday.

Mr Peter Soal, PFP spokesman on Manpower, told a meeting of the party in Craighall he had asked Mr du Plessis how he had intended dealing with Cosatu.

In a text of his speech released in Cape Town, Mr Soal said "I explained race relations were delicate and very important in South Africa and I asked whether he (the Minister) intended employing additional personnel to deal with any problems that might arise between Cosatu and

his department as a result of the restrictions.

"The Minister" said it was not his intention to engage additional staff as he had more than 1 000 employees whom he had taken over from the former administration boards and they could deal adequately with any problems which might arise.

"This again displays the arrogance and insensitivity of Nationalists when it comes to dealing with people of colour.

"How does he think it would be possible for individuals who had spent their lives stamping pass-books to deal with sensitive labour issues?"

"Blacks have been denied access to a franchise for decades and the only avenue they have to express grievances should be nurtured and promoted."

195 filed as doctors at the end of 1987 at each specified medical school falling under the control of his Department?  
The MINISTER OF EDUCATION AND CULTURE

The information is not available at present. It is being processed and will be available during the second semester of 1988.

196 teacher training colleges falling under his Department if so (aa) from which self-governing territories were requests received, (bb) with which such territories were meetings held, (cc) when was each such request received and meeting held and (dd) which schools or colleges were involved in each case?  
The MINISTER OF EDUCATION AND CULTURE

Requests to make use of unutilized space in schools/teacher training colleges

(a) yes  
(b) (i) no,

35 Mr M J ELLIS asked the Minister of Education and Culture

Whether, with reference to his reply to Question No 5 on 28 July 1987 any further (a) requests have been received and/or (b) meetings have been held in connection with permission for self-governing territories to make use of unutilized space in (i) schools and (ii)

(ii) yes a request has been received to assist with the in-service training of teachers.  
(aa) and (bb) Kwazulu.  
(cc) 1 December 1987 and 12 February 1988  
(dd) Natal College of Education

HOUSE OF ASSEMBLY

+Indicates translated version

For written reply

General Affairs

Religious objectors, alternative service

19 Mr P G SOAL asked the Minister of Manpower

(1) How many national servicemen who had obtained the status of religious objectors were assigned to his Department for placement in alternative service in 1987

(2) whether any of these religious objectors remain to be placed in alternative service if so how many (a) had and (b) had not been so placed as at the latest specified date for which information is available?

The MINISTER OF MANPOWER

(1) 261  
(2) (a) Placements as at 18 February 1988 — 240  
(b) Not placed as at 18 February 1988

Reclassified — 12  
Overseas — 4  
Deferment granted — 1

Religious objectors

21 Mr P G SOAL asked the Minister of Manpower

(1) How many national servicemen (a) applied for and (b) were granted the status of religious objectors in 1987

(2) how many of these persons were (a) Jehovah's Witnesses, (b) Roman Catholics (c) Anglicans (d) Methodists, (e) Baptists (f) Presbyterians (g) members of the Dutch Reformed Church and (h) members of any other specified religious denominations?

The MINISTER OF MANPOWER

(1) (a) 305  
(b) 316 (111 carried over from 1986)  
(2) (a) 208  
(b) 11

*Howard*

(h) 63—Buddhism

- 1 Christadelphians
- 8 Church of Christ
- 2 Full Gospel Church
- 2 Greytown Christian Centre
- 1 New Covenant
- 1 NG Sending kerk
- 2 Noakes Fellowship
- 1 No Church
- 9 Pentecostal Protestant Church
- 1 Plymouth Brethren No 4
- 6 Rosebank Union Church
- 2 Royal Priesthood Ministries
- 1 Seventh Day Adventists
- 8 Spiritualists
- 1 Vineyard Fellowship
- 3 World Wide Church of God 14

Work-seekers

24 Mr P G SOAL asked the Minister of Manpower

How many Black males and females respectively were registered as work-seekers in the White areas of the Republic in each month of 1987?

The MINISTER OF MANPOWER

The figures for Black males and females registered as work-seekers in the RSA up to October 1987 are as follows

Month	Male	Female
January	40 678	15 225
February	59 547	24 177
March	51 731	18 951
April	45 721	15 696
May	45 420	16 173
June	48 421	16 479
July	52 049	16 047
August	54 882	18 451
September	58 109	19 224
October	55 519	16 806

(173)

Ames 2/3/88

CITY/NATIONAL

173

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# State scheme helps thousands find jobs

By Tyrone Seale, Staff Reporter  
MORE than 30 000 unemployed people attended State-subsidised training programmes in the Western Cape between April and December last year, improving their chances of finding a job or starting a small business.

The 30 463 Western Cape trainees were among 157 000 unemployed people who were trained at more than 300 centres throughout South Africa during this period, said Dr Piet van der Merwe, director-general of the Department of Manpower.

Opening the Exhibition of Training at the Cape Show, Dr van der Merwe said "a substantial number" of trainees had found work while others were self-employed or worked as independent contractors.

He said the State had allocated R246.6-million between June 1985

and March this year for courses including personal computer operation, word processing, security, pipe installation, welding, storemanship, quality control, typing, domestic help, building and motor vehicle driving.

By the end of December last year more than 700 000 people had been trained in about 200 job types on courses varying from three to eight weeks.

In terms of this scheme, the Department of Manpower pays the trainer for hosting the course and pays the trainee a nominal fee for transport and lunch.

Dr van der Merwe said one of the greatest needs in South Africa was to create jobs and "to give people the skills which will give them the confidence to fill a job and do a solid day's work, which both fills them with dignity ... and injects vigour into employ-

ment creation.

"It is so admirable that such excellent progress has been made with the short-course training, as it is in this field that there is such a vast need.

"This many-sided training has placed so many people in a position either to obtain employment or to enter the small business sector or the informal sector. It has given people new hope through making them feel more useful, providing them with marketable skills and increasing their efficiency and productivity."

● The Exhibition of Training shows opportunities under the State-subsidised scheme as well as projects and individual items completed by trainees.

The exhibition is the brainchild of the Association of Training Centres of the Western Cape. This body was formed in 1986 to promote training in the Western Cape and to help trainees market their skills to commerce and industry



# Costly commission

DID 4/3/88 (3) General (173)  
Consultations on the National Manpower Commission report on the conditions of farm and domestic workers were still in progress, the Minister of Manpower, Mr Pietie du Plessis, said in parliament

agricultural sectors and geographic diversity necessitated drawn out discussions and further investigation. It was not possible to say when finality would be reached

Mr Du Plessis said the nature of the different

The total cost of the Commission up to March 31, 1987 was R5,03 million, he said

CMT Times 26/3/88

# Only 36% employed

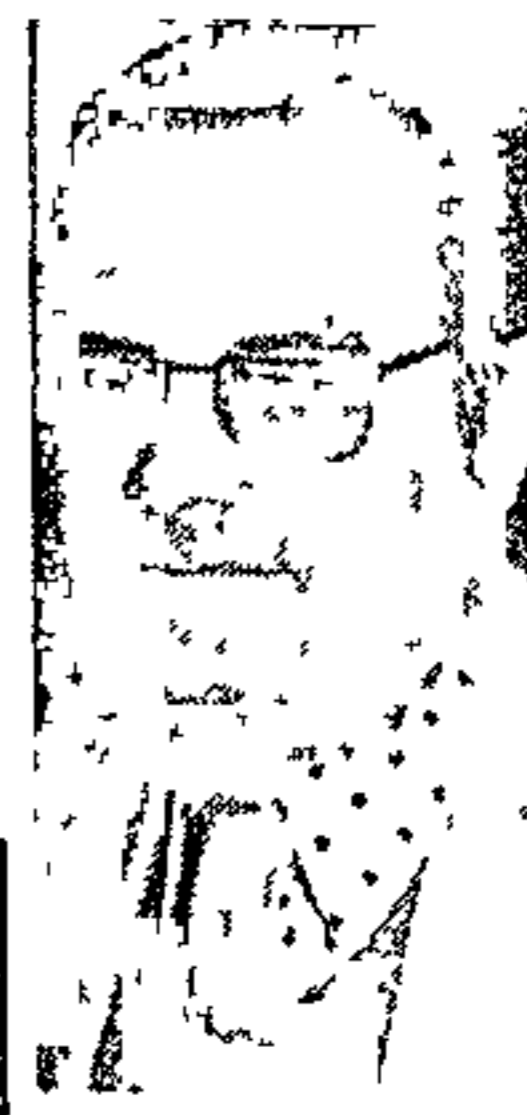
(73)

THE 1 679 000 members of the public sector comprise 16,1% of the 10 459 000 economically active people in South Africa, according to the Commission for Administration. The commission's annual report, tabled in Parliament yesterday, said that 36% of South Africa's total population of 29 025 000 were economically active.

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# Thomas lauds Western Cape growth potential



Mr Thomas

By DEREK TOMMEY,  
Finance Editor

YOUNG go-getters who believe that the Reef might offer them a better future than the Cape should not be in too much of a hurry to pack their bags

One of the Cape's most prominent economists, Mr Wolfgang Thomas — in a survey of the Western Cape's prospects prepared for a Cape Town-based advertising agency — strongly refutes claims that the Cape is stagnating and has no future

Mr Thomas, a former professor of economics at the University of the Western Cape and now deputy general manager for the Western Cape region of the Small Business Development Corporation, contends that far from stagnating, the Western Cape has shown significant growth in recent years, though the absence of flashy new industries had tended to conceal the achievements

Furthermore, he believes the Western Cape possesses a development potential as promising as any other area. Its resources just needed to be harnessed in an appropriate way. He believes the area may actually be better prepared for some of the structural changes which all regions and metropolitan areas in the country

will have to face in the coming years

The growth of employment in the Western Cape in the past 10 to 15 years has been relatively high in a number of sectors

In the 18 years ended 1982 it grew on average by 2,6 percent a year which, he says, is remarkable given the widespread belief that the Western Cape's industrial sector is lagging behind other regions

A recent study by the University of South Africa concluded that the employment base in the Western Cape was relatively stronger than that of other metropolitan areas as its economy was less dependent on sectors with a declining job creation trend. Looking ahead, Mr Thomas estimates that the area's population is likely to grow from its present 3-million to about 3,8-million by the turn of the century and could reach 4,6-million by the year 2010

On these figures about 35 500 jobs have to be created a year in metropolitan Cape Town to keep the unemployment rate rising above the present estimate of 26,8 percent of the population

Surveying the area's potential, Mr Thomas says that the

most visible weakness of the area is the lack of mineral resources. But in international perspective this was not especially significant as there was no direct link between mineral riches and regional income — an obvious example of this was California in the US.

The Western Cape's population was rapidly increasing, and the impact of the region's more than 3-million coloured and white inhabitants on product markets should not be underestimated

While the Western Cape missed all the important linkage effects of industrial and services expansion on the Reef, it still had enough other 'growth sectors' or growth stimuli to maintain and improve the living standards of its growing population, he says

## Diversification

Agriculture, forestry, fishing, some important industries, construction, trade, financial services, the education and health infrastructure, public administration, tourist and recreation and a potentially buoyant informal sector were all significant sectors and each one displayed a distinct potential for expansion and diversification

W/L- ARGUS 26/3/88

173

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## BUSINESS

## ECONOMY

# Jobs bonanza for W Cape

ARGUS 13/4/88  
173



Discussing results of the new Western Cape Business Survey at the University of Cape Town last night were, from left, Professor Paul Sulcas, director of the Graduate School of Business, Mr Mike Page, senior lecturer at the GSB, Mr Andrew Drysdale, Editor of The Argus, Mr David Friedland, partner of Arthur Andersen & Co, and Professor Brian Kantor, director of the School of Economics

By TOM HOOD  
Business Editor

A NET five percent increase in jobs by owner-managed businesses in the Western Cape in the next 12 months is projected in a new business survey

"Talking about five percent growth in employment is a significant increase, and that is good news," said Professor Brian Kantor, director of the School of Economics at UCT last night

He was commenting on this and other findings by the survey, the first of its kind in South Africa, which is sponsored by The Argus

One reason for the increase in jobs was probably because 73 percent of companies in the survey were non-unionised. Trade unions were a major constraint in expansion and owner-managed businesses had relative freedom from these constraints

"The economy is in an extremely buoyant phase," he said at the announcement of the survey results at the University of Cape Town

"Spending in the fourth quarter of last year rose by 10,5 percent after inflation. It rose by 13 percent after inflation last quarter"

"Company profits are growing rapidly — on average by 30 percent in nominal terms and over 15 percent in real terms. Business has not had it as good as now"

"I don't expect any decline in spending over the next two years unless there is political trouble. Unrest is the major threat, rather than other factors."

The survey disclosed 67 percent of employers expected to increase salaries between 10 and 15 percent in 1988

"Salary increases are far below inflation and wages are rising slower than prices. Prices have caught up and passed salary inflation"

Examining threats to business prosperity, Mr Mike Page, senior lecturer at the Graduate School of Business at UCT, said the impact of unionisation was once again made abundantly clear by the increased concern felt about labour problems and employee benefit issues

● Details of survey: Page 11.

# Cape survey points to five percent increase in jobs

By Tom Hood

173 SW 1741 88

CAPE TOWN — A net five percent increase in jobs by owner-managed businesses in the Western Cape in the next 12 months is projected in a new business survey.

"Talking about about five percent growth in employment is a significant increase, and that is good news," said Professor Brian Kantor, director of the School of Economics at UCT last night.

He was commenting on this and other findings in a survey by Arthur Andersen and the Graduate School of Business at the University of Cape Town.

One reason for the increase in jobs was probably because 73 percent of companies in the survey were non-unionised. Trade unions were a major constraint in expansion and owner-managed businesses

had relative freedom from these constraints.

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"Spending in the fourth quarter of last year rose by 10,5 percent after inflation. It rose by 13 percent after inflation last quarter."

## Profits grow

"Company profits are growing rapidly — on average by 30 percent in nominal terms and over 15 percent in real terms. Business has not had it as good as now."

Almost 77 percent of business executives taking part say they expect their sales to increase in random terms this year.

"We don't expect any decline in spending over the next two years unless there is political trouble. Un-

rest is the major threat, rather than other factors," Professor Kantor said.

The survey disclosed 67 percent of employers expected to increase salaries between 10 and 15 percent in 1988.

"Salary increases are far below inflation and wages are rising slower than prices. Prices have caught up and passed salary inflation."

Examining threats to business prosperity, Mr Mike Page, senior lecturer at the Graduate School of Business at UCT, said the impact of unionisation was once again made abundantly clear by the increased concern felt about labour problems and employee benefit issues.

It appeared, however, that unions were succeeding in bringing stability to the work force both in ensur-

ing higher increases and reducing employment variability through retrenchment.

About 83 percent of executives said they expected the current upturn to last at least another 12 months while as many as 28 percent thought it would last beyond two years.

## Sales prospects

About 22 percent of executives taking part said sales would remain unchanged in money terms while only one percent expected a decrease.

Thirty-six percent of firms see sales jumping more than 15 percent in random terms while 41 percent see sales increasing by up to 15 percent.

The vast majority of business-

men in the Western Cape — 79 percent — believe their remoteness from the Transvaal is a serious business handicap, according to the survey. A mere 21 percent say remoteness is no handicap.

On the other hand, only 20 percent of competition comes from outside the Western Cape.

But more than half of the firms also believe there will be a downturn within 12 to 24 months — and 63 percent say this will be caused by political issues rather than inflation or higher interest rates.

Major sources of finance are clearly bank overdrafts (40 percent) and creditors (33 percent) with the next source — hire purchase or leasing — a poor third at six percent.

For the distribution/retail sector, the two main forms of finance are

rated as important by 68 and 77 percent of respondents respectively, while for the manufacturing and service sectors the figures are somewhat lower at 54 and 66.

## Inflation

Inflation emerges as the greatest threat to their business's prosperity, say 34 percent of respondents. Threat No 2 emerges as higher taxation, with labour problems No 3.

Imports, competition and availability of finance at reasonable rates pose less of a threat — each drawing 15 percent of respondents.

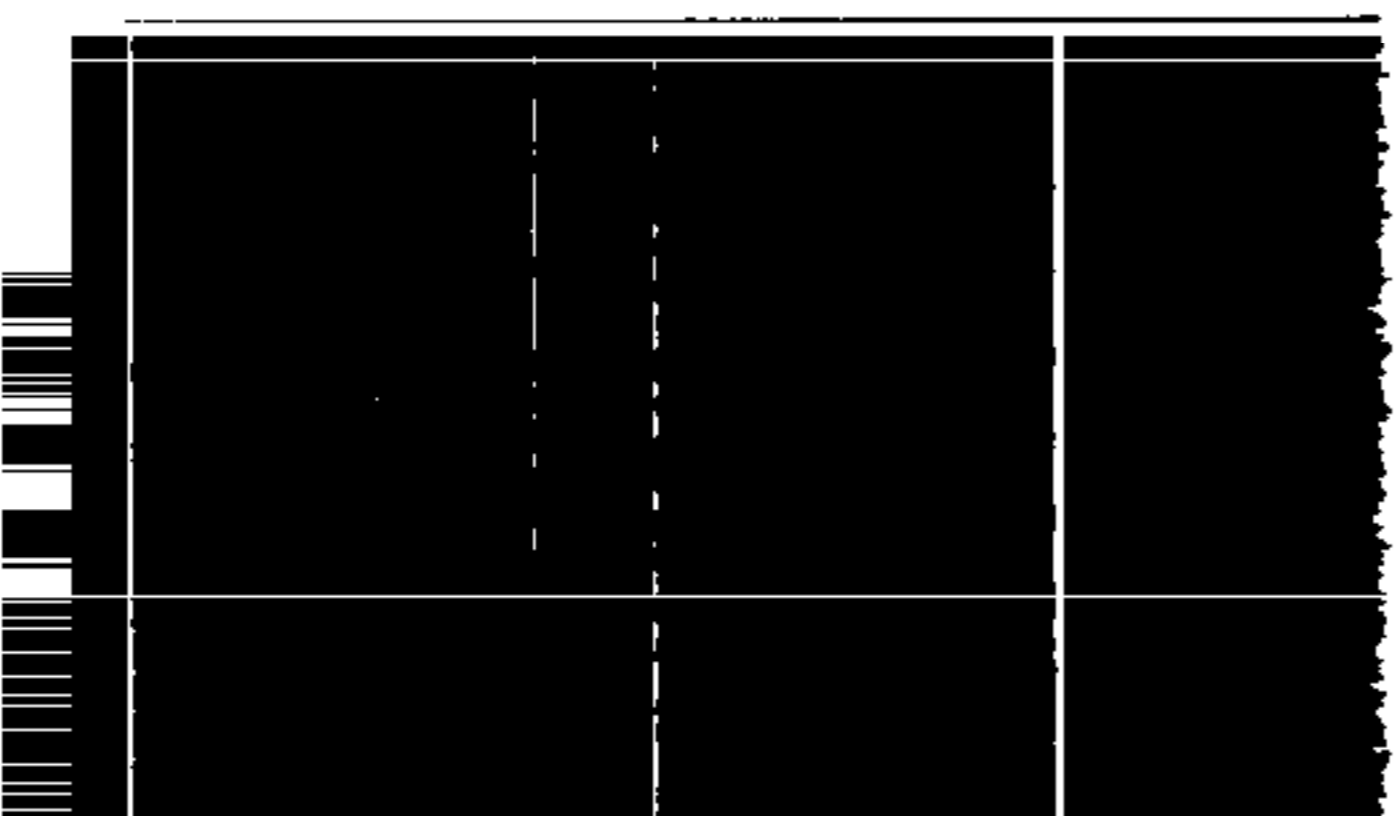
More than 60 percent of the respondents who indicated their employees were unionised accepted the Government's commitment to privatisation.

PERSONEELVERENIGING VAN DIT  
DIE BUITESTEDELIKE GEBIEDE

Head Office: P.O.Box 1341

General Secretary: W.J. de

Registered for: Blankes  
soos dit onderneem word  
Ontwikkeling van Buitested



**Independent Black states: value of overdraft facilities obtained from banking institutions**  
859 Mr H SCHWARZ asked the Minister of Foreign Affairs

(1) What was the value in rand, as at the latest specified date for which information is available, of overdraft facilities obtained from banking institutions by each of the four independent Black states and guaranteed by the South African Government,

	1986/87		1987/88		1988/89	
	Overdraft Facilities	Guaranteed	Overdraft Facilities	Guaranteed	Overdraft Facilities Taken Up	Estimated Overdraft Facilities Required
Transkei	R 217,0	213,8	R 190,0	155,0	R 368,8	119,0
Bophuthatwana	272,0	180,0	100,0	—	180,0	—
Venda	62,0	62,0	62,0	58,6	120,6	47,0
Ciskei	227,0	223,8	188,0	188,0	411,8	143,0
<b>Total</b>	<b>778,0</b>	<b>679,6</b>	<b>540,0</b>	<b>401,6</b>	<b>1 081,2</b>	<b>309,0</b>

(2) No However, the interest liabilities in respect of the overdraft facilities are included in the expenditure guidelines of the multi-year financial adjustment programmes of each state, thereby ensuring that the guarantees are not called upon

(3) The interest liability will, as already mentioned under (2), be included as part of the expenditure guidelines in the multi-year financial adjustment programmes. As regards capital redemption of the overdraft facility, a task team of the financial adjustment programmes is busy investigating the matter to calculate the precise state debt position of each country, and to realistically include the capital component of the overdraft facility in the TBVC States' redemption of accumulated state debt, whereafter negotiations will be conducted with the banking sector to convert the short term financing into long term loans at a fixed interest rate

Whatever the outcome of the investigations by the relevant task team may be, the redemption of the capital component in respect of the overdraft facility will remain on the budgets of each of the TBVC

(3) whether any steps have been taken to obtain the release of the South African Government from such guarantees, if so, what steps in respect of each such state,  
(3) whether his Department has information on the resources available to these states for repaying the aforesaid overdrafts, if so, what are these resources in each case?

The MINISTER OF FOREIGN AFFAIRS

states South Africa will naturally remain a co-financing partner in respect of the total budget of each state

**Residential/business premises: applications for exemptions from Group Areas Act**  
862 Mr S S VAN DER MERWE asked the Minister of Constitutional Development and Planning

(1) Whether, in the 1987 calendar year, his Department received any applications for exemptions from the provisions of the Group Areas Act, No 36 of 1966, in respect of (a) residential and (b) business premises, if so, how many in each case from each race group applied for permission to occupy premises in areas proclaimed for (i) White, (ii) Coloured, (iii) Indian and (iv) Black occupation in each province,

(2) whether any of these applications were granted, if not, why not, if so, how many in each case from each race group were granted permission to reside in (a) White, (b) Coloured, (c) Indian and (d) Black group areas in each province,

able expense to apply for benefits, benefit cheques are handed to them personally, information pamphlets in their own respective languages are handed to them, in which it is explained why the contribute to the Fund, what they must do should they not be in possession of unemployment insurance record cards and for how long they will qualify for benefits, etcetera

Provision of employment amount appropriated/paid out

876 Mr F J LE ROUX asked the Minister of Manpower †

(1) What is the location of each of the offices where unemployment insurance fund payments are made,  
(2) whether any consideration has been given to locating such offices in the Black townships, if not, why not, if so, with what result?

The MINISTER OF MANPOWER

(1) (a) What total amount did his Department (i) appropriate and (ii) pay out in respect of provision of employment in each of the latest specified three years for which figures are available, (b) what is the (i) nature and (ii) extent of the various projects for the provision of employment undertaken in each of these years and (c) how many permanent posts were created in each of these years as a result of the amounts applied for the purposes of providing employment,  
(2) what total amount in respect of (a) Whites, (b) Coloured, (c) Indians and (d) Blacks was (i) appropriated and (ii) spent by his Department in each of these years?

The MINISTER OF MANPOWER

	(1) (a)	(1) (b)
(i) 1985/86 financial year — R14,1 million	1986/87 financial year — R24,0 million	1987/88 financial year — R15 0 million
(ii) 1985/86 financial year — R8 5 million	1986/87 financial year — 21,4 million	1987/88 financial year — R14 429 769 until 17 March 1988
(b) (i) 1985/86, 1986/87 and 1987/88 financial years		

The nature of the projects for which funds were appropriated during the above-mentioned financial years can be grouped under the following headings

*Handwritten signature/initials*

- Community projects — including housing
- Protection of the earth's surface
- Nature conservation
- Development of training facilities
- Improvement and beautification of environment
- Development and/or maintenance of sports and recreational facilities
- Home industry and self-help projects
- Replacement of machine labour with manual labour
- Informal sector
- Culture and heritage preservation

able funds for the special short-term employment creation programme for which the Department of Manpower is responsible are not divided amongst the four population groups concerned. Funds are allocated to employers in the private sector who are free to employ unemployed persons from all population groups. No record of the population groups involved are kept.

- (a) (ii) Falls away
- (b) (ii) Falls away
- (c) (ii) Falls away
- (d) (ii) Falls away

Trade unions: salary increases negotiated with employers

881 Mr A GERBER asked the Minister of Manpower:

What are the average salary increases negotiated by trade unions with employers in 1986 and 1987, respectively?

**THE MINISTER OF MANPOWER**

No record of salary increases negotiated by trade unions with individual employers is available in the Department of Manpower and the required information can therefore not be furnished. The average increases in minimum wages, percentage-wise, negotiated in 1986 and 1987 by trade unions and employers' organizations for skilled, semi-skilled and unskilled workers at industrial council level, the agreements in respect of which were published in the Government Gazette, are as follows:

(c) 1985/86, 1986/87 and 1987/88 financial years	Number	1986	1987
Projects for which funds were allocated	586	12,7 per cent	15,5 per cent
Employers involved	425	12,9 per cent	16,9 per cent
Unemployed persons employed	30 121	14,4 per cent	19,6 per cent
Man-days worked	4 142 135		
1987/88 financial year			
Projects for which funds were allocated	151		
Employers involved	97		
Unemployed persons employed	10 988		
Man-days worked	1 272 393		
up to 17 March 1988			

(2) (a) (1) (b) (1), (c) (1), and (d) (1) Available

Information on the number of permanent posts created is not readily available

**QUESTIONS UNDER NAME OF MEMBER**

- Abrahams, Mr T**  
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Agriculture, 939  
Constitutional Development and Planning, 953, 954
- Andrew, Mr K M—**  
*General Affairs*  
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- Barnard, Dr M S—**  
*General Affairs*  
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- Burrows, Mr R M—**  
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- Chetty, Mr K—**  
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*Own Affairs*  
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Health Services and Welfare, 595, 974, 975, 976  
Housing, 646 975

## Only modest rise in number of workers

# Local clothing industry expands

Cape Times  
16/11/88  
173

By LAWRENCE TOTHILL  
Investment Editor

THE number of manufacturers in the Cape's clothing industry increased in 1987 to a new record level, and, while there were also more clothing workers, the rise in their numbers was only modest and far fewer are employed now than in 1983 and 1984

The 1987 annual report of the Industrial Council for the Clothing Industry (Cape), released yesterday, says that during 1987, a total of 67 new factories opened, but 36 closed or were absorbed, meaning there was a net increase in the number of manufacturers

There were a record total of 421 manufacturers at the year end against 390 a year earlier.

The number of employees, while also rising, hardly suggests that business has picked up all that much

The number of employees in the industry subject to the Council's agreements increased from 52 105 in 1986 to 53 639 in 1987 — an increase of 1 534, or 2,9%

Chairman A M Rosenberg acknowledges that there has been

some greater liveliness in manufacturing activity, hence the small rise in employment, adding, "whilst this is nothing to crow about, it has given the industry more confidence and a hope of more stability"

The numerical strength of the industry is, however, way below its levels of earlier years

The latest figure shows a good rise on the 51 286 employees reflected in 1985

But the numbers are still well below the 59 825 employed in 1984 or the 57 866 employed in 1984

### Inter-factory movements

There does appear to have been more stability in the industry

Rosenberg notes that the number of employees involved in movement into and out of the industry continued at a lower level

"Inter-factory movements, that is to say the movement of employees from one factory to another within the industry, has declined significantly

"Labour turnover amounted to 45,3%

"The number of movements in relation to the industry's total employment strength is, in my opinion, still too high"

In broad terms, the Industrial Council's job is to prevent disputes and to keep the peace within its sphere of jurisdiction

Rosenberg notes that the end of 1987 saw a change in the even tenor of the council's activities

"A mechanism had to be set up to handle the number of disputes from alleged unfair dismissals of employees by employers

"1987 has seen a programme of 35 cases of dispute, of which 16 were privately settled, one withdrawn from the Industrial Council's Disputes Committee agenda, 10 settled through the offices of the Industrial Council, six still under the Council's dispute committee and only two referred to the Industrial Court

Looking at other aspects of the industry, Rosenberg notes that absenteeism has been a factor mitigating against increased productivity

He recommends that employers should solicit the support of shop stewards in attempting to ascertain individual causes of absenteeism

He says the council has attempted to comply with the policy of deregulation, adding "whether further deregulation measures can be applied as debatable".



010 1914/88  
Clothing

jobs up

~~174~~  
173

CAPE TOWN — Sixty-seven new clothing factories opened in the Western Cape last year while employment strength grew to 53 639.

Thirty-six factories closed or were absorbed and the total increased from 390 to a record 412 manufacturers.

Employment, however, was well below the peak of 58 800 of 1984. — Sapa.

# woven into bleak survival battle Sowing seeds of success

by SUE LUPTON, Weekend Argus Reporter  
Sewing in Khayelitsha — the bleakest of Cape Town's townships — women flock to a prefabricated building to learn to sew



At a meeting of the Masiphathisane ("work together") sewing group, a Khayelitsha resident makes a tracksuit for her baby, perched on her lap.



Teaching sewing skills to a "student", Mrs Arends looks on.

Often, disappointed women are turned away from the building, which houses Shawco clinics for the rest of the week, because the self-help group has only 18 sewing machines and can accommodate a maximum of 25 people

When Weekend Argus visited the project — known as Masiphathisane (Xhosa for "work together") — it was a bustling hive of activity

Twenty-five women, many with a baby on the back or in the lap, were industriously stitching by hand or machine, while young children played on the floor with scraps of material and older ones romped outside

### Tracksuits

Project co-ordinator Mrs Beth Arends and four volunteers were fully occupied, correcting mistakes and demonstrating new techniques

Many women were creating tiny tracksuits for their babies from lengths of stretch fabric

The aim of the project is to improve the lot of women in Khayelitsha by helping them acquire a skill

Learning to sew enables women to make clothing for themselves and their families, thereby saving money, and also to make items for sale

### Project "mother"

Apart from selling their wares to neighbours and other township residents, the women hold stalls at craft markets and similar events. The group's creations will soon be available from the new Operation Hunger showroom in Wynberg

Mrs Arends is the "mother" of the project. She first launched a sewing group for Crossroads women in 1984 after retiring from nursery-school teaching at Vista Nova, the cerebral palsy school

"I thought I was going to have a quiet life after retirement," she said, smiling

The group met at the Sacla clinic in Crossroads, where Dr Ivan Toms lent his support

The volunteers were members of Anglican women's groups from Plumstead and Pinelands

The project flourished in Crossroads until the 1986 violence that left thousands homeless and closure of the clinic

However, Mrs Arends managed to trace some of the keenest needlewomen who had scattered when Crossroads burnt. They continued meeting at St Faith's Anglican Church in Plumstead, in spite of transport difficulties

When Sister Ndileka Tshaka, who had been on the Sacla clinic staff, joined the Shawco clinic in Khayelitsha, she discovered an alarming helplessness and lack of motivation among the mothers who attended the nutrition clinic

Recalling the active sewing group from Crossroads, Sister Tshaka suggested to Mrs Arends that the group come to Khayelitsha "to spread the message of self-help"

So, for the past year, the group has met at the Shawco centre.

Mrs Arends's concern for the women who attend the group has earned her the fond nickname, "Mama Beth"

### Intricate patterns

At the weekly sewing mornings, women are taught from scratch. First, they make pin-cushions, then bags, aprons and garments for themselves and their children. Then they progress to making clothes for sale to neighbours

Some women have progressed to intricate patchwork creations which they sell and several have been helped to buy their own machines

One of the aims of the project is to spread skills by sending women who have learnt to sew back into the community to teach others

Two women from Mrs Arends's group have helped Sister Tshaka establish another group in Shawco's satellite clinic in Khayelitsha's Site C. This group is running as a co-operative commercial concern

For many of the women who attend, the weekly sewing group is a single bright thread woven into the tough battle for survival

Mrs Elin Botha, one of the project's volunteer sewing teachers, said "It means more than just learning to sew — it's the only enjoyable event in a terribly depressing life

"See that woman over there — she has so many problems

"But, on Tuesdays she can get out of the house and enjoy herself. I can't believe how cheerful she is every week"

However, the project workers are intensely aware that a single sewing group barely begins to meet the overwhelming need for self-help projects in impoverished communities like Khayelitsha

Mrs Arends said "If we had the resources to hold a group like this every day of the week, we would still have to turn away countless people"

● The sewing group needs volunteers who have their own

transport. Also needed are hand-operated sewing machines, lengths of fabric (small material scraps are not needed), scissors, thread, pins, needles and other sewing tools

Mrs Arends also helps find jobs for unemployed women and their families involved in the project and can recommend domestic workers and gardeners

She can be contacted at 77-1214



Mrs Beth Arends, who started the self-help project, has earned the nickname "Mama Beth".



**A bright thread . . . woven into bleak sur-**  
**Sewing seeds**  
**for success**

Mrs Magda Jiphane, one of the most skilled needlewomen in the group, shows the jackets made by the sewing group on commission.

Pictures: LEON MULLER,  
 Weekend Argus

by SUE LUPTON, Weekend Argus Reporter  
 EVERY Tuesday morning in Khayelitsha — the bleakest of Cape Town's townships — a group of women flock to a prefabricated building to learn to sew



Volunteer Mrs Elin Botha, left, demonstrates sewing skills to a "student", while Mrs Lynette Hauptfleisch looks on.

Often, disappointed women are turned away from the building, which houses Shaw clinics for the rest of the township because the self-help group only 18 sewing machines can accommodate a maximum of 25 people

When Weekend Argus visited the project — known as Maphisane (Xhosa for "work together") — it was a hive of activity

Twenty-five women, some with a baby on the back or the lap, were industriously stitching by hand or machine while young children played on the floor with scraps of material and older ones romped on the side

#### Tracksuits

Project co-ordinator Mrs Beth Arends and four volunteers were fully occupied, correcting mistakes and demonstrating new techniques

Many women were creating tiny tracksuits for their children from lengths of stretch fabric

The aim of the project is to improve the lot of women in Khayelitsha by helping them to acquire a skill

Learning to sew enabled women to make clothing for themselves and their families, thereby saving money, and to make items for sale

#### Project "mother"

Apart from selling their wares to neighbours and other township residents, the women hold stalls at craft markets and similar events. The group's creations will soon be available from the new Operation Digger showroom in Wynberg

Mrs Arends is the "mother" of the project. She launched a sewing group for Crossroads women in 1984 after retiring from nursing school teaching at Vista from the cerebral palsy school

"I thought I was going to have a quiet life after retirement," she said, smiling

The group met at the Shaw clinic in Crossroads, where Dr Ivan Toms lent his support

The volunteers were members of Anglican women's groups from Plumstead and Pinelands

The project flourished in Crossroads until the 1986 election, a political violence that left thousands homeless and closure of the township halted the project

# Craftsmen 'turned' to chairs

By MICHAEL DOMAN  
Staff Reporter

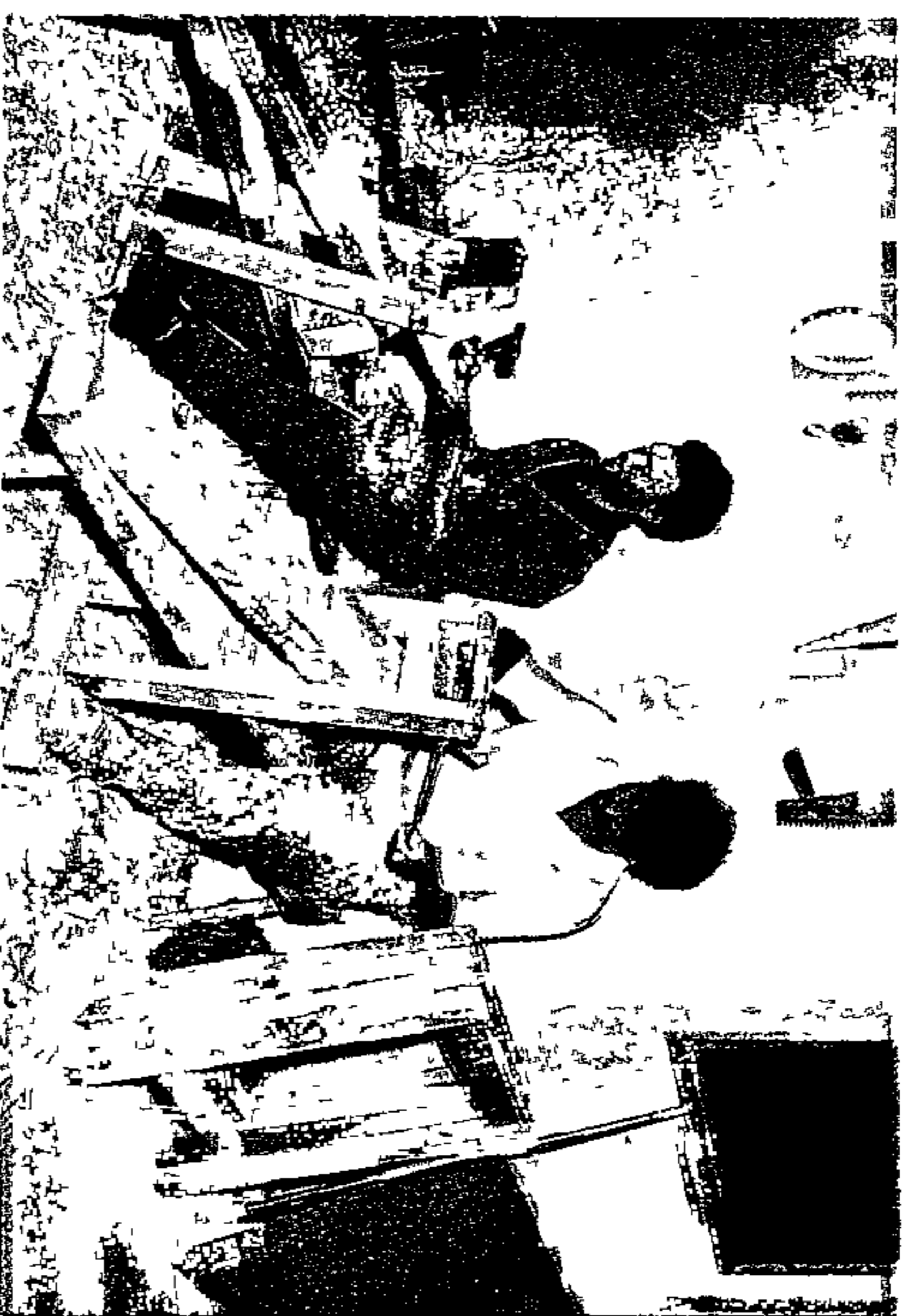
IF Dutch master Vincent van Gogh wandered down the winding main road of Suurbraak today he might be surprised to find "bodgers" busily fashioning hand-made chairs just like the one in his 100-year-old *Chair and Pipe* painting.

Suurbraak, about 20 km from Swellendam, was founded by the London Missionary Society in 1812 and is known for a storm in 1984 which left more than 800 people homeless.

In 1982 community workers wrestling with joblessness in the secluded hamlet pondered what kind of business could be set up to create employment and came up with an unusual project called the Suurbraak Chair Bodgers.

"Bodger" means "chair-leg turner", a trade which requires more skill than the name suggests.

The chairs, of heavy Canary pine with seagrass seats, are hand-made in centuries-old style with tools such as the draw-knife and shaving-horse



**SHAVINGS GALORE** Suurbraak "bodgers" Mr Henry Wildschutt and Mr Stanley Govender, at their shaving-horses, whittle away at rough pieces of wood to produce chair parts

## Challenge

The project was initiated by the Montagu-Ashton Community Service (Macs) to create jobs and, in spite of numerous logistic problems and mass-produced machine-made competition, the six-man operation struggles to keep up with the demand for its products.

The challenge at the outset was to find an up-market product, yet one which could not easily be reproduced by the machines of big companies.

Said Macs employee and overseer of the workshop Mr James Taylor: "The chairs are obviously hand-made, but they fit in well with all sorts of interiors. They are strong and durable."

Chairs and stools of various sizes and benches roll off the human production line at the rate of about 12 a week and no two are the same.

The beauty of the Van Gogh chairs lies in its simplicity of design and robust construction.

Mr Stanley Govender and Mr Henrik Wildschutt, who patiently bodger away at rough poles to shape them into legs and other chair parts, say they wouldn't give up their work for the world.

The important shaping is all done by hand, but machines are used for certain rounding-off functions.

According to Mr Taylor, the co-operative has lots of potential for expansion.

The chair-making venture is run as a co-operative and the bodgers themselves are able to make the major decisions which affect their livelihood.

Last year, for instance, they voted themselves a 40 percent wage increase.

The bodgers make all decisions affecting the production process at the workshop but enlist the assistance of outsiders in buying and selling.

"I'm confident the Suurbraak co-operative will be fully independent in the near future," said Mr Taylor.

"The chairs have been well received, but we are looking for just the right type of shops to sell them."

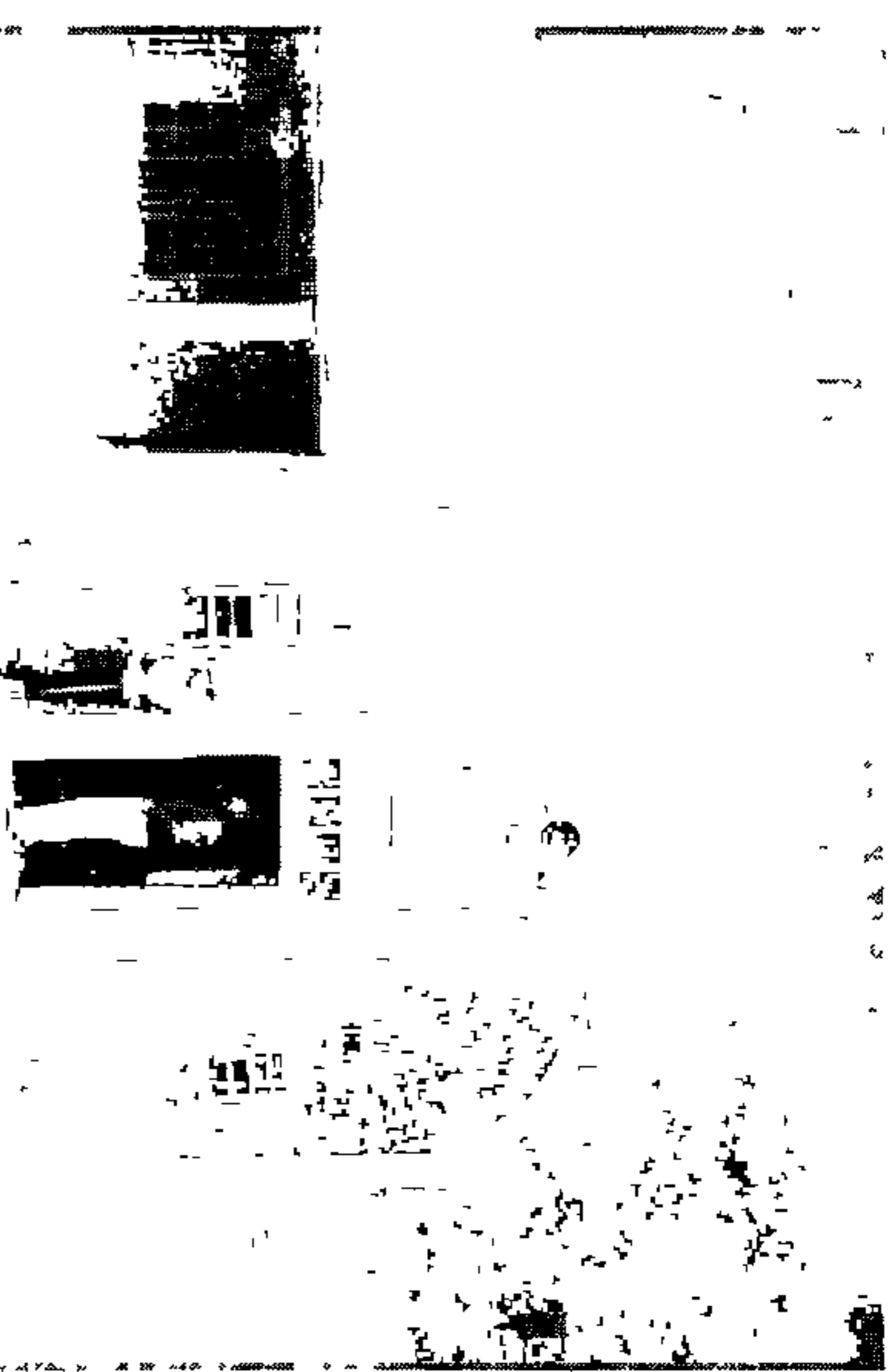
"And we may be linking up with a jersey co-operative due to be set up in Cape Town soon."

The Suurbraak furniture is also sold from the workshop in the town's Main Road, where the age-old manufacturing process fascinates visitors who stumble upon it.

Suurbraak's  
skilful  
bodgers  
shape  
'old'  
designs  
for  
new  
clients



**FINISHING TOUCHES:** Mrs Martie Cupido rounding off a bar stool made of Canary pine



**IDYLIC SETTING:** The modest chair "factory" at Suurbraak, against the background of the Langeberg forests.

Pictures: WILLIE DE KLERK, The Argus

Parliamentary Staff

CAPE TOWN — The trade union movement has in the past year made increasing use of its power base for political or quasi political purposes, according to the chairman of the National Manpower Commission (NMC), Mr Henne Reynders

In a foreword to the NMC's annual report tabled in Parliament yesterday, Mr Reynders said this trend was burdening the labour relations system with matters that did not form part of the relationship between employees and employers

He noted that the focus of labour relations in South Africa was largely on the conflict potential between employer and employee and predicted that this would continue to be the case for some time as a result of the circumstances that were peculiar to South Africa

This was in contrast to labour relationships in the West where the recent phenomenon has focussed on exploiting the co-operation poten-

# Unions using power base for political purposes — chairman

DIP 315/88  
(173)

tial of the two parties concerned, including the whole sphere of worker participation in management decisions and co-partnership generally

Mr Reynders said this approach would not be experienced in South Africa for some time because not enough workers in the country possessed the necessary educational standards and maturity for the establishment of refined systems of this nature

There had, however, been an encouraging increase in the contribution of blacks, coloureds and Indians to high-level manpower and middle-level manpower, the NMC report stated

"For example, their contribution to high-level manpower increased

from 25 per cent in 1965 to 32 per cent in 1985, while their contribution to middle-level manpower increased from 20 per cent in 1965 to 40 per cent in 1985 "

"Although the contribution of women to the professional occupational category was currently as high as 47 per cent, it nevertheless remains low

"As regard manpower shortages, the absolute level of vacancies for high level manpower is generally high among technicians, technologists and nurses as does that of vacancies for middle-level manpower among service workers, artisans and apprentices

"The vacancy rate was highest among paramedical workers, agricultur-

alists and transport workers "

The public sector had the highest vacancy rates in general

"Compared with other developing countries South Africa is still far from having (in terms of numbers) the management firms needed to mobilise resources and transform them into greater output with a view to increased productivity

"Over the past two decades immigrants contributed between 25 and 40 per cent of the total increase in high-level and middle-level manpower but in recent years there has been a net outflow of migrants, which could have a detrimental effect on the supply of skilled manpower," the report said

## Plastic threat to beaches

Political Staff

THE levels of plastic pollution off the South African coast were among the worst in the world and unless active steps were taken, the situation would deteriorate, Mr Renier Schoeman, the NP MP for Umhlanga, said yesterday

A pollution survey had established that along a 140km section of the Natal coast there was 72 800kg of non-biodegradable foreign matter, he said during the debate on the Environment Affairs vote

CMPG T-115 3/5/85

## Women now form 47% of professionals

~~173~~ Political Staff  
AN encouraging increase in the contribution of blacks, coloureds and Indians to high-level and middle-level manpower had taken place over the last 20 years and women now formed 47% of the professional occupation category, the National Manpower Commission reported yesterday

The Commission, whose report was tabled in Parliament yesterday, said a gradual increase in the percentages of the total population accounted by high-level and middle-level manpower

In 1985, high-level manpower constituted 11% and middle-level manpower 25% of the total work force

"There has been an encouraging increase in the contribution of blacks, coloureds and Indians to high-level manpower and middle-level manpower

"For example, their contribution to high-level manpower increased from 25% in 1965 to 32% in 1985, while their contribution to middle-level manpower increased from 20% in 1965 to 40% in 1985"

# 'Expensive' tertiary training Cash would be better spent on job creation — Viljoen

The Minister of Education and Training, Dr Gerrit Viljoen, proposed that funds might be better spent on creating jobs than expensive high school and university training.

Speaking at the start of the debate on his vote, he said there was an explosion in the university and high school population growth.

These rates far outstripped the national economic growth rate and the country would not be able to afford it for long.

The black high school numbers had grown from 147 000 in 1974 to 1 062 000 in 1987 (622 percent in 13 years).

Dr Viljoen ... explosion in University growth.

This represented an increase of high school children of 6 to 22,6 percent of the total black population. From 1979 to 1987 matrics grew eight-fold from 11 000 to 137 000, of whom 74 000 passed

"We therefore have to take into account the entrance of enormous numbers of secondary and

tertiary qualified people to the labour market," he said.

It was generally accepted that the expansion of education and training of manpower was an important factor which promoted a country's growth rate. But expectations in terms of education growth could outstrip a country's financial resources

"The question must be asked whether a larger portion of available funds should not be spent on job creation programmes for people with post-primary education rather than the unbridled extension of relatively expensive secondary and tertiary education" — Sapa

(173)

Star 5/5/88

**E**CONOMIC growth is measured by changes in Gross Domestic Product (GDP), which represents the total output of an economy. But the question can be asked whether GDP manages to capture all goods and services produced.

"Grossly Deceptive Product" is how a recent article in the Economist referred to GDP. It asked the question: "Are the numbers on which governments base their economic policies wrong?"

Changes in real GDP may not be a true reflection of "economic growth," as the contribution of the so-called informal sector is ignored. SA's official statistics are troubling. Growth is inadequate to meet the burgeoning demand for employment. Economists estimate that a growth rate of at least 5% to 6% in real GDP a year is required to cope with employment needs in the next few years.

Instead, 3% seems to be about the limit before balance of payments constraints come into play.

Stellenbosch economics Professor Sample Terreblanche says the secular stagnation of the SA economy over the last 13 years caused a dramatic decline in the creation of job opportunities. At the same time, per capita incomes declined by about 1% every year.

**F**rom 1960 to 1974, 160 000 job opportunities were created every year. Since 1974, only 60 000 job opportunities were created annually, while 300 000 people enter the job market every year, according to Terreblanche.

How do people survive in the face of these statistics? Or do the figures not tell the whole story?

While economists run econometric models to forecast growth — and hence employment opportunities — the shadow economy thrives.

The Small Business Development Corporation's Ben Vosloo recently noted that one estimate of the size of the unrecorded economy in the US was as high as 20% to 30% of GDP. "In SA it would seem that the unrecorded sector is equally prevalent. It is currently estimated that more than 500 000 businesses out of one million in SA are unrecorded, providing an income base for as many as 3.5 million people," Vosloo said.

But the Economist noted in its article that the different measures to estimate unrecorded activity produce wildly different results. Estimates of America's black economy

# Has SA an informal <sup>(173)</sup> Grossly Deceptive Product?

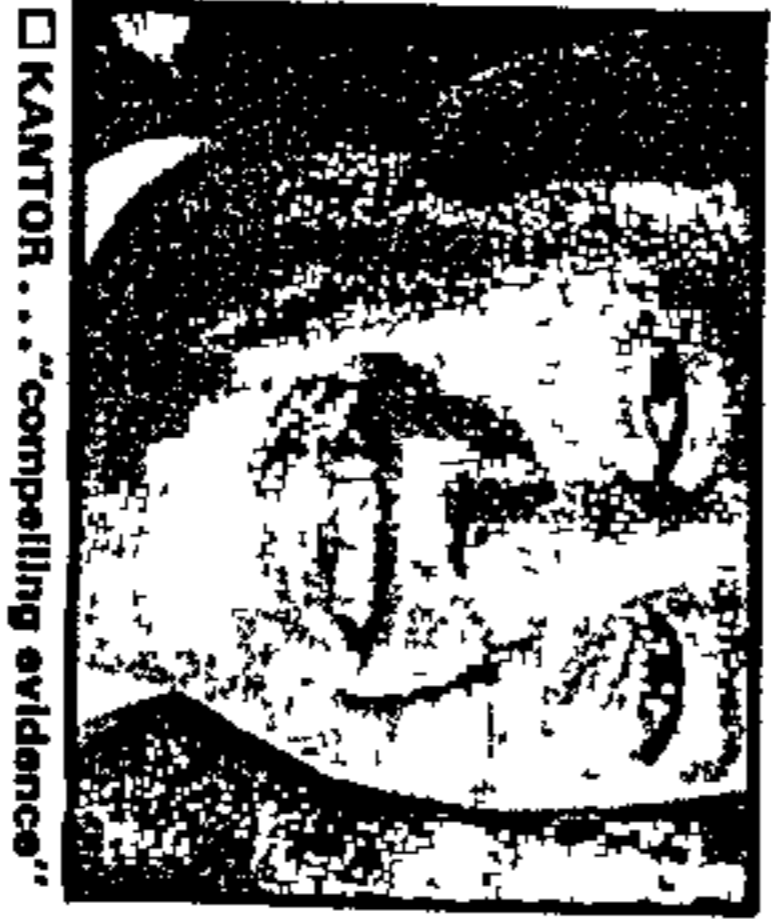
*B/Doug 5/5/88*

GRETA STEYN



□ INFORMAL TRADER ... Is her contribution to GDP ignored?

tant is not so much the actual size of the informal sector relative to GDP, but rather whether unrecorded output is growing as a percentage of GDP. In other words — is the informal sector growing faster than the formal sector? If the answer is yes, then real growth in GDP is understated and not a reflection of "economic growth."



□ KANTOR ... "compelling evidence"

range from 4% of GDP to 33%. Britain's from 2% to 15% and West Germany

The economic indicators used to "measure" informal sector activity include:

- The demand for currency. This approach assumes that the black economy is a "cash sector".
- The number of large-denomination notes in circulation is thought to indicate the strength of the "cash sector", and
- Variations in the different measures of GDP.

The black market's size relative to SA's GDP remains a grey area. Economists say that what is impor-

**E**conomic indicators and surveys show that the unrecorded sector's contribution to "economic growth" is probably becoming more significant.

UCT economist Professor Brian Kantor regards currency demand in SA as "compelling evidence" of unrecorded economic activity.

Kantor, writing in an issue of *Intercom*, says South Africans should be using relatively fewer notes to transact their activities — credit cards, interest on deposits and the availability of credit should result in less cash in the economy.

But the opposite is true. The note issue has been growing much faster than the other media of exchange. The latest Reserve Bank Quarter-

ly Bulletin shows that notes and coins in circulation grew by 20.6% to December last year from the previous year. By comparison, cash in the hands of the public grew by only 14.3% between 1982 and 1983.

Kantor says official spending figures are not in line with the sharp growth in cash. Spending in the economy is — officially — significantly lower than one would expect when looking at the notes in issue.

In the past, there was a tight relationship between currency demand and spending.

"If the past relationship between notes and expenditure were taken as the proper measure of expenditure growth rates in spending would have been significantly higher over the past 10 quarters."

This approach to the informal sector's contribution to GDP growth yields a figure of between 6% and 10% of GDP — and growing.

**T**urning to the different measures of GDP, Kantor noted that, since the second quarter of 1985, the expenditure measure of GDP had been re-

duced by substantial amounts to bring it into line with output or income GDP.

"My intuition is that the numbers are not telling the full story, partly because the sample surveys are not in touch with new realities and because expenditure measures are intrinsically more reliable than output or income measures," Kantor says.

SA's real economic growth was 2.6% last year — or was it?

## New shape of government

IN THE text accompanying the diagram of governmental structures on this page yesterday, the horizontal and vertical divisions of government were transposed. Government was correctly shown in the diagram as divided vertically into own and general affairs, and horizontally into central, regional and local government levels. Readers who have kept the text for reference may wish to update it by appending this correction ...



# Rural jobs cost state R2 097m

By BARRY STREEK  
Political Staff

THE government had spent R2 097 million on its decentralization programme since 1982, the Minister of Constitutional Development and Planning, Mr Chris Heunis, said yesterday

He said in reply to a question from Mr Mahmoud Rajab (PFP, Springfield) that 144 913 jobs had been created by March 20 this year in terms of the decentralization programme

"The total expenditure should, however, not be directly compared with the job opportunities created as such expenditure also includes concessions in regard to projects approved under previous programmes, transport rebates and other long-term concessions for existing projects at identified development points

"These job opportunities reflect only direct job creation, whereas many indirect job opportunities are also created as a result of the multiplier effect of industrial development in an area"

Mr Heunis said his department had not made a calculation of the amount lost by the state in taxes as a result of this programme

"The current incentive programme does not include a specific tax concession

"Only one element of the incentive programme, namely the employment incentive which amounts to approximately 20% of the expenditure, is non-taxable

# 145 000 jobs created<sup>173</sup> by decentralisation<sup>EP</sup>

The State had spent R2 097 million on its decentralisation programme since 1982 — and had created 144 913 jobs up to March 20 — Minister of Constitutional Development and Planning Chris Heunis said yesterday

Stav 6/5/88  
OPPORTUNITIES

Replying in writing to a question by Mr Mahmoud Rajab (PFP, Springfield), Mr Heunis said the expenditure should not be compared directly with the job opportunities created.

This was because the expenditure included concessions for projects approved under previous programmes, transport rebates, and other long-



Mr Chris Heunis . . . "also many other jobs created by multiplier effect".

term concessions for existing projects at identified development points

"These jobs reflect only direct job creation

"There are also many indirect job opportunities created as a result of the multiplier effect of industrial development in an area" — Sapa.

# Consultant says SA industry is unable to create sufficient jobs

173

Daily Dispatch Reporter P 10 18/5/88

EAST LONDON — Despite every effort being made by the government through decentralisation benefits and regional development, the increasing number of factories are unable to keep up with the demand for over 1 000 jobs a day that will be required by 2000, an industrial consultant, Mr Leo Borman, said yesterday.

Speaking on industry an essential component for development, at the municipal engineer's conference here, Mr Borman said that it was almost impossible to maintain even the present "relatively poor standard of living of the majority of the population" if the population growth rate of 2,3 per cent a year continued in South Africa.

"Government has compensated decentralised industries for the natural advantage they lose by being removed from their main markets and source supplies. The cost of these concessions must eventually come from the pockets of tax payers," Mr Borman said.

"Studies have shown that the nearer a metropolitan area, the less is the cost required to employ each new person.

"The abolition of influx control is an admission by government that the decentralisation policy has had limited success."

He said that in newly established industrial areas, out of necessity, government had to invest heavily in infrastructure and that the proliferation of growth points had multiplied this cost.

Mr Borman said that the border area was well developed as far as infrastructure was concerned, except for the "urgent" need of an effluent pipe line from King William's Town through Berlin, Fort Jackson and to the coast.

"The weakness of government's decentralisation

policy has been too many growth areas which has fragmented the total effort. This fragmentation was also for socio-political reasons," he said.

"If all the industries now situated in Dimbaza, Fort Jackson, King William's Town, Berlin, Butterworth, East London and the rest of this area, were concentrated in one area, we would have an industrial complex which would compare favourably with most other areas in South Africa and these would have been supported by a concentration of service industries.

"Over 200 factories are already well-established within 120 kms of the East London city hall and it is in these industries that the future growth will take place as it will in the many small industries being developed by the Small Business Development Corporation," Mr Borman said.

He added the vast pool of unemployed labour that existed was unfortunately uneducated and untrained in the skills and trades required for industry. He emphasised the need for educational facilities to achieve such necessary training.

"A strong and growing economy cannot be achieved where the human component has not been raised in education and training fast enough, nor in sufficient numbers, and this leads to poor productivity with increasing inflation, making us less and less competitive in the market place."

He said that industry could not flourish where government's main preoccupation was socio-political and not socio-economic.

"Of necessity this means controls in order to give privileges or restrictions to individual groups and has no place in a free enterprise economy.

"Only reform can bring about the necessary change so that we can be a harmonious global playing people and attract the necessary foreign capital," he said.

PERSONAL FINANCE

# 16pc ceiling forecast

173

Star 21/1/88

## Higher prime interest rate will hit jobs, warns Syfrets director

The banks' prime overdraft rate is unlikely to increase to more than about 16 per cent in view of the slower growth rate anticipated in the second half of the year.

So says Mr Leon Camphor, director of Syfrets Managed Assets

At the same time, he said at a seminar in Durban this week, the stock exchange could surprise many investors by firming in the face of higher interest rates and inflation

Mr Camphor said interest rates had already risen to cool the economy and protect the balance of payments

A further step in this direction was likely — and the prime rate could move to 16 percent within the next couple of months

However, further increases in rates could hit the economy too hard and slow job-creation.

He therefore did not think prime would rise much beyond 16 percent

While the second half of the year would see a slower growth rate, it also would be marked by increased inflation

He warned that an alteration in the weightings a year ago in the cost of living index and imported inflation as a result of the lower rand would lead to higher inflation

For structural reasons, he believed it was impossible for inflation to drop below 10 percent in South Africa

He said problems were low productivity, scarcity of resources — which were wrongly allocated — and the difficulty of controlling

money supply in the informal sector

Mr Camphor said he expected fairly big civil service pay rises in the next two years

He believed there was a good chance of another big drop on overseas share markets. This, with higher local interest rates, would be negative for the JSE.

However, he thought higher inflationary expectations would increasingly lead institutional fund

managers to worry about obtaining real returns on investments. They, therefore, would turn back to the JSE, which could surprise many

On the political front, Mr Camphor said there were three possible scenarios — but he believed South Africa would eventually opt for the one which would prove best for the economic health of the country, a negotiated dispensation

This would create uncertainty in markets for a few years and have a number of implications, including high inflation and government spending, shorter economic cycles, a weak currency and (apart from sanctions) a favourable outlook for exports

# No more public holidays in SA than anywhere else

Despite South Africa's apparent abundance of public holidays, the country is no worse off than anywhere else, say experts.

Assocom's manpower secretary, Mr Vincent Brett, said although every public holiday meant a loss in production, they were planned for by management and "are built into the economy".

Problems arose when workers took a working day off before or after a paid public holiday to enable them to have a long weekend, he said.

"A number of employees take leave or are absent, but we have no figures at this stage to show how this affects production.

## LOST PRODUCTION

"But I do not think it is that great," he said.

It has been estimated that each public holiday costs the economy between R200 million and R400 million in lost production and remuneration.

Mr Brett said that if there was any disruption in

production it was due to businesses having to open and close in a short period of time. He pointed out that some gazetted holidays were not observed in the industrial sector and companies remained open.

An Assocom economist and statistician, Mr Ed Verburg, said he did not think South Africa had more public holidays — 11 this year, six of which occur in April and May — than in other countries.

## EMERGENCY STAFF

"Many factories and companies who cannot function without employees have contingency plans. Emergency staff are often called in on holidays," he said.

He said that workers who took May 2 to celebrate May Day which was on a Sunday had also taken Workers' Day as the factories were closed.

"An extra day was lost as a result of this but it is difficult to estimate what effect this has had on productivity," he said.

A spokesman for the Econometrics Research Institute said no measurement had been made on production loss as a result of public holidays.

"It is difficult to assess as many companies such as the breweries have continuous operation. In some cases people get double pay for working on holidays," he said.

## Photography museum moves to Civic Theatre

The Bensusan Museum of Photography moved on May 29 from Empire Road, Parktown, to temporary premises in the foyer of the Civic Theatre in Braamfontein.

The museum will eventually be

housed in its permanent home in the old Newtown Market building where the "Africa Museum in Progress" is already located.

For further information telephone Mrs Nagelgast at 836-3787

HOUSE OF REPRESENTATIVES

THE MINISTER OF MANPOWER

Indicates translated version  
 For written reply  
 General Affairs

113

Sheltered employment: salary parity

18 Mr T R GEORGE asked the Minister of Manpower

- (1) What procedure is followed in determining the salaries of (a) White, (b) Coloured and (c) Indian persons employed in sheltered employment facilities,
- (2) whether salary parity has been attained in respect of Whites, Coloureds and Indians employed in such facilities; if not, (a) why not and (b) when is it anticipated that parity will be attained,
- (3) whether he will make a statement on the matter?

(1) (a), (b) and (c)

The salaries of employees who are employed under the sheltered employment scheme are coupled to the salary scales of the occupational class maintenance officer (post class factotum) in the Public Service on condition that the salaries for each population group must correspond with the gradings per population group for the post class factotum

(2) No

(a) Attention is being given to the attainment of parity for employees under the sheltered-employment scheme  
 (b) Once the necessary approval has been obtained and funds become available

(3) No

1684

1685

HOUSE OF ASSEMBLY

MONDAY, 6 JUNE 1988

1686

Indicates translated version

For written reply

General Affairs

Privatisation policy: reserve values

1150

938 Mr C J DERBY-LEWIS asked the Minister in the State President's Office entrusted with Administration and Broadcasting Services

Whether any reserve values are being placed on the assets of the State prior to selling them in terms of the current privatisation policy; if not, why not, if so, what formula is used in this regard?

THE MINISTER FOR ADMINISTRATION AND PRIVATISATION

The question bears on a policy matter concerning which decisions still have to be taken. Rest of question falls away

Organization: criminal proceedings

1068 Mr R M BURROWS asked the Minister of Justice

Whether, since 12 January 1987, any criminal proceedings have been instituted against a certain organization, the name of which has been furnished to the Minister's Department for the purpose of his reply, if so, (a) in which regions, (b) when, (c) on what charges, (d) with what results and (e) what is the name of this organization?

THE MINISTER OF JUSTICE

I caused enquires to be made from all the attorneys-general and according to them no prosecutions in this regard have been instituted up to 26 May 1988

Drug-related crimes: statistics

1150 Mr C J DERBY-LEWIS asked the Minister of Justice

Whether his Department keeps statistics on drug-related crimes committed in the Republic, if not, why not, if so, what percentage of crimes committed by (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks during the

Howard

Latest specified period of 12 months for which statistics are available were drug-related?

THE MINISTER OF JUSTICE

No Statistics regarding prosecutions for and convictions of offences are kept by the Central Statistical Services. The information is however not available there in the required form. The number of convictions for offences with regard to drugs and dependence-producing substances for the period 1 July 1986 to 30 June 1987 was however obtained and is as follows

- (a) Whites 2 965
- (b) Coloureds 10 359
- (c) Indians 1 676
- (d) Blacks 21 777

Own Affairs

Educational Institutions: properties purchased, expropriated

134 Mr R M BURROWS asked the Minister of Education and Culture

(a) in respect of what schools or educational institutions were properties purchased or expropriated for educational purposes in each of the provinces in the 1986 and 1987 financial years, respectively, and (b) what sum was paid for each of the properties so purchased or expropriated?

THE MINISTER OF EDUCATION AND CULTURE

1986

Cape	(a)	(b)
De Grendel Special School, Milnerton		R
Beaconhurst Primary School	475 000	
Hudson Park High School	2	
Victoria Girls High School	250 000	
Denneoord Primary School	1	25 000
Denneoord Preparatory School	2	122 500
Diamantveld High School		2
Knysna Proposed High and Primary School		720 000
Dirkie Uys High School, Moortreesburg		159 000
Swartland High School		1

STimes 5/6/88

## Tax cuts for job providers sought

173

By Robyn Chalmers

A CALL for the Government to give tax rebates for charities investing in job creation has been made by World Vision of SA (WVSA) to encourage greater participation from business

Executive director John Allwood says it is time that large corporations started to look at charity as an investment

"We can keep on pouring money into providing food for the poor, but we are looking at longer-term and more permanent involvement

"It is vital that businesses review their social responsibility programmes and begin investing in job creation and the development of infrastructure rather than feeding one hungry child," he says

WVSA is modelling its drive on the precedent set in education where the Government provides tax incentives to encourage commercial enterprise to invest in schools and educational programmes

Mr Allwood says that when the Government realised it was running out of fiscal resources and needed large input to provide education, the obvious answer was the business community

He believes that something similar can be done with charity

One of the first places to start, he says, is to decentralise social services in line with the Government's programme.

"The Government seems desperate to keep control of the social services, but once they are in the hands of the private sector they will start to regard it as an investment," he says

WVSA is a non-profit Christian organisation which has been in SA for 20 years. It handles more than R8-million a year, 30% of which comes from SA

# R80-m ethanol plant expected to get OK soon

By David Canning

DURBAN — Cabinet approval is expected soon for an ambitious R80 million ethanol plant which will sustain 20 000 jobs and provide a major boost for sugar farmers and Natal business.

SA Sugar Association (SASA) chairman John Chance said the industry is expecting a "positive statement" shortly.

He was confident that the Cabinet, which had the final say, would give its go-ahead.

He told the annual conference of South African Sugar Technologists in Durban yesterday that the National Energy Council had asked SASA to reaffirm its interest in ethanol production under a set of parameters which the executives had supplied.

SASA had given its confirmation, with a few minor qualifications, "and we therefore expect that a positive official announcement on the future of the project will be made shortly."

Mr Chance said rapid progress had been made in bringing the association's ethanol fuel project — for which Richards Bay was considered the optimum area — to fruition.

Although extensive experience in a number of countries proved there were no technical problems with ethanol blends of 20 percent, SASA was considering the imple-

mentation of a 15 percent blend to be conservative.

A 150 million litre plant would provide for the present requirements in Natal "up to the Sasol interface". This would create a contiguous alcohol blend from the PWV through to the Natal coast.

A plant near Richards Bay would have access to an abundant supply of raw material and the effluent could be readily accommodated through the existing ocean outfall pipe. The effluent was non-toxic and would create no marine environmental problem.

"The plant will use upgraded molasses equivalent to 200 000 tons of sugar and 150 000 tons of final molasses.

"The production of ethanol will sustain 20 000 jobs supporting about 100 000 people in KwaZulu and it will make a significant contribution to the economy of Richards Bay and, in fact, the whole of Natal.

Most of the equipment for the plant would be manufactured in South Africa — saving many millions of rands in foreign exchange.

Explaining the motivation for the plant, he said sugar export prices would remain below the cost of production for even efficient producers "for the foreseeable future."

**GET ORGANISED**



# Privatisation boon for job creation

Finance Staff

The government's privatisation policy will have a positive influence on the growth and job creating ability of the economy, says Dr Dawie de Villiers, Minister of Administration and Privatisation.

Pointing out that over the last two decades over 60 percent of all investment was created by the public sector, Dr de Villiers indicated that this trend would have to reverse itself and the private sector needed to reinvest more into the economy.

The rate with which net fixed investment increased over the last few years was not satisfactory and an increase of less than four percent was generally expected this year, he added.

"In a developing country such as ours, where there is a need for more employment, this is not good enough. For example, only 16,7 percent of the country's net fixed investment between 1981 and 1984 was channelled to the production sectors — the expansion of which is extremely necessary for the creation of employment opportunities.

"Government simply had to reverse these trends, and privatisation presented itself as an appropriate means by which that could be achieved," he said.

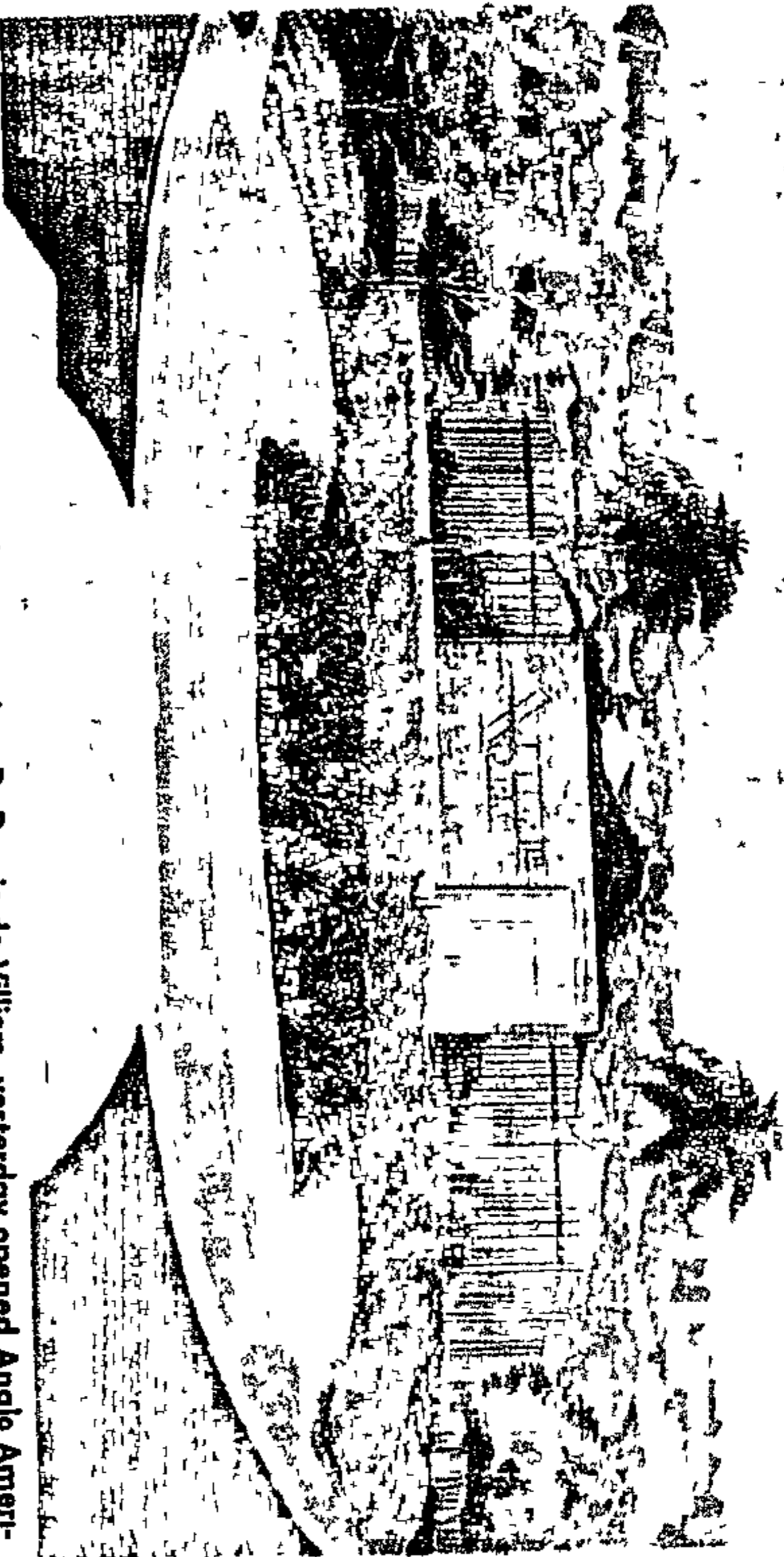
"A reappraisal will obviously include the position of the stock issued by enterprises possibly involved in the privatisation programme," Dr de Villiers said, explaining that large chunks of pri-

vate investment are currently flowing into public sector stocks.

The Minister said that private enterprise was highly selective in looking for as high a return as possible, preferably at low risk, in investing the rest of their money.

"The effect was a reduced pool of investment funds being employed in a rather short list of investment avenues," said Dr De Villiers.

Foreseeing privatisation as contributing to a major reduction and rechanneling of saving funds away from speculative "investments in inflation" towards more productive ends, the Minister said there had been "distortions in the investment field" and that the Government's share in net fixed investment "grew out of all proportions".



The Minister of Administration and Privatisation, Dr Dawie de Villiers, yesterday opened Angle American Property Services' development, the 32,5 ha Waterfall Park just off the Ben Schoeman highway at the Kyalami off-ramp. Mr Peter Gardiner, Ampros's director of estates development and marketing, says the company had invested about R10 million in servicing and landscaping the park and that sites there would be selling at a highly competitive R150 a sq m.

## Unitech giving CWH a new momentum

By Sven Forssman  
Unitech has increased profits by nearly 100 percent in 1982. It will be interesting to see whether Unitech can apply the same growth within Computer Warehouse (CWH).

Unitech recently became a majority shareholder in CWH when it purchased a substantial number of shares from one of its joint-founders, Mr WM Smith-Chandler. This arrangement resulted in Uni-

tech increasing its 39,5 percent interest in CWH to 64,3 percent.

It was announced in January that Unitech had acquired a 36,4 percent controlling interest in CWH for a total consideration of R2,9 million.

But, CWH's poor results for financial 1987 did not meet the warranted profit level, which meant that the deal had to be renegotiated.

High overheads and decreased margins resulted in CWH's pre-

tax profits falling 38 percent to R851 000 — thus, despite a 73 percent increase in turnover to R28,3 million.

The new agreement gives Unitech a bigger controlling interest, 39,5 percent, for only R1,8 million.

Says managing director Mr William Stephens, "We're very happy with our acquisition of Computer Warehouse. It has an established national network in the corporate and retail market.

"The purchase price was good — we paid close to net asset value — and the company has potential.

"In the six months period after acquiring Warehouse, we have achieved significant progress with the margins and gone a long way towards reducing the overheads — but reducing the overheads to our satisfaction will still take a little while."

Unitech also announced recently that it would extend an offer to



# 'Obstacles to small businesses must go'

**The Argus Correspondent**  
**DURBAN.** — There is little prospect of peaceful change unless legal obstacles to small business are removed, according to Dr Ben Vosloo, managing director of the Small Business Development Corporation.

Speaking at the Chartered Accountants' congress today he said "As many as 500 000 businesses out of one million in South Africa may be unrecorded, providing an income base for as many as 3,5 million people."

He pointed out that research in high growth economies such as Japan and Taiwan had shown small business to be the most effective job creator in a free-enterprise economy.

## Frightening

But in South Africa, much business conducted within the informal and unrecorded sector was illegal because it did not comply with many laws and regulations governing business activity, he said

In spite of the frightening prospect of unemployment growing to five million by the turn of the century, the Government continued to force small businesses to operate outside the mainstream economy.

Regulation was a great time-waster which hit hardest in small businesses where the owner-manager was responsible for the whole operation.

Over-regulation discouraged potential entrepreneurs and drove existing small business into the informal, unrecorded economy, Dr Vosloo said.

"It is the small and new businesses which are precisely those we need to encourage to set up, expand and take on em-

ployees and become part of the mainstream economy."

About 40 percent of the population received less than three percent of the national income. Development of small business would help to achieve a greater spread of wealth distribution.

Existing unemployment problems were far more serious than the Government was prepared to admit and the population growth rate was reaching "crisis proportions", said Dr Vosloo.

"If present trends continue our population can be expected to double in 25 to 30 years, and an estimated 1 500 to 2 000 jobs a working day will have to be created if we are to avert a major unemployment crisis in this country.

"Small business is a logical starting point for the black entrepreneur, who for generations has been denied free and equal access to participation in the South African economy."

Another factor which would play a major role in shaping the future economy was black consumer power which was increasing at a dramatic rate.



Rudolph Valentino

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In how many cases were written authorities for abortions granted to (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks over the latest specified five-year period for which figures are available?

**The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT**

1983	1984	1985	1986	1987
(a) 490	475	613	618	812
(b) 88	81	88	131	89
(c) 17	37	31	28	12
(d) 30	36	34	61	36

**Abortions performed**

1246 Mr C J DERBY-LEWIS asked the Minister of National Health and Population Development

(a) How many abortions were performed at hospitals under the control of his Department in each of the latest specified five years for which figures are available and (b) how many such abortions were performed on (i) Whites, (ii) Coloured, (iii) Indians and (iv) Blacks in each of these years?

**The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT**

(a) 1983	1984	1985	1986	1987
1	0	1	0	1

(b) Whites Coloureds Indians Blacks

1983	1984	1985	1986	1987
0	0	0	0	1
0	0	0	0	0
0	0	0	0	1
0	0	0	0	0
0	0	0	0	1

**Clinic points functions**

1248 Mr C J DERBY-LEWIS asked the Minister of National Health and Population Development

(1) Whether he will furnish information on the functions performed at clinic points other than the single-purpose family planning service points in South Africa, if not, why not, if so, (a) what are these functions and (b) what percentage of these services is devoted to family planning.

(2) (a) how many clinic points are located in

(i) White, (ii) Black, (iii) Coloured and (iv) Indian residential areas in the Republic, excluding the independent Black states and the self-governing territories, and (b) how many single-purpose family planning clinic points for each race group are located in these areas,

(3) in respect of what date is this information furnished?

**The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT**

(1) Yes

(a) Functions performed at Clinic Points

- (i) Ante natal care with referral for confinements
- (ii) Post natal care
- (iii) Health promotion of all pre-school children (Monitoring of growth and development)
- (iv) Family Planning
- (v) Immunization according to schedule
- (vi) Control of Tuberculosis with emphasis on tracing of persons suffering from T B, supervised treatment and B C G administration
- (vii) Monitoring of Leprosy patients
- (viii) Tracing and treatment of contacts of other infectious diseases
- (ix) Tracing and treatment of patients with sexually transmitted diseases (excluding AIDS)
- (x) Combat of nutritional disorders by supplementary feeding schemes
- (xi) Treatment of minor ailments
- (xii) Control and referral of psychiatric patients
- (xiii) Geniatric screening and referral service
- (xiv) Programmed health education
- (xv) Selected home visits

(xvi) Identification of environmental problems with referral to health inspectorate

(b) Family Planning = 5% with the exception of Northern Cape Health Region = 11%

(2) (a) Statistics not available per residential area

- (i) Falls away
- (ii) Falls away
- (iii) Falls away
- (iv) Falls away

(b) Single-purpose family planning clinic points = 31 239 Unable to provide detail for each race group as services are multiracial

(3) As on 31 May 1988

Job creation: amount spent

1276 Mr C J DERBY-LEWIS asked the Minister of Manpower

(1) (a) What total amount was spent by his Department on the creation of jobs during the latest specified period of 10 years for which figures are available, (b) how much of this amount was spent specifically on creating jobs for Whites, Coloureds, Indians and Blacks, respectively, and (c)

how many jobs were created in respect of each of these race groups,

(2) whether any other Government Departments are operating job-creation schemes approved by his Department, if so, (a) which Departments and (b) what schemes in each case?

**The MINISTER OF MANPOWER**

(1) (a) The only job creation scheme for which the Department of Manpower is responsible is the Special Work Creation Programme in the private sector. This programme started in October 1985 and the amounts spent on it are as follows

1985/86 financial year. R 8,5 million  
1986/87 financial year R21,4 million  
1987/88 financial year R14,9 million

(b) Funds are not allocated according to population group but are made available to employers in the private sector who provide work for unemployed persons of all population groups on specific projects

(c) Separate figures are not kept for the various population groups

- (2) No
- (a) Falls away
- (b) Falls away

STCmba (173)  
26/6/88

# Helping hands

**MORE** than a million blacks are unemployed and action to facilitate their participation in the formal sector is needed. Joseph Manchu, an MBA graduate from Wits University, is doing that.

He has established a management consultancy to pave the way for black advancement. Mr Manchu saw the demand for a new breed of consultants who could identify with black aspirations in commerce.

Mr Manchu points to some startling truths — blacks control less than 1% of economic activity in SA, only 4% of managers are black, and only 2% of blacks are entrepreneurs.

The biggest handicap to black development is the lack of management ability, says Mr Manchu. He has been through the mill before making the grade.

He sees his role as assisting the development of genuine black business.

"There is a great deal of apathy, and even those who are willing to take the plunge in their own ventures find it hard to raise money."

He says there has been a lot more supportive talk than action from many areas of business.

"Institutions are flush with cash, blacks are looking for development finance — but the two never seem to get together."

"Most of the black townships are woefully underserved — there are hardly any cafes or garages, never mind advanced infrastructure."

"But it takes money to develop this and blacks cannot raise it."

WITH the official economy seemingly heading towards a period of slower growth, it seems the unofficial or informal sector of the economy will have to be the main creator of employment opportunities

I use the word "official" on purpose as even the Government has now recognised the existence of a huge and rapidly growing "unofficial or informal economy"

Some economists are of the opinion that this informal economy constitutes anything between 10 and 30 percent of the Gross Domestic Product

The informal sector is made up of any business-related activity which ranges from the casual gardener you employ to the proliferation of hawkers and taxis on our roads

After decades of trying to regulate the economy the authorities seem to have realised this is an impossible task

By freeing the econ-

# Sector with best future

173  
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## MONEY MATTERS

by Magnus Heystok



omy from this stranglehold on entrepreneurship, of the black community in particular, it is creating jobs and output at a much faster rate than the official economy could ever hope to do

To create a job in the official, or regulated economy, costs anything up to R40 000 depending on the level of technology used

But for a couple of hundred rands an enterprising person can set up a shoe-cleaning operation which can earn him and his family a living

Although difficult to measure, economists use several indicators to

keep track of the informal economy ranging from wholesale trade figures and the growth in the money supply to sales of beer and matches

Using these figures it is calculated that the informal economy in the last two years grew at annualised rates of around 10 percent as opposed to only 3 percent in the formal economy

Growth in this sector of the economy is also less import-intensive, which means less pressure on the current account of the balance of payments

It's another reason why

the Government is urged to speed up its programmes for deregulation and privatisation

An example of what can be achieved by the informal economy is the phenomenal growth in the black taxi business

(However, it's ironic that the SA Black Taxi Association (SABTA) is now calling on government to regulate the industry to guard against "outsiders" entering the industry)

With greater freedom on the movement of capital and labour in the black communities I won't be surprised to see the emergence of a black Sanlam in the next decade or two

Sanlam was started with the combined savings of Afrikaners 70 years ago and is today one of the largest financial-industrial groups in South Africa Don't be surprised to see something similar happening in the black community

registered with the Department of Home Affairs

burg last weekend, a statement was issued calling on

agencies can be down permanently

And there are fears that

Other media experts

# Sponsors wanted for Achib scheme

By SOPHIE TEMA

THE African Council of Hawkers and Informal Business has appealed to companies to sponsor about five unemployed people every month at a cost of R800 a group to become hawkers

The move is part of the organisation's Unemploy-

ment Creation Project, established last year to assist jobless people

Achib has written to 21 companies asking for sponsorship. According to Achib president Lawrence Mavundla the organisation has had over 600 applications from people who wanted to become mem-

bers but who do not have the finance to start up

"It costs R135 to set up a hawker - R100 for stock and R35 for licensing and the organisation's joining fee," he said. Achib will charge an additional R125 a month to cover administration costs

Mavundla said Achib

had set up more than 900 hawkers last year. Because of mounting unemployment, the organisation decided to go on a campaign to interest more companies to become involved

"The problem of unemployment affects the whole of South Africa and therefore an appeal is being

made to companies to come forward and help. The project will boost the organisation's marketing arm by providing an outlet for people who want to launch new products onto the market. Their products will be stocked and promoted by the sponsored hawkers."

*CPERS 3/7/88*

*173*

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Mr Theo Rudman . . . urges the dismantling of outmoded regulations.

## Informal sector (173) vital to avert new SA crisis

By Michael Chester

South Africa must explore the economic potential of its vast Third World element if solutions were to be found to chronic unemployment problems that had now grown to crisis level, the Long Range Planning Society was told at a meeting in Johannesburg this week.

Mr Theo Rudman, executive director of the Self-Employment Institute, said recent trends had proved that if the country hoped to solve the unemployment dilemma, it had become imperative to dismantle the outmoded regulations and red tape obstacles that held back the informal sector.

Mr Rudman — author of the controversial new book "The Third World South Africa's Hidden Wealth" — said the formal business sector alone had little chance of creating the 4.5 million new jobs needed in the next decade to cope with the population explosion.

Warning signals were provided by figures showing that South Africa should have created more than two million jobs between 1980 and 1987 to keep pace with the flow of school-leavers to the labour market — yet in fact the number of jobs inside the formal sector actually shrank by 150 000.

In simple terms, with economic growth dragging behind the birth rate, average living standards were on a downward slide.

### BEYOND REACH

It was now estimated that at least 450 000 extra jobs had to be created every year over the next 13 years to avert a worse crisis. By conventional routes via the formal sector the annual cost would be R4.5 billion, and economic growth would have to be 5 or 6 percent a year — "clearly beyond reach".

Problems would be compounded by the migration of more than 15 million black people from the rural areas to the towns.

Mr Rudman predicted the ratios would worsen over the next decade, threatening South Africa with a devastating crisis, unless the Third World element was allowed into the economic mainstream by launching its own small and mini-businesses in the informal sector.

He urged five steps:

- Mobilise South Africa's hidden wealth by the elimination of restrictive legislation, with the establishment of special independent commissioners or ombudsmen to monitor fair play for small enterprises
- Launch a nationwide training programme to provide artisan and business skills for the emerging informal sector
- Provide special small loans for entrepreneurs, easily understood and without complex First World collateral formulae
- Open business premises in white areas to all racial groups
- Gradually transform the new traders into taxpayers with a proper place in the mainstream of the formal sector

Among the results of more encouragement of free enterprise and competition, promised Mr Rudman, would be far more socio-political stability, less crime, less unrest, lower inflation and fewer welfare costs for taxpayers to shoulder.

# The hawkers call and Gillette answers

HAWKERS have called on the private sector to fund an Employment Creation Project — and at least one company has responded.

Nomsa Mokae of Achib — the African Council of Hawkers and Informal Business — said so far the scheme has created over 900 jobs. But "the problem is not only licences, but also capital", she said.

The scheme was mooted last year in the wake of a high unemployment rate in the country. "Unemployed people come to our offices for help and we don't have money to fund them; that's why we are calling on companies to help us in this regard," she said.

Participants in the project would sponsor a group of five prospective hawkers by paying each R135 a month to cover the cost of fees and stock.

She said the project would also be used to provide an outlet for people who wanted to launch new products on to the market. However Achib required those companies to give discounts to the hawkers as well as contribute to the association's deregulation drive.

Mokae said Achib has written letters to 21 companies asking them to sponsor the scheme, and so far Gillette SA

BY MZIMKULU MALUNGA

Limited had promised to sponsor people in the East Rand.

Gillette managing director, John Ford, told *Weekly Mail* the company was "fitting in the scheme which Achib has put together to give employment to people as hawkers". If the project went well "we will expand the operation".

Meanwhile, Laurence Mavundla, Achib president, said this week letters had been sent to 40 companies asking them to become part of a "hawkers' deregulation drive".

In the letter the organisation indicated some municipal by-laws which governed the hawkers' trading practices have been changed in eight city councils on the East and West Rand and in Johannesburg.

These included:

- The reduction of the distance the hawker had to maintain from a general dealer from 400 metres to 100 metres.

- The lengthening of the time hawkers can stay in one spot in a restricted area — from 20 minutes to two hours — and the demarcation of areas for hawkers.

- The abolition of the requirement that hawkers had to place an advert in

both English and Afrikaans newspapers stating their intention to hawk.

Achib said in places where the deregulation drive had been successful, "hawkers are trebling their incomes and moving up the scale to tuck-shop ownership. We also had several applications for formal shop ownership." With these the association said the private sector was going to benefit and the economy of the country could also be bolstered.

Achib said it had so far managed to licence 9 600 hawkers in Johannesburg, 3 000 in Tembisa, over 1 000 in the Vaal, 30 in Vosloorus, and 300 in the western Transvaal town of Carletonville.

Addressing the Institute of Directors luncheon at the Braamfontein Hotel, Mavundla listed problems faced by unlicensed hawkers as follows:

- They did not have access to finance or to major wholesalers,

- They were victims of harassment by police.

He said the hawkers' combined buying power was R1-billion annually and with the help of the private sector "the buying power of these people could reach R22 billion".

"They are tomorrow's banking cli-

● To PAGE 19

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## Hawkers call, Gillette answers

ents," Mavundla said, "insurance customers, house owners, car owners, shopkeepers. As their income rises, they become greater consumers of more sophisticated goods."

Acting chief licencing officer of the Johannesburg City Council, Kathy Filmalter, told *WM* "the council is firmly committed to the principle of deregulation and the promotion of small business". She said the city council was considering the existing

● From PAGE 16

legislation and a proposal had been made to the Transvaal Municipal Association, which serves as a bridge between local and provincial authorities, to streamline the licence renewal procedure.

"The council has co-operated very closely from the outset with Achib and it remains prepared to co-operate," she said.

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★ Supplement to Weekend Argus, July 9 1988 3

# Seminar for jobseekers

By MARTIN WELLS  
Business Staff

PEOPLE who are frustrated in their jobs but who still fail to find acceptable alternatives may take recourse in a seminar to be offered by TST Consulting in the coming week.

The seminar, entitled "Managing Your Job Change", is intended for a wide-range of job-seekers, including those who are on the job-hunting circuit and not succeeding; people who have been in one job for a long time and want to change; retrenchees; new-qualified professionals.

The seminar leader, Miss Sue Kingma, is a qualified personnel consultant. She will outline all the pros and cons involved in the complex decision of job-changing and pit-falls to be avoided.

The course will focus on: establishing why you want to change your job; planning the preliminaries; promoting yourself in the job market; obtaining the initial interview; after the interview — etiquette; the acceptance; your rights and the Contract of Employment.

The seminar is being offered on Wednesday, July 13 (from 5.30 to 8pm), and on Saturday July 20 (9 to 11.30am). The venue is the Josephine Mill, Boundary Road, Newlands and the cost per delegate is R60. Inquiries can be made at ☎ 753-677.

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**GROWING POPULATION:** Less and less time to sort out the South African malaise and the distortions imposed by apartheid.

# Affirmative action 'is what we need, not self-interest'

*(Handwritten initials and number)*  
173

APARTHEID is not just a political system but a politico-socio-economic system. As such it has consequences which grossly inhibit the true wealth-generating and self-fulfilment potential of the people of South Africa.

As a result, economic capacity and growth have not kept pace with either the cost of the apartheid system or with the enhanced expectations of a numerically growing population.

In fact, our South African economy, which is today structured on the basis of heavy concentrations of capital and power, mass employment of unskilled and semi-skilled labourers, the export of primary products, and weakly developed domestic markets, must undergo a radical and rapid transformation through a process of inward industrialisation.

The end result of that transformation must be that every member of the population is integrated into and participates in the economic system.

A reduction in birth rate and readmission to international markets is much more likely to be a consequence than a cause of such transformation.

The only viable way forward depends therefore on inclusion, integration, participation and accommodation.

Exclusion separation

**BOB TUCKER**

*their own sweat and tears, and the government should take care of those lying at the side of the road out of those taxes*

*"Those who passed by on the other side are therefore the ones to be regarded as behaving in neighbourly fashion"*

According to Adam Smith, it is when the businessman "intends only his own gain" that he contributes — via the process of competition

In his own words "I have never known much good done by those who affected to trade for the public good"

To the person with an unconstrained vision, man has the potential of directly feeling other people's needs as more important than his own, and therefore of consistently acting impartially, even when his own interests are involved.

This vision is descriptive

South African business and economic system and its prevailing ethos are overwhelmingly constrained in their view of the motivations, capabilities and differences of people.

This vision has tended to be strengthened by the role of the professional manager who is expected to behave totally "economically" in the sense that he delivers only that which can be measured and compared quantities such as profit, return on investment, growth and so on, but not immeasurable qualities.

Since the overwhelming majority of the business community sees progress as being dependent on a systemic and essentially self-interested response to prevailing circumstances, the circumstances and environment have to be "distorted", or altered in such a way that behaviour patterns change, bringing about the desired transfor-

misleading. The desired behaviour is that of the Good Samaritan who picked up the injured man and put him back on his feet - or to use another analogy, taught him not only how to fish, but also how to make and mend the fishing rod.

Tossing a spare coin to an injured man lying at the side of the road, or giving him a fish, helps, but not in a way that will result in his economic transformation.

Rather than "social responsibility programs" we need corporations which behave "responsibly towards society".

The words are the same, but the intention, and hence results, are likely to be very different.

I therefore suggest a program of "affirmative action" which results in the business community behaving in ways which are responsible towards society but which would not normally be in their short-term interest in the absence of such a program.

I would, however, stress the importance of "merit".

Affirmative action should only result in assisting the under-privileged to get to the starting post so that he can actually compete, but never in unmerited appointments or contracts.

I firmly believe that

● The author (right) is managing director of the SA Permanent Building Society. This article was extracted from a paper he delivered to the biennial conference of the Development Society of Southern Africa in Durban this week.



of potential rather than

The only viable way forward depends therefore on inclusion, integration, participation and accommodation

Exclusion, separation, confrontation and authoritarianism will have to be relegated to the junk heap if this country is to survive and prosper

To a large measure, the nature and success of such a transformation process will depend on the social vision which members of the business community hold, and our basic conception of the nature of man

Those visions may be grouped into two broad categories (described by Thomas Sowell in his book "Conflict of Visions") the constrained and the unconstrained

To the person with the former vision, man is seen as being constrained by intellectual and moral limitations, environmental and hereditary disadvantages and mortality itself

Adam Smith's thesis epitomised this view. Instead of regarding man's nature as something capable of change, he attempted to determine how the moral and social benefits desired could be produced in the most efficient way, within that constraint

"Survival of the fittest" would be very much the prevailing ethos

Taking the familiar parable of the Good Samaritan, the person with the constrained vision would be inclined to re-tell it thus

*"The priest, the Levite, the Samaritan and every successful businessman on the road from Jerusalem to Jericho that day, passed by on the other side, knowing that any delay would result in expense escalation and profit deterioration"*

*"This would contradict the capitalist ethic and the responsibility to shareholders to maximise the return on their investment"*

*"More importantly, if we all behave in the same survivalistic way, business will thrive, more business opportunities will be created and there wouldn't be thieves and robbers on the road to Jericho in the first place"*

*"Acknowledging that there are still likely to be some lame and lazy, the travellers are taxed on the profits they make out of*

conference of the Development Society of Southern Africa in Durban this week

of potential, rather than habit

William Godwin epitomised this mindset. Social benefits resulting from processes either unintended or sustained by incentives are scarcely worth notice

He regarded the intention to benefit others as "the essence of virtue" and virtue as the road to human happiness

Unlike Smith's view of human selfishness, Godwin regarded selfishness as being promoted by the very system of rewards used to cope with it. The real solution is having people do what is right because it is right, not because of psychic or economic payments — that is, not because someone "has annexed to it a great weight of self-interest"

Obviously the dichotomy I have described is simplistic, but what is important is whether people are likely to respond in a systemic way as Smith predicted or in a selfless way as Godwin hoped

There is no doubt the

mation

If nothing is done and everyone continues to behave in a purely self-interested way, the system will take far too long to redress the lack of capital, inadequate education, absence of managerial skills and inequality of opportunity for the economy to transform within the available time

The immediate reaction when a suggestion of this nature is made is one of shock and incredulity

But we voice no opposition to distortions in the process intended to promote stud farming, expansion of the film-making industry (with highly debatable results) or investment in capital projects (in our capital hungry, labour rich country)

It is only when we suggest such moderation, or distortion, of normal systemic forces so as to benefit our fellow-man that there is a sense of outrage

I think that to a significant degree the whole "social responsibility" exercise and program has been

ing post so that he can actually compete, but never in unmerited appointments or contracts

I firmly believe that there is a vast number of people who are powerfully motivated by an unconstrained vision

It is therefore regrettable that instead of giving encouragement to them, their commitment is ridiculed as being sloppy, unrealistic and perhaps even "playing into the hands of the ANC"

I think it imperative that to bring about the necessary integration, upliftment and transformation, the systemic forces determining the behaviour of those with a constrained vision be moderated and that sustenance and encouragement be given to those with an unconstrained vision

What is needed are businessmen who see the next five years as the first five years, not the last. We can do without those whose sole interest is to derive the maximum material gain out of the system before the lights go out

This is a land of unlimited opportunity and beauty for those who are motivated to serve

# 2000 new development projects approved last year

SA 17/17/88

(173)

The decentralisation board approved a record number of overseas applications to locate projects at development points in South Africa and the self-governing states last year.

The board said in its annual report released in Pretoria yes-

terday that 395 foreign applications at an indicated investment of R953 million had been approved since the first of April 1982. This represented the creation of almost 87 000 new jobs.

The report said that foreign relocations represented 20 percent

of indicated job creation and 12 percent of indicated investment of the total applications approved in the past six years.

The report said the decentralisation board approved approximately 2 000 new development projects last year, with a poten-

tial investment of about R2 billion. The projects involved almost 75 000 new jobs.

Over 3 000 new industrial projects that created more than 150 000 new jobs had been established by March this year — Sapa

Mrs Claire Quail, one wave of robbery, mug- final results were pub-  
gings and rape on trains lished

## Decentralisation gains momentum

*Star 13/7/88*  
A total of 156 000 job opportunities had been created during the first six years of the current phase of the regional industrial development programme, Constitutional Development and Planning Minister Chris Heunis said in a statement in Pretoria yesterday.

Over 3 000 industrial projects had been established with an investment of R2 900 million. A further large number of projects that had already been approved were at present in the process of establishment or being planned.

Mr Heunis was commenting on the

Decentralisation Board's annual report, which was released yesterday.

He said there had been a sharp rise in the number of applications from foreign industrialists who wished to establish businesses in SA. In the past year 93 such projects had been approved, against 51 for the previous year.

The self-governing territories were growing in popularity as a location for the establishment of industrial projects and 57 percent of the job opportunities resulting from the projects approved during 1987/88 had been earmarked for these territories, he said. — Sapa

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## 50 000 more in state jobs

Star 15/7/88  
173  
The number of state employed people increased by over 50 000 between March 1987 and March this year, the Central Statistical Service (CSS) said yesterday

According to figures supplied by the CSS in a report on public sector employment and salaries and wages, there were 1 688 151 state employees at the end of the first quarter this year compared with 1 635 278 employed at the same time last year.

The total salaries and wages paid to workers in the public sector increased by 19,5 percent to R6 208 million for the first quarter of this year when compared with the R5 194 million paid for the same period in 1987.

— Sapa

# Sitting on an economic time bomb

173 By Michael Chester

Studies by the Econometric think-tank into longer term economic trends are ringing alarm bells over disclosures that the rate of new fixed investment in business expansions and modernisation programmes has now been on a downward spiral for almost a decade — with still no sign of a significant reversal.

"It means that South Africa, at a time when new business ventures are crucial to create millions of new jobs to defuse an unemployment time bomb, is running into industrial obsolescence, with even fewer jobs in the pipeline," warns Dr Azar Jammame, director of the research unit.

"The chain reactions of a chronic decline in new fixed investment in industry and commerce can be temporarily camouflaged, but the longer-term implications are alarming," he said.

"Concern over disinvestment pressures from overseas has captured the attention lately. Yet it is the tardiness of our own domestic investment spending that also needs examination — tantamount to home-grown disinvestment."

Scenarios for the future envisage an economy threatened with stagnation as cobwebs start to spread over antiquated industrial buildings and machinery, with less and less chance of producing all the goods and services needed on the home market — let alone think of competing in overseas export markets.

On current investment performance, South Africa will stand little chance of coping with threats of an economic siege from sanctions and political isolation — nor with finding the extra jobs that must be planned to hold the lid on unemployment problems and cope with 4.5 million more school-leavers streaming into the labour pool in the next decade or so.

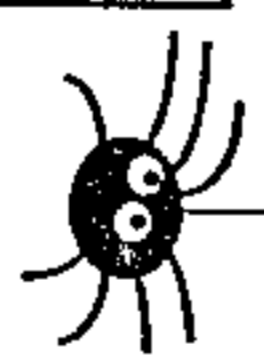
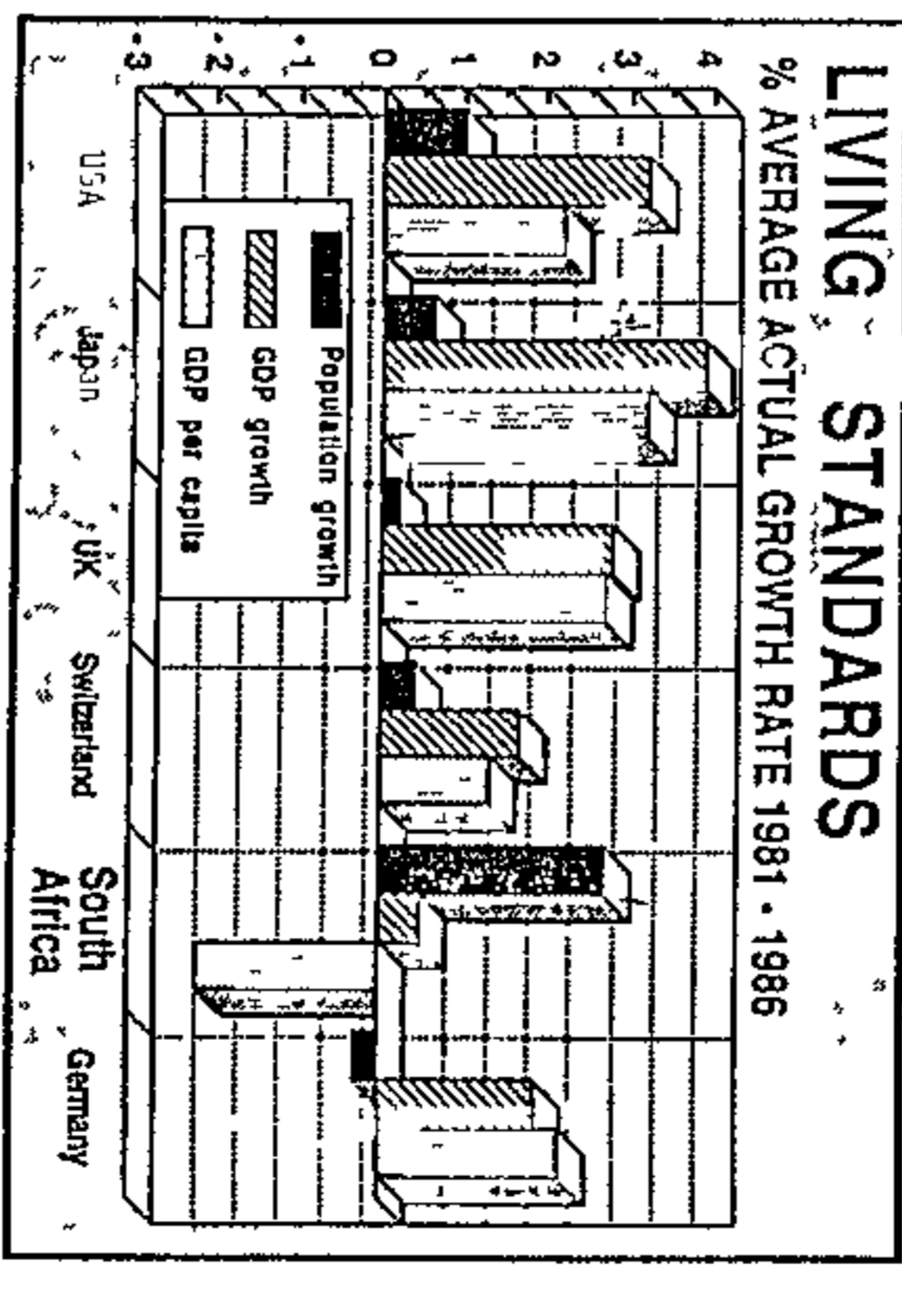
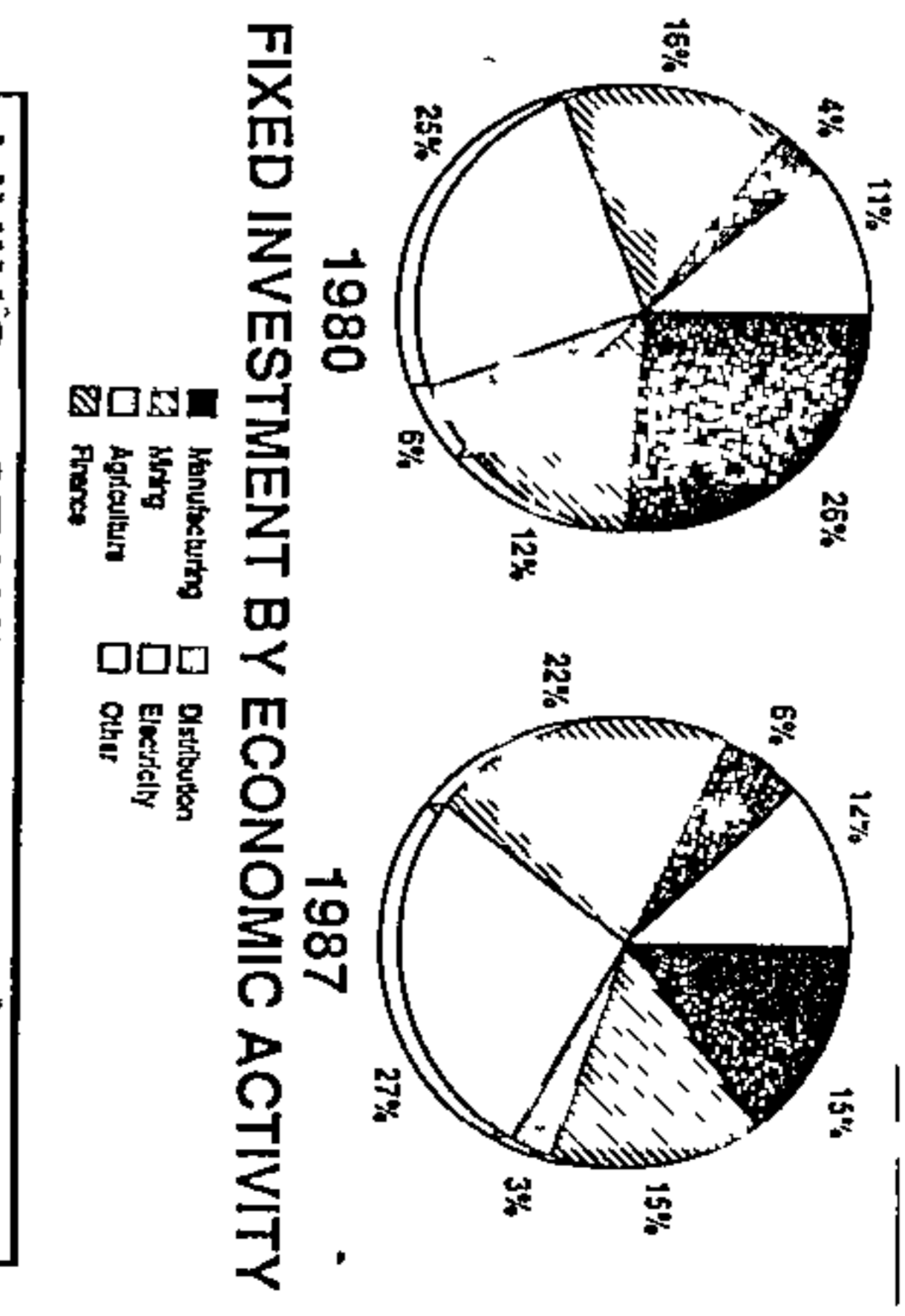
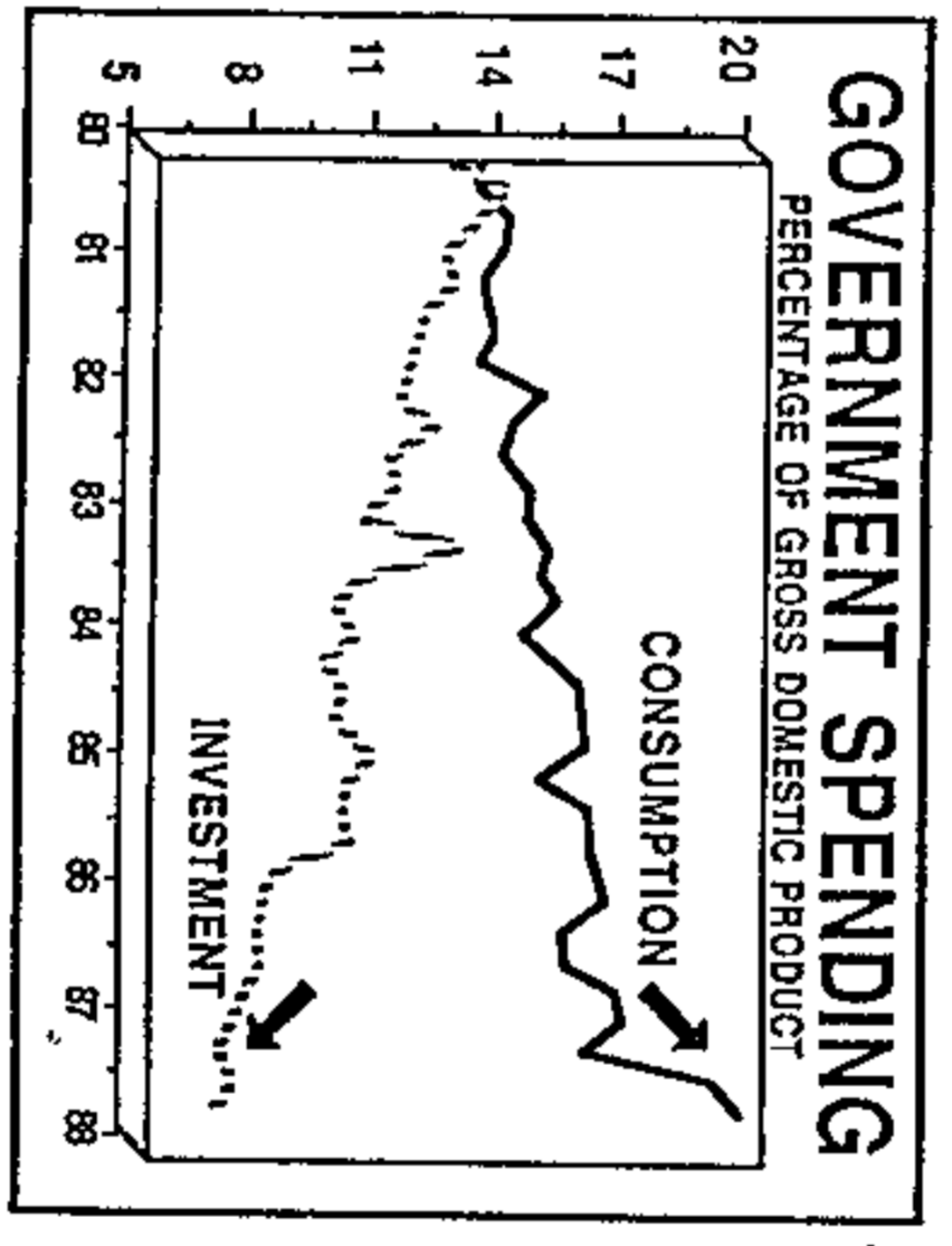
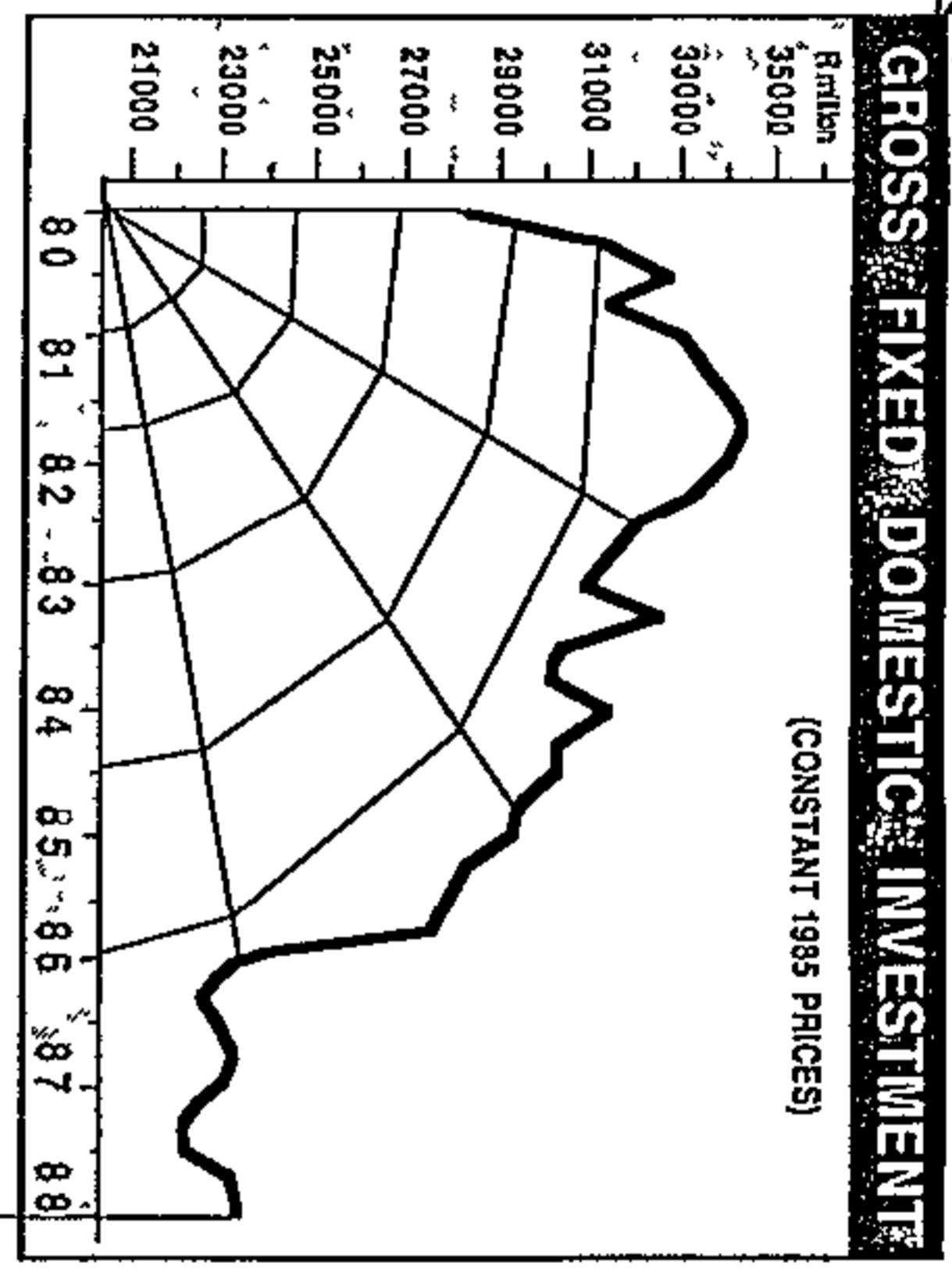
The fretfulness of economists has been compounded by studies carried out by the Self-Employment Institute which is plugging the potential role of the informal sector.

These show that while South Africa needed to create as many as two million new jobs between 1975 and 1986 to keep pace with the population explosion, the number of jobs inside the formal private sector actually shrank by 150 000.

What troubles the Econometric researchers is evidence showing that overall new fixed investment made no more than only a feeble response to the recent economic upswing that normally should have inspired expenditure on projects to allow for future growth.

The longer-term downward drift in investment is confirmed by statistics compiled by the South African Reserve Bank.

These show total fixed investment — measured in constant 1985 monetary terms and thus eliminating distortions caused by inflation — plummeted from R33.8 billion in 1981 to R23.3 billion last year.



# Now 1,67 million people <sup>512V 181718X</sup> employed in public sector <sup>173</sup>

Pretoria Correspondent

The average salary in the public service is R1 238 a month.

Latest employment, salary and wage statistics released by Central Statistical Services show there were 1,67 million people employed in the public sector at the beginning of this year, 43 percent of them in central government and provincial administrations and 14 percent in local authorities.

Whites earned an average of R2 070, Indians R1 512, coloureds R910, and blacks R670 a month.

According to the statistics the best paid public servants were the 5 930 whites in the scientific councils with an average salary of R3 486 a month

The 234 012 whites in central

government and 55 468 in local authorities generally earned more than those 60 352 employed in provincial administrations.

Central government departments were the largest employers of public servants with a total of 523 577 full-time staff. Of these 66 percent were involved in general affairs departments and 44 percent in own affairs departments.

The largest number of black full-time staff were employed in the local authorities (128 149) and government trade establishments (113 729) while those with the best pay were those employed by central government departments.

● See Page 8.



# Non-primary sector worker tally increases

19/7/88

GERALD REILLY

(73) B (doe)

PRETORIA — Worker numbers in the non-primary sector increased by 1% to 4 245 470 in the first quarter of the year, compared with the final quarter of last year, according to Central Statistical Services.

Whites employed in the sector increased by 0,5%, coloureds by 1,1% and blacks by 1,3%.

Asian workers, however, decreased by 0,2%.

The total paid in the sector increased by 19,1% to R14,173bn compared with the first quarter of 1987.

However, it was 5% less than at the end of the last quarter of last year.

Employment in manufacturing rose by 0,5%, in electricity gas and water 0,7%; in construction 1,9%; transport storage and communication 7,6%, financing, insurance, real estate and business services 2,5%; and community social and personal services by 1,4%.

Wholesale and retail trade and catering and accommodation services decreased by 0,4%.

# STAFF LEVELS DOWN, EARNINGS UP, AT SATS AND POST OFFICE

173  
2/8/88  
30/7/88

PRETORIA — While Parkinson's Law seems to be running free in government and homeland's bureaucracies, the numbers employed by Sats and the Post Office are decreasing, Central Statistical Services say. Latest figures show Sats' labour force decreased from 200 217 in March last year to 186 253 at end-March this year. Sources said yesterday this

### GERALD REILLY

must be about the end of Sats' staff-trimming programme, which started under former Transport Minister Hendrik Schoeman five years ago. Staff had now been shrunk to an almost irreducible minimum, it was said. Meanwhile, Post Office workers decreased from 98 267

at the end of the first quarter last year, to 93 828 at end-March this year. Railway workers' earnings, including the three months to end-March, increased by R69,085m to R772,810m, compared with January to March last year. Post Office workers' earnings also increased substantially, by R43,713m to R368,146m.

The numbers working for public corporations also shrunk — by 859 to 180 431. However, their earnings increased by R140,647m for January to March this year, to R890,131, compared with the first quarter last year. Public corporations include all public enterprises in which the state has a majority interest, and their subsidiaries.

Journalists' register is 'closed'

PRINTED

'To help rural business, abolish strict rules'

# We need to create 1 300 new jobs every day, says professor

Stev 22/7/88

(173)

By Melanie Gosling

If there was going to be sufficient employment in South Africa by the year 2000, 1300 jobs would have to be created every day, Professor Nic Swart, head of the financial and planning department at the University of Potchefstroom, said yesterday

Speaking at the ROEP (Rescue Our Endangered Platteland) Congress in Potchefstroom, Professor Swart said small business development formed an important part of the country's development process,

of job creation and was a cornerstone of the free market system

To help small business develop in the rural areas, there should be deregulation of strict rules and regulations

The potential of small businesses in regional areas should be analysed and projects initiated "South Africa will also have to think afresh and think big about entrepreneur training which should be coupled with technical training," Professor Swart said

He said small businesses in declared drought-stricken areas should also qualify for loans in the same way that farmers do, as they were to a large extent dependent on agriculture

"It makes no sense to allow old, established small businesses to go under because of special circumstances like drought, and at the same time to try to establish new businesses"

He said he knew of 50 whites and 160 blacks in the western Transvaal who were jobless as a direct result of the drought

"With those sorts of figures, we won't have success with small businesses in the platteland"

## Platteland decline accelerating as black workers drift to towns

Stev 22/7/88

The decline of socio-economic activities in the platteland was "snowballing" and rural communities were feeling the effects acutely, Professor Willem Vrey, director of the Institute for Socio-economic Research at the University of the Orange Free State, said at the ROEP congress yesterday

Professor Vrey said de-population of the platteland was obvious from the number of empty farmhouses, empty school boarding houses and railway lines that had been closed

He said blacks had begun to move from farms to small towns

There was now a shortage of farm labour and a high percentage of unemployment and poverty among black communities in small towns

The next phase would be black migration to the cities.

South Africa's economic growth would be unable to provide additional work or housing to meet this migration from rural areas

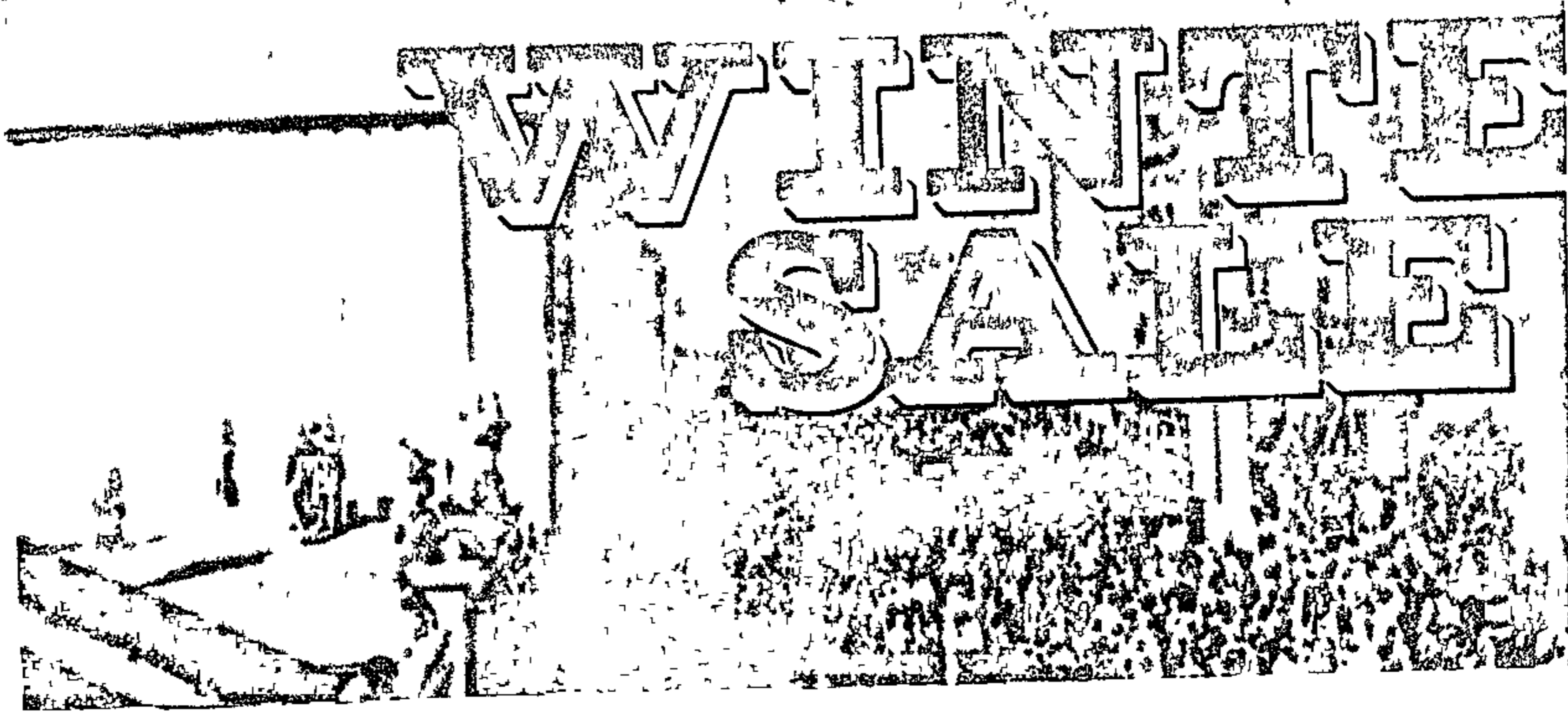
"The result will be poverty and unemployment in the cities while there is a labour shortage on farms and the infrastructures in small towns stand unused," he said

The basic responsibility for development in the platteland rested with the rural communities themselves. It was their job to ensure that natural resources and people were developed so that advancement could take place to their benefit

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# Toyota assigns R87-m to import substitution plan

By Sven Lunsche

Toyota SA Manufacturing is to spend R87 million in a three-pronged programme of import substitution, which will create about 1 000 new jobs and save R120 million in foreign exchange

"This is purely a programme for import substitution and does not take into account other capital expenditure," Ralph Broadley, MD of Toyota SA Manufacturing, said yesterday

He said the depreciation of the rand against the yen necessitated the programme, but undoubtedly it would also help in the face of cutbacks by its Japanese supplier

Toyota in Japan said last week that it had begun to cut back on its vehicle exports to South Africa, starting with a year-on-year decrease in June. A spokesman said the company planned to continue reducing such exports because of the growing criticism of Japan's trade with South Africa

The local programme involves expenditure of R35 million on the replacement of original equipment components, a R11 million spending package for the in-plant manufacture of after-market assemblies and a R41 million toolroom built at the company's Prospecton factory, near Durban

Mr Broadley said the programme would be completed within two years

# Search method of recruitment is best

By Derek Tommey

South Africans were not being fair to themselves when they blamed the skills shortage in this country on the 'brain drain', says Mr Steven Finkel, an American specialist in 'search' methods of job placement

He believed that the people with the desired skills were available in South Africa. But this country had to develop the techniques to find them and ensure they landed up in the right jobs

These techniques were already being widely used overseas, and especially in the United States.

Along with South Africa, most Western countries also believed, because of the growth in their economies and the drop in their birth rates, that they also had a shortage of skilled people, said Mr Finkel. But it was not a real shortage

It would be foolish to say that the 'brain drain' was not a factor in this country, but it was only small one.

South Africa still had some of the finest business, financial and medical minds in the world. However, there was not necessarily a correlation between a person's ability to do his job extremely well and to put himself into a career position and utilise his talents to the full

This was where the companies and their recruiting agencies had a role to fill.

There was nothing wrong with the traditional British system of advertising for candidates and making a selection from the applications when you have lots to select from. But as the number of applicants declined it became less effective

"Often when you advertise these days all you get is the best



Steven Finkel — No real skills shortage.

of the unemployed, the best of the unhappy and the best of the unskilled"

So, although the personnel agencies were extremely good at selecting, when they were seeing the best people they were seeing the best of what?

An answer which had worked most effectively in the United States was the concept of search

The aim was to identify the best talent and the high achiever. Such a person was unlikely to answer an advertisement, but was available if approached properly

Search was used in more than half the new appointments in the United States these days

Mr Finkel has been brought to South Africa by the Association of Personnel Service Organisations (APSO) to speak at training conferences in Johannesburg, Durban and Cape Town

He has been president of the Professional Search Seminars for the past six years. He is regarded as the industry's leading trainer

"I'm here to teach APSO how search is applied, and to help overcome the perceived shortage of skills and get excellent people into positions where they can really do the best job," he said

# Economics is the greatest reformer

Star 29/11/81

173

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I started the struggle in 1976 because I was not satisfied with the education I received, with the way our fathers have been treated

I was a child and I realised my parents were being exploited. That blacks were taught that whites were bosses. That white women should be called "missus" I said to myself in my life I will not call anyone boss or missus

We all had an understanding when we saw cars with company logos driving in the townships that they were promoting themselves in order to exploit us more

When I was a shop steward at East Driefontein mine, I made a lot of representations on behalf of workers. I was fired after organising a strike. It seemed the workers were also not taken into account

## Power

Disillusioned, I felt the only solution to change things would be to burn things down, to fight. Only in this way would we obtain power

After being fired, I decided the best way of making a living without having a boss would be to sell products. To be a hawker

It was then that I realised it is economics which will change the political situation in this country

This is because when I am selling, I am not affected by exploitation. Selling brings one independence

When you sell, the AWB comes to buy. The PFP comes to buy. And they talk to you while they are buying

## Platform

This is the best way of meeting on an equal footing. When blacks and whites meet on a business platform, they each need something from the other. They have to talk. There can be no more powerful and yet more peaceful way of promoting mutual understanding and equality

Blacks are beginning to understand this. The members of Achib understand this. They realise this is a solution

A hawker who is arrested one day will be back at the same spot the next day. He will pass money

A speech made by **LAWRENCE MAVUNDLA**, president of the African Council of Hawkers and Informal Businesses at SA Megatrends — the High Road conferences, at Turffontein Race Club, on Wednesday.

through the bars of the police van to ask his friend to buy more stock

Hawkers have been harassed by local authorities, shop owners and police for more than a 100 years. Yet they remain on the streets because it is a job that does not have exploitation. A job in which a man can feel independent. In which he can do business with whomever he likes. And in which he can dictate the terms

The rise of our hawkers is a good example of the power of economics in making people listen. Today major manufacturers are wooing hawkers. They see them as a vehicle to distribute products in the black market

## Instability

However, the motivation is profit. It is not good enough. We have major problems of unemployment and over-regulation. It is a problem that affects everyone. Because it stifles the economy and because it causes instability

The private sector is by no means working towards change

Daily, we read in the papers managing directors of big corporations saying nice things. They talk about a lot of money that they are prepared to contribute towards the peace and stability of the country

But, they don't put their money where their mouth is. They have lost credibility with the grass roots people. Grass roots people have stopped listening, stopped believing

When they decide to spend money they don't ask the community what it wants. They think for us. The result is projects that are not workable. Projects that will only end up being boycotted

And they pump millions of rands into sports. I ask myself — will sports feed the hundreds of mouths that are hungry?

How do you companies justify re-

trenching people, people who are illiterate and don't know about PR, then spend money on sports for PR purposes

I wonder and worry on a daily basis about what big corporations think about unemployment. The Cosatu unemployment union puts the unemployment figure at 6,5 million

Unemployment is going to bring about another 1976. People like myself, who hold the power for a peaceful solution, are getting discouraged

I, too, am losing credibility with the grass roots people. This is because I am not getting support to create employment and to remove restrictions which prevent people from entering the mainstream economy

I have approached more than 90 companies to support two important projects — a deregulation drive and employment creation scheme. Yet I have only received support from six of them. It doesn't make sense

The same corporations which make nice statements in the press about the need to boost the economy and create employment. These are the same people who say no to me

## Converted

I have given myself twelve months to speak to these people. To urge them to put their money where their mouth is

If there is no genuine response than I might have to believe again that fighting is the only way to solve this country's problems

Yesterday a hawker walked into our offices. He was converted to hawking from crime. He has killed two people, stolen and stoned. He came to us because he is being harassed by police. Even though he has a licence. What do you think this person is going to do when he loses faith in hawking?



Can I tell you what you should be doing to stop this. And can I be telling you this for the last time?

(1) Support projects that are for economic change in this country. Like our organisation

(2) Support employment creation projects

(3) Back the deregulation of unjust laws

(4) Give us the skills that you have in order to make us viable

(5) Stop thinking for us. Do not embark on any project to "help" us without asking us first what we need

(6) Stop regarding investment in black business as charity. The stimulation of black business means money spent with you. It is a straight business investment

(7) Stop thinking only of short-term profits. Long-term investment in worthwhile, grass-roots projects means a more stable future

(8) Stop sloganeering in the press and start working practically and non-confrontationally

# Suurbraak chair co-op gutted

Staff Reporter  
THE Chair Bodgers' Co-operative building in Suurbraak has been destroyed in a fire  
But craftsmen at the co-op-

ARGUS 11888 173

erative, which hand-makes sought-after chairs, are determined to meet their orders  
Employee Mr James Taylor said it was not clear how the fire started

# Best to let black housing take its own course

SOUTH AFRICA is changing so rapidly — for good and ill — that it becomes difficult to preserve a framework of assumptions in which to judge events. Or, to put it colloquially, this place is crazy.

Here is a paradox: the political rhetoric from the black townships consists overwhelmingly of dreary socialist clichés, offered at precisely the moment in history when socialism is failing worldwide, while the reality of the townships is a bustling urbanism and a soaring entrepreneurial spirit.

Everybody knows about the taverners — the shebeen keepers — whose importance to the liquor trade makes them respected customers, courted by suppliers. Everybody knows, too, that the taxi-owners have the muscle to bargain for fleet sales, and for bulk fuel supplies.

But it goes beyond this. Every day brings fresh evidence that a breed of urban black man and woman, shrewd and tough and ambitious, is beginning to take hold of the future. The retreat of apartheid, with its destructive bureaucrats and its restrictive regulations, is opening new gaps by the day.

Nobody measures the informal economy (the free economy, I like to call it) but some economists say it may account for 30%-40% of our economic output. Indeed, excessive taxes are driving even "white" enterprises into what the British, untroubled by the double meaning, call the "black" economy. Anybody who has hired a bricklayer for cash knows what I mean.

In any event, the informal sector offers the only visible explanation — or partial explanation — for one of the puzzles of current political debate: where are the millions of utterly poor people who stand at the centre of that debate?

Before the entire welfare lobby goes into hysterics, let me say that I don't doubt the existence of gruelling poverty in South Africa, especially in the drought-shattered rural areas. I know that TB is an index of endemic and growing poverty in some classes of people, and I am sure that diseases like kwashiorkor and gastro-enteritis are deadly indicators of deprivation.

I know the Eastern Cape has been crushed by unemployment, and that young matriculants, lacking work, hang around in dangerous gangs. I know, too, that lack of housing creates intolerable conditions of crowding and stress. And I have been inspecting shanty settlements for 30 years.

Still, the visible poverty does not, in its extent or its depth, seem to me to match the political rhetoric that infuses our national debate. (To suffer poverty by proxy is, of course, proof of moral superiority, I don't knock it, but I do question



By KEN OWEN

Ken Owen  
11/8/88  
173

the proportions.)

At least, let us say, there exists another reality: the customers of the mini-buses, and of the retail supermarkets, the purchasers of houses who put down R3 000 in cash deposits, the families who can afford (as they could not 25 years ago) to keep children at school for 12 years, the bustling middle-class women — high heels and mock leather skirts — who crowd downtown Johannesburg.

We are dealing not only with racial oppression, though that is part of it, but with a three-way class split in the black community: the new entrepreneurs, the unionized workers, and the impoverished unemployed or under-employed.

It may, therefore, be time to consider differentiated policies to deal with the different classes. The welfare statism demanded by utter deprivation is like to be wholly inappropriate for a unionized working class, and downright destructive towards the entrepreneurial class.

Three things seem to me to be self-evident about the coming decade:

Firstly, the population of the cities will double, from natural growth and from migration, and the multitudes will overwhelm all urban facilities.

Secondly, there is no possibility at all that government will "provide" — even if it tries — the 400 000 houses a year that will be needed until the end of the century.

Private enterprise is now building, perhaps, 35 000 houses a year. If black people do not house themselves, they will end up homeless.

Thirdly, government cannot, by any policies known to man, create enough work for the new urban multitudes who, if they do not create work for themselves, will remain unemployed.

Even socialist remedies, which would require huge disruption of economic patterns, would be at best as inadequate as Zimbabwe's or Tanzania's, and at worst as brutal as Stalin's. Even socialist states must accumulate capital, and they often do so by brutish methods.

For a supposedly capitalist government, the best course of action is not to try to build houses or create jobs, but to devise policies that exploit the huge natural resources of human creativity and resourcefulness.

To break down a home which any per-

son has built for himself and his family, no matter how humble, has always seemed to me to be an intolerable wickedness. For some years I have advocated a register of the names of all officials who have been guilty of that practice so that, sooner or later, they might be brought to trial for crimes against humanity.

However, there is now a much more practical reason to stop the demolition of homes: if we continue, the new urban hordes will take up residence under bridges, on golf courses, in concrete pipes, on construction sites and on sidewalks. We shall turn our cities into Calcuttas.

The best housing policy is simply to identify land for squatters, to help them settle and to encourage them to upgrade their homes over time. Nothing else will work.

Similarly, it is futile to think in terms of "providing jobs." The best government can do is to stop "preventing jobs." Except for some essential health regulations, a bit of zoning, and strict enforcement of laws against mugging, theft and other common law offences, the sensible course of action is, more or less, to let it happen.

After all, this great surge of urbanization — not government policy, and certainly not the patronizing goodwill of the whites — is the force that is changing South Africa, and smashing apartheid.

So far as I know, only a few organizations are thinking seriously along these lines — the Institute of Race Relations, the Urban Foundation and Small Business Development Corporation, and some private groups.

It would be nice if our academic sociologists put aside their obsession with the accumulation of capital, and stopped trying to teach economics, and tried instead to describe the real South Africa. If, instead of asking inane questions ("Would you support sanctions if they cost you your job?"), they told us who, among the bustling millions, is doing what, and why, they might help to break the South African deadlock.

Anyway, it would spare us some of the ritual condemnation of apartheid, which is something most of us do in safety and comfort, and it might just show us how to encourage the forces of change instead of hampering them.



# The 'Illegal' Hidden Wealth

By **DICK USHER**  
Staff Reporter

**CENTRAL** to the South African dilemma is the lack of jobs for the country's ballooning population

Not only has the formal, developed sector of the economy failed to create enough jobs to keep pace with the army of workseekers who leave school and enter the market each year, but the number of jobs available actually shrank by about 147 000 between 1980 and 1986

And the prospects of the formal sector ever being able to grow sufficiently to satisfy the need are almost nonexistent. So the cure must be found in freeing the informal sector

This is the central theme of a new book called *The Third World South Africa's Hidden Wealth* by Theo Rudman, executive director of the Self-Employment Institute

The crisis is already here and is not waiting poised to trouble some future generation. And related to it are the socio-political problems which have been endemic in South Africa for many years but have swelled in the past 12 years

All of the 4.5-million people who will need jobs in the next 12 years have already been born, and the race to create gainful employment for them is being inexorably lost

Already the country is poorer than it was a decade ago

Gross domestic product declined by about 6.5 percent (measured in constant 1980 rands) from 1975 to 1985 while in many countries — about which white South Africans, existing in what Rudman terms the modern sector of the economy, are often so scornful — grew during the same period. Taiwan's GDP



Theo Rudman

grew by 96 percent, Mexico by 15 percent, Portugal by 30 percent.

In Kenya the GDP has remained at least static while in Tanzania it has declined by only one percent.

Rudman estimates that the capital cost of creating the necessary jobs in the formal sector by conventional means at around R4.5-billion a year — and this does not include training

### Third World

Against this, the efforts so far produced in the battle for jobs seem a drop in the bucket — R75-million on training the unemployed in the 1987/88 financial year, the Small Business Development Corporation's mini-loan programme for the informal sector granted 1 730 loans totalling about R3-million in 1986/87

Meanwhile the peripheral sector of the economy continues to swell. By the year 2000 the supply of job seekers will have grown to an estimated 17.9-million while jobs in the developed sector will have grown from about 7.7-million in 1985 to about 8.1-million

The peripheral sector, those who will not be able to find jobs in the modern sector, will have grown over the same period from 4.3-million to 9.8-million. It is this sector which, Rud-

man believes, freed from the unimaginative shackles of restrictive bureaucratic practices, has the potential to be, not the burden that many see it as, but the powerhouse of development.

"In the past we have always applied First World criteria to solving our problems. Now we need to look for answers in our Third World element if we are to develop our First World goal," Rudman contends

### Unrecorded

Already this is happening as thousands upon thousands of people cut, sew, hammer, bake and hawk their way to a living

Officially unrecorded, most of their activities are illegal, strictly speaking

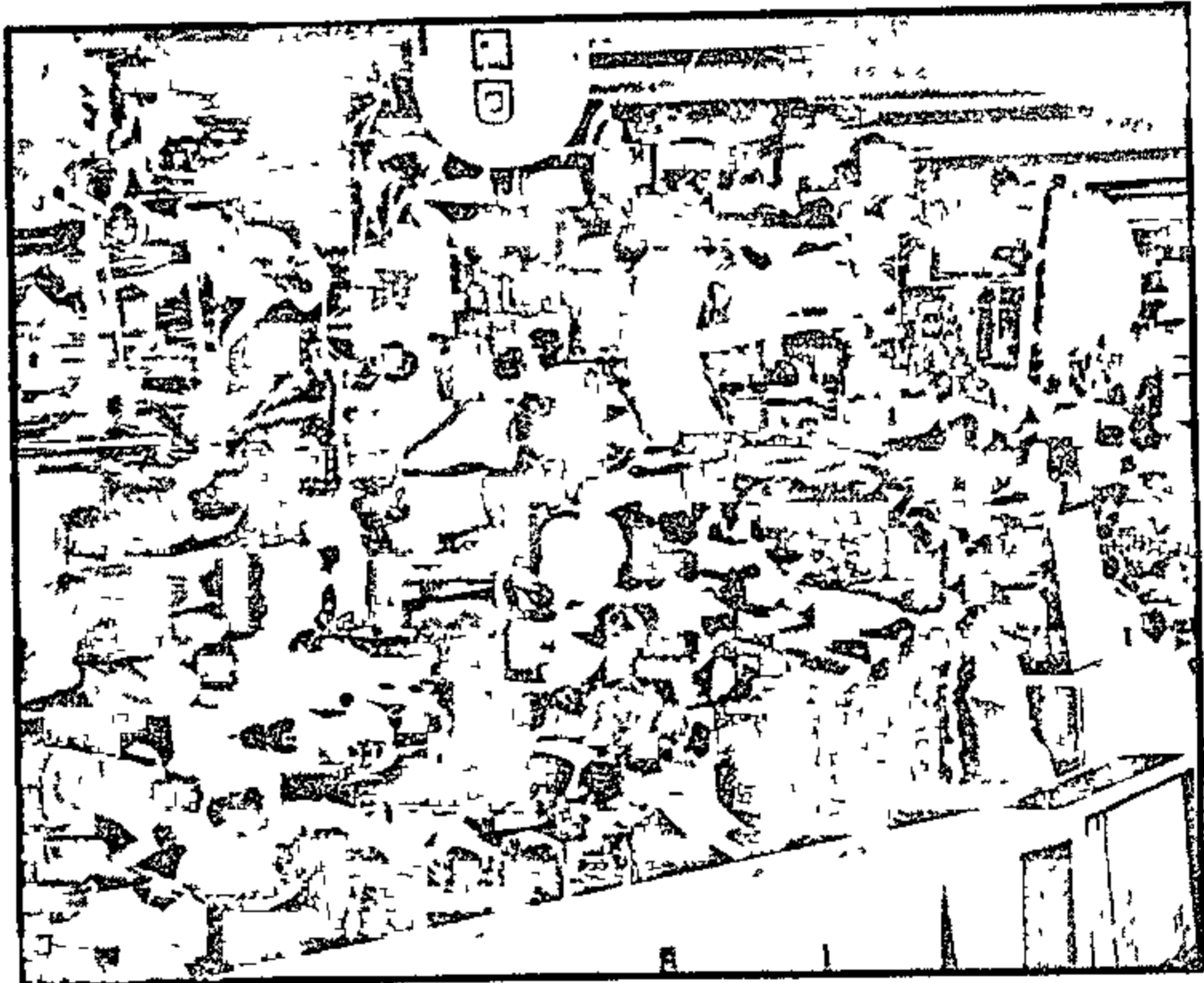
They have no trade licences, they pay no GST or income tax and operate from homes, backyards and in the streets without benefit of trade organisations and other supporting infrastructures and too often subject to official harassment.

But the wealth they create through their entrepreneurial ventures now account for an estimated 27 percent of South Africa's GDP

In the white community Rudman estimates that as many as 300 000 families are running unofficial businesses worth as much as R1.8-billion from their homes

But this is far outstripped in the black community where, he estimates, informal economic activity (which ranges from "legal" activities such as sewing and baking to those such as drug dealing and prostitution) produces between R15 and R20-billion a year.

The only way out for South Africa is to encourage these people, and the millions to come, by encouraging them, by making things easier, by removing as many restrictions as possible.



Flea markets where self-employment is making an impact

And yet, although the government has made a start on encouraging small business, has taken policy decisions on deregulation and privatisation, the process is too slow, too hesitant

Almost begrudging, which is an attitude Rudman cannot comprehend, given the magnitude and urgency of the problem and the potential rewards for its solution

As his chapters on street traders and other informal activities illustrate, authority has appeared unwilling to loosen the stranglehold of controls to the extent that Rudman feels is necessary

But it is not only authority which has proved reluctant. Rudman reserves special

But their mistake is that they fail to realise that each are complementary links in the marketing chain and the informal sector has the advantage of seeking out demand where it did not exist before, or where it existed but could not be served by big business

The time to start is immediately, the place to start is with local authorities and licensing regulations

Rudman says that licensing procedures are clearly used to protect the formal sector against competition and, by setting arbitrary but extremely high standards, hinder people from entering economic activity and reinforce the pernicious principle of privilege

### Taxi trade

Not only should licensing boards be abolished and the registration of businesses made a routine responsibility of local authorities, but getting licences should be simplified and any trade be allowed from any premises — within acceptable parameters of nuisance and morality

Among other illustrations, he cites the example of the taxi trade as one that emerged and survived because it filled a definite need which neither big business nor the public sector could fulfill

It thrived in spite of official harassment and flourished to the extent that it is now a powerful and organised industry with enough clout to cut deals with oil companies, motor manufacturers and others

His programme calls for the government to return to the broadly nationalistic principles it espoused when coming to power in 1948 — the building and development of South Africa

South Africans first, not just the wealthy and powerful ones"

Rudman says this would require five major measures

- Eliminating restrictive legislation on small enterprises,
- Establishing a national training programme aimed at the informal sector,
- Making small loans easily available to informal operations,
- Opening business premises in "white" areas to all,
- Converting the informal trader into a taxpayer in the formal sector

### Free of regulations

He urges the institution of a small enterprise commissioner with sweeping powers to "excise the cancer of vested interest from the body economic of our country"

The commissioner would monitor all laws and regulations for their impact on small enterprises, leaving small businessmen free to regulate their relationships with customers, employees, landlords and others through common law

Normal business activity in the informal sector would be decriminalised, creating a climate of free enterprise and stability in which crime, social unrest and welfare costs would decline

"By freeing the informal or unrecorded sector and by allowing business, generally, to operate easily and economically, South Africa will really take off and achieve its promise of becoming an economic giant," says Rudman

"These proposals could easily form part of the recovery package that would put South Africa on the high road, where productivity and national pride by all race groups, and a striving for real excellence, are the order of the day"

**BUSINESS**

*Cape Times 13/8/88*

*(173) (173)*

# Skills shortage not due to brain drain

Financial Editor

THE shortage of management and other skills in SA is not due to the brain drain, says Steve Finkel, a leading US personnel trainer visiting Cape Town this week.

"I have seen this kind of market before in other countries where the economy is growing while the white birthrate is declining. It is happening in the US, Canada, Mexico, Central America and other countries where there is no brain drain.

"Countries can get by in times of recession but when the economy starts expanding they need more skilled people and the supply is not there."

The answer, Finkel suggests, is for personnel consultants actively to seek out people of all races with abilities they are not developing to their full potential. He believes there are many people whose abilities are being wasted be-

cause they are not good at promoting their careers.

Through his Search system, personnel consultants should build up a reservoir of high achievers "who are good at what they are doing", who could be approached when the right vacancy came along.

Finkel said personnel consultants in SA were of a high standard, but they obtained staff by advertising and then making a selection for the employer to interview.

"If you advertise you do not get top people. The answers you get come from people who are either unemployed, unqualified or unhappy in their jobs.

"But if you actively go out, through Search, and look for high achievers you will find the right people who may not be highly qualified academically.

"You may find a person who is doing a fine job but reports to

someone who is aged only 38, which means that promotion prospects are slim. Such a person may be happy to move to another job with better prospects."

Asked to elaborate on his statement that a declining white birthrate was causing a shortage of skills in the US, Finkel said that blacks made up only a small proportion of the total population.

But as whites moved up to better positions, opportunities were created for blacks also moving up the ladder to get to the top. It was due to this that the black middle class had emerged in the US.

Emphasizing that he was not concerned with political factors, Finkel said it would be a mistake for blacks not to start at the bottom of the ladder and acquire experience on the way up.

"It is self-defeating to move someone into a position he is not qualified to handle."

Ms 45  
16/1/88

# YOU, of their business

By MAGGIE ROWLEY  
Business Staff

**T**HE 68 workers at the Kwa-NoThemba Workshop for the Disabled in Guguletu are bursting with pride

And so they should be, for what they have achieved in the past four years is an inspiration to small business per se

Since 1985 the workshop has been turned from a sheltered work environment relying heavily on state subsidies, grants and public donations into a bustling business with the prospect of self-sufficiency and even profits within its reach

The past financial year ending March the workshop saw a turnover of R106 000, more than 1 000 percent ahead of 1985 when turnover totalled a mere R16 000

In 1986 after realising a turnover of R50 000, a 312 percent increase on the previous year, the workshop was awarded the 1986 Merit Certificate of the National Productivity Institute along with Sappi and Irving and Johnson

From there there was no looking back as turnover grew in leaps and bounds to R70 000. Projection for the current financial year, based on sales figures for the first third of the year, is R207 000, an impressive 95 percent increase on last year

And all of this from a workshop which in 1981 was almost completely reliant on state subsidies and donations and was plagued by a high turnover of supervision staff and a reputation for shoddy goods

Kwa-NoThemba was started by a group of concerned

Guguletu citizens in a church hall in 1981 as a once-a-week project for disabled members of the community

When the Ulluntu Centre was built, the group moved into its present premises which comprise a sewing area where curtains and bed-covers are made, a woodwork section where doweling and furniture is made, and a shoe-making section

Administrative executive Carol Bower said that it had become increasingly clear that the single most significant factor in motivating the workforce to reach ever higher production quotas was the knowledge that what was being produced was in enormous demand from the buying public

## Highest quality

"While other workshops and even businesses have been having a slack time in terms of production, our order book is so full we find ourselves in what often feels rather like a pressure cooker

"We are all extremely proud that we are able to produce goods of such high quality, that we literally never run out of orders and that we have a role and place in the normal economy

"People no longer buy from us because they feel sorry for us. They are buying from us because our goods are the highest quality at extremely realistic and competitive prices," says Ms Bower

For many of the workers at Kwa-NoThemba — who know as well as anyone else that society confers a sense of self-worth and dignity on its members precisely in terms of what they do — productive employment was no more than a dream found to be beyond their grasp



"Whatever their personal levels of motivation, the nature and extent of their disabilities meant that, if employment was found, it was of the most menial and insecure kind

"Thus to find themselves in a situation where they can be seen and experience themselves as having a role, a role which no-one else can fill, is among the most exhilarating forms of motivation," she said

And the facts speak for themselves. In 1984, only 11 percent of total income was due to sales and the hourly return rate in 1982 per worker was just 13c. This past year, 72 percent of total income was raised by sales while the hourly return rate was 76c a worker

Projections for the current financial year, based on the first quarter, are that the hourly return rate per worker

will soar 76 percent to 134c

"For us to be self-sufficient each worker needs to produce 156c an hour so we are very near our target which we expect to reach easily within five years"

Due to the enormous success of the project a second workshop, costing R450 000 — of which R95 000 has been provided by the Cape Provincial Administration — is being built in Khayelitsha which will provide employment for a further 100 disabled workers and allow the already multi-diagnostic workshop to provide jobs for people with a wider range of disabilities

Site clearing and building have started and the new workshop is expected to be ready for occupation early next year

Ms Bower said a fundraising drive had been launched to raise the balance of R350 000 needed for the

Khayelitsha project which would also aim towards self-sufficiency within five years

"When the project started the aim was to provide employment for disabled people otherwise considered unemployable on the open labour market. Out of that aim a second aim grew, that of making the workshop into a viable small business, rich enough to pay open labour market rates which we are currently not able to afford. In addition, because the workers are still receiving government disability grants, by law we are not permitted to pay the going rate

"Once we are self-sufficient, the workers will be able to forfeit their government disability grants and be paid open labour market wages — a prospect we have only to date been able to dream of," Ms Bower said



Queenie Mwelase, left, overlooking fabric for curtains in the sewing section of the KwaNothemba workshop. Nomsa Sobkewa, above foreground, sews cafe curtains while workers in the shoe-making section, left, hand work leather on a sub-contract for a leading shoe manufacturer.



# Small is best for more jobs

By Robyn Chalmers

ALMOST a million new jobs will be required in the Cape Peninsula alone in the next 12 years to wipe out unemployment, says Cape Town Mayor Peter Meuller

Mr Meuller has called on the private sector to sponsor all forms of entrepreneurial development

He says "The Cape Peninsula has the fastest population growth in the whole country"

A management consultancy specialising in the promotion of entrepreneurs is Job Creation SA Managing director Ian Hetherington says growth and no corresponding job creation will be disastrous

"Unless jobs can be created, the Cape will shortly take on the appearance of Lagos or Bombay — a few small islands of prosperous residential property surrounded by poverty and degeneration

"Such a catastrophe is over the horizon. There is no reasonable possibility that a solution can be found by the expansion of larger businesses in the formal sector"

Mr Hetherington believes that the only path to job and wealth creation is through entrepreneurs.

"One of SA's largest com-

pames told me recently that in their new facilities the capital investment behind every additional job was R360 000

"In contrast, African Council of Hawkers and Informal Businesses general secretary Lawrence Mavundla can get a man or woman into business as a hawker for R130

"For the same capital investment there can be 2 750 hawkers for every one new job in that particular large company," says Mr Hetherington

## R11m for 3km road

STOCKS Civils, the civil engineering division of the Stocks & Stocks group, has been awarded a R11-million contract for three kilometres of road at Olifantsfontein by the Transvaal Provincial Administration

The contract involves the construction of surfaced road, four bridges and several box culverts

The work will be completed in 18 months

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STimes

2/8/88

# Botha opens Crossroads centre

By TOS WENTZEL  
Political Correspondent

PRESIDENT BOTHA today opened a new training and work centre in Crossroads and was taken on a tour of the squatter settlement lasting several hours

He said that because the government was serious about addressing the problem of unemployment, R1 235-million had been allocated for this purpose since October 1985 and training and employment creation projects had been privatised.

Training was provided at more than 300 training points countrywide and in more than 180 occupations.

Since the beginning of the special training programme almost 800 000 unemployed people had been trained

A total of 86,4-million man days had been worked on the

employment creation programme and more than 100 000 employment opportunities had been created or maintained

The average number of people employed most recently on employment creation projects was 115 000 a month

Referring to the Crossroads training and work centre, he said it was a monument to what could be achieved by a positive approach, self-help and participation, and by acting in wisdom and faith

Crossroads had its beginnings early in 1975 and between 1976 and 1978 community structures were established

A unique pattern of management and leadership and a unique culture developed with the growing informal sector

Because of circumstances, Crossroads developed in a

unique manner, in particularly the development of local management based on old traditions and concepts

The progress seen there today was achieved because the town council and the community co-operated spontaneously and with the right attitude to make it possible

## FINE TEAM EFFORT

The building of the Crossroads centre and houses by unemployed Crossroads residents as part of their training was the result of a fine team effort

The training centre contained administrative offices and a work centre consisting of workshops where people who had been trained could hire space to make goods, mostly for the informal sector.

There was also a buying and stores section from which raw material could be drawn and which assisted in developing basic business skills

# Cheers and v for PW in C

AKGAS 26/88 173

By MICHAEL MORRIS  
Staff Reporter

HUNDREDS of cheering, whistling Crossroads residents, who gathered to welcome President Botha on his first visit to the settlement today, broke ranks and ran forward, almost surrounding his car as it swept by

Detectives and officials at the Topcore Manpower Training and Work Centre, which was officially opened by President Botha, leapt forward and closed the security gates behind the presidential car to halt the rush of excited people, mostly children

## Aflutter with flags

For nearly an hour before Mr Botha's arrival the road leading to the centre was aflutter with miniature red, black and white flags handed out to children and teachers by the Crossroads council

Nobody knew what the flags represented but it later turned out to be the new "flag of Crossroads"

Guests, including Cabinet Ministers, senior government officials, the Administrator of the Cape Mr Gene Louw and the Mayor of Cape Town Mr Peter Muller, were cheered as they drove in

Even a taxi driver going about his business and later a cyclist were caught up in the spectacle and earned cheers as hearty as those for the guests

The crowd — watched by a large police contingent and a circling helicopter — swelled as curious people came to see what all the fuss was about.

## Doubt

Many were not entirely certain who was visiting them

But doubt seemed to have been dispelled by the time the presidential car arrived because it was greeted with a deafening crescendo of cheering and whistling

In a brief speech of welcome, the chairman of the interim advisory board of Crossroads, Mr Johnson Ngxobongwana said Mr Botha had "paved the way for all peoples of South Africa and I am thankful for that"

Mr Botha concluded his opening address by saying he was privileged to be in Crossroads

Mr Botha and Mrs Elize Botha, who were entertained by singers and dancers after the official opening of the centre, were handed gifts from the people of Crossroads

● See Page 3



WAVING THE FLAG: Crossroads residents bearing miniature replicas of the township's new red, black white flag line the streets today for the fleet of government vehicles

## Seven suspects arrested in Hout Bay crime swoop

By STEPHEN WROTESLEY, Crime Reporter

POLICE believe they have made a major breakthrough in investigations into more than 30 housebreakings in Hout Bay in the past month.

Backed by an air force helicopter yesterday, they swooped on the compound at Hout Bay harbour and arrested a 30-year-old man in connection with at least 10 burglaries involving about R50 000

They also found two firearms, dagga worth thousands of rands, cameras and a man's gold watch worth R4 000

A police spokesman said six men aged between 25 and 60 had been arrested in connection with the dagga

"For some weeks there have been a large number of housebreakings in Hout Bay and in one month 12 business premises and 20 houses were burgled

ASLEEP IN BED

## Group areas: Nats as Eglin checks le

By TOS WENTZEL  
Political Correspondent

GOVERNMENT and Opposition leaders clashed again today over latest moves to push through the group areas legislation

The government reaffirmed its determination to push ahead while Opposition leaders accused it of discarding the consensus approach of the tricameral system

Today there was also talk of moves to challenge the legality of the government moves

The Progressive Federal Party and the National Democratic Movement have announced that they will not take part in parliamentary debates on the group areas legislation and other related Bills

MORE CUMBERSOME

more cumbersome because possible amendments would have been put before representatives of all three Houses

Mr Colin Eglin, parliamentary leader of the PFP, said today the NP had "ripped off the masque from the pretence" that the tricameral system was based on consensus

It had now been shown that consensus, in Nationalist terms, meant agreement with that party. It wanted to impose its "baasskap" on other groups

Mr F W de Klerk, leader of the House in the Assembly, said today the government

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# and whistles

# Crossroads

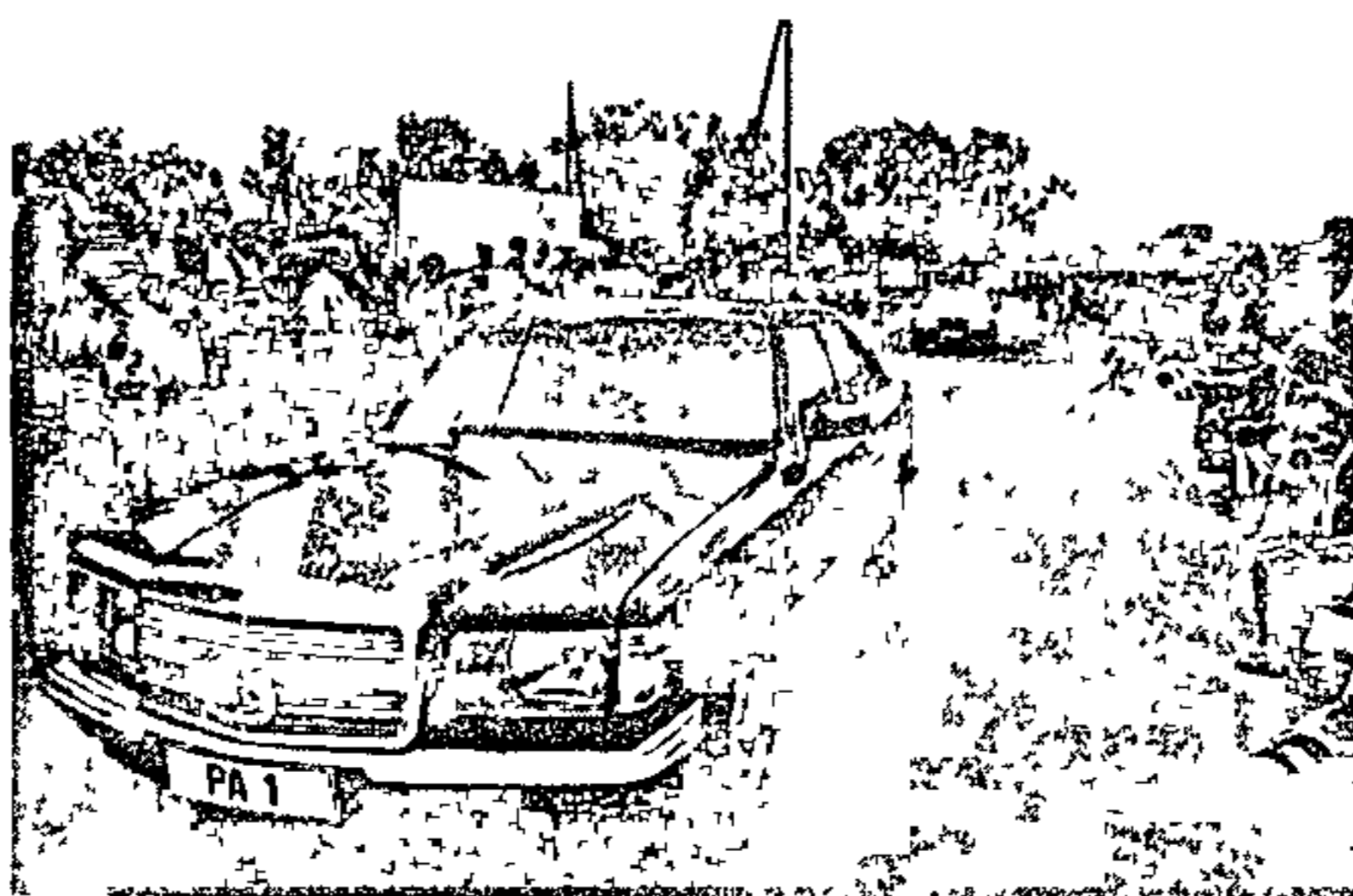


of the township's new red, black and government vehicles.



Pictures: DOUG PITHEY, The Argus

**ALL SYSTEMS GO** - Law and Order Minister Mr Adriaan Vlok indicates that everything's under control for the presidential visit to Crossroads



**HEL-LOUW!** Administrator Mr Gene Louw arrives in Crossroads, unmistakable for his vehicle's distinctive registration number

## Father dies playing Russian Roulette

The Argus Correspondent WITBANK. — An out-of-work Witbank father of six shot himself dead while playing Russian Roulette in a moving car carrying his wife, children and a friend.

Police believe Mr Marthinus Petrus Peens, 29, was heavily under the influence of alcohol at the time

A police spokesman said Mr Peens shot himself on the fifth firing of a 375 Magnum revolver.

He had first put it to the head of his friend, a Mr Schoeman, who was driving the family in his car from their Clewer home near Witbank towards Pietersburg

He then pulled the trigger at the heads of three of his six children (aged between 9 months and eight years)

Mr Peens then fired the revolver's chamber again and put it to his own head, fatally wounding himself

Mrs Peens and her children hitched a lift to the Witbank police station, while the dying Mr Peens lay in Mr Schoeman's car which had stalled.

Eventually Mr Schoeman managed to start his car, but Mr Peens was dead on arrival at Witbank Hospital

## Areas: Nats dig in on checks legality



more cumbersome because possible amendments would have been put before representatives of all three Houses

Mr Colin Eglin, parliamentary leader of the PFP, said today the NP had "ripped off the masque from the pretence" that the tricameral system was based on consensus.

It had now been shown that

a Group Areas Amendment Bill which would in effect abolish the main Act

Mr Hendrickse has also expressed his "revulsion" over what he described as an insinuation by Mr de Klerk that the Labour Party was being prescribed to by the PFP. He said this was typical of a "baasskap" attitude

The question of whether the government's latest actions are legal is being studied but Mr Eglin said there could be no talk of a possible court action until this had been established

The Independent Party today

**NOW THAT'S OK**



# SCHOOLS, COMMERCE LAUNCH JOINT SCHEME

Weekend Argus Reporter

A GROUP of Cape Town school headmasters has launched a scheme with industry and commerce to create job opportunities for school-leavers or help them to choose a career

The first meeting of this think-tank took place at Maitland High School yesterday when headmasters discussed the feasibility of the project.

The project was based entirely on private initiative without government or departmental involvement, said Maitland High School spokesman Miss Karin McCallaghan.

The aim of the project was to establish a continuity programme of contact and communication between the high schools and all segments of trade and industry as well as the public sector in the Maitland, Paarden Island and Milnerton region, and schools of all departments of education were welcome to join

"Basically, the people involved want to determine how the schools and employers can help each other," Miss McCallaghan said.

Some of the project's 11 objectives were to help pupils to find holiday work, to determine whether school buildings, sportsfields and other amenities could be put to good use after school hours and during holidays, to establish whether the "professionally trained educators" could be of assistance to the private sector after school, at weekends or holidays, and to allow the private sector to identify pupils at an early age for incorporation into the various segments of private enterprise

The project would also determine the needs of the private sector regarding the planning of syllabi

The official opening of the project would be on October 20

Miss McCallaghan said there would be no costs involved for those who took part in the discussions

Those interested in taking part could write to The Headmaster, Maitland High School, Station Road, Maitland 7405 or call him at 51-3882.



MR TUNGS 27/8/88

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# THE TWO faces of Crossroads

By ANTHONY JOHNSON  
Political Correspondent

PRESIDENT P W Botha yesterday paid a triumphant maiden visit to Crossroads — for many years a symbol of defiant resistance to his government's policies

## Rousing welcome for Botha visit

The enthusiastic welcome Mr Botha received from thousands of ululating and flag-waving township residents symbolized the political transformation of the squatter community in the two years since bloody clashes left 100 dead and 60 000 homeless.

For more than an hour before the presidential party's arrival at the Topcor Manpower Training and Work Centre, hundreds of cheering schoolchildren lined the streets and waved the new Crossroads flag at arriving dignitaries.

Expectant members of Mr Johnson Ngxobongwana's committee, which now has undisputed control over the area, could not disguise their excitement at the impending visit which they felt would help the community to get further benefits.

Chief headman Mr Jeffrey Nongwe said: "I want to shake him by the hand because that man (Mr Botha) is trying to help us to grow up."

After a rousing reception at the centre, Mr Ngxobongwana thanked Mr Botha for "paving the way for all the nations of South Africa" and added: "Let us go ahead together as a team

and I am sure you will not be disappointed."

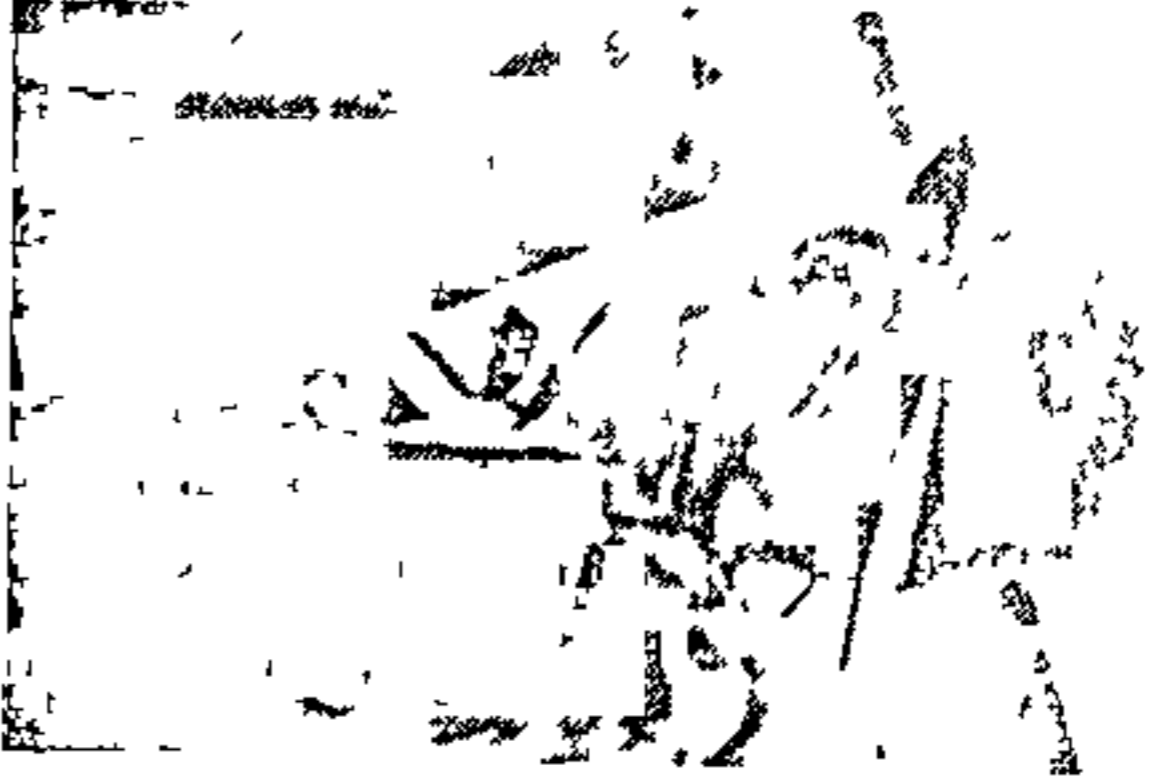
Mr Botha told the gathering: "To boycott is easy but leads nowhere. To co-operate is sometimes difficult but history only remembers those who build, not those who destroy."

The Topcor choir and marimba band then performed a praise song for Mr Botha in Xhosa which declared: "We salute you, P W Botha. You are our leader. We will follow you. Let's forget the past and build in the future as one big family."

Later, during a tour of of the Topcor training premises, the presidential couple joined the band, Mr Botha playing the bongo drums while his wife tried her hand at the xylophone.

Upon leaving the Topcor premises, the band sang Die Stem for the couple in Xhosa.

During the subsequent tour of Crossroads, excited onlookers — including some Rastafarians resplendent in their dreadlocks — swarmed around the presidential motorcade, as hordes of security personnel tried to keep them at bay.



Mr P W Botha



Mr Paul Simon

By ANDRE KOOPMAN  
UNITED STATES Senator Paul Simon went on a walkabout in the city's black townships yesterday and spoke to randomly selected people about sanctions.

Most seemed in favour of them.

Mr Simon saw people selling cooked sheep's heads, children in steel container schools, hundreds of people living in tents, "matchbox pondokkies" and black plastic huts.

He visited the squatter communities accompanied by Californian congressman Mr Richard Lehman and several aides to find out what people felt about sanctions.

The party went to Nyanga East, the tent community on the fringes of Old Crossroads, Lusaka Camp, KTC, and later to the green tents camp in Khayelitsha.

The tour coincided with President Botha's visit to Crossroads.

There was a very strong police presence in all the townships visited by the VIPs and the senator's party was also tailed by security policemen.

As the senator walked around Lusaka Camp, a squatter settlement in Nyanga East, he stopped people and asked questions about sanctions, employment and living conditions.

Asked by the senator whether apartheid was the "basic problem", an un-

## Sanctions will help, Simon told

employed man replied it was: "What we wish for is change where everybody will have equal rights. This Botha is now visiting Crossroads, but we don't want him here. He is trying to divide us by getting the privileged few on his side."

The senator then asked him whether he knew what sanctions were and whether they should be implemented. The man replied, "Yes, do it, we want anything for change."

Another man questioned by the senator said blacks had been suffering for years, even before sanctions. "We will make it a point that this country will be liberated. We have been sanctioned by this government for too long," he said.

Another said "I support sanctions. As you can see we are living in black plastic and this is not a way of living". At KTC the senator met Mr James Gawuletheta, who identified himself as a churchman.

"Almost everybody here is not employed, some people are hungry, we are used to suffering and sanctions won't make it worse," he said.

CAPE TIMES 27/8/88 (173)

# Theodora gives the needy their dignity back

THEODORA MOKOMELE is a special person, particularly to the many people whose pride she helps to restore every day of her working life.

Theo is a field worker for Operation Hunger in the Western Cape and a large part of her portfolio is to help establish self-help or development projects among the people whom the organization feeds here.

"Operation Hunger only goes into communities when we are approached to do so," Theo says.

"We never just give hand-outs. We also help the people to organize themselves into self-help groups and to produce crafts or handwork."

Operation Hunger also organizes workshops to train people in the basic arts of sewing, knitting or weaving and then markets the products through its Wynberg office, at exhibitions or on Greenmarket Square on Saturday mornings.

"We have a sewing group in Khayelitsha, which is a group of child-minders who supplement their income this way in the afternoon. There are also two beading groups in Khayelitsha and sewing groups in Nyanga and Guguletu.

"Then there is a man in Vrygrond (near Steenberg)



## DIANE CASSERE

Interviews people from all walks of life, people who are making headlines or quietly benefiting the lives of others.

## KALEIDOSCOPE

who makes bicycles and another sewing group at Mbekweni (near Paarl) . . . "

And so the list goes on as Operation Hunger establishes its contacts among the hungry of this affluent, abundant Western Cape.

Theo was born in Cape Town and matriculated from Fizeka High. She began training as a nurse but soon changed to a course in community leadership. A job at the Black Sash Advice office in Mowbray

followed, where Theo saw day after day the despair, unemployment and destitution of many of the people of the Cape.

"I realized that with Operation Hunger I could at least do something about poverty and unemployment," she explained.

Feeding schemes go hand-in-hand with development projects in the organization, so Theo travels with Rozelle Frasca, regional director of Operations Hunger, when she goes into depressed and underprivileged areas. Nationwide, Operation Hunger feeds 1,2 million people and has 284 self-help projects.

Theo loves her job. "But I do get disheartened sometimes. Deprived people need so much, and there is so much that we can't give."

Theo would like to see more self-help schemes established because she believes that they give the unemployed their dignity back — which is just as important as feeding them.

The organization needs to raise R22 million for its next budget if it is to meet its commitments to the starving of South Africa.

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30/8/88

Cape Times, Tuesday

# Mfesane moves HQ to city

By CHRIS BATEMAN

A HIGHLY successful Christian organization for black handicapped and underprivileged people has moved its headquarters to Cape Town from King William's Town, and begun two projects in Khayelitsha.

Mfesane (which translated means umbilical cord — implying compassion), has a nationwide marketing network for its products, and has factories and centres throughout Transkei and Ciskei with products including clothing, pottery, curtains, carpets and metalwork.



EXUBERANCE . . . Pre-primary children at the Mfesane Educare Centre in Khayelitsha flock to teacher Miss Eunice Dyasi during a play session yesterday.

Pictures CHRIS BATEMAN

## Rationalization

Managing director the Rev Almero Cloete said yesterday that the move had come after 13 years as part of a rationalization and "refocusing" programme which would take full advantage of available local professional services.

"We were applying our limited resources over too wide a spectrum. I personally believe that the battle for the future of South Africa will be fought in the cities and that we should establish ourselves where the heat is and apply resources there."

In Khayelitsha a Mfesane creche providing for 80 children daily with a fully-trained pre-primary school teacher and another in training has been running since March last year. Teacher Miss Eunice Dyasi said the children were chosen on a first-come first-served basis and parents paid R22 a month.

While the fees caused initial strong resistance, "once they saw the quality of the work and facilities, we were inundated with



TAKING CARE . . . A cushion for her grandchildren gets the finishing touches from Mrs Harriet Mbimba, of Khayelitsha, at Mfesane's Zenzele activity centre.

applications". In Site B just over a kilometre away, a pre-fabricated building houses the Zenzele Centre (zenzele meaning "we do it for ourselves") where several

dozen pensioners have been arriving daily for companionship, low-cost meals and supervised lessons in various handicrafts since February. Other upcoming

Mfesane projects are the building of the Noluthando School for the Hearing-Impaired on a seven-hectare site in Khayelitsha (to open in September next year) — the first

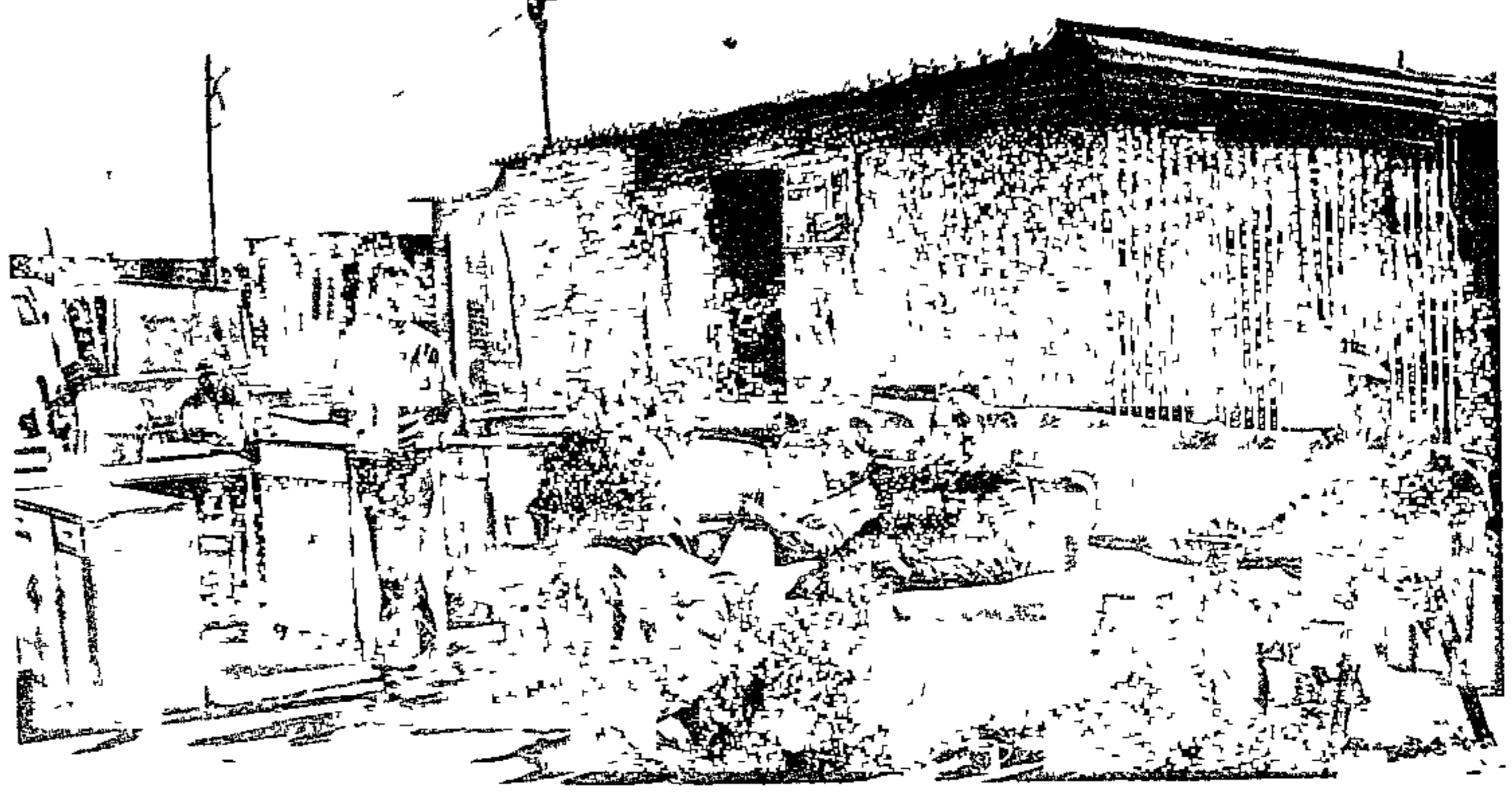
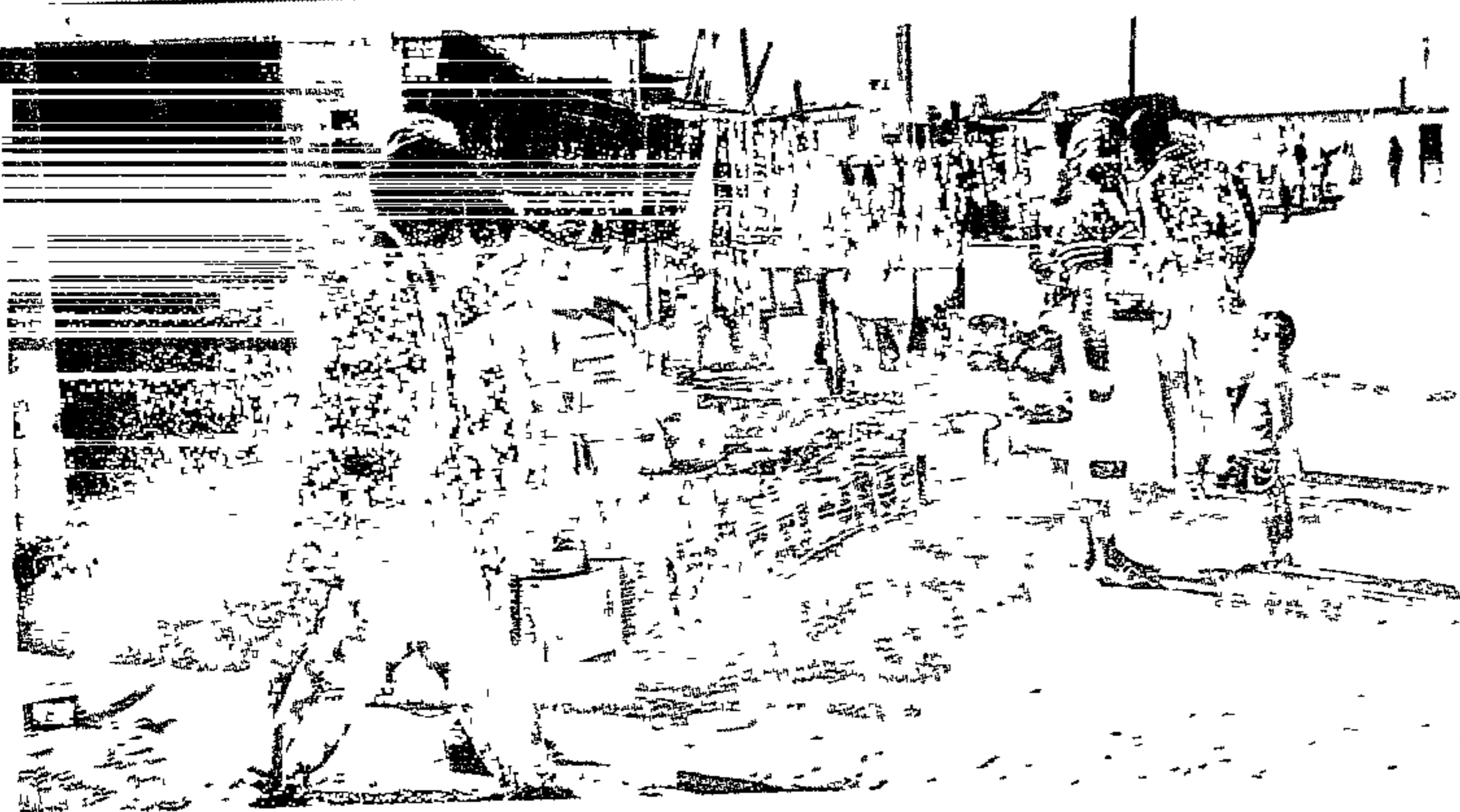
significant facility for black hearing-impaired children in the country, and a children's home near D F Malan Airport to accommodate 60 children R1 million is needed for this home and a major fund-raising drive has been launched by Mr Timo Bezuidenhout, the former top black local affairs official who quit his government post to join Mfesane several years ago

## Credibility

Mr Cloete said that while Mfesane had its roots in the NGK church it was multi-denominational. Financial records of the organization were published and widely circulated every year.

Coming from within the Afrikaner establishment, Mfesane had a "certain credibility" which it wanted to use to "help Afrikaners grow in becoming constructively involved in the real problems of South Africa".

"Mfesane is based on the principles of the Bible — that's the only non-negotiable," he said.



Hardware in the open air, a typical Khayelitsha shopping scene.

A furniture shop where the furniture is displayed outside.

# Small business is booming down Khayelitsha way

w/6 ARGUS 3/9/88

by EDWARD MOLOINYANE  
Special Correspondent  
Pictures  
WILLIE DE KLERK  
Weekend Argus

IN SPITE OF much poverty and hardship in the sprawling township of Khayelitsha, that most hardy of survivors — the small business — is booming

The small "instant business" is rapidly becoming a common feature in many black townships, but especially in sprawling Khayelitsha where the bulk of the population is, in one way or another, a businessman or businesswoman

Unemployment, which is rife in the area, has meant that residents, young and old, must look for alternative means of making a living

There is every business one can think of in Khayelitsha — dressmakers panelbeaters, confectioners, TV and radio repairs, furniture repairs, small shopkeepers, shebeeners and so on

### Advertising

To reach the market, which is never in short supply, shacks are used as advertising boards for the small entrepreneur

It's not uncommon, for instance to read at the back of a toilet or shack on any street "Beer Zikhoma Apha R1-30" (Beers sold here R1 30) Or "Ifishoul Ikhona I R1,00" (Fish oil available for R1,00)

Some of these small businesses are so well established that the owners have almost



It might be small, but it sells a lot of tyres.

become wealthy While others are struggling, however, they can at least send their children to school and go to bed in full stomachs daily Some even provide jobs for many of the unemployed

One veteran businessman, who has been in the game since 1975 but only managed to prosper while in Khayelitsha, is father of four Mr Sicelo Ngculu, 40, of Site C

He said "While I was able to

make a living by selling chickens in Crossroads, the establishment of Khayelitsha in 1984 was a blessing in disguise for most businessmen With the official red tape removed on influx to the Cape from the homelands, more people moved in

"That was the start of more things to come for anyone, like myself, who was a businessman at heart"



Fresh fruit and veggies are also on hand.

Speaking from his well-stocked grocery shop, which also deals in clothing and stationery, he said he had never in his life liked the idea of working for a boss

"When I came to the Cape in 1968-I stayed in a hostel and worked in gardens in the suburbs I was young and bitter because my parents hadn't been able to send me to high school for which I had a passionate love

"I hated the job — armed only with a Standard 6 certificate there was no better job for me So, I made up my mind that tending other people's gardens was just not my kettle of fish"

"In 1971, I left my job and bought live chickens and sold them at the hostels in Nyanga where I stayed There wasn't much profit, but I was able to send money home (to the Cis-kei)

"From then on, I never looked back I told myself that I would never ask for a job again," said Mr Ngculu, whom many customers refer to as "Ta Boks"

However, things were not always easy for "Ta Boks" During the violence of 1976, he said it became unsafe to do house-to-house selling as things were becoming tough in the townships

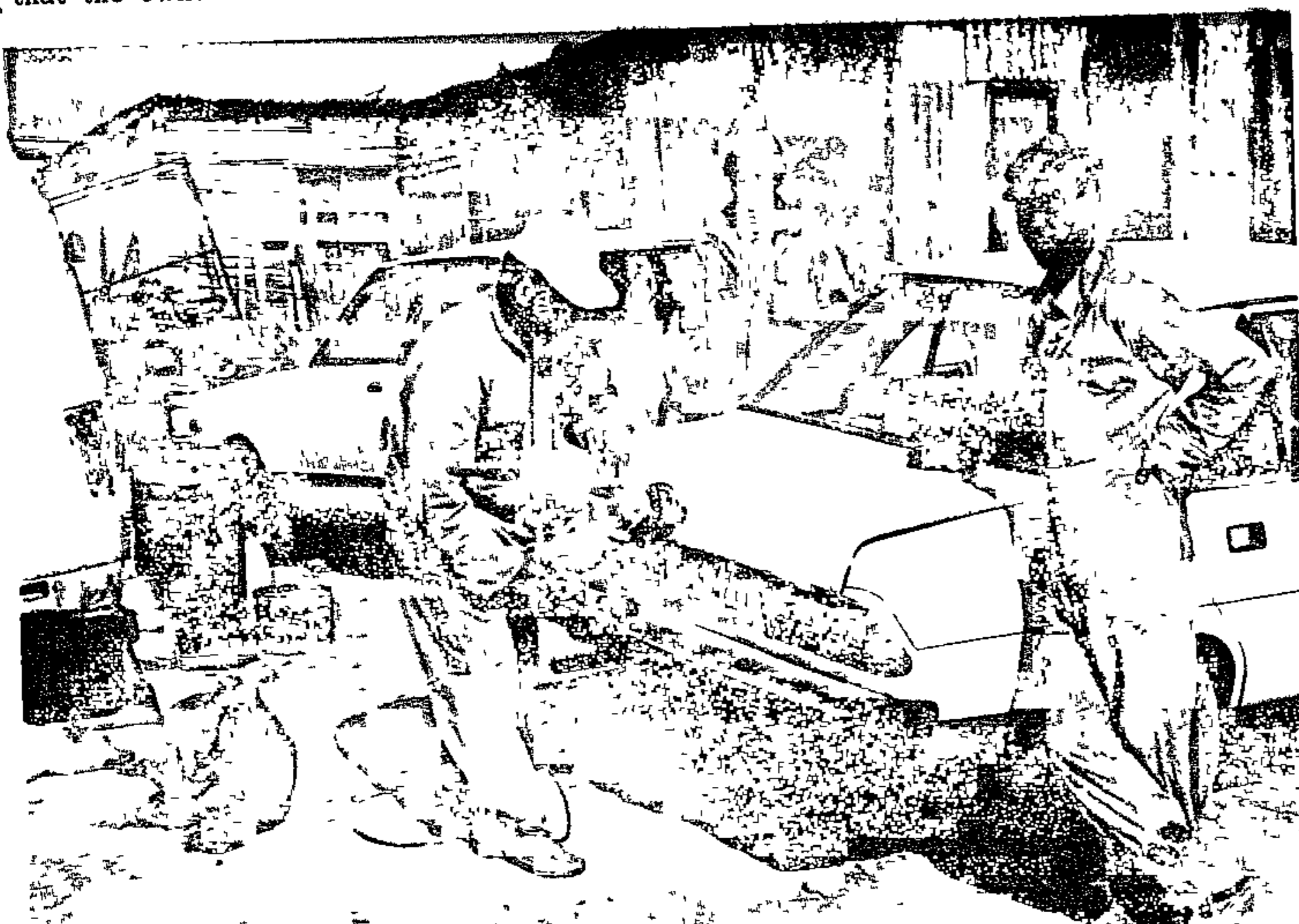
"But, by 1978, I was back in business again — this time I also bought perfumes and second-hand clothing in town and sold like never before

"I left the hostel for Crossroads, where it was even better It was here that I was even able to buy myself a van which I used for deliveries to other businessmen

Lobola for his wife whom he married in 1974, was paid with money from chickens, says "Ta Boks" with a twinkle in his eyes Everybody who comes into the shop greets him and he is apparently popular

"When Khayelitsha was established, I didn't hesitate to come here because I knew I would make it"

Indeed he has — two vans, a mini-hardware store (housed elsewhere in the area), a shop and a shebeen is no mean feat — where everybody is struggling to make ends meet



A panelbeater does a roaring trade in the township.



Successful entrepreneur Mr Sicelo "Ta Boks" Ngculu outside his shop.

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Govt policy undermining job creation

CAP T1415 5/9/88 173

# Decentralization plan 'fuelling inflation'

From HELOISE HENNING  
JOHANNESBURG — Jobs created through government's decentralization policy had not replaced the number of jobs lost in industrialized areas, a Federated Chamber of Industries (FCI) report said

The report, written by FCI consultant Professor Piet Haasbroek, of the University of Pretoria, has been adopted by the FCI and submitted to a panel which recently completed a report on decentralization for the SA Development Bank. The report is also being considered by the TBVC countries before the contents are made known

## Unemployment

The report said the problem of growing unemployment in metropolitan areas, after the scrapping of influx control, was not being addressed through the decentralization policy

Decentralization was not only too costly but inappropriate, given the capital restraints inherent in the economy. It fuelled inflation when supported by loans. Subsidization did not broaden the tax

base. The stated objective of the policy had been to create a tax base for the homeland administrations

During the past five years, the regional development plan created 137 467 jobs in decentralized industrial points. In the same period, about 150 000 job opportunities disappeared from the economy. Metropolitan areas, therefore, had lost about 290 000 job opportunities

The report said of interest was that in the 20 years after 1961 the decentralized incentive scheme created 150 000 jobs which was the same number of jobs destroyed in the five years thereafter

It asked if the R4bn spent in that five-year period were to have been applied in metropolitan areas would the decline in employment have been so high?

Decentralization benefits had generally attracted the "wrong type" of firm, such as a branch plant of large metropolitan firms which could survive without incentives

M Holden of the University of Natal, had established that 23 out of 35 industries settled in decentralized areas should not have been subsidized on

economic grounds. Incentives which, from 1982 to 1987, amounted to R1,5bn. The largest portion, 39%, was spent on transport concessions

The report said the largest cost had been the invisible indirect costs of tax concessions and the resultant drain on the fiscus. Government's intervention in setting up industries in remote areas had led to higher input costs for the relocated industries and, in many cases, rendered them unprofitable. Apart from cheap labour, costs of marketing and communication were higher

Just to create a single job in a decentralized growth point, the incentives and the cost of infrastructure were excessive. To create a job in the OFS cost R7 756 whereas a job in the eastern Cape, including the Ciskei, cost R3 531

Studies had predicted that by the year 2000, 20,7 million blacks, or 60% of the total population, would be urbanized. A 1980 study showed that 76% of urbanized blacks lived in and around the four largest industrial metropolitan areas

The report said the economy could no longer afford the policy of decentralization. The policy did not address poverty

through job creation and decentralization. And it was an added drain on the fiscus. Funds were being drained away from urbanised areas diluting the establishment of infrastructure

Haasbroek asked whether the benefit of establishing an economic base for the Transkei should overrule the problem of rapid urbanization and surging rates of unemployment?

## Priorities

He said "Government must define its priorities. It is debatable whether industrial development is a necessary condition for success. It is clear that it can never be a sufficient condition"

"In the past the SA government could afford to settle an Iscor in Van der Bijl Park, and very successfully. But we just cannot afford to shift large industries around any more"

FCI senior economist Roelof Botha says government could cut its incentive costs by 75% by concentrating its regional development projects in deconcentration areas (towns closer to metropolises) where there is existent infrastructure

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# Informal sector provides 3,5 million jobs — Wilson

By Michael Chester

New studies have revealed that no fewer than 3,5 million jobs have been provided by the informal business sector in its dramatic expansion so far — and more than four in every 10 new job-hunters are pouring into the sector every year.

The estimates, drawn from Small Business Development Corporation studies, were disclosed yesterday by Mr John Wilson, executive chairman of Shell SA. He told the South African-Ger-

man Chamber of Commerce that the number of home-based businesses had swollen to 1,5 million and now shared an annual turnover calculated at between R15 billion and R20 billion. About 80 percent of them were run by black entrepreneurs.

Investments by black taxi operators now stood at more than R2 billion in vehicles alone. Their fleet of 100 000 taxis now ferried 20 times the number of passengers carried by heavily-subsidised white-owned bus companies.

But black business as a whole, he argued, would be unable to make in-roads into other major economic sectors unless the government and the private sector were prepared to help it overcome historical disadvantages.

Among the problems he listed were the Group Areas Act and "mismanagement and bureaucratic hamhandedness".

"Clearly, however, the biggest obstacle to the growth of black business remains the lack of political clout," he said.

"It should be apparent that after nearly a century of economic and social oppression, black business, if it is to significantly expand the economic cake, will need more than deregulation.

"Black business will not become a significant economic force if it is left to rely only on normal market mechanisms.

"If we are serious about saving free enterprise in SA and if we see black economic advancement as the key to the creation of a democratic society, then we are

going to have to do much better than shouting about deregulation and waxing eloquent about the miracle of the informal sector.

"We had better start thinking about massive intervention with economic and management tools.

"Unless there is a clear strategy, this sector of the economy will add only marginal growth to the economic cake.

"The potential is there, but it will not just happen. It is up to the privileged private sector, to make it happen."

in rope was found around 12. entrance near ... day

next issue of its annual Race Relations Survey.

proves, officials said

# Matriculants learn how to find work

Fifteen matriculants, who could not find employment, graduated from a 10-week personal development course on Friday, and are now ready to take their first steps in a quest to become tomorrow's business leaders.

The fulltime course, an American social responsibility programme, acts as a bridge for people leaving school who have to find a job or who want to study further, and aims to create an understanding of the business world.

## BEHAVIOURAL SKILLS

Mr Dieter Lange, whose company runs the course, said: "The 10-week programme is specifically designed to equip unemployed black matriculants with behavioural and cognitive skills to market themselves successfully in the business world and to advance rapidly."

He said a recent survey had revealed that 51 percent of past students had been successful in finding a job, 31 percent had been able to obtain bursaries to study fulltime, 5 percent were self-employed, 8 percent worked and studied parttime and 5 percent were still unemployed.

The programme consists of courses such as leadership, achievement, motivation, business functions and basic bookkeeping, business communication, assertiveness training, entrepreneurship, inter-personal skills training, time management and career planning.

Mr Lange also appealed to local business to contribute more towards the training of South Africans.

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12/9/88



Two of the 15 students who recently graduated from a 10-week personal development programme, Mr Zola Soldati (24) of Transkei and Miss Susan Ndopu (21) of Soweto, at a ceremony held on Friday where they were presented with certificates. In the middle is the head of the programme, Mr Dieter Lange.

MA 641 30/7/86 (173)

# Informal sector provides 3,5 m jobs — Wilson

From MICHAEL CHESTER

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"The potential is there, but it will not just happen. It is up to the privileged private sector, to make it happen."



## Programme needs 'barefoot workers' 173

Staff Reporter *ARC 65 13/9/88*  
CALLING all "barefoot workers"

A novel pilot programme aimed at boosting Khayelitsha's burgeoning informal business sector is being launched this month by the University of the Western Cape — and about 15 to 20 residents of the township are needed to take part

Entitled the Barefoot Workers' Project, the private sector-funded programme kicks off with a two-week course aimed at providing roving business consultants with enough skills and knowledge to advise businessmen and women or would-be entrepreneurs on economic matters

The course, which begins on September 20, is open to anyone who has been involved in Khayelitsha's informal sector

According to Mr Nicky Morgan of UWC's depart-

ment of economic and management sciences, those selected to take part will be paid during the course as well as for their counselling services afterwards

"We're hoping to attract backyard mechanics, people involved in sewing projects, vendors and so on

"The only criteria are that they must live in Khayelitsha, have been involved in informal business, be able to speak English and preferably have a standard eight pass"

A visiting American academic, Professor Jerry Wade of the University of Missouri, will be among those involved in giving the course.

Mr Morgan said similar programmes were being planned for other Peninsula townships in the future

Anyone interested in applying should contact Mr Morgan at ☎ 959 2600 or Mrs Krieling at ☎ 959 2108

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# BLIND AND SEMI-BLIND WORKERS CONNECT ELECTRICAL APPLIANCES AT THE SOWETO WORKSHOP FOR THE BLIND.



BLIND and semi-blind workers connect electrical appliances at the Soweto Workshop for the Blind.

By MOKGADI PELÁ

THE Soweto Workshop for The Blind is a factory with a difference.

A visit to the workshop, which is situated on the outskirts of Soweto, served as an eye-opener. It was the sound of metal against metal and the to and fro movement of a single forklift that gave the place the atmosphere of a factory.

Inside were workers, some totally blind, most only partially, assembling electrical appliances. Others were

assembling rods which would be sent to factories for further uses.

The society to help the blind people was established in 1926 and spread to other areas. The Soweto Workshop for the Blind was opened last October. According to the manager, Mr Denver Berry, within three weeks there were 50 blind workers.

He said "The work done here is not the old-style make-work to pass the hours and bring in a tiny wage. It is genuine, competitive work, work which has been chosen so

that the sense of sight is least important. One of the tasks involves a major contract with National Bolts who offer a large volume of work."

"Our vision for the future is to have blind but useful people. At the moment we have about 100 people but we hope to have 300 in the coming years."

The workshop is a partner to the Transvaal Adult Blind Black Association. Funding has come from quarters such as the South African National Council for the Blind. Mr Berry has

appealed to Soweto businessmen to donate funds.

Those wishing to be employed at the centre could phone him at (011) 938-1536 or 933-2247.

Like any other factory, they have knock off time, and when that happens, Mrs Sontu Mazibuko the mobility instructor, steps in. She explained her role as showing the workers their different routes to either their homes or friends. She however, appealed for more people to come to her assistance to overcome her problems.

# Technological age brings workplace to home

BY JIMMY BURNS

Technology has not only made the world a village but is also creating a new working world within the home. The new trend to work at home is a boon for skilled people, but unions say it could undermine workers' rights.

LONDON — The home, that part of our lives all too often equated with rest, play, and babies — but little else — is in the process of revolutionary change.

As a recent conference organised jointly by the Confederation of British Industry (CBI) and British Telecom heard, it is fast becoming tomorrow's workplace because of the spread of new technology and the changing nature of the labour market.

There are more than 1 million home-workers in Britain. Many of these more accurately fit the term tele-commuters because of their skills, use of technology, and relatively high earnings.

## Advantages

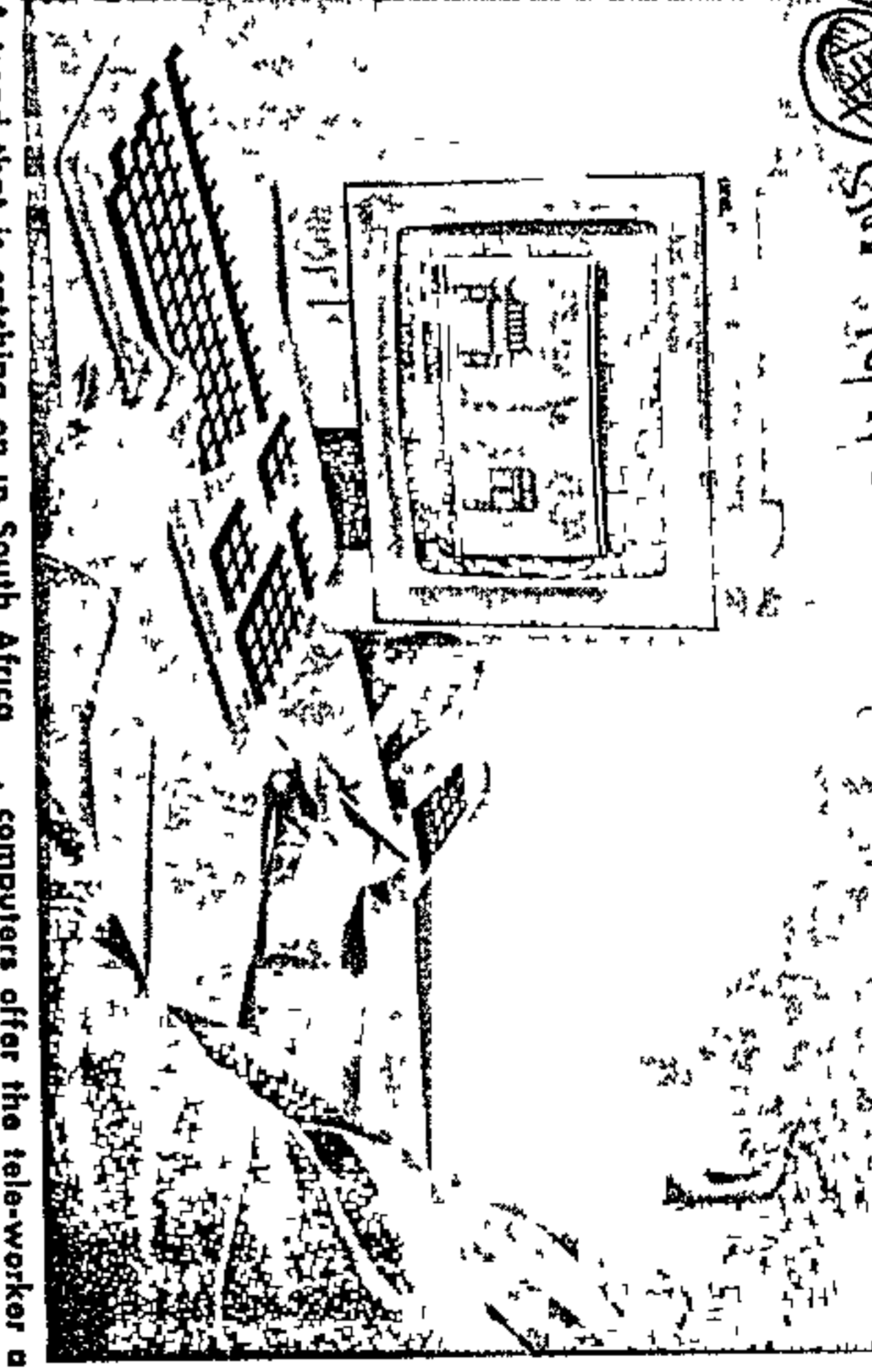
The number of home-workers could more than quadruple by 1995 as more people make use of sophisticated communication systems, and this opens up the prospect for more-flexible working arrangements.

The underlying theme of the conference was that employers, who in the past might have once misunderstood home-working for absenteeism, have every reason to be enthusiastic about the economic advantages of tomorrow's workplace.

According to a report by Britain's Henley Centre for Forecasting, company investment in new technology that makes home-working easier will be rewarded by fewer office costs, lower salaries because there will be savings on special allowances such as travel, higher productivity from reduced travel time, and a more interruption-free work environment. It will also help bridge the skills gap, particularly as female employees manage to combine motherhood with a career.



Working at home offers women benefits like maintaining their careers during pregnancy, and working while raising children



A trend that is catching on in South Africa — computers offer the tele-worker a wide range of information quickly and efficiently

The report also forecasts substantial savings in medical treatment and workdays lost because of absenteeism, and fewer road deaths and less traffic congestion because of a drop in commuter traffic.

One of the most enthusiastic speakers at the conference was Sir John Harvey-Jones, former chairman of Imperial Chemical Industries, who since his retirement has turned home-worker.

"The good news is that work has become more fun and I have greater control on my time. The bad news is that working life has come into my home life as it's never done before," Sir John said.

With the use of three computers, a copying machine, two faxes, two car telephones in addition to home telephones and an electronic-mail system, Sir John, his daughter and a colleague can manage to

attend to 26 different jobs, including advising the Wildlife Trust and chancellorship of Bradford University.

The most modest expression of home-working at the conference was that of Mrs Jill Rawlins, who has managed to retain her job as a manager with British Telecom with the help of a telephone, a facsimile machine and a computer. Home-working began for Mrs Rawlins when she was well into her pregnancy. "The day I was so large that I couldn't walk onto the underground is when I decided to go home," said Mrs Rawlins.

A few years ago, such a break would have signified not just maternal leave but the possibility that a whole career might be sacrificed. However, Mrs Rawlins not only went on working at home to within

six days of having a child, but is now combining job and domestic life, confident that one is not suffering because of the other.

"One of the problems of maternity leave used to be the risk of losing momentum, losing grasp of one's work. But I can fulfil all my needs by looking after my child and doing my job," she said.

It is the experience of people such as Sir John Harvey-Jones and Mrs Rawlins that no doubt prompted Sir John Bahnam, director-general of the CBI, to declare that tele-working is not just an attractive idea whose time has come. It could represent a life-raft in a very rough sea — and one that no company, big or small, could afford to ignore. However there are potential pitfalls on the horizon. The most unqualified enthusiasm for home-

working is largely to be found among people with marketable skills and high earning-potential. But speakers at the conference indicated that future expansion of home-working could undermine employee rights and strain industrial relations if not managed properly.

Among them was Mr Norman Willis, general secretary of the Trades Union Congress (TUC), who argued. Tele-work can bring jobs to deprived inner cities and to remote rural areas. It can offer greater flexibility to the employee who has home responsibilities or is disabled but it could become a nightmare for the tele-worker trapped at home with no choice and no promotion prospects.

Trade union fears might have been fuelled by evidence, such as that contained in a recent survey carried out by the National Homeworking Unit in Birmingham, of some home-workers in the clothing industry being exposed to poor health and safety conditions, and salaries well below legal rates.

## Fundamental changes

Mr Willis's vision for a more acceptable future is that in which unions can play a role in negotiating model terms and conditions for tele-workers that can then be adapted to fit a particular case.

It remains to be seen whether the growing labour force of home-workers can be convinced that they really need unions. But as the report by the Henley Centre suggests, what is less open to doubt is that the spread of tele-working will mean fundamental changes in the way companies are organised.

The centre's report comments that the reduced physical contact with the company will tend to diminish the forces leading to company loyalty and immersion in a company culture. Therefore other methods will have to be found to prevent too rapid a turnover of staff.

Many centuries ago, Aristotle saw the household as the basic economic and social component out of which more complex structures such as cities are built. Today, the household is demanding a thorough rethink on industrial relations and what constitutes the personnel function — The Financial Times

## Will Olympic



## People



**TOWNSHIP TUTORING:** Some of the 35 people who have responded to the Barefoot Workers' project at the University of the Western Cape with their lecturer, Mr Nicky Morgan.

## UWC self-help plan takes off

By **EDWARD MOLOINYANE**  
Special Correspondent

THE response to the University of the Western Cape's Barefoot Workers' project — which is aimed at helping the small business community in Khayelitsha to help themselves — has been overwhelming, according to a university spokesman.

The project was launched following an article in Weekend Argus highlighting how economically dependent many people in Khayelitsha have become on informal business and home industry

The university's response was to originate a two-week course to help participants to develop their skills and knowledge so that they in turn could advise other businessmen and women in the township

"When we launched this project we did not expect such immense enthusiasm," said Mr Nicky Morgan of the UWC's department of economic and management sciences

"We planned on training about 15 to 20 people. Instead 35 arrived. We couldn't turn them away."

The project is funded by the private sector. Its primary aim is to increase the skills and business acumen of people in Khayelitsha who earn their living in occupations such as vending, mechanical repairs and dressmaking

The intention is that they will be able to pass on this knowledge to other members of the community

"Participants will be paid for the duration of the course," said Mr Morgan. "A visiting American academic, Professor Jerry Wade, will be among those who will give instruction."

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# Meeting the small business challenge

NEWS 30/9/88 173  
By TREVOR WALKER, Business Staff

HOW would you go about starting up a small business operation in this country? The answer is with difficulty

Small business development type operations demand so much pre-planning, pre-budgeting and pre-market surveying that the small guy has great difficulty in attracting risk capital

When he does manage to get financial help it often places tremendous performance pressures on the individual

In these days of high interest rates and yearly inflationary pressures on the whole cost structure it is very difficult for an individual with little capital to break through the finance barrier and begin to build a successful company.

## TAKEOVER

One of the more traditional ways was for a son to takeover a business established by his father and grow this to a much larger profit-making concern

The trouble these days is that a Cohen of an OK Bazaars or a Bloom of a Premier Milling would find his son being propositioned by a much larger company or conglomerate and being satisfied to take the cash and run.

If a company grows to become an even relatively moderate cash generator it soon finds itself being wooed by expansion hungry suitors.

However, individual initiative and flair still has its place in small business and one example which The Argus looked at was a small engineering service company run by a young second-generation owner.

### Mr Tom Paulsen

Thirty-year-old Mr Tom Paulsen started in 1981 in the Cape Town depot established to feed the main company in Walvis Bay.

Having just completed his military training, the then 23-year-old Mr Paulsen set about learning the business and in 1982 bought out the Cape Town depot and began trading in his own right.

## MEET COSTS

The Walvis operation funded his first month-end cash situation and from then on monthly turnover had to meet all costs, plus the loan payments to what was previously the "parent" company

Annual turnover which has risen every year since he took over has grown to between R1,5 and R2-million from some half a million and Mr Paulsen reckons he will have repaid the original loan within the next three years.

Hopfast retails to the engineering industry a range of products largely based around a wide variety of specialist and ordinary bolts and screws

Mr Paulsen says to compete with other companies long established in the region, Hopfast has to demonstrate a ready willingness to satisfy customer demands and also develop certain areas of business not covered by the competition.

"We have begun specialising in certain areas and our vehicles in the field have radios to help us speed up delivery response times

"The small operator has to be totally honest in his price structuring and must always put the client first

"It would be of no long-term benefit to load prices when selling into such major industries as marine,

pharmaceutical and clothing, in fact one has to treat all clients equally efficiently."

What comes through very strongly when talking to Mr Paulsen is his commitment to making a success of his company. The company is debt free other than for its original loan structure and has no overdraft exposure. Turnover and maintaining a positive cash flow is the key to the business as far as Mr Paulsen is concerned

The company provides soundly based employment for 10 people and its commitment to the community in its own modest fashion is shown by its sponsorship of the Landsdown Club soccer team

There is no doubt Cape Town can do with many more small companies of this calibre

higher administration fees.

The industry statement adds that it is not an agent "for the redistribution of wealth or to undertake any other form of social or economic engineering - the only appropriate considerations for a life insurance company, when deciding whether to make a specific investment or not, is whether the investment offers a low enough economic risk to ensure the preservation of policyholders' savings against the risk of financial volatility and a high enough return to ensure the preservation of policyholders savings against inflation." Star 11/10/88

## Coloured Jobless total down

Star 11/10/88

Current population survey results showed that the coloured population for July 1988 numbered 3,13 million people, the Central Statistical Service said in a report released in Pretoria last week.

It said the unemployment rate for coloureds during this month was 9,2 percent against an unemployment rate of 10,4 percent in June 1988 and 10,3 percent in May 1988.

The highest rate of unemployment occurred in the cities (10,4 percent), while it was respectively 10 and 5,1 percent in towns and non-urban areas.

The estimated number of coloured workers for July 1988 compared with the previous month, showed that the number increased from 1 059 000 to 1 074 000, or 1,4 percent. — Sapa.

# Army seeks young unemployed

AKL 45  
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733  
Defence Reporter

THE army is to recruit young jobless and unskilled coloured men in the Western and Southern Cape for training in Kimberley with 1 Special Training Unit.

After recruitment — between October 17 and 22 — volunteers will receive nine weeks of basic training followed by a 13-week trade course, ranging from welding and bricklaying to cooking.

After training they will be given the choice of a two-year SADF posting or a civilian job.

## RUN JOINTLY

The programme, which is said to have been a success, is run jointly with the Department of Manpower and Training.

The unit is based on the Special Services Battalion in Bloemfontein, founded during the depression of the 1930s to help jobless whites.

Its temporary camp at Diskobolos outside Kimberley provides for 600 men every six months, but the number of recruits will be almost trebled when a new camp is completed near the coloured township of Midlands at the end of next year.



# They're committed to uplifting the people

Star: 14/10/88 173

Janssen Pharmaceutica was last night presented with the Mayor of Sandton's Human Resources Award in recognition of the numerous schemes it has introduced to develop human potential "demonstrating imagination, flair and dedication in creating opportunities for greater employment".

The same firm shared with another international company — Steinmuller Africa — the mayor's second award "for company commitment to developing human resources measured by the proportion of company time and resources spent on training, education and advancement programmes".

## Black advancement

When Sandton mayor Peter Gardiner initiated community investment awards in association with The Star and the Sandton Chamber of Commerce, he did so because he believed the usual business awards acknowledging merely financial feats were no longer relevant in South Africa.

The time had come, he said, for the white business sector to do more than just "devote increased sums of money to black advancement" Much more was required in terms of time, energy and managerial resources

The two companies that received the awards last night show a commitment to the community that must be difficult to match in South Africa

They were selected by a panel comprising Mr Colin Adcock, chairman of the Sandton Civic Foundation, Mr Harvey Tyson, Editor-in-Chief of The Star, Mr Gaby Magomola, chief executive of the African Bank, and Mr Gardiner

Janssen has concerned itself with unemployment, labour relations, education, health and nutrition, housing and residential segregation, political rights and community development

Concern at black unemployment prompted it to initiate a programme designed to generate income for the unemployed and destitute The programme collects people off the streets and offers them basic motivational training and the opportunity of working at the firm's manufacturing premises for a day. Steps are then taken to place them in the job market

Janssen has also made efforts to raise the wages and conditions of employment of thousands of office cleaners in the Sandton area

Seven years ago it pioneered a programme to ensure every school in Alexandra was supported

Two companies have received awards for their efforts in developing human potential. **WINNIE GRAHAM** looks at the achievements of the two innovative firms.

by a company After canvassing support, this objective was achieved and the Alexandra Schools and Sponsors Association was formed. This body has continued to play a vital role in confronting the DET with alternative educational concepts

The severe housing shortage prompted the company to re-assess its strategy and look at ways and means of alleviating the chronic housing shortage It has initiated "pilgrimages of pain" (townships tours) and facilitated meetings between black and white South Africans

Janssen has contributed to youth leadership forums at various levels and has become involved in an outreach programme to Afrikaner decision-makers It takes an active interest in old age homes, creches, handicapped children, self-help schemes and various training schemes

Steinmuller Africa, which shared the Human Resources Development Award, allocates over 10 percent of its annual overhead costs and specialist personnel to training and development It believes in the philosophy of equal opportunity and the recognition of ability and performance

An average of 110 apprentices of all races are trained by the company each year The emphasis is on the training of blacks, and Steinmuller apprentices have twice won the Seifsa Apprentice of the Year award

The training of specialist technicians is ongoing and the provision of supervisory and management skills training is undertaken at all levels for all race groups. Basic literary and numeracy skills training is undertaken on a voluntary basis by a fully trained staff member.

The company sponsors several high school students at St Barnabas, a multiracial school in Bosmont, and has granted bursaries to several students for undergraduate education

Its social community projects include support for the Alexandra Clinic, the Anti-TB Association, the African Children's Feeding Scheme and Kinderstrand (for underprivileged children)

The company also operates a housing scheme for employees with a total of R1,5 million available to staff for the purchase of property



# They're committed to uplifting the people

Star 14/10/88 173

Janssen Pharmaceutica was last night presented with the Mayor of Sandton's Human Resources Award in recognition of the numerous schemes it has introduced to develop human potential "demonstrating imagination, flair and dedication in creating opportunities for greater employment"

The same firm shared with another international company — Steinmuller Africa — the mayor's second award "for company commitment to developing human resources measured by the proportion of company time and resources spent on training, education and advancement programmes"

## Black advancement

When Sandton mayor Peter Gardiner initiated community investment awards in association with The Star and the Sandton Chamber of Commerce, he did so because he believed the usual business awards acknowledging merely financial feats were no longer relevant in South Africa

The time had come, he said, for the white business sector to do more than just "devote increased sums of money to black advancement" Much more was required in terms of time, energy and managerial resources

The two companies that received the awards last night show a commitment to the community that must be difficult to match in South Africa

They were selected by a panel comprising Mr Colin Adcock, chairman of the Sandton Civic Foundation, Mr Harvey Tyson, Editor-in-Chief of The Star, Mr Gaby Magomola, chief executive of the African Bank, and Mr Gardiner

Janssen has concerned itself with unemployment, labour relations, education, health and nutrition, housing and residential segregation, political rights and community development

Concern at black unemployment prompted it to initiate a programme designed to generate income for the unemployed and destitute The programme collects people off the streets and offers them basic motivational training and the opportunity of working at the firm's manufacturing premises for a day. Steps are then taken to place them in the job market

Janssen has also made efforts to raise the wages and conditions of employment of thousands of office cleaners in the Sandton area

Seven years ago it pioneered a programme to ensure every school in Alexandra was supported

Two companies have received awards for their efforts in developing human potential  
**WINNIE GRAHAM** looks at the achievements of the two innovative firms

by a company After canvassing support, this objective was achieved and the Alexandra Schools and Sponsors Association was formed This body has continued to play a vital role in confronting the DET with alternative educational concepts

The severe housing shortage prompted the company to re-assess its strategy and look at ways and means of alleviating the chronic housing shortage It has initiated "pilgrimages of pain" (townships tours) and facilitated meetings between black and white South Africans

Janssen has contributed to youth leadership forums at various levels and has become involved in an outreach programme to Afrikaner decision-makers It takes an active interest in old age homes, creches, handicapped children, self-help schemes and various training schemes

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# Create jobs by cutting on overtime

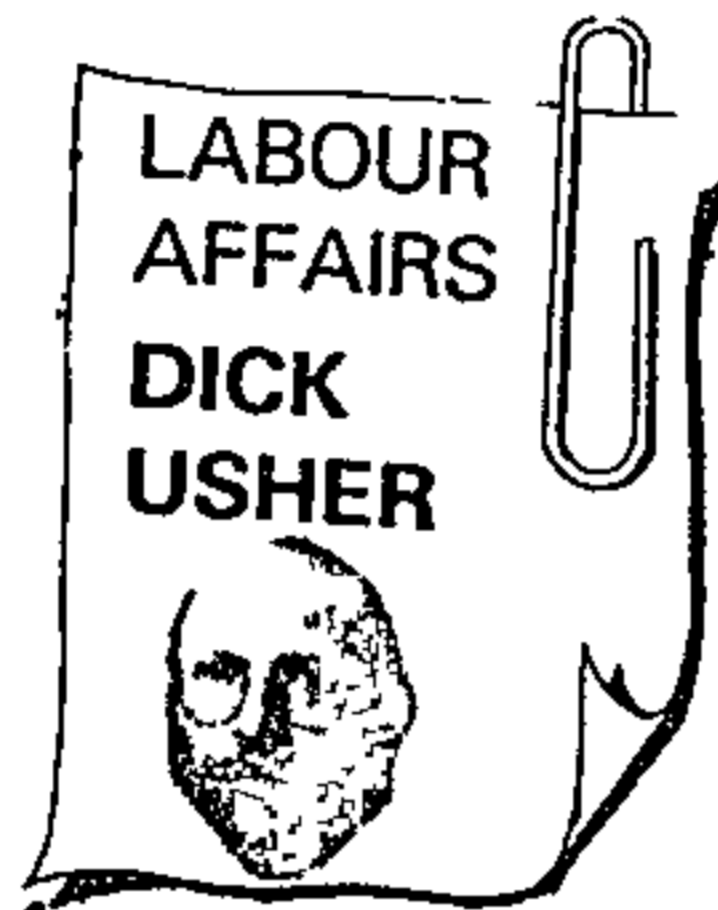
W/L ARGGS 15/10/88

(173)

STARTLING figures from the Labour Research Service show that about 100 000 jobs could be created in the manufacturing sector alone by cutting overtime.

A spokesman for the Cape Town-based organisation said that official statistics showed the average worker in the manufacturing sector did five hours a week overtime, a total of 6,7-million hours a week.

Since 1985, the low point of the recession, overtime had increased by 32 percent while employment had fallen three percent in the same period



There had been very little increase in employment as a result of the recent "boom" and employment was still well below its peak level in 1983 before the recession started

Overtime stood at 12 percent of ordinary hours worked.

"Increased production in the manufacturing sector is being accomplished

not through employing more staff but by existing staff working longer hours," he said.

It could not be eliminated altogether, but if employers reduced this to four percent, or two hours a week per worker, that would release about 4-million worker hours which could be used to create jobs.

This was in the manufacturing sector only, and did not include commerce, the service sector, mines and other sectors of industry such as construction.

Manufacturing and construction accounted for about 20 percent of total jobs so the possibilities for job creation should expand greatly if other sectors were included.

He said unions should back their demands for job creation with a two-pronged approach to overtime. "Management should be told that workers did not want to work overtime and that they want to see more staff on the payroll," he said

He agreed that cutting overtime might reduce wages to already badly paid workers, but would broaden the base of wage-earners.

"Employers have a problem because of the shortage of skilled workers which means they have had to call on those people to work longer hours as the economy expanded, but to some degree they have only themselves to blame because they seem to prefer the cheaper method of paying overtime rather than investing in training programmes to expand the supply of skilled workers, he said

# Overtime stifling creation of jobs

Star 17/10/88  
173

By Dick Usher

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## Project is bringing skills for unemployed people into their neighbourhoods



Douglas Busakwe, second from left; Zola Makosana, Virginia Ogilvie-Thompson, from Southern Life, sponsors of the project; and James Thomas with a group of trainees.



Gladys Pringane, a "graduate" of an earlier training course, shows off one of the handbags made from off-cuts that she makes and sells.



Georgina Nyarashie, a trainer for the sewing course, helps the learners with their problems... bringing skills to the areas where they are needed.

# It's barefoot trainings

By DICK USHER,  
Labour Reporter

**T**HE small group watches intently as Douglas Busakwe sews two pieces of cardboard together

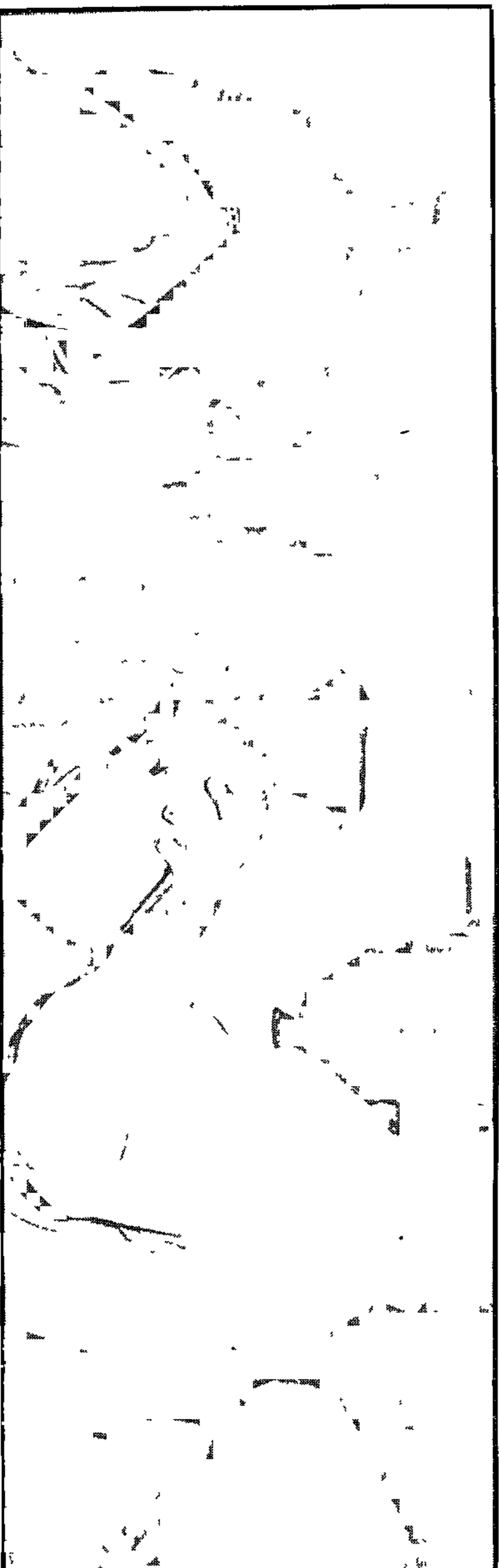
It may not sound like the most auspicious start to tackling South Africa's unemployment problem, but former merchant seaman Mr Busakwe is training a group who will fill an order from the United States for 100 pairs of sheepskin slippers and learn a skill that will enable them to earn an income

Barefoot training, as the organisers call it, is bringing skills for unemployed people into their neighbourhoods

The sheepskin slipper project, organised through the Nyanga branch of St John Ambulance with the help of social worker Zola Makosana, is using the newly rebuilt Zolani Centre at Nyanga

Recognising that the desperate need of many unemployed people is for a marketable skill but that existing training schemes have flaws which hamper this, the Triple Trust Organisation has evolved a scheme to train people by using the most basic appropriate technology, give them business skills and financial backing and help with buying materials and marketing products

It was developed by Mr James Thomas and Mr Tony Davenport and, working through community organisa-



Pictures PETER STANFORD, The Argus

tions since September last year, has trained about 250 people in several simple skills

Mr Thomas, formerly a training officer in the clothing industry and a religious objector who performed alternative service with the Department of Manpower, said their programme had several important elements absent from others

"Training is done through the Neighbourhood Training Trust, the first leg of the Triple Trust

"For a start, we don't impose on the community, but work as helpers and facilitators through and with established organisations

## Douglas Busakwe demonstrates the correct method of sewing sheepskin slippers.

"We use existing neighbourhood facilities, which means that the people we train do not have to travel. Our concept of the neighbourhood is that people should be able to walk to the place where training takes place," he said

This immediately removes one obstacle because mothers can bring children with them rather than leave them at home in the care of others

"They are given 15 days' basic skills training, not by us, but by people from the community who have been trained through programmes developed by drawing on specialists in the field," said Mr Thomas

"We also keep the equip-

ment as simple as possible, at the basic level of what people can operate in their own homes. There's no point in training someone to use equipment that runs off electricity when the person lives in a shack in Khayelitsha"

Once the people have been trained, and progress is rigorously monitored, they are given four days' training in basic business methods — costing, how to operate a calculator, simple bookkeeping, what profit and turnover are all about

At this stage the Self-help Financing Trust, the second leg of the scheme, comes in to organise small loans

"But Western standards of

creditworthiness, which other schemes try to apply, aren't used," said Mr Thomas "Our evaluation takes place during training on criteria such as enthusiasm and attendance

Because the training is neighbourhood based, they can stay in contact with others from their training group, and for a half-day each week for 10 weeks they go to follow-up meetings at which they can share problems. The trust does troubleshooting, monitors their bookkeeping and helps with problems of business and quality control

"Loans bear interest because people cannot be insulated from the realities of the marketplace. They're repayable over two years, quicker if possible

"Overheads are financed out of the interest

"We stop where the Small Business Development Corporation starts. Our top limit is about R500, which is their bottom limit"

Even then, the trainees are not left to sink or swim on their own

"After that they're encouraged to form local groups to stay in touch with one another. Once they're off and running, the third leg of the scheme, the Africa Trading Co-operative Trust, comes into the picture

"We seek out marketable commodities around which

the training is based," said Mr Thomas

"Sheepskin slippers, for example, for which we've just had an order from the United States, require only simple skills

"But the raw materials are quite expensive. However, through applying first world bulk-buying power we can get discounts and then we apply first world marketing techniques to sell their products

"We pay cash at the time of delivery and profits are ploughed back into expanding marketing possibilities, more training and to generate capital to provide loans

"At this point we're looking to the private sector for about R1-million for each initial capitalisation for the finance and marketing trusts

"We calculate we can create jobs for less than R1 000 each and the scheme also has the advantage that the base can be expanded very quickly to meet large orders

"It attacks the unemployment problem at root and marketing strategies are aimed at drawing wealth out of the affluent sectors. Basically, with unemployment at such a high level, we feel that any addition to household income is valuable

"People can work from home so there's no time or transport costs involved and there's no disruption of child-caring and other household routines," said Mr Thomas.

"We seek out marketable commodities around which

# Lower SA living costs help to boost ranking of executive salaries

Star 24/10/81

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By Neil Behrmann

LONDON — South African executive salaries are the third worst of 22 nations surveyed. But lower living costs improve the rating to 14th spot in the league tables.

In terms of sheer scale of payments, Japanese, Swiss, West German and United States executives are way ahead of the rest of the world.

According to a survey by London consultants, Employment Conditions Abroad, gross salaries in Japan range from \$104 000 in the lower end to \$206 000 at director level, Switzerland \$94 000 to \$181 000, West Germany \$77 000 to \$158 000 and the United States, \$71 000 to \$131 000.

At the bottom of the list, Portuguese executive salaries range from \$27 000 to \$52 000, Greece \$30 000 to \$60 000 and South Africa \$33 000 to \$59 000 (R80 000 to R144 000).

Obviously the sharp depreciation of the rand during the past few years adversely affects South Africa in worldwide comparisons. So after taking into account the cost of living, the pay is worth \$32 000 to \$53 000 (R78 000 to R130 000) which is slightly below average.

Still if you want to be paid the most, learn Japanese and fly to Tokyo.

But if you want the best value for money, Switzerland and the United States are the best places in which to live.

Once living costs are taken into account, Japan is only seventh in the international executive salary stakes.

The survey is only a rough indicator, but is still a guideline for employers who want to compare relative international salaries or import key staff from other parts of the world.

The survey, which covers a median of senior executives, such as general, area or country managers, is concerned solely with money. The payment includes basic salaries plus bonuses. No account is taken of deferred pay such as pension contributions, nor of the value of benefits in kind, for example company cars.

There are also a variety of perks that boost the total earnings package, says Wendy Greathead, an analyst at Employment Conditions Abroad. These include share options, bonuses, housing allowances, medical insurance and company cars.

Yet the survey still explains relative differences, she says.

Tax reforms are also changing net disposable income of executives.

In terms of gross salary, a senior UK executive earns \$60 500, four places from the bottom of the table. Yet in the latest budget, Chancellor of the Exchequer Nigel Lawson cut the top rate of tax to 40 percent from 60 percent, so that in earnings power a UK executive's fortunes have improved. At \$44 000, the take home pay is now average in international terms.

At \$91 000, on the other hand, a Belgian executive receives the fifth largest salary in the world. But after huge tax and social security payments, the net pay

packet shrinks to the same level as a UK colleague. The South African tax bite is also fierce.

European and Scandinavian nations, however, have hidden benefits such as top notch health care and unemployment insurance.

For example, in the league tables Sweden appears to be a poor performer. Yet in that wealthy welfare state, says Ms Greathead, many executives have two houses and a yacht.

On the other hand, the survey does explain to some extent why people in Hong Kong are so productive.

A senior Hong Kong executive, typically a general or senior manager, receives a gross salary of \$67 500.

This is below average. Yet net payments after tax and any social security payments are \$57 000. When cost of living is taken into consideration, the disposable income of a senior Hong Kong manager is worth \$61 000. At that level Hong Kong executives are the fifth best off in the world.

High earnings explain why the Japanese consumer market is surging and why Japanese tourists are such big spenders.

Employees of Japanese companies are also sheltered by their corporate system and receive a wide range of benefits, for both themselves and their families.

Yet with pollution, crowded and lengthy commuting, cramped living quarters and astronomical housing costs, some question the Japanese way of life.

# SBDC expands its mentors programme

By **MAGGIE ROWLEY**  
Business Staff

THE Small Business Development Corporation is recruiting experienced or retired business people wishing to share their skills by acting as mentors to young entrepreneurs

A core group of about 30, mainly retired business executives are currently working together with the SBDC to provide sound practical advice to young entrepreneurs setting up new businesses

This group has been so successful that the SBDC envisages opportunities for many more people to become involved

Mr Wolfgang Thomas, Western Cape general manager of the SBDC, said the Mentor Advisory Programme provided a unique opportunity for experienced or retired business people to plough back knowledge and experience into young firms in start-up phases

"Often the most important need of new small business entrepreneurs is not money but sound advice. The expe-



**Wolfgang Thomas**

rience and knowledge of a seasoned business practitioner is often of incalculable value to a young entrepreneur

"This kind of practical, results-orientated advice is often also of more value than knowledge transferred during formal lectures or training programmes."

He said the Mentor Programme provides senior citizens and other experienced business practitioners the opportunity to make an important development contribution in the regional and national interest

People becoming small business mentors with SBDC are put into contact with entrepreneurs needing their ad-

vice. Mentors then visit the enterprise and advise the entrepreneur concerned on a part-time basis

"Being a part-time operation, mentors can schedule their commitments according to their time availability

"Although this project is essentially a community development service and not paid employment, SBDC picks up the tab for transport and administrative expenses associated with each consultation," Mr Thomas said

It is not necessary for mentors to be retired in order to participate

"The only criteria is that they have specific knowledge and/or experience with one or other business discipline such as production management, marketing, accountancy and administrative assistance and so on

"There is a great need for specialised experience rather than generalists," he added

Anyone interested in participating in the programme should contact Jaco Louw at (021) 4151910.

# Sanctions will cost one million jobs and erode living standards

THE EFFECT of sanctions and disinvestment means the period 1989-90 holds out little prospect for satisfactory real growth and employment creation, says Trust Bank in its October *Economic Report*

In a gloomy prediction, it says "By 1990, the average South African will be more than 10 percent poorer — and black unemployment between R500 000 and one million higher — than would have been the case without sanctions and disinvestment"

The bank says that over the period from 1985 to 1990 about R12 billion will be lost in capital inflows, while punitive measures against exports and the higher price that will have to be paid for imports could cost the country a further R10 billion

Estimated capital outflow over the period will be about R26 billion, mostly comprising large-scale debt repayments

On the positive side, South Africa saved R8 billion on interest payments that would have had to be made to foreign creditors and investors, if we had enjoyed a capital inflow or R12 billion, instead of the

## FINANCE STAFF

### R26 billion outflow

"All in all, the country would have had a cumulative amount of about R40 billion, had sanctions and disinvestment not occurred at all

"This amount could have been used to finance an additional R40 billion of imports and, consequently, an additional total domestic expenditure of R100 billion"

Gross domestic product (GDP) would have been R70 billion higher for the period as a whole, which by the end of 1990 would have seen growth rates of about four percent, against the projected trend of just over one percent (see graph)

"Sanctions and disinvestment have considerably lowered the balance of payments ceiling on growth. In 1988 the economy has already run up against this ceiling. It is now becoming evident that the real pain of international economic isolation will be felt from 1989"

But the harmful effects of isolation are not limited to the economic front, says Trust Bank

The unemployment and impoverishment it inflicts generate serious political polarisation

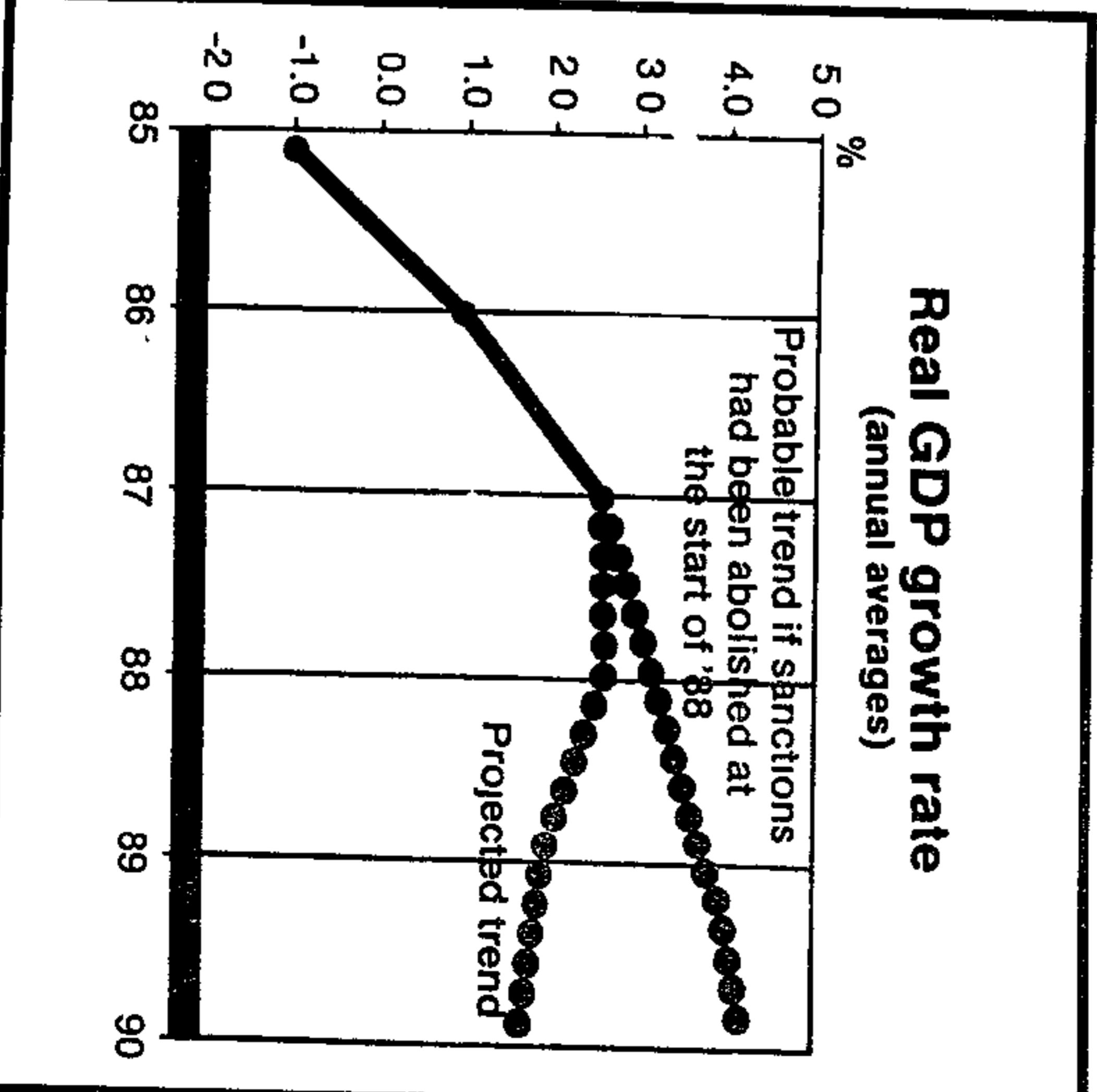
"Increased security spending is demanded of the state, but important long-term investments are prejudiced

"One of the most important casualties is the quality of education the country can afford"

Trust Bank says international pressure has already aggravated economic, social and political problems, which are likely to deteriorate even further over the next few years

The bank says it is clear that short-term measures cannot effectively address these problems and that no single interest group is in a position to solve the key problem

"Government, domestic black leaders, leaders in the rest of Southern Africa and Western leaders will all have to come to the realisation that, politically, socially and economically, the ultimate consequences of this country's increasing international isolation and domestic conflict are simply too ghastly to contemplate"



Call for ~~173~~  
more home  
Step 3/11/88  
industries

CAPE TOWN — Laws that turn honest people into criminals because they run home businesses or backyard industries should be swept away, says the director of the Self-Employment Institute, Mr Theo Rudman.

Speaking at a conference in Cape Town, he said a rapid expansion of home industries and backyard operators was the only way the country could provide urgently needed jobs and repair its "mortally wounded" economy.

Local authority laws stifle this expansion. For decades local government officials have discouraged home operations. He urged big business to use its power and influence to remove unnecessary regulations.

He said the country produced more than two million school leavers between 1980 and 1987, but did not provide one single new job for them in the formal business sector. "In fact we went backwards — there were 150 000 fewer jobs in 1987 than in 1980." — Sapa.



## Black unemployment rate down

STW 9/11/88  
The Bureau for Information's latest Social, Economic and Constitutional Statistics report for the period April to June 1988 has revealed that the percentage of unemployed urban and rural blacks has declined from 18,4 percent of the economically active population in September 1986 to 14,7 percent in April 1988

According to the report, in the phase one towns (36 towns initially identified for upgrading and in which unrest was worst) the unemployment figure stands at an average of 10 percent. About 75 000 blacks were registered as unemployed in March 1988.

It says that regionally the Eastern

Province (22,3 percent), the Witwatersrand (18,2 percent) and Natal (17,6 percent) have the highest unemployment percentages.

The report also reveals that 40 percent of all unemployed blacks are on the Witwatersrand and among the black residential areas, Mamelodi (14,4 percent) and Soweto (13,5 percent) have the highest unemployment rates.

During the 1986/87 and 1987/88 financial years, 12 departments, administrations and local authorities were involved in the creation of jobs.

It says R400 million has been set aside for the provision of jobs.



Picture: DION TROMP, The Argus

**OVEN FRESH:** Mr Julius Bambane and his wife Elizabeth with some of the homemade cakes which are much in demand. At left are two of their four assistants, Mrs Emily Blaai (in black) and Mrs Nowest Jongiwe

Arbus 10/11/88

## Khayelitsha couple's last throw bakery dream takes off

By EDWARD MOLOINYANE  
Staff Reporter

A KHAYELITSHA couple, who gambled their life savings on a dream and a small gas stove, are today successful confectioners, whose home-baked cakes sell in some affluent areas of Cape Town.

For Mr and Mrs Julius Bambane of M Section and their eight children, the decision to invest in the gas stove was virtually the last throw of the dice.

Attracted by the promise of more money and better prospects in the "big city", they left the farm in the Hex River valley where they had lived for many years and moved to the new township of Khayelitsha in 1985.

But their dream of prosperity soon turned into a nightmare. No matter how hard they tried, neither Mr Bam-

bane nor his wife could find work.

It was then that they took the gamble on the gas stove.

"When we came to Khayelitsha we didn't have enough money to start a business, though we knew we could make it as confectioners," said Mr Bambane

### DOMESTIC WORKER

"When we couldn't find work, however, we were desperate. There were ten mouths to feed and eight children to send to school. So, with the little money we had, we bought a stove and started doing what we knew best — baking cakes."

In spite of their lack of formal training, the Bambanes had the qualifications to make a success as confectioners.

While living on farms in the De Doorns area of the Hex River valley, they had both been associated with baking

one way or another — Mr Bambane as a driver for a local bakery and his wife as domestic worker on the farm where they lived.

The farmer's wife was well known throughout the district for her wedding and birthday cakes and Mrs Bambane learned all she could from her

Almost from day one, their "home" bakery in Khayelitsha was a success

It wasn't long before they couldn't cope with the demand for cakes from local people. About three months later they bought three more gas stoves and employed four assistants to help them meet the increasing demand and to help them widen their scope of operation

Orders began to pour in, some from the more affluent areas of the southern suburbs such as Wynberg and the business is still growing

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rsday November 17 1988

## Two million new jobs

# Learn from the little man, big business is told

Two million new jobs had been created by the informal sector in its phenomenal boom in the 1980s, Mr Ian Hetherington, managing director of Job Creation SA, disclosed in Johannesburg yesterday.

Although unrecorded in official statistics, the new "people's sector" was an invisible powerhouse that now accounted for at least 25 percent of real economic activity in SA, he said.

And it was growing four or five times faster than the formal sector.

Yet big business had still not fully grasped the enormous potential mutual economic benefits of far closer co-operation with the thousands of mini-businesses springing up around them, he told a conference called to study how to bridge the gap between the informal and formal sectors.

The session was organised by Systems Conferences and the African Council of Hawkers and Informal Businesses.

Mr Hetherington advised South African business to learn from the success of Japan and other Far East econo-

mies, where small and medium-sized firms now accounted for 75 percent of total employment.

Two in every three small firms worked as sub-contract suppliers to the big companies — a network of satellites around the industrial giants that had proved the basis of economic success as low-cost, flexible and innovative producers.

Big business in South Africa still had yet to learn that two-thirds of all the best new inventions of the past 50 years had come from individuals and mini-businesses.

"Even those few local giants who are beginning to wake up to the fact that the people's economy is exploding with vitality and growth right under their noses have yet to come to terms with it," he said.

"Too often, they see it as a competitive threat to be curbed with yet more rules and regulations rather than as an opportunity to do profitable business."

By Michael Chester



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# Jobs: '89 looks good for those with drive

GME  
TAKS  
26/11/88

173  
EBO

By ELAINE DURBACH

**NEXT** year promises greater opportunity for jobseekers than the past four — but competition will be tougher.

The same cautionary encouragement comes from employers, counsellors and employment agencies skilled people are needed but the economic picture is too cloudy for employers to welcome risks. Jobs will go to those who inspire confidence in their ability.

Those leading the job hunt, young white males, are finding competition on all sides. With training courses — public and private — opening to all races and women being welcomed all-round ability is being tested as never before and demand for experience is giving the edge to those already in the swim.

People are Cape Town's strength — as tourists or incoming workers, their needs spell demand for goods and services and thus for jobs. It is estimated that for every 11 tourists a job is created.

But people also mean competition and the region now has a higher ratio of workers to jobs than exists in the Transvaal. A business executive cited an example: two companies advertised for computer staff. In Johannesburg 45 people responded, in Cape Town 250.

It is not necessarily negative. Sonja Muller, regional manager of Drake International, describes the local situation as more "balanced" and therefore healthier in terms of salary expectations and competition.

## Perceptions

Colin McCarthy, director of the Cape Chamber of Industries, said "The order books look better than the perception surveys indicate, particularly in the Cape where the mood tends to be gloomy. People are anticipating a tough time and a downturn in business would result in fewer jobs. But in fact, except in certain areas, con-

sumer demand does not seem to be diminishing."

There is certainly an awareness of potential growth in the region. With the Moss gas project taking off on the Cape south coast, the UN Transition Assistance Group (Untag) coming into Namibia and plans for the Stellenbosch Technopark rapidly taking shape, the demand for locally supplied commodities could surge.

A leading Johannesburg white-collar recruiter is moving down to Cape Town — a gesture of faith in the local job market — though he was too guarded to want the move publicised.

Employers are looking for people, Drake's Sonja Muller said, but they were hesitant, waiting to see which way things would go in the new year, whether there was going to be a downswing. The combined uncertainty in recent months about factors such as tax changes, rising interest rates and the American presidential election had frozen some sectors of employment.

"I don't believe it's as bad as people think it's going to be," she said.

## Public sector

For the first time in six years, South African Transport Services is recruiting from outside its own ranks, according to a Western Cape spokesman.

Cost-cutting, restructuring and privatisation since 1982 has meant the loss of 100 000 jobs and most replacements had come from internal transfers. Outside applicants were now being considered, particularly for clerical positions (requiring a minimum of a standard eight) and as train drivers and heavy-duty drivers (with standard six, and a code 11 or 14 driver's licence). Race was not a consideration.

The raised educational require-

□ To Page 14

## Oh for 170 000 tourists...

IF THE calculations are right and every 11 tourists generate one more local job than another 15 500 jobs of all kinds should be within reach in the Western Cape.

All that's needed, says Professor Marius Lupo of Stellenbosch University who drew up Captour's newly approved Business Plan, is a way to attract another 170 000 tourists.

The Western Cape is expecting 500 000 tourists for 1988. It sounds a lot and it is 70 000 more than last year but it still adds up to only a 15% share of the country's tourism. The Cape needs to lure another 5% of the market.

○ Those working on the problem say

the Cape's distance from Johannesburg and the unpredictable nature of the weather give Durban the edge. To overcome that, they are chasing three types of visitor: holidaymakers, business and professional groups and special interest visitors such as botanists, climbers or sailors. That demands expansion in a diverse range of services.

With local hotels 90% booked and more for December more visitors could cause problems with accommodation. The goal is to sell the Western Cape as a year-round attraction. The tourism season has already been extended from the six-weeks of 10 years ago to around six months.

*Cape Times 29/11/88*

# Captour has plans to raise R500m

Municipal Reporter

CAPTOUR has planned its 1989 budget to attract an additional 170 000 tourists, "which will result in total indirect additional revenue of more than half a billion rands", chairman Mr Louis Kreiner said yesterday

Delivering the chairman's address at Captour's 10th anniversary general meeting in the city hall, he said the organisation would have to raise R800 000 over and above its existing funds to finance marketing strategies to achieve this aim

Captour was confident that it would generate the needed funds, he said. The city council would fully underwrite Captour's administrative costs and match the private sector income for marketing rand-for-rand up to R150 000

Thousands of new jobs should be created if the extra tourists came. The cost to Captour of doing enough marketing to bring the tourists here worked out to only R100 per job created, compared with the R2 000 or so it cost the Small Business Development Corporation

When Captour had been formed in 1978 it had hoped to lengthen the tourist season from two months to six by 1988

"This goal has now been achieved," Mr Kreiner said

# Terrorism won't kill tourism

*Cape Times 29/11/88*

By PETER DENNEHY

TOURISM can survive terrorism — and prosper, says Mr Robert Hall, former chief executive of the Northern Ireland Tourist Board (NITB)

Mr Hall, the guest speaker at Captour's annual general meeting in the city hall last night, said some of his experiences "during 11 years of bombs, bangs and bullets might have some useful application to the local tourism effort here"

He now lives in Tokai, after retiring in 1981. Mr Hall said the 120 000 high-spending holiday tourists South Africa gets each year "is just peanuts"

Northern Ireland had a million tourists, not counting day-trippers from the south, as far back as 1968. Soon after that "the troubles" — the Irish word for unrest — started, and the trade was cut in half

"We stopped all consumer advertising in 1972. No amount of money could counter all the bad publicity put out daily by the media," he said

Instead, travel and sporting journalists were brought in and showed "the other side of Ulster", and special interest or activity holidays (golf, fishing, game-fishing, shooting) were promoted. In 1981 there were a million tourists again

Mr Hall said attention had to be paid to transportation and accommodation as well as marketing

Charter airlines could bring "millions of holiday-makers" on "sun package" holidays here much more cheaply than at present, he added

The NITB had "put forward something on which both Protestant and Catholic could agree" in Northern Ireland, and it had enjoyed more credibility than the government.



Mr. Muller 29/11/88

# Mayor plans 500 new jobs in city

## Municipal Reporter

THE Mayor of Cape Town, Mr Peter Muller, has taken the lead in spearheading a new private-sector job creation initiative in the Western Cape aimed at creating at least 500 new jobs in the townships

He announced at a press conference yesterday that his office would be involved in the five-year project and had already coordinated a successful feasibility study which indicated it should be well-received in the townships

"The private sector felt the city ought to be taking a higher leadership profile in relation to our two major problems — low cost housing and job creation," he said

Mr Eric Ismay, the director of Barlow Rand-Cape and executive member of the Cape Chamber of Industries who was responsible for a similar job creation project in the Reef's Alexandra town-

ship, said the project should help "start-up entrepreneurs" to become involved in small-scale manufacturing of such items as furniture, burglar bars and gates

These activities had a particularly high multiplier effect and could create many more jobs than the expected 500

## Xhosa-speaking

"We will not be handing out money, but we will help small businessmen to raise capital," Mr Ismay said

Mr Muller estimated it would cost R5 000 to create each job. The city council would not contribute any funds, but it will work closely with a team of full-time Xhosa-speaking consultants who will give legal, financial and property advice to the new entrepreneurs

"We have a very successful model to build on, as Barlows have run a similar project in Johannesburg," Mr Muller said. That one started in April 1986 and has 81 entrepreneurs who

have already created 303 jobs. Only one businessman, who hoped to create six jobs, had thus far failed

Barlows commissioned a company called Job Creation SA, which is partly owned by the National African Federated Chambers of Commerce, to run the three-year Johannesburg project. One of its directors may lead the Cape Town scheme

On January 24, 50 to 60 top companies in the Western Cape will be invited to launch the Cape Town project

"Job creation is absolutely critical to the survival of this city," said Mr Muller. "This is a city-wide initiative, it does not apply only to the Cape Town municipality"

Many of the new jobs would be created in Crossroads and Khayelitsha, he said. The project will probably hire the Urban Foundation centre behind the cement factory at Crossroads, but entrepreneurs need not operate from there if it does not suit them

# Big spin-off seen in city job creation

29/11/88  
173

Staff Reporter

A DRIVE to create 500 new jobs in Cape Town over the next five years aims to stimulate spin-off employment and to open up markets for small entrepreneurs.

Budding entrepreneurs will be backed up by resources and specialist consultants to ensure "success, growth and permanence", mayor Mr Peter Muller said yesterday.

The project, initiated by the private sector and spearheaded by the Cape Town Chamber of Industries, will be launched officially on January 24.

It would complement similar programmes run by such agencies as the Small Business Development Corporation, he said.

The initiative has resulted from meetings by a consortium of leading businessmen and companies. The group commissioned an investigation into "what is undoubtedly the most pressing socio-economic issue in the Western Cape"

Results of this probe — reported to be "very positive" — will be presented at the official launch.

## Deregulation

Mr Muller emphasised that the scheme would be run entirely by the private sector.

"It is essentially businessmen doing something for other would-be and could-be businessmen," he said

"We as a city have been look-

ing at aspects of deregulation and privatisation," he said.

The Regional Development Association had also been sounded out.

Although 500 new jobs might not sound like "a terrific lot", it was a realistic target

The "multiplier effect" — entrepreneurs' potential for creating jobs — was crucial to the success of the venture.

Although the initial costs of the operation would be high, expenditure would be kept to "an absolute maximum" of R5 000 a job.

## 500 new jobs

The core group of the consortium consists of Mr Muller, Cape Chamber of Industries president and Searcel director Mr Mike Getz, Caltex chairman Mr Denis Fletcher, Regional Development Association chairman and city councillor Mr Clive Keegan, Barlow Rand (Cape) director Mr Eric Ismay, Small Business regional manager Professor Wolfgang Thomas, deputy city administrator Mr Harry Carstens and Mr Kerry Capstick-Dale (secretary).

The group's immediate objective was to raise funds to help achieve its goal of 500 new jobs, Mr Muller said

Permanent staff working under a professional project leader would be appointed. This "team of mentors" would include people with "high acceptability" in the townships

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# Millions of Africans being trained for non-existent jobs

APCWS 30/11/80

(173)

From ROBIN DREW  
Argus Africa News Service

HARARE. — Millions of people in Africa are being trained for jobs which they will never be able to take up.

This depressing observation is made in a study of rural and urban training prepared for the African regional conference of the International Labour Office being held in Harare

Instead of being trained for self-employment or self-improvement outside the wage sector, they are undergoing courses generally designed to prepare school-leavers for wage employment in the modern sector.

But the reality is that these jobs are and will continue to be extremely scarce.

Says the report "Nine out of ten young people who enter the labour market must create their own employment in rural areas or in the informal sector. This fact seems to be completely disregarded by the school system

"Youth is led to aspire to white-collar jobs. Most do not learn how to produce marketable goods and services or how to do this better than their parents, or how to diversify production so that under-employment does not grow worse"

## Wage sector

Almost all African countries face an increasingly serious structural employment problem

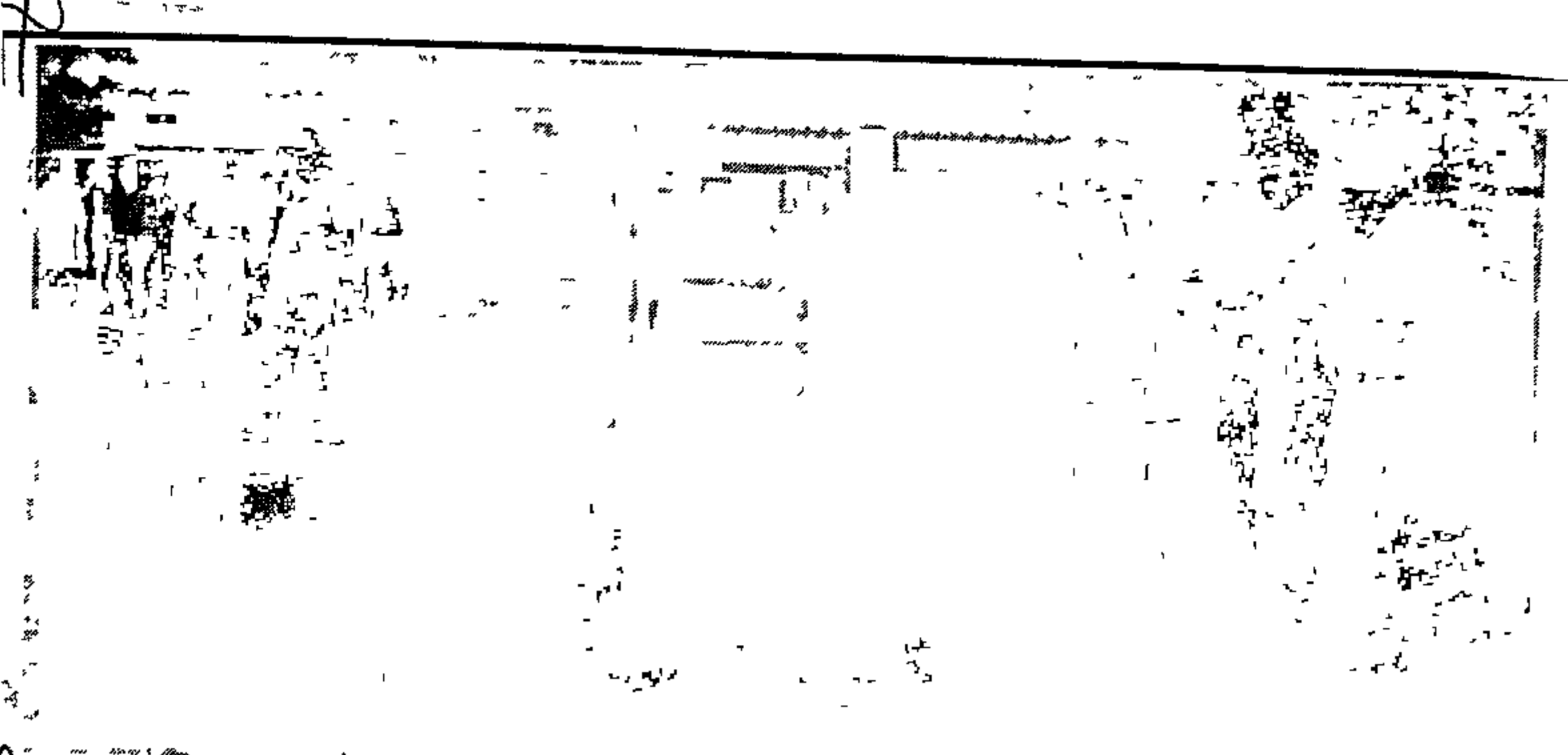
Round figures for the continent as a whole show that of a total labour force of 250-million, only 25-million will be employed in the modern wage sector by the end of the decade

Of the population of 600-million, the rural population will constitute 360-million with four-million moving into the towns every year.

And every year 15-million more will come on to the labour market.

The report says that while some African countries have unemployment rates of up to 30 percent of the labour force, it is more realistic to speak of widespread under-employment as few can afford to be without income for any length of time





A TOWNSHIP street takes shape as concrete paving bricks, produced by the Mamelodi City Council, are laid by previously unemployed residents.

*Sowetan 2/12/88*

# **Bricks mean work plus a better life**

*173*

THE Mamelodi City Council has provided thousands of unemployed blacks with jobs of upgrading their township — using concrete bricks produced by the council itself.

Addressing the Portland Cement Institute's Construction Writers' Club in Johannesburg, the mayor of Mamelodi, Mr Bernard Ndlazi, said the about 250 kilometres of dirt roads were now being paved with concrete bricks in a scheme which will provide work for 2 000 to 3 000 people over the next 17 years.

A total of 800 kilometres of sidewalks in the black township near Pretoria will also be paved by its residents.

**By JOSHUA RABOROKO**

who were being trained by the city council

Mr Ndlazi said the scheme was made possible by the purchase of a R850 000 Knauer brickmaking machine imported from West Germany recently.

He said two of the most daunting tasks facing black local authorities today were job creation and the improvement of the quality of life in the areas under their jurisdiction.

"Most black areas were badly planned originally — if planned at all. There are many instances where about 10 per cent of roads have been tarred with no side-

walks to speak of

"Black township roads are a hazard to motorists and muddy or dusty hell to pedestrians," he said.

Among Mamelodi's 235 000 population, about 9 per cent of the residents were jobless. More than 8 000 families were on the waiting list for housing.

With an area of about 45 square kilometres, the township has only about 52 km of tarred roads and 250 km of dirt roads.

Mr Ndlazi said he believed the township self-help project could set an example for the rest of South Africa.

"I challenge the private sector to provide the skills, technical and financial capabilities to help train our residents to become skilled workers," he urged.

# Moss gas contract to provide 900 jobs at Babcock

From PAT CANDIDO

PORT ELIZABETH — Jobs for about 900 people will flow from the fabrication here over the next two years of four large steel modules for the Moss-gas production platform

Babcock, the company recently awarded contracts totalling nearly R100-million for fabricating the modules, says engineering companies in the city will also receive a boost

The company says it will be fabricating the process, wellhead, power generation and utilities modules and a new company, Babcock Mossel Bay Contractors, has been formed with an overseas company to carry out the work

Local skilled and unskilled labour will be employed and Babcock will be making use of the services of the Eastcape Training Centre to train people

A 10ha site on the Charl Malan Quay is to be used for the fabrication of the modules

Several Babcock engineers and managers have already moved to the city and a temporary office block is being erected

The modules will be fabricated from 2500 tons of special 50e grade Iscor steel and 8km of stainless steel and carbon steel piping. The work on the modules will include the installation of 1200 tons of mechanical equipment

# Bleak Christmas for the jobless

By SOPHIE TENA

DESPITE the 230 000 jobs created for blacks through government-initiated projects, massive unemployment, tough credit and high prices are going to make for a bleak Christmas and a gloomy new year for thousands of struggling families

Official figures, released in a population survey put the figure for unemployed blacks at about 65 000 in June this year

However, unofficial estimates put the figure at three-million - including other population groups

These figures are expected to increase when thousands of school leavers and graduates enter the job market in the new year

Although the government claims the number of rural and urban unemployed blacks has declined, thousands are still jobless and feeling the bite of recession

The survey states that unemployment declined from 18,4 percent of the economically active population in September 1986, to 12,7 percent in July this year

In the larger urban areas, unemployment averages 9,5 percent, according to the survey

Following is a regional breakdown of unemployment percentages: the Eastern Province (17,6), the Western Province (17,6), the Witwatersrand (15,9) and Natal (15,9)

Forty percent of all unemployed blacks are on the Witwatersrand and in Atteridgeville, (13,1 percent), and Soweto, (12,6 percent)

Between them they have the highest unemployment rates among black residential areas

The survey claims that during the 1986/87 and 1987/88 financial years 12 government departments, administrations and local authorities were involved in the creation of employment opportunities in black areas to negate the growing unemployment rate

More than 6 000 projects have provided about 230 000 blacks jobs, according to the survey

Until the second quarter of 1988 - between April and June - about 230 000 blacks had received training in terms of the special employment provision programme at a cost of R80-million

Meanwhile, Operation Hunger has revealed that more than 9 000 children will have no food this Christmas season

As the economic recession takes its toll, more and more people have lit the hope of finding work

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YOUNG upwardly mobile professionals (yuppies) are making a fortune for themselves.

Many responded to an invitation in Manpower Mirror a few weeks ago to people under the age of 30 (or just over) and earning more than R90 000 a year

Up to 30% of the young executives who responded were in the computer industry where they are earning high salaries

One of them established his software company after graduating with a Bachelor of Commerce from the University of Cape Town. At the age of 29, he is earning more than R250 000 a year — and that is from SA sales only

Another is a chartered accountant who became a computer agency sales-

# A stack of yuppies earn more than R90 000

man in February and will have earned more than R120 000 by the end of the year. He is a ripe old 28

One of the biggest money-spinners for young people today appears to be time-sharing. Top young earners are generally between the ages of 23 and 28, and many see a great future in the industry

Salaries vary widely, mainly because they are based on commission. But most yuppies reported earning R120 000 to R200 000, but said the hours were long

— often seven days a week — and the work hard

Two other industries have attracted many upwardly mobile young people

Many are financial directors, stockbrokers, management consultants, dealers and merchant bankers earning between R90 000 and R160 000

The engineering and construction industries have a fair number of young executives earning a whack, from R90 000 to about R150 000

A poll by Research Surveys indicated that yuppies

held a predominantly negative and non-committal attitude to SA's economic and political future

Respondents to Manpower Mirror were slightly more optimistic. Almost without exception they said they would leave SA if the Conservative Party came to power, but they did not foresee it as a certainty

Most said they would emigrate if the African National Congress (ANC) took over, but about 10% said they would stay regardless because SA offered more opportuni-

ties than any country. One respondent said "Reform is not happening fast enough, but at least we are making some sort of progress. I would stay in SA whether the CP or ANC came to power because I believe that whatever happens it will only create better opportunities for me — as long as I recognise and utilise them"

Sanctions are seen as a threat to SA, but many believe they will not be implemented in full and that there is always a way to beat them

Times  
4/2/68  
(173)

# More workers find jobs in Transvaal building trade

173

23

By Roy Cokayne

Employment in the Transvaal building industry increased this year for the first time since 1984

About 58 000 workers received holiday pay and bonuses totalling R30 million prior to halting construction for the month-long Christmas break starting tomorrow

Industrial Council general secretary for the building industry, Mr Wynand Stapelberg, said yesterday that two weeks ago employment in the Transvaal was about four percent up on the same time last year

About 37 499 workers were employed in the Transvaal at the end of November (36 042 in the corresponding period last year)

Of these, 4 419 were skilled, 6 665 semi-skilled and 26 415 general workers

Holiday pay and bonuses was R30 million, compared with R24 million received by 60 000 builders last year. In 1986, R32 million was paid 80 000 workers. The same amount was paid to 95 000 workers in 1985 and R34 million to 105 000 in 1984

The disparity between the total number of workers employed at

the end of November and the number that had received holiday pay and bonuses was because many workers had moved in and out of the industry over the year

Mr Stapelberg said the figures on holiday pay and bonuses did not include black areas such as Soweto. But the council was looking at this aspect again and negotiations had taken place between the Master Builders' Associations (MBA) and trade unions represented on the council

Unemployment was a fraction of what it was last year. About R150 000 was paid out in unemployment benefits

Mr Stapelberg said the council's largest fund, the Stabilisation Fund, had suspended unemployment payments in March last year because its reserves had fallen too low — to R100 000

"These reserves had to be built up to R0,5 million before the payment of benefits could resume, which occurred last October"

As far as he knew, it was first time in 17 years that payment of benefits had been suspended

A change in unemployment benefit rules was made towards

the end of 1986 because the deep recession had placed the fund under pressure

The changes were prompted by the fact the fund was intended to be a stabilisation fund to provide members with benefits from the end of one job to the start of the next, rather than an unemployment fund

It meant workers were entitled to unemployment benefits for only nine weeks, compared with 26 weeks previously

The industry's medical aid scheme was now in a much healthier position than previously when high unemployment had brought a corresponding increase in the number and value of medical aid claims

A total of R9,5 million in medical aid benefits — about R790 000 a month — had been paid out (R8,4 million last year)

"The state of the medical aid scheme has definitely improved and we're already building up slight reserves. Although increases in medicine and medical tariffs are expected next year, I think we're fairly safe and will be able to hold down members' contributions for another year," he said

Ensuring that SA won't have to rely on foreign manpower

# PIE'S five-star 'skills factory'

By PAT CANDIDO

**The Argus Bureau**  
**PORT ELIZABETH** — The Eastcape Training Centre, a five-star facility for training and conferences 15km north of the city has come a long way since it first opened its doors in 1976 as the Erithonjhem Training Centre

Not only has the R35-million conference centre put it firmly on the map, but it has trained thousands of people in a wide variety of jobs

The phenomenal growth from the 300 people trained in 1976 to the 25 000 this year indicates the success of the venture.

The director Mr Leon de Villiers said there was a huge shortage of skilled manpower in South Africa

By 1992 the centre will have trained 7 000 people for the Mossel Bay oil project

To cope with the enormity of the training programme satel the centres at a cost of R15-million have been built at Mossel Bay Oudtshoorn George,

Vredenburg, Benoni and Vereeniging

Since training started last August 1 200 have graduated and of those only 300 are still unemployed. Another 550 trainees will graduate soon and will be registered with the centre's placement department, which keeps in touch with the main Mossagas contractors

Mr de Villiers said there had never been more opportunity for unemployed people in the Eastern Cape to receive training

### Finding jobs

Mrs Melanie Harrison, public relations officer for the centre, said the ETC was a registered non-profit organisation governed by a board consisting of leaders in commerce and industry

Over the years the centre had been transformed from a small operation which trained people for basic skills into South Africa's fastest-growing training institution, training

25 000 a year in administration and related courses, computer skills, catering and related fields, technical skills, enrichment courses, building and construction artisan and apprentice training, driver and operator and security training

### Central position

Mrs Harrison said the enormous growth could be attributed to one primary objective — meeting the needs of commerce and industry

The centre was centrally situated in the Port Elizabeth-Uitenhage metropole and boasted some of the most modern and sophisticated training facilities available

One such facility was the computerised driving centre where drivers were taught on simulators. This was the only facility of its kind in the Southern Hemisphere

Other facilities include fully-equipped lecture rooms, workshops, audio-visual and development equipment, a computer

training centre and the ultra modern conference centre which could accommodate 500 people.

Mrs Harrison said the centre had a highly competent team of instructors who presented training courses at the centre or in the workplace if required

Most of the courses were approved by the Department of Manpower and were therefore subject to the benefits of the rebate system

### Rebate system

Mrs Harrison said that with regard to the centre's training programme for unemployed persons for the Department of Manpower during the past 10 years, the centre had additional satellite training centres at Cradock, Graaff-Reinet and Queenstown

The handicraft training courses had been popular with trainees, who were eventually equipped to be self-supporting by making and selling handicraft items to the public and by

establishing home industries

The Mossagas training course, under the auspices of the South African Engineering Industry Construction Association, is designed to enable South Africa to achieve self-sufficiency in the labour requirements to avoid the importation of skilled labour

The excellent conference facilities offer everything from simultaneous translation services to kitchen facilities able to cater for a banquet for 300

The modern auditorium is extremely flexible in that 500sq m of floor space can be divided into partitioned halls

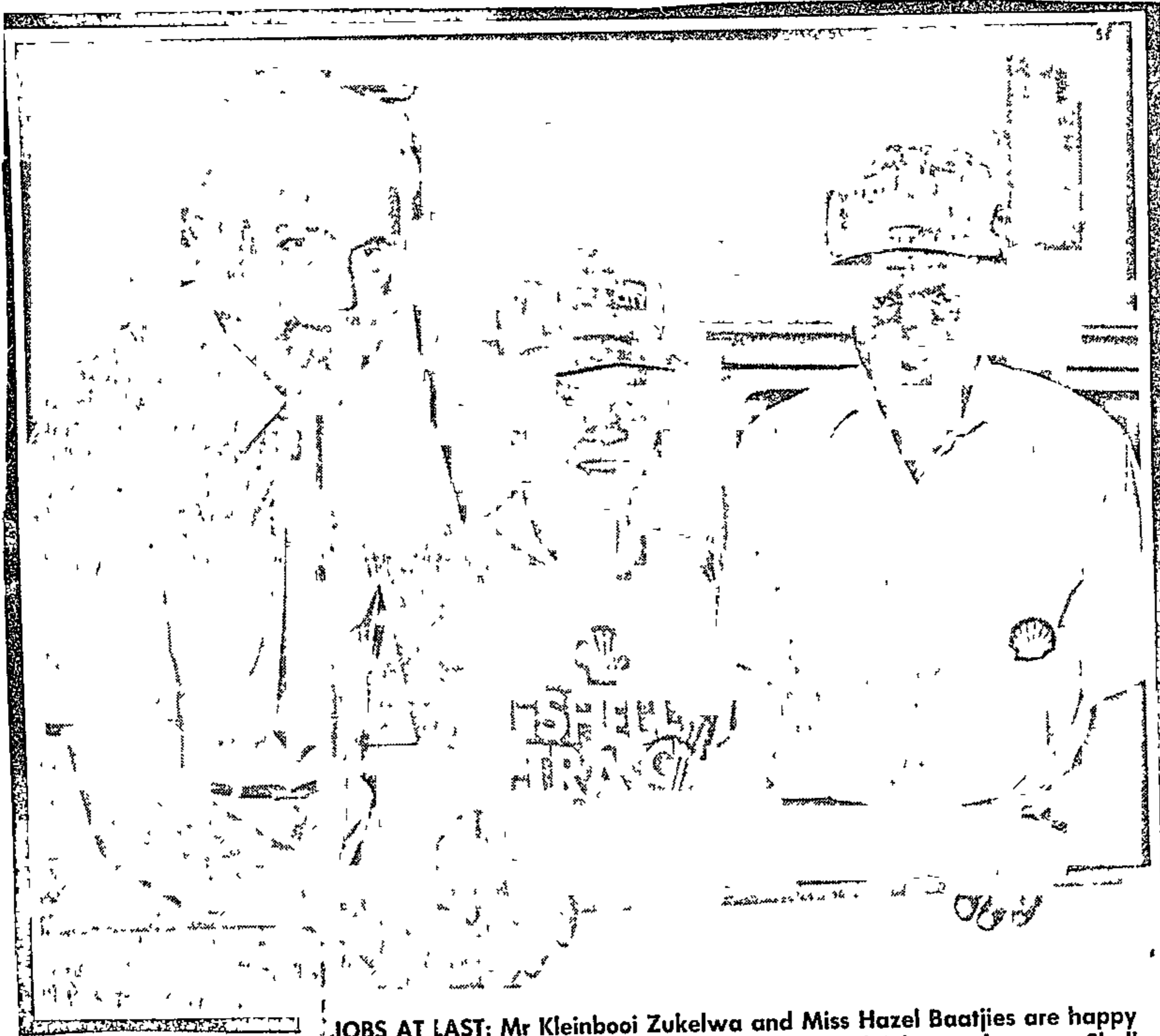
The latest in audio-visual aids is available in three special rooms. Video recordings or presentations of conferences can be made available to delegates

There are four simultaneous translation booths

At present 500 people from various parts of the country are attending the three-day Human Rights Conference at the centre



**FOUNDATIONS** Building houses — only to knock them down again. These 420 men were attending a five-week basic building course at the Centre



**JOB AT LAST:** Mr Kleinbooi Zukelwa and Miss Hazel Baatjies are happy to have a boss, Mr Dirk Swanepoel (left), and jobs at the new Shell Ultra-City service station at Three Sisters.

## Work at last for 73 in small Karoo dorp

Mr Kleinbooi Zukelwa (63) was out of work for more than a year. Miss Hazel Baatjies (19) had not found a job for the two years she had been out of school.

Both are from the Karoo dorp of Nelspoort north of Beaufort West on the N1 between Johannesburg and Cape Town.

They now have jobs — an envied status in this economically depressed part of South Africa. Seventy-three other people from the same community are now working at Shell SA's latest Ultra-City and Truckport service station at Three Sisters.

The new R3-million development was opened officially on Thursday by Mr Tony Kallis, retail regional manager of Shell SA (Western Cape).

He stated the aims of his company in committing itself to expansion in South Africa. He said it was the intention of Shell SA to stay and build its presence in the country to the benefit of the people, both economically and politically.

Shell in the past year has completed another three Ultra Cities — near Estcourt, Middelburg (Transvaal) and Kroonstad — and six more are planned in the coming 12 months.

The Estcourt project employs 170,

### NEVILLE ADLAM

will have increased to nearly 1 000 by the end of 1989.

Mr Kleinbooi Zukelwa is one of the more fortunate people at Nelspoort in that he has a small pension of R248 a month to keep his wife and eight-year-old son. But the job as a cleaner at Twin Sisters is a God-send. He has nowhere else to go and has lived in Nelspoort for 35 years.

Hazel Baatjies has a respectable job, her first, as a waitress. She can now work close to her home town and will not have to seek work by joining the platteland exodus to the cities.

Although she has only a Std 7 certificate, there are many of her fellow workers at Three Sisters, says Mr Dirk Swanepoel, managing director of Three Sisters Ultra City, who have matriculated and until now have not been able to secure work.

The waitresses and other female staff formed a choir at the opening celebrations on Thursday night. One of their songs was one of thanksgiving. Many families in Nelspoort have been helped to find some of their respectability.

When I left the celebrations the lights were burning brightly in the

# Few new jobs for blacks in manufacturing sector

Star 28/12/88

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**By Derek Tommey**  
The manufacturing sector has had a boom year

Strong domestic and external demand helped lift the index of physical volume of output (1980 equals 100) in the first 10 months of this year to 105,1 — the highest since 1981's record 106,9

According to this index, which is compiled by Central Statistical Services (CSS), industrial production in January-October was running 5,9 percent ahead of the same period last year and 9,4 percent on the same period two years ago.

But while manufacturing output has risen strongly, the growth in employment in the manufacturing sector has not

Government figures show that in the first 10 months of this year the manufacturing sector's workforce grew by only 16 500, or 1,2 percent, from 1 333 000 to 1 349 500.

In this period the number of whites in manufacturing rose by 700 (0,2 percent) to 294 000, the number of Coloureds by 6 300 (2,6 percent) to 247 600, the number of Asians by 2 500 (2,8 percent) to 91 000 and the number of blacks by 7 000 (1 percent) to 716 900

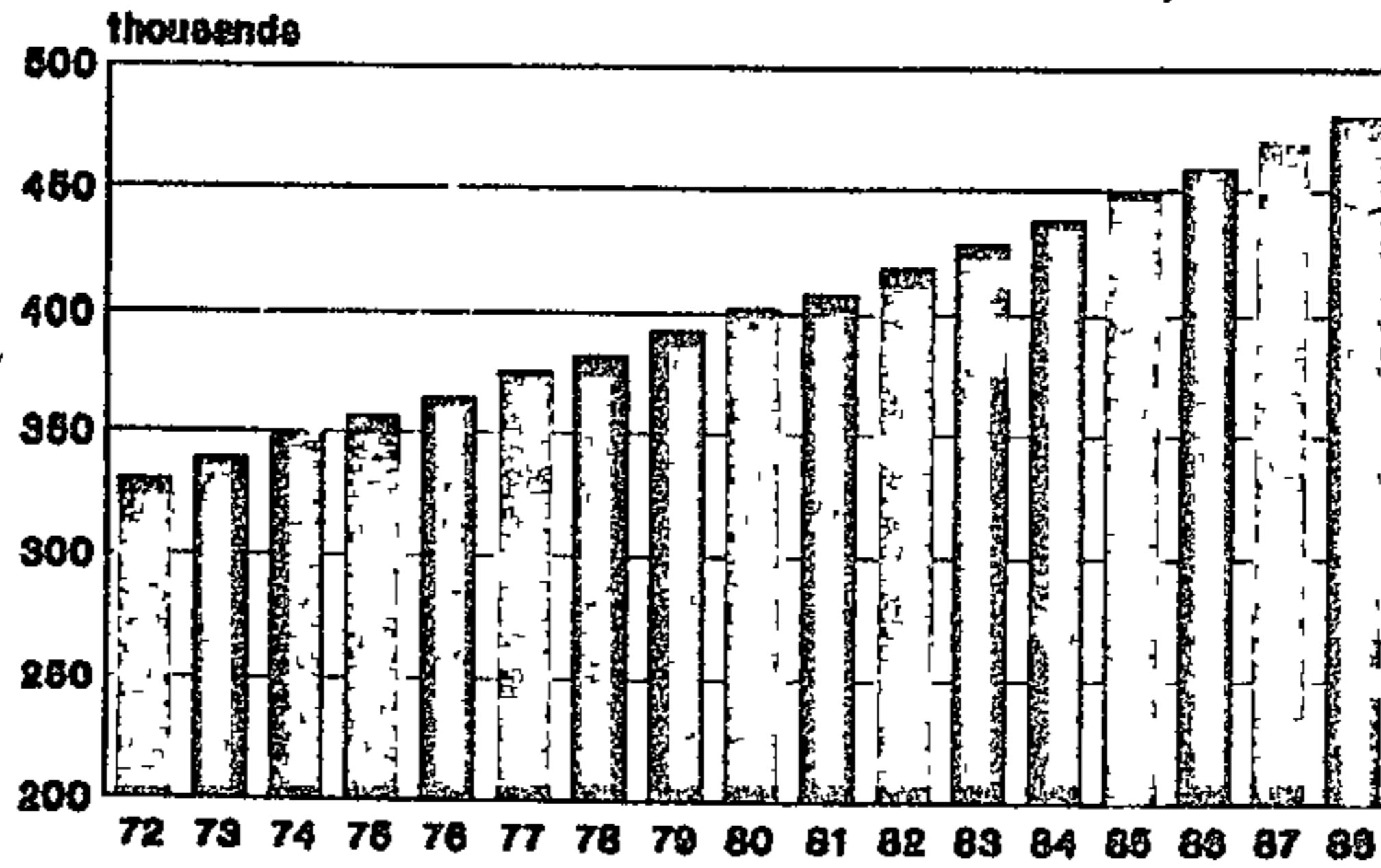
The increase in white, coloured and Asian employment is roughly in line with the growth in their numbers. But the growth in black employment in manufacturing is far below the black population increase, which must be disappointing to anyone hoping to see manufacturing help reduce the high level of unemployment

It is sobering to note that in February 1982, manufacturing employed 1 468 100 — 118 600 more than it does today, almost seven years later

This is made up of 320 300 whites, 259 400 coloureds, 93 900 Asians and 794 500 blacks

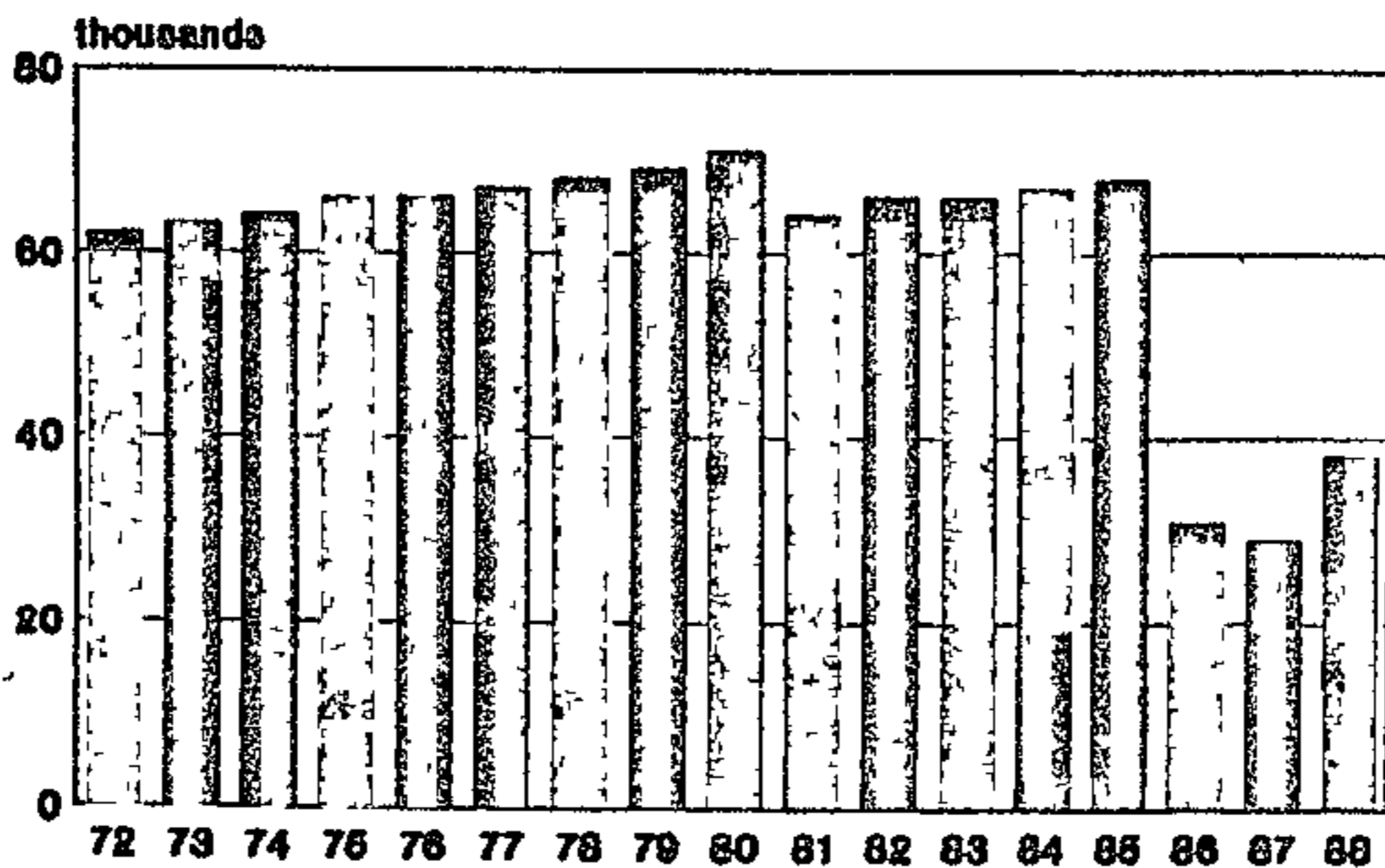
However, the employment position is better for blacks in the construction industry where their numbers have risen by 12 100 this year (5,9 percent) to 217 900. The number of whites rose 200 to 42 100. The number of coloureds dropped by 400 to

**Annual population growth Blacks**



White population growth recovered slightly in the year to June to 38 000, estimates show. This follows two years when increases were 29 000 and 31 000. Population growth in these years was less than half that in the preceding 17 years and helps to account for the relative drop in white buying power reported by some retailers. The black population has been growing steadily. In 1971 it grew by 323 000, in 1981 by 408 000 and in the year to June by 481 000

**Whites**



46 300. The number of Asians increased by 1 000 to 6 000

However, blacks seem to be lagging behind in the financial services sector

While insurance industry workers grew by 10 795 (6,6 percent) to 172 898 in the 12 months to September, the number of blacks rose by 1 250 (4,4 percent) to 23 594, Central Statistical Service figures show

Employment in the banking sector in the same 12 months rose by 4 739 (5,3 percent) to

92 768 but the number of blacks rose by only 10 to 11 608, the figures show

Banking officials are sceptical about the figures. They believe the black component is much higher, especially in larger banks. But they say they find it difficult to retain black workers once they have been trained in banking and finance. There is great demand for such people in other sectors of commerce and industry and in government service, a personnel of-

Blacks made a small advance in the building society sector. While the number of people employed rose by 259 (1,2 percent) to 21 096, the number of blacks increased by 65 (2,1 percent) to 3 119

But these figures for black employment fade into insignificance when set against the growth in the black population. According to figures recently issued by the CSS, the black population of South Africa (excluding the homelands) had risen 481 000 to 20,6 million in the year to June 1988 — an increase of 2,4 percent

By contrast, the white population was virtually static, growing 38 000 (0,7 percent) to 4 949 000. The coloured population grew 58 000 (1,89 percent) to 3 127 000, while the Asian population grew 15 000 (1,64 percent) to 928 000

Altogether, the total population grew by 592 000 (2,0 percent) to 29,6 million

In view of the huge increase in the black population, which in itself is creating a big demand for goods and services, one would have expected the number of blacks in employment and especially in skilled jobs to have grown at a much faster rate

This is especially so as the number of whites, coloureds and Asians is not increasing fast enough to fill the gap

However, one of the reasons for the low increase in employment, according to employment agencies, is that while the number of black school-leavers is large, the number with reasonable qualifications is limited, and most of these do not want to work in the financial services or manufacturing sector

A major constraint on the employment of blacks in the financial sector is their inability to communicate in English, an agency worker says

While more blacks are becoming apprentices in the metal industry, the total for the whole country and all population groups is 8 500 — down from 12 000 a few years ago