

The Budget

South Africa intends to spend R157,000,000 on defence during the current year. The previous year the figure was R122,000,000. To gain a picture of what this means, it should be compared with the total expenditure of R102,000,000 on defence in 1944-45, when South Africa was fully engaged in the intense struggle of a World War. It is clear, therefore, that Sharpeville has taught no lessons—the only effect is that three years afterwards the country is spending more on armaments than it was during the war. The status quo is being maintained by force, and not by a realistic attempt to solve problems.

TOMLINSON REPORT

When the Tomlinson Commission suggested that a figure of R210,000,000 should be spent on developing the reserves over a period of ten years, it was said that the country would be hard pressed to find this amount, yet the current expenditure on armaments absorbs three-quarters of this amount in a single year, and most of the defence expenditure would be unnecessary if the Government were attempting to solve its problems in justice and equity.

The country is already feeling the effects of this expenditure. There is a minor boom, particularly in the steel industry, which may well extend into a major boom once the full effect of the spending has worked its way through the economy. White labour is scarce so that once again African workers are being absorbed into jobs which would normally be barred to them by the industrial colour bar. In its direct results this is all to the good. Not only does it benefit those people directly concerned, but it helps to improve living standards in the country as a whole. The pity is that the chance is being largely wasted for the following reasons:—

(a) *If there were no economic colour bar, and every member of the community could contribute*

his services to his full abilities, there would be a much more rapid rise in living standards for all the people of South Africa.

(b) *The money spent is producing no permanent results. It is a wasted effort—money poured down the drain simply to maintain a system of injustice. Were the same amount spent on developing the rural areas, the immediate effect on the buoyancy of the economy would be the same, and there would be a lasting improvement which would generate further wealth in the future.*

DEVELOPMENT EXPENDITURE

What is really needed is expenditure on African education, both in regard to schools and in regard to salaries, on farm development, including loans and irrigation, communications, particularly roads, and on housing in rural areas. Were this to be done, the emphasis would be switched from expenditure in areas where industrialisation is already intense and where sufficient skilled workers are not available, towards those areas where it is essential both to have long-term improvement and to pump more money into the economy so as to bring them nearer to viability. There is very little money indeed circulating in the reserves, and what there is comes mainly from money sent back by workers in urbanised areas who are forced to leave their families behind. Were there heavy expenditure on development in these areas themselves it would generate a money economy in the most backward parts of the country, and would give employment to people who have no employment whatsoever. This is what South Africa needs. This is what could be done without any marked burden financially were there sound policies instead of the policies of racial oppression which force the country to divert its energies towards massive armaments and other wasted expenditure that will bear no fruits other than mounting tension, and will solve no problems in South Africa.

Published by the Liberal Party of S.A., Room 1, 268 Longmarket Street, Pietermaritzburg, and printed by L. Backhouse, 91-93 Church Street, Pietermaritzburg.