

PUBLIC SECTOR

GOVERNMENT  
GENERAL

FEB 1975 - JUNE 1977

HANSARD L. Q 254-255  
25 February 1975.

252

Persons employed by Central Government/  
certain Government bodies Salaries/wages

\*4 Mr R M DE VILLIERS asked the  
Minister of Statistics

(1) How many persons in each race  
group were employed by the (a)  
Central Government (b) provincial  
administrations (c) South African  
Railways and Harbours Administra-  
tion and (d) Department of Posts  
and Telecommunications in 1972  
1973 and 1974 respectively.

(2) What was the total amount paid in  
salaries and wages to each race group  
in each of these categories during  
each of these years

The MINISTER OF STATISTICS (Reply  
laid upon Table with leave of House):

(1) Average number of persons em-  
ployed

	Total	Whites	Coloureds	Asians	Bantu
(a)					
1972	327 185	103 498	33 704	8 080	181 903
1973	346 332	102 089	36 645	8 347	199 251
1974	367 877	102 233	42 714	8 508	214 422
(b)					
1972	197 340	98 311	14 716	2 330	81 983
1973	202 121	101 289	15 922	2 461	82 449
1974	208 688	103 786	17 422	2 785	84 695
(c)					
1972	228 652	111 854	15 680	1 303	99 815
1973	228 807	109 301	16 044	1 333	102 129
1974	232 529	107 761	17 108	1 401	106 259
(d)					
1972	60 079	40 520	4 329	584	14 646
1973	62 416	41 041	4 894	658	15 823
1974	64 903	41 846	5 316	736	17 005

(2) Total salaries and wages paid

	Total	Whites	Coloureds	Asians	Bantu
R1 000					
(a) <sup>a</sup>					
1972	606 434	398 228	62 435	20 894	124 877
1973	685 382	429 964	76 132	25 096	154 190
1974	814 959	491 056	100 114	30 169	193 620
(b) <sup>a</sup>					
1972	434 720	374 530	12 487	3 230	44 473
1973	490 766	419 482	15 757	3 938	51 590
1974	603 069	503 678	23 238	5 039	71 114
(c)					
1972	504 046	426 071	—	77 975 <sup>1</sup>	—
1973	604 830	502 060	—	102 772 <sup>1</sup>	—
1974	686 135	557 953	—	128 182 <sup>1</sup>	—
(d) <sup>a</sup>					
1972	148 233	132 482	4 483	1 035	10 233
1973	172 894	151 662	6 134	1 259	13 839
1974	194 236	170 082	6 889	1 514	15 751

<sup>1</sup> Include Coloureds, Asians and Bantu.  
<sup>a</sup> Estimates

5 Mr R M de Villiers - reply standing over

25 February 1975.

(1) 252

(2) ~~Social Sec - Pensions~~

**Government Service Pension Fund**,<sup>x</sup>

\*29 Mr T G HUGHES asked the Minister of Social Welfare and Pensions

(1) What was the value of the capital assets of the Government Service Pension Fund at the latest date for which figures are available,

(2) what is (a) the amount of interest earned annually, (b) the annual contribution (i) by public servants and (ii) from the Consolidated Revenue Fund and (c) the amount annually paid as (i) pensions and (ii) gratuities

The DEPUTY MINISTER OF SOCIAL WELFARE AND PENSIONS

The hon member is referred to Part III of the Report of the Controller and Auditor-General for the Financial Year 1973-'74 at pages 520 and 521 where the information called for is published for general information

# SA employs

5.75 per cent

in public sector

RDM

10/4/75

170  
253

Political Correspondent

**THE ASSEMBLY.** — A total of 36.92 per cent of South Africa's population of 24 920 000 in 1974 were economically active, while 5.75 per cent were employed in the public sector.

This was revealed by the Minister of Statistics, Mr Janis Loots, in reply to a written question by the United Party's MP for Walmer, Mr Theo Aronson.

## TAPE

The figures also revealed that 40.69 per cent of the Whites were economically active, as were 35.51 per cent of the Coloureds, 29.76 of the Asians and 36.5 per cent of Africans.

Of the 1 168 135 people working for the public sector 39.44 per cent were Whites, 8.79 per cent Coloureds, 1.62 per cent Asians and

50.13 per cent Africans.

Asked to comment, Mr Aronson said that it was obvious because of Government policy the stage had been reached where there was far too much red tape and the Government was forced to employ an army of people to administer the red tape.

For more than 25 per cent of the economically active Whites to be employed by the State was a most unhealthy situation. Only 7.6 per cent of the economically active Blacks were employed by the Government.

The Government should reverse the situation, said Mr Aronson, and apply the criterion of merit and the rate for the job. If this was applied the Government would be moving away from discrimination.

HANSARD 10

Q. Columns 689-690.

15/4/75

Question  
Write on both sides

The MINISTER OF THE INTERIOR.

(1) (a) 1 July 1974

(b) Basically the adjustment entailed the consolidation of the pensionable allowances of 15% and 17½% for White and non-White personnel, respectively, which were payable from 1 April 1973. Various adjustments of the salary structure were, however, made simultaneously which had the result that the percentage of increases did not follow a uniform pattern and varied according to the improvements in the structure.

(2) No

Salary increase for Public Servants<sup>X</sup>

\*2 Mr W T WEBBER asked the Minister of the Interior

(1) What was the (a) date and (b) percentage of the last salary increase for employees in the Public Service,

(2) whether he intends to grant another increase, if so, when

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HANSARD 10

Q. Columns 691-692.

Question 15/4/75

Salaries for Whites/Non-Whites in Public Service

\*3 Mr W T WEBBER asked the Minister of the Interior

(a) What progress has been made in closing the gap between salaries for Whites and non-Whites in the Public Service and (b) when is it expected that the gap will be closed

†The MINISTER OF THE INTERIOR

(a) The Government's policy in regard to the narrowing of the gap has been clearly stated on various occasions in the recent past. Apart from the salary improvements which were granted to non-White officials over the past few years—the most recent of which became effective as from 1 July 1974—the matter is continuously receiving the attention of the Government with a view to implementing its policy.

(b) It is not possible to give any indication in this connection.

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HANSARD 10  
18/4/75

Question... Columns 923 & 24  
Write on both sides of the p

Public Service Commission

\*1 Mr. W T WEBBER asked the Minister of the Interior

What are the (a) names, (b) qualifications, (c) professions or occupations and (d) emoluments and allowances of the (i) chairman, (ii) vice-chairman and (iii) other members of the Public Service Commission

†The MINISTER OF PLANNING AND THE ENVIRONMENT (for the Minister of the Interior)

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Name	Qualifications	Profession	Emoluments and allowances
De Villiers, Johan Zulch, Chairman	St X	Occupies statutory post Prior to his appointment he occupied a post in the administrative division of the Public Service	R18 000 per annum plus R600 per annum entertainment allowance
Van Zyl, Johan Hendrik Christoffel, Vice-Chairman	B A	Occupies statutory post Prior to his appointment he occupied a post in the administrative division of the Public Service	R17 400 per annum plus R600 per annum entertainment allowance
Van der Merwe, Wouter, Member	B Sc (Agric)	Occupies statutory post Prior to his appointment he occupied a post in the professional division of the Public Service	R16 800 per annum plus R600 per annum entertainment allowance

Handwritten notes and signatures in the bottom right margin.

HANSAARD II

Q 783-4

22 April 1975

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Replies standing over from Friday, 18  
April 1975

**Recommendations by Public Service  
Commission**

The MINISTER OF THE INTERIOR  
replied to Question \*26, by Mr L G  
Murray

**Question:**

- (1) Whether any recommendations made by the Public Service Commission since 1 July 1973 were (a) rejected by the State President or (b) not accepted by (i) him or (ii) the Cabinet, if so, in respect of what (aa) persons, (bb) posts or (cc) other matters,
- (2) what decisions were taken in each case

**†Reply:**

- (1) (a) No
- (b) (i) No
- (ii) Yes
- (aa) None
- (bb) None

(cc) (i) That the vacation savings bonus for public servants be increased

(ii) The introduction of a uniform retirement age for officers in the Public Service and matters connected therewith

(iii) That the territorial allowance payable to White officers and employees allocated to homeland governments, be increased

(iv) Readjustments of the functions of the Departments of Community Development, Public Works and Planning and the Environment

(2) In respect of (1)(cc)(i) That the improvement of the benefits in regard to housing be considered instead

In respect of (1)(cc)(ii) to (iv)  
Not approved



HANSARD II

Q. 784-5

22 April 1975

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**Members of Public Service Commission** X

The MINISTER OF THE INTERIOR replied to Question \*27, by Mr L G. Murray

**Question:**

What are the (a) names and (b) dates of appointment of the members of the Public Service Commission

**†Reply:**

Johan Zulch de Villiers Appointed as member of the Public Service Commission with effect from 1 May 1964, as Vice-Chairman with effect from 4 March 1965 and as Chairman with effect from 23 January 1970

Johan Hendrik Christoffel van Zyl Appointed as member of the Public Service Commission with effect from 4 March 1965 and as Vice-Chairman with effect from 1 May 1971

Wouter van der Merwe Appointed as member of the Public Service Commission with effect from 1 August 1974

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Question...  
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① 150A  
② 336  
③ 252

# Trade unions angry over wage increase

23/9/76 DO

JOHANNESBURG — Trade union leaders reacted with anger at the Prime Minister's statement on wages yesterday.

The 65 unions affiliated to the Trade Union Council are likely to withdraw from the anti-inflationary campaign, while the railway unions find the ten per cent wage hike to them totally unacceptable.

Mr Arthur Grobbelaar, general secretary of Tucs, representing 230 000 workers of all races in the private sector, described Mr Vorster's statement as shocking.

"It spells the end of trade union participation in the anti-inflationary manifesto for the government has clearly reneged on this agreement."

Referring to the wage rises to the public sector he said "you may get the Civil Service Association accepting the ten per cent rise, but I'm quite sure the trade unions will not."

"We entered into an extension of the anti-inflationary campaign two months ago and the only changes demanded to the programme came from Tucs. Now there has been an abrogation of the conditions of the agreement," he added.

The trade unions accepted in the manifesto that wage increases during the period of the campaign would be geared to only 70 per cent of rises in the consumer price index.

Mr Grobbelaar said last night he would be calling an urgent meeting today of Tucs's officers committee to discuss the Prime Minister's statement.

Mr Wally Grobler, general secretary of the Artisans Staff Association for railwaymen said: "This wage rise is totally unacceptable to our members. The ten per cent doesn't even touch sides."

Mr Grobler added "We were called on to make sacrifices in the anti-inflationary campaign, and this we have done. This increase is way, way below what we expected."

He said he expected all the railway unions to reject the increase.

Meanwhile, economists and trade unionists yesterday described the salary increase to civil servants as "very little" but necessary, and "not inflationary."

Mr J. R. Aitman, general-secretary of the National Union of Distributive Workers, said the increase could have a "disinflationary" effect because employers in the private sector may now hold back from granting larger wage increases.

Dr S. van der Merwe, of the University of Stellenbosch's graduate school of business, said it was not a question of whether the increase was good or bad because the government had little option.

"Strictly speaking, the increase could have an inflationary effect, but the government has a responsibility to maintain the standard of living. People need this to be productive and productivity counteracts inflation."

Prof Z. S. Guryzinski, director of the school of economics at the University of Cape Town, said no specific provision was made in the 1976 budget, but allowance had been made for necessary increases.

"The increases would not have a worse effect than any other government expenditure," he said.

"Most civil servants will gain something, but the progressive tax structure a good portion will go back to the government. On one hand they are giving, and on the other, taking," Prof Guryzinski said.

The South African Teachers' Association welcomed the "interim relief" of the increase, but said it was basically the structure of teaching posts which was unsound.

Mr J. H. van Zyl, vice-chairman of the Public Service Commission, said he was surprised by the Prime Minister's announcement.

"We have been negotiating wage increases for sometime but we did not expect them so soon" — DDC-SABA

# Wage rises

# disappoint

ARGUS 23/4/76

# SA public

# servants

STATE employees throughout the country are disappointed with the 10 percent salary increases for State and provincial employees announced yesterday by the Government.

Some civil servant associations have rejected the increases and others have expressed their dissatisfaction with the adjustments.

In economic and business circles the increases have been accepted as fully justified, particularly as the previous increases were given in 1974. But it is felt that they were 'too little, too late'.

Coloured postal workers have dismissed Government claims that the new increases will close the wage gap between White and non-White workers.

## EXTRA COSTS

The immediate reaction of Opposition political spokesmen was that the pay rises would mean further increases in charges and tariffs of the Railways as the extra costs could not be met from reserves.

Mr W. F. Killian, chief economist of the Stellenbosch University Bureau for Economic Research, said the increases meant the Government was, in fact, paying its employees progressively less.

He said while the adjustments were in keeping with the anti-inflation manifesto, they hardly compensated the employees for the rising cost of living.

## CRITICISED

A Cape Town Chamber of Commerce spokesman criticised the way in which the Government had handled the announcement of the salary increases.

With the announcement coming so soon after the main railways and postal budgets, I can see no reason why this should

not have been reflected in these budgets with indications of how the additional costs were to be met, he said.

The Natal branch of the Artisans' Staff Association of the Railways has rejected the 10 percent increase.

The area executive of the Western Cape branch of the association, Mr J. L. D. Oosthuizen, said his branch was not satisfied with the increases but did not reject them.

## NIGGARDLY

In Pretoria, Mr Wally Grobler, general secretary of the association, expressed anger at the 'niggardly rise.'

Railwaymen should be entitled to a rise of about 20 percent, he said.

In Johannesburg, the president of the Salaried Staff Association of the Railways, Mr Brian Currie, said: 'According to the manifesto to which we all worked, the amount of the increase should have been about 23 percent.'

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FRIDAY, APRIL 23, 1976  
SAFETY FILE

# 10 Percent Rise for all State emp

Political Correspondent  
HOUSE OF ASSEMBLY.

The salaries and wages of all State and provincial employees are to be increased by 10 percent on July 1, the Prime Minister, Mr Vorster, announced yesterday.

the Government at least R180-million.  
All public servants will receive a further five percent salary increase on January 1, next year, if the general economic and financial position does not weaken materially.

in the region of R100 million.  
The increases are almost certain to push up rail and postal tariffs significantly.  
The opposition parties yesterday welcomed the pay hike but immediately accused the Government of a "gigantic confidence trick" for not making the announcement in the Budget.

The total salary bill for civil servants after the two-phase increase would rise by about R150m. Post Office salaries would go up by an estimated R30m and railway pay by an estimated R87m.

The Prime Minister said that in the implementation of the increases an amount would be added for the further narrowing of the salary and wage gap between the race groups.  
At the same time he appealed to the private sector to "discipline themselves in an equal measure" when increasing earnings.

He also announced that the Government had accepted in principle the need for reviewing salary structures in the teaching profession.  
Mr Vorster recalled that he had appealed to the nation in a radio broadcast on August 17 last year for everyone to contribute to the joint action against inflation.

Among other things he had pointed out was that South Africa's social, economic and political stability would be endangered if the rate of lower the rate of did not succeed.  
He had also this enemy could fought with methods, but the help of the self-control and of all the people of Africa.  
"The praiseworthy in which a

252  
TIE

# Rises to

## Cost

# R250-m

(From Page 1)

increases were regarded as virtually certain

Members of Parliament, Provincial Councils, the South African Indian Council and the Coloured Person's Representative Council are expected to get salary increases

MP's pay is adjusted under a new formula introduced in 1974 making it unnecessary for them to vote increases for themselves, but linking their salary adjustments with civil service increases

MPs and Government Ministers last received a pay rise in July 1974, when their salaries were put up by 40 percent and their tax-free allowances by 35 to 36 percent

### REFLECTED

If both the salaries and allowances of Parliamentarians are increased by the 10 percent given to civil servants their total State incomes will range from about R16 000 a year for an MP to about R57 600 for the Prime Minister

Labour unions in the public service were strongly negative today in their reaction to the rise

Mr Wally Grobler, general secretary of the Artisans Staff Association

MR EDWARD WOOLLS

MRS MARIETTA GROBBELAAR

MR CHRISTO GROBLER

MR LOUIS STRYDOM

# Pay rise — 'It's lousy'

Labour Reporter

Civil servants approached by The Star today showed little cheer over the news of their first pay adjustments in two years

Some still held out hope that a little more might be in the offing because of negotiations still pending between various staff associations and departmental heads, although the Prime Minister's statement did not indicate that

Mr Christo Grobler, a young railways draughtsman, did not beat about the bush

"It's lousy — less than

half the rise in the cost of living since our last adjustment," he said about the 10 percent rise due in July

Mr Louis Strydom, a foreman porter of the railways, said the adjustment would help only a little

"I can't make make ends meet We had our last adjustment two years ago," he said

"If my wife were not too ill she could supplement my income by going out to work"

Mr Edward Woolls, a customs officer, said "It's a struggle, but we must all help to fight inflation

If more were given, the private sector would react by pushing the cost of living even higher"

But he made it clear that his view was not widely held "I won't be popular with the boys," he added, "they all feel differently"

Another exception was Mrs Marietta Grobbelaar who started as a clerk in the Department of the Interior only recently

"I'm very happy, she said "For somebody who started work only three months ago this is a welcome surprise"

Although staff in the Immigration Department

in Johannesburg were disappointed that the increase announced was not more, they said that they would continue to press through their staff association for higher wages and salaries

A clerk in the System Manager's office of the Railways put it this way "We are very unhappy about the increase and consider it well below what we expected, but we are not thinking of resigning from the service We are going to go on fighting through our staff association for a bigger increase"

for Railwaymen, described as a "vague promise" the likelihood of a further five percent increase next year. He said the increase was "niggardly".

Mr Sid Thorpe, chairman of the Natal Divisional Council of the association said "I speak on behalf of the 4 000 railway artisans in Natal and state emphatically that we reject the Prime Minister's decision on wage adjustments".

Five delegates from the Postal and Telegraph Association of South Africa met the Minister of Posts and Telecommunications, Senator J P van der Spuy, this morning to negotiate pay increases — Political Staff, Own Correspondents

23/4/76

Star

259

(1) 252  
(2) 307

# Coloured teachers hope for more

24/4/76 RDM

**Own Correspondent**  
CAPE TOWN — Coloured, Indian and African civil servants would get a higher percentage wage increase than Whites from July 1, the chairman of the Public Service Commission, Mr J. H. C. van Zyl, said yesterday.

And teachers from all race groups would have their salaries restructured, Mr Van Zyl said. Coloured teachers had expressed concern about whether they would be included in the restructuring of teachers' salaries, referred to in the Assembly on Thursday.

He confirmed that a restructuring would apply to Coloured, Indian and African teachers as well as Whites.

"The 10 per cent salary increase is a definite figure for White civil servants only. A greater percentage will be given to other groups so that they will gain in real money terms."

Mr Frankhn Sonn, vice-president of the Cape Teachers' Professional Association, which represents Coloured teachers, said he was now confident the 10 per cent limit would not apply to Coloured teachers.

"We shall continue to ask for the rate for the job, which is now in line with Government policy."

"If White teachers' salaries go up by 10 per cent, Coloured teachers need an increase of 30 per cent to narrow the gap."

**PRETORIA —** The representatives of more than 300 000 White workers in the public sector have joined in an unprecedented demand for automatic pay increases.

Three weeks ago representatives of the Public Servants' Association, the Federal Consultative Council of Railway Staff Associations and the three Post Office staff associations met to discuss the price spiral and the Government's inability to control inflation.

This was the first joint meeting of the three organisations. The very fact that it was called is a measure of the serious concern among public sector workers at the chronic erosion of living standards and the purchasing power of earnings.

The PSA represents about 205 000 White State and provincial departmental workers, including the Police and Defence Departments, the FCC represents the 110 000 White members of the seven railway staff associations, and the three Post Office unions represent about 45 000 White clerical and technical workers.

After the meeting, it is understood, it was agreed that each organisation should write to the relevant Ministers—of Interior, Transport and Posts and Telegraphs—to set out their request for automatic indexed pay rises.

"This would mean, that as soon as the consumer price index rose by, say, five percent, there would be an automatic pay increase without going through all the drama and tension normally associated with wage and salary demand negotiations," one delegate said yesterday.

State, Railways and Post Office workers were granted increases ranging between 12 and 15 percent last July.

Senior Public servants spoken to yesterday, however, claimed that three quarters of this increase at least had been wiped out by inflation during the past nine months.

The vice president of the Public Servants' Association, Dr C. M. Cameron, said yesterday that the PSA favoured wages and salaries being included as a regular item in the national Budget.

He said the PSA had informed the Public Service Commission of the plight of the public servants because of the continuing price spiral.

The Artisan Staff Association of the Railways, which normally spearheads the drive for increases to close cost of living gaps, has for the past year been recommending automatic pay increases tied to the consumer price index.

The seven trade unions representing the 42 000 skilled White workers in Iscor steel plants are also expected to agitate for higher earnings before the middle of the year.

The earnings of the workers represented by the unions are not affected by the award of a 15 percent increase to the 320 000 employees in the iron, steel, engineering and metallurgical industry announced yesterday.

An Iscor spokesman said yesterday that the management negotiated with the seven Iscor unions and the 15 percent award had no relevance for Iscor.



# INFLASIE

# STAAT

Deur DR. A. J. NORVAL

**WAAR** die staat veronderstel is om die groot beskermmer van die volkswese in sy verskillende vertakkinge te wees, is hy dikwels in werklikheid 'n vermoede dwingelandy deur die wyse waarop hy hiet en gebied sonder inagneming van die gevolge van sy optrede deurdat sy steeds toenemende getal amptenare nie altyd behoorlik opgelei en toegerus is nie.

Kort ná my aftrede as voorsitter van die Raad van Handel en Nywerheid is ek versoek deur die Vereniging van Kamers van Koophandel by geleentheid van 'n kongres om hom toe te spreek By dié geleentheid het ek die aandag gevestig op 'n uiters gevaarlike ontwikkeling in die staat se hantering van ekono-

Ek het sodanige hantelings bestempel as 'besluite in isolasie'. Ek het daarop gewys dat dit byna 'n obsessie geword het in die na-oorlogse jare om ekonomiese en finansiële probleme in isolasie te behandel en daardeur in die strik te val om met simptome te doen te kry eerder as met die onderliggende oorsake.

Die kumulatiewe gevolge van sulke ondeurdagte besluite, in isolasie geneem, veroorsaak onsekerheid en dwarsstrome in staatsbeleid. Daardeur word verhinder dat die ekonomiese hulpbronne van die land tot die grootste voordeel ontplooi. Dit is te wyte aan 'n gebrek aan behoorlike vooruitbeplanning en aan 'n goed deurdragte en gekoördineerde beleid.

## Verhoog

Sodanige geïsoleerde besluite, sonder die minste inagneming van die inslag daarvan elders in die volkshuishouding, was dié van die Suid-Afrikaanse Spoorweë in die sestigerjare om lone te verhoog wat moontlik gemaak is deur kort daarna die spoorwegtariewe te verhoog.

Daardeur is 'n katalitiese proses ontketen in alle rigtinge van die ekonomie wat nie alleen nog nie tot bedaring gekom het nie maar wat steeds in intensiteit toeneem, soos blyk uit

die versoeke om loonsverhogings en hals-oor-kop prysverhogings van als en nog wat.

'n Erger mate van besluite in isolasie kan mens jou moeilik voorstel dan dié in die landbousektor van die Suid-Afrikaanse ekonomie. Daar is 'n menigte landbou-rade, iets glo in die twintig, wat onafhanklik van mekaar en in isolasie optree slegs met 'n nie veelseggende koördinering deur die Departement van Landbou-Ekonomie en -Bemaking.

## Mielies

Pryse van landbouprodukte word van tyd tot tyd vasgestel op aandrang van produsente, gebaseer op veronderstelde kostestygings sonder die minste sweem van enige sistematiese wetenskaplike koste-onderzoek ter plaatse.

Dit blyk nou weer duidelik die geval te wees met die vasstelling van die pryse van mielies vir die 1975-seisoen. Verskillende voorstelle is gemaak. Eerstens is daar die voorstel van die SA Landbou-unie om die vorige jaar se pryse met minstens 20 persent te verhoog. Dan is daar die voorstel van SAMPI (SA Mielieprodusente-Instituut) dat die pryse tot R66 per ton verhoog word. Die SAL se voorstel beteken 'n verhoging van R50 tot R60

per ton.

Hierop volg dan die samevattende voorlegging van die Departement van Landbou-Ekonomie en -Bemaking wat sy weg moet baan tussen Charybdis en Scylla onder begeleiding van 'n onseker en koerslose loods bestaande uit 'n koste-opname gebaseer op 'n willekeurige monster met wye tussenpose geneem van oorwegende grensprodusente se produkieskoste.

Uiteindelik word die pryse deur die betrokke Minister en die Kabinet vasgestel, natuurlik steeds gedagtig aan wat in Standerton in 1948 gebeur het, m.a.w. die pryse word deur politieke in teenstelling met ekonomiese oorweginge bepaal.

Deur na te laat om te sorg vir deurlopende, deurtastende wetenskaplike koste-onderzoek van landbouprodukte bly die Departement van Landbou-Ekonomie en -Bemaking op tweeërle wyse in gebreke in die nakoming van sy daargestelde ekonomiese funksie. Deur 'n gebrek aan beskikking oor behoorlike kostebestudies kan hy geen eerlike voorleggings maak in die belang van die land se ekonomie in sy geheel nie.

Nie alleen bly die Departement in hierdie opsig in gebreke in die nakoming van sy statutêre funksie nie, maar hy bly ook in gebreke deur nie toe te sien dat die landbouhulpbronne ten beste aangewend word nie. Alleen deur lopende sistematiese kostevastellings van landbouproduksie kan gesien word of die besondere hulpbronne op doeltreffende manier aangewend word en of die pryse deur die Departement aanbeveel, regverdig en in belang van beide pro-

ducent en verbruiker is.

Wat die Departement dringend nodig het, is 'n deskundige oorkoepelende raad wat goed toegerus is met deskundig goed opgeleide landbouraadgewers, sowel as met insiggewende ekonomiese en kostedekundiges om die plek van die menigte rade te neem. Hierdeur kan daar enorme besparings plaasvind in kantoorruimtes, personeel en duplikasie van werksaamhede tans waargeneem deur die verskillende rade.

## Besparing

So 'n besparing sal dit moontlik maak vir die aanstelling van die allerbeste deskundige kragte. So 'n deskundige raad sal 'n besondere rol kan vervul deur toe te sien dat die landbouhulpbronne ten beste bestee word met die geringste offerering.

Ook is die staat deur die toedoen van die pryskontroleur aandadig. Deur 'n verkeerde toepassing van sy prioriteite word aandag geskenk aan hase opgeja deur oningelike ou dames pleks van aandag te skenk aan die kostestruktuur van basiese nywerhede van nasionale belang.

Deur 'n gebrek aan tydigte besteding van aandag aan die regstelling van gekontroleerde pryse van dergelyke nywerhede word tydigte aanpassing van die produksie-toerusting vertraag of selfs geheel-en-al verhinder met noodsaaklike kostestygings ten nadele van die volkshuishouding in sy geheel.

Voorbeelde hiervan is die sementbedryf, chemiese mistowwe en brandstof.

Die sementbedryf is 'n basiese bedryf van nasionale omvang. Dit raak elke sektor van die volkshuishouding en elke persoon met 'n dak oor sy kop. Daar is 'n tiental produksie-eenhede betrokke by hierdie bedryf, versprei dwarsdeur die land. Die geïnvesteerde kapitaal, bestaande in hoofsaak uit aandelebeleggings, word geraam op R250 miljoen.

Sedert die vroeë veertigerjare is pogings aangewend om die bedryf te rasionaliseer. In 1971 is dit verder op 'n meer doelgerigte manier gedoen. Sodoende is daar deur die uitkakeling van kruis- en dwarsvervoer groot besparings aangebring.

Mededinging is ook as gevolg daarvan grootliks uitgeskakel. Rasionalisasie met gebiedsondervdeling van die mark en behoud van mededinging is 'n ekonomiese teenstrydigheid — iets wat die pryskontroleur skynbaar nie beseft nie. Vandaar die vaspen van die pryse van sement op 'n te lae winsvlak.

So 'n prys verhinder die aantrek van kapitaal vir verandering en uitbreiding, veral met die kapitaalerosie voortspruitende uit die heersende inflasionêre toestand. Deur 'n gebrek aan voldoende kapitaalfondse...

1973 R7

1974 R19

Dit sou veel vir Suid-Afrika as die binnehoër vasgestelde tekorte ontsta skadelik was. Afrikaanse lande korter van 1974 deur invoer te pryse en daardeur laat vir die 197-

## Brand

Ons vind dieselfde van vasstellings buite markverdinge in die brandstof, waar weer 'n aansoeke verhoging van die rede is kwansuiswingsgrens te laag wel die geval vraag is egter watswingsgrense te laag reken word in kostebesteding?

Is dit nie te wettig dat daar veel vulstasies is nie dat die omset, trenderend te wees by dat die vulstasie te duur persele word? In oorsese die pompe in orplekke gevind e spogterreine soos Suid-Afrika nie

Het die pryskontroleur hierdie aspekte in beskou hy alleen grens in verbanke belegde kapitaal e bedryfskoste sond bepaal of sodanige investering en beregeregverdig is en nie veels te veel is nie en dit op u persele?

Die duur persele menigte pompe die lyk as voordelige vensters vir die skappye, en die moet die gelag bet

Die gevaar van prysbeslissings en partemente beslissings 'n gelyke aard is geneem word in bute, markverband, der om die impak op verskillende sek die volkshuishouding ag te neem. Die ve hiervoor is dat daar hoorlike koördinasie verskillende staats mente bestaan nie

In 1948 het ek as ter van die Raad van en Nywerheid 'n verslag opgestel vir binet op versoek van tydse Minister van miese Sake oor na-heraanpassing met dere betrekking tot staatsdiens. In die ve daarop gewys dat daa gehele gebrek aan

SAKE - NART  
27/4/75  
252

See PUBLIC SECTOR - State Enterprise

# Officials

252

## may get pay rises

STAR  
12/5/75

### Labour Reporter

Tens of thousands of public servants, railwaymen and Post Office officials will receive index-linked pay increases if representations by their trade unions and staff associations are successful.

Demands for automatic pay increases tied to the rises in the Consumer Price Index were formulated by organised labour in the public sector about two months ago.

Tight secrecy surrounded the move and is being maintained even now — partly because it is considered that index-linking in the public sector would trigger off a spate of similar demands from trade unions in the private sector.

### NO COMMENT

Mr R H Landman, general secretary of the Public Servants Association, declined to comment today.

He said his organisation regarded salaries as a confidential matter between itself and the Government.

Mr G Kruger, general secretary of the Telecom-

munications Association, also had no comment.

Mr J R Benade, secretary of the Federal Consultative Council of Railway Staff Associations, was not available for comment.

### FAVOUR

Both the 220 000-strong Trade Union Council of South Africa and the 195 000-strong Confederation of Labour favour index-linking of wages.

"The worker's income has always been lagging behind price increases, and index-linking will only permit him to catch up from time to time," said Mr Wally Grobler, secretary of the confederation.

He disclosed today that his own trade union the Artisan Staff Association, had put the question of index-linking before the Federal Consultative Council of Railway Staff Associations. He could not say how much further the FCC had taken the recommendation.

Mr Robert Kraft, assistant general secretary of TUCSA, said index-linking of wages would be anti-inflationary in that it would counter wage demands and purchases made in anticipation of price increases.

HANSARD

14

Q. 974-5

16 May 1975.

① 252

② ~~Soc Sec - Pensions~~

**Actuarial valuations of Government pension and provident funds**

\*20 Mr H H. SCHWARZ asked the Minister of Social Welfare and Pensions

Whether any actuarial valuations of the various Government pension and provident funds have been made since 1 April 1974, if so, (a) of which funds and (b) what deficiencies or surpluses did they disclose

†The MINISTER OF COMMUNITY DEVELOPMENT (for the Minister of Social Welfare and Pensions).

Yes.

- (a) The Government Non-White Employees' Pension Fund
- (b) A deficit of about R2 767 000 in respect of accrued pensionable service

Mr H H SCHWARZ Arising out of the hon the Minister's reply, does he con-

template taking any steps in order to meet that shortfall?

The MINISTER: I am afraid the hon. member will have to table that question.

# Your servant to cost more

By PATRICK LAURENCE  
EMPLOYERS of African  
servants will have to pay  
an additional 50c levy a  
month during the coming  
financial year.

The ordinary househol-  
der employs more Africans  
than factories of commer-  
ce and will have to pay the  
biggest increase in levies  
to the West Rand Admini-  
stration Board.

It was calculated yester-  
day that employers will  
contribute an extra R2,4  
million to the board.

The board is responsible  
for the administration of  
Soweto and African town-  
ships attached to West  
Rand towns like Krugers-  
dorp and Randfontein.

Its chairman, Mr Manie  
Mulder, said yesterday  
labour levies would be  
channelled into providing  
more and better services  
for the townships, includ-  
ing roads, high-mast lights,

stormwater drainage and  
recreation.

The board's executive  
meets tomorrow to consider  
its financial estimates for  
the 1975-1976 financial  
year. The estimates have  
already been presented to  
African urban councils and  
advisory boards for com-  
ment.

Although the board has  
not yet released its esti-  
mates, it is possible to cal-  
culate its increased reve-  
nue from labour fees.

Employers of African  
labour in industry, build-  
ing, commerce, agriculture  
and government all have  
to pay an additional 30c  
per labourer per month.  
For the most part, the levy  
has risen from R1,50 to  
R1,80.

Employers of African  
servants have to pay an  
additional 50c — R1,00 a  
month.

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HANSARD 15 .

Q . 1031

23 May 1975 .

**Government's Non-White Employees'  
Pension Fund**

\*28 Mr H H SCHWARZ asked the  
Minister of Social Welfare and Pensions

Whether any steps are being taken in  
respect of the deficit in the Government's  
Non-White Employees' Pension Fund, if  
so, what steps, if not, why not

†The MINISTER OF SOCIAL WEL-  
FARE AND PENSIONS

None The actuary does not consider  
it necessary

252

# Pay<sup>252</sup> rise call by public servants

The Argus Political Staff

SOUTH AFRICA'S public servants are asking for pay increases to help them to cope with the effects of inflation. Their representations are expected to go before the Cabinet in Pretoria at the end of July or early in August.

The chairman of the Public Service Commission, Mr. Johan van Zyl, confirmed today that the Public Servants' Association had made representations for salary increases for all public servants.

Mr. van Zyl would not discuss the extent of the association's demand, but he confirmed that the representations had not yet been considered by the commission or by the Minister of the Interior, Dr. C. P. Mulder, who is abroad at present.

#### RIISING C.o.L

It is understood, however, that the new pay demands are aimed at making it possible for public servants to keep pace with the rising cost of living.

Mr van Zyl said that the representation would not be able to be considered until after the current parliamentary session.

The last general public service pay increase was on July 1 last year, when new salary scales were introduced which provided for scales to be raised by up to 44 percent.

Individual salary increases varied between 10 and 20 percent. There were indications from the Government in the present session of Parliament that no further increases were being considered at present.

① 252  
E 2216

# Civil Service salaries to be pegged

By Desmond Healey

**THERE** is little or no possibility of Government servants being granted wage increases this year and a national campaign is to be launched urging wage restraint by trade unions in the private sector of the economy and the acceptance of a reduced standard of living for Whites.

That is the expected final result of a confrontation in Cape Town this week between Government officials and private enterprise representatives on the Anti-Inflation Committee of the Prime Minister's Economic Advisory Council.

The outcome of the meeting, called by Secretary of Commerce and Price Controller Mr Joep Steyn, remains secret until announced by either the Prime Minister or the Minister of Finance.

But the signs point to a five phase course of anti-inflation action being launched by the Government in the wake of proposals put by private enterprise and a firm declaration by leaders in industry and commerce that they expect the Government to set the example to the country.

## Inflation

The five phase plan is:

- Wages and salaries of public servants will not be raised this year, since this would put more money into circulation and spur demand-pull inflation — too much money chasing too few goods
- Price increases, demanded by public corporations such as Iscor, Escom and the Railways, will be postponed for as long as possible.
- Price increases sought by private enterprise will be scrutinised more carefully and manufacturers and suppliers will be urged to exercise price restraint.
- Trade unions will be urged to go slowly on wage demands, but a wages freeze will not be applied.
- An education campaign will be launched to motivate people to accept a lower standard of living until inflation is brought under control — notably a less luxurious standard of housing.

The committee apparently has told the Government that too much has been expected of private enterprise in the fight against inflation and though there is a healthy money supply high interest rates are discouraging expansion of production facilities.

## Interest

Money market interest rates are falling fast, but business wants pressure put on the commercial banks to lower the minimum lending rate.

Government officials countered that too many price increases were the result of private enterprise restrictive trade practises and the application of a form of Resale Price Maintenance, which was outlawed in 1967.

Inflation is a world-wide problem and is galloping along in this country at close to 13 percent this year. There is no easy solution but closer co-operation between the authorities and business and the trade unions is expected to hold the full year figure to no more than 10 percent.

HANSARD 19

Q . 1166  
17 June 1975

**Holders of group insurance for State employees** X

\*4 Mr W V RAW asked the Minister of Finance

Whether he will take steps to protect and/or compensate State employees who have contributed to group insurance schemes which have been amended by the insurers to the detriment of such employees, if not why not

(1) 252

†The MINISTER OF FINANCE

The State accepts no responsibility for the compensation of officials and employees in respect of insurance agreements amended to their detriment by insurers

Insurance cover obtained by officials and employees of the State constitutes a personal contract entered into between them and an insurance company which does not in any way involve the State as employer except that, merely as a concession, official stop order facilities may be granted for the payment of premiums

Mr W V RAW Mr Speaker, arising out of the hon the Minister's reply, can he tell me whether the stop order facilities to which he has referred are available irrespective of the security of the sort of insurance that has been taken out?

The MINISTER Mr Speaker, I shall need notice of that question I shall have to let the hon member know what the position



HANUARD 19

Q. 1168 - 9

17 June 1975.

252

**Stop-order facilities in respect of group insurance schemes for State employees**

\*8 Mr W V RAW asked the Minister of Finance.

To which insurance companies were stop-order facilities granted in respect of group insurance schemes for State employees

The MINISTER OF FINANCE.

Group insurance schemes consist of long-term as well as short-term insurance. Stop-order facilities are granted to officials and employees in the Public Service, with the exception of the Department of Posts and Telecommunications and the SA Railways and Harbours Administration, in respect of the following companies in so far as group insurance is concerned

**Long-term**

Sanlam (Life insurance)  
The Colonial Mutual Life Assurance Society Ltd (Endowment insurance)

**Short-term**

President Insurance Co Ltd  
Santam  
AA Mutual Life Assurance Association Ltd  
Rondalia  
Mutual and Federal Insurance Co Ltd  
Commercial Union Assurance Company of SA Ltd

# pay calls

252

## for SA on way

Wk ARGUS 28/1/75

By HUGH ROBERTON

**THE biggest demand for higher wages and salaries ever made in South Africa is about to be presented to employers by trade unions representing many thousands of workers in almost every sector of the economy.**

Demands for the massive rise in earnings — trade union officials this week said the total amount involved was 'incalculable but certain to be mind-boggling' — follow the big cost of living increases which have pushed the country's inflation rate to 14,8 percent.

Among the workers involved are all the country's 150 000 public servants, all teachers, about 85 000 textile industry workers, municipal employees in Cape Town, Johannesburg and other major centres, and workers in the clothing, furniture, building and electrical industries.

### EXPIRING

Many were given rises only last year — rises which have been swallowed up by the soaring cost of living — and many more have wage agreements due to expire before the end of the year.

Wage agreements which have to be re-negotiated in the next six months — there are more than 16 of them covering an estimated 180 000 workers — include agreements covering the entire textile industry, the furniture industry in Natal and South Western Districts, sections of the clothing industry in the Cape, the canvas goods industry on the Rand and Pretoria, the electrical contracting industry in the Cape and sections of the building industry in the Transvaal and Northern Cape.

### INDEX

Unions representing workers in these industries are expected to demand rises of between 15 and 30 percent, with a firm undertaking by employers that in future wages and salaries will be adjusted automatically in line with the official cost-of-living index.

Similar demands are expected to be made by the Public Servants' Association, which represents about 150 000 workers, and the matter is expected to be placed before the Cabinet not later than the end of August.

Public servants were given increases of between 10 and 20 percent in July last year which, they claim, have been wiped out by the increased cost of living since then.

Teachers also received a rise last year — it averaged 10 percent — but the Federal Council of the South African Teachers' Association is to press for a further increase before the end of this year.

There are about 14 000 teachers in the Cape and about 41 000 in the rest of the country. Not included in these figures are university staffs of several thousand.

### DISPUTES

In Cape Town and Johannesburg, disputes have arisen between the city councils and municipal workers over wage and salary increases, and negotiations for rises before the end of the year have already started.

In Cape Town, a conciliation board has been requested by municipal workers to settle their dispute with the city council, which has rejected a demand for a 17 percent overall increase in wages and salaries.

Although the Mineworkers' Union, one of the largest unions in the country, has not come up with any new wage demands, it has asked for a conciliation board to continue negotiations on demands for a five-day week. In financial and economic terms, a five day week would, in fact, represent a substantial increase.

### 'FEVER'

Senior trade union officials throughout the coun-

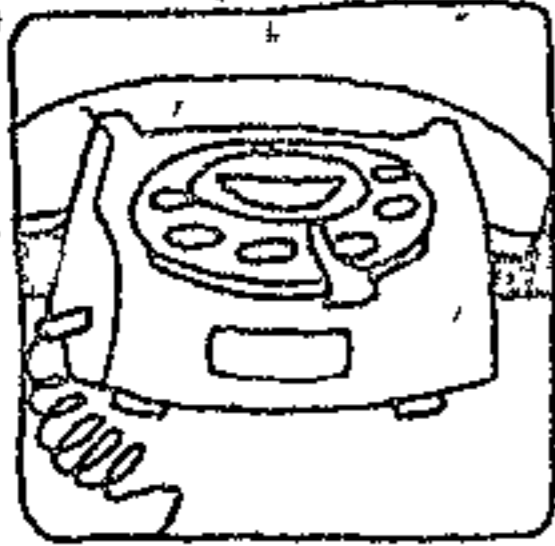
See WAGES

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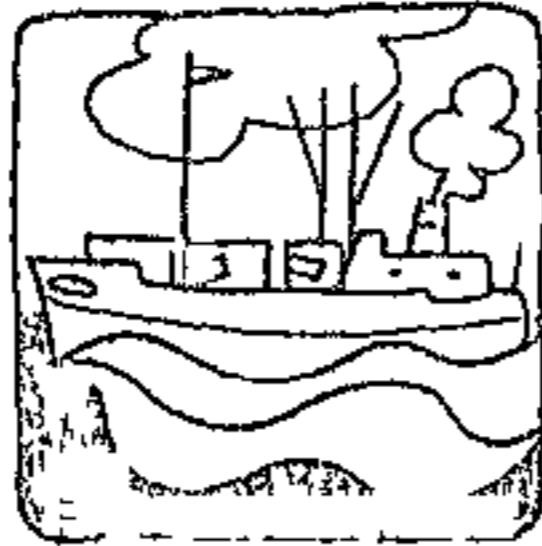
F.M. 4/7/75

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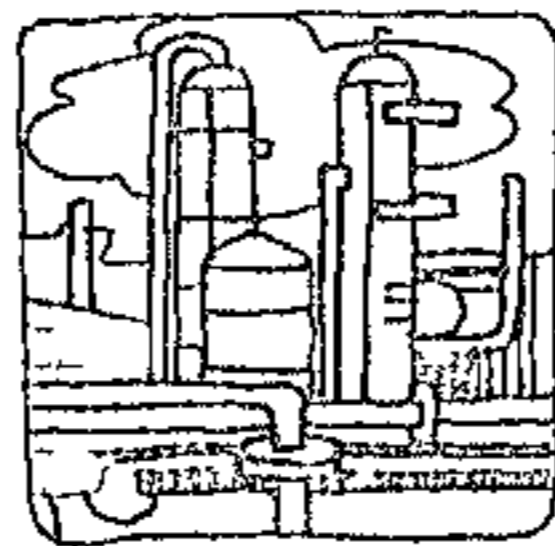
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Telecommunications



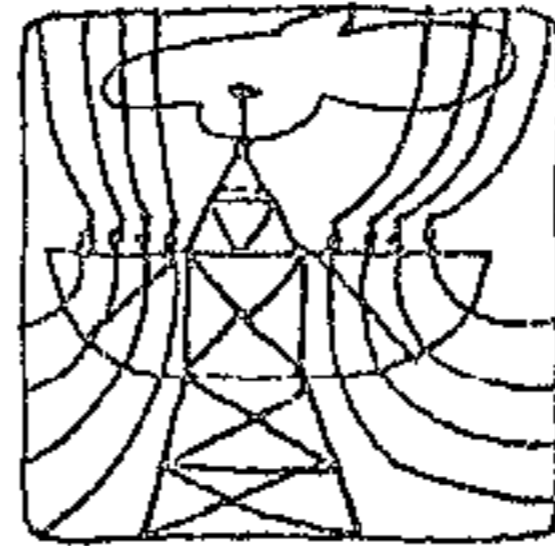
R2 000m  
Containerisation



R1 092m  
Sasol



R4 350m  
Power supplies



## CAN WE AFFORD THEM ALL?

If you doubt the extent of SA's capital commitments, take a look at the list below. It gives approximate costs (at current prices) of some of the big projects planned for the next 5-10 years.

Global figures for the economy's big spenders are equally eye-opening. By 1985, Railways' annual capital outlays are expected to reach R1 600m or almost one quarter of total fixed investment last year.

Over the next five years, at least a dozen companies have capital programmes each exceeding R200m. And those of Iscor, Sasol, Escom and the Post Office (not to mention central government) each run into thousands of millions of rand.

Vast projects are in the pipeline. Government and business should get together to set priorities and co-ordinate capital spending.

# The need for priorities

Can we afford containerisation (± R2 000m), four big new power stations (± R4 300m), Sasol II (± R1 000m), Sishen-Saldanha (± R600m), uranium enrichment (± R900m) and a giant ethylene cracker (R100m)?

Should Escom's new HQ take precedence over extensions at St Helena gold mine? Would R6m not be better spent on harbour improvements than on a new opera house for Pretoria? Is a TV service for Africans not more important than a new office block for civil servants?

In short, what are our capital spending priorities?

Senbank's Chris van Wyk, Rand Bank's Jan de Necker and Saambou's Albert Marais are three of the many business leaders who have recently urged that the setting of development priorities should itself be given top priority. The country's resources simply cannot meet all the demands which are going to be made on them in the next few years without unleashing another gale of inflation, dislocating capital markets, and creating new bottlenecks.

The latest Economic Development Programme estimates gross investment for 1974-79 at R37,7 milliard (at 1973 prices) if an average annual growth rate of 6,4% is to be sustained. Allowing for an annual 10% inflation this jumps to over R50 milliard or about three times the combined assets of all SA's banks, building societies and insurance companies. No wonder Albert Marais told the Afrikaanse Handelsinstituut recently: "We are worried at the possible disruption in our money and capital markets which would result from the mobilisation of such vast sums of money."

Problem is that traditional sources of finance are not limitless. Internal savings

(as a percentage of GDP) are stagnating; foreign borrowing potential is not a bottomless pit, and it would be foolish to allow the non-gold current account deficit to continue to widen.

The plethora of major projects now in the pipeline (see table) will not only strain our finances. Even Pretoria's new-found concern for stepping-up industrial training for Blacks plus accelerated immigration will not provide enough skilled manpower for Sasol II, the uranium enrichment plant, the Sishen-Saldanha scheme and the Post Office telecommunications system, to name but a few.

Raw material shortages, port congestion, telecommunication breakdowns and inadequate transport facilities are further reasons why the country cannot afford to let every government department, provincial administration, local authority, public corporation or private sector enterprise to rush headlong into expensive projects without fully considering whether each justifies the extra pressure it will put on limited resources.

There are encouraging signs that — at least as far as its own spending is concerned — Pretoria is beginning to recognise the need for priority planning. The fact that rocketing government spending inevitably diverts resources from — in many cases more beneficial — private sector projects is only now being accepted by economic planners.

In 1970 the Franzsen Committee proposed the creation of a Cabinet committee with a permanent secretariat to determine public spending priorities. It also recommended that "the forward planning of total government expenditure, before being considered by the Cabinet committee, should be submitted to the PM's Economic Adviser for his recommendations and comment, especially with regard to the effect the expenditure will have both from the point of view of the broad national interest and, in par-

Project	Estimated cost (current prices)
PO telecommunications	R2 100m
Containerisation	R2 000m
Duvha power station	R1 380m
Matla power station	R1 300m
Koeborg power station	R1 250m
Sasol II	R1 021m
Coal mining expansion	R1 000m
Uranium enrichment plant	R910m
Sishen-Saldanha scheme	R603m
Kriel power station	R420m
Drakensberg pump storage scheme	R310m
Low density polyethylene plant	R270m
Coalplex (PVC from coal plant)	R210m
Titanium and zirconium project, Richards Bay	R200m
Production of nitrogen and derivatives (AE&CI)	R132m
Elandsrand gold mine	R120m
Deelkraal gold mine	R100m
Ethylene cracker	R95m
Free State Saaplaas extension	R87m
Sasol gasification expansion	R71m
St Croix ore-loading terminal	R70m
Highveld Steel expansion	R66m
Sappi expansion	R60m
Expansion at Sapref refinery, Durban	R60m
Defence headquarters, Pretoria	R55m
Anglo-Alpha expansion (Dudfield plant)	R47m
African TV service	R45m
Foskor plant extension	R35m

ticular, on development in the private sector."

The Cabinet committee was formed soon afterwards. It considers the budget of central government including capital allocations to the provinces, SAR&P and Post Office. But, Secretary for Finance Gerald Browne tells the *FM*: "due mainly to shortage of staff able to undertake necessary preparatory work" the committee has not yet been able to deal with capital spending of local authorities and public corporations. The larger local authorities nevertheless submit their capital budgets to his Department for approval.

Public corporations' capital projects are also coming under the magnifying glass of the PM's Economic Adviser. P-

Riekert. While not going so far as laying down specific priorities, Riekert and his staff have taken a first step by urging Sasol and Ucor to reschedule their expansion programmes to avoid simultaneous demands on scarce resources. It is hoped to extend this co-ordinating function to the programmes of other corporations

Another important step towards government priority planning (though still falling short of it) is the introduction of the planning-programming-budgeting system (PPBS). This obliges departments to identify long-range objectives and to draw up suitable long-term budgets. The Treasury is thus able to control spending on various broad government functions carried out by a number of departments, such as agriculture and education (as opposed to existing control of short-term spending by individual departments)

The first phase of PPBS (the identification of objectives and the preparation of estimates, without interfering with existing activities or functions of departments) will be implemented in fiscal 1976-77 by the Departments of Health, Forestry, Agricultural Technical Services and Defence

According to Browne, "it was decided as in other countries, not to involve all

departments simultaneously in view of the comprehensiveness of the innovations involved, the shortage of experienced staff and expertise in developing, implementing and operating a system of this nature, and in recognition of different needs and problems which exist in different departments"

Insofar as priority planning requires the fullest possible information on all large projects, these innovations are a big step in the right direction. But they still fall short of proper priority determination and project co-ordination. And a further deficiency is that private sector plans (and to a lesser extent those of public corporations) do not come under official scrutiny

The authorities face a dilemma in trying to include the public corporations and private enterprise. Even the PM's Deputy Economic Adviser Simon Brand, reckons it would be unacceptable for government to lay down which company will have its new plant and which will not. He doesn't think Pretoria could reasonably expect businessmen to submit for its scrutiny their investment plans

One compromise would be for businessmen to have a say in deciding which public and private sector projects should get the green light, which should be

delayed, and which scrapped altogether. One way of implementing this would be for Minister of Planning Jannie Loots to appoint a high-powered committee representing both public and private sectors to which could be co-opted representatives of bodies whose investment plans were under consideration at any particular time

This committee, using the PM's Economic Adviser's office as a secretariat, would examine each project above a certain size (say R25m) and advise whether it was in the national interest and within the country's means for work to proceed as proposed by the department, corporation or company concerned

In this way, business and government could help each other ensure that available resources are allocated most effectively, without the coercion which is anathema to all businessmen and most (enlightened) public servants

Whether we have the spare economists, accountants, engineers and other top professionals needed for such complex evaluations is another question. We don't yet seem able to handle broad economic policy-making sensibly, let alone embark on sophisticated cost-benefit comparisons of (say) Sasol II and Iscor III

the dynamics of the Sultanate  
the Fulani jihad  
the Sultanate on the Gold Coast

VALENTIN

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Lectures are held in Lecture Building B.114 at 8.30 a.m. on Mondays, Tuesdays and Fridays, starting Monday March 4th.

Good government, like justice, must not only be done. It must be *seen* to be done. Yet, sadly, its operations are becoming less and less visible.

Not only does this make it difficult to judge performance, it also breeds uncertainty about existing policies and future trends. With more enemies (real or imagined) than most other countries, our rulers are particularly publicity-shy. But don't they sometimes carry secrecy too far, especially in matters affecting business?

Consider the following

- Government has refused to release details of the Ocean Freight Agreement it negotiated with the SA-Europe Conference Lines. Yet the Agreement (which governs Conference shipping services between SA and Europe, including freight rates) vitally affects most of our trade with Europe.

- Secrecy often surrounds applications to the Price Controller for price increases and the criteria for granting or refusing them. Normally details are not even made available of products for which price hikes have been refused.

- Equally tight secrecy surrounds the discussions of the Economic Advisory Council. The chairman has a fit whenever anything leaks out, beyond its carefully edited and long delayed reports. Yet most of the time it considers the most mundane topics and adopts the most unadventurous views one can think of.

- Senator Horwood threatened last year

# The red tape jungle

F.M.

4/7/75

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Pretoria's decisions are too often clothed in secrecy. More open government won't open our flanks to the enemy — and it'll do a lot for the Cabinet's popularity rating.

to stifle criticism of public corporations. "I'm responsible for Iscor now", the Minister fumed, "and I'm not prepared to see Iscor's name dragged through the mud by people who are not fit to tie the shoelaces of the members of Iscor's board or its senior management. As soon as it can be done in the next session you will see what is going to be done about this. I am interested in the fact that no unjust accusations will be made against people who cannot defend themselves, ie public servants, Iscor and Iscor's board, and the boards of other public corporations."

Thank goodness nothing has come of Horwood's threats — yet!

- Until recently, prospective investors in South West Africa's mineral wealth were not allowed access to government's geo-

logical surveys. An "open file" system was introduced only after complaints by a Nationalist MP.

- Government has refused to publish the full report of the Straszacker Committee investigating the siting of Iscor's semis plant, and

- It has refused to give full answers to many Parliamentary questions because "statistics are not readily available" or "it is not regarded as being in the public interest".

Admittedly, security sometimes justifies a Minister not answering a question. But, to take some examples from the most recent Parliamentary session, is there a good reason for the Minister of the Interior refusing to disclose how many British citizens require visas to visit SA? For the Minister of Public Works



saying his department's priority programme for capital works is only for internal use? For the Minister of Economic Affairs refusing to give any information on countries which claim to have imposed trade boycotts on SA?

Compared to the House of Commons, where question time is an occasion for lively debate, probing supplementary questions and important policy statements, Tuesday and Friday afternoons in the House of Assembly usually have as much excitement as old ladies' tea parties.

Perhaps government's biggest avoiding tactic when it comes to articulating policy is the appointment of commissions of inquiry and departmental committees (which currently number about 70, excluding permanent committees). Reports, when published at all, are often released so late as to be of minimal public interest.

The Petrick Committee's report on SA's coal resources is a classic example. It has taken five years to complete and, because of translation delays, it will still be several months before it becomes available to the public.

Another long-winded exercise is the recently-appointed Commission on Monopolistic Practices. It's expected to take up to *four years* to do its job. Compare this with the five months needed by US Vice President Rockefeller's committee investigating the Central Intelligence Agency.

Just what bureaucratic dilly-dallying can result in is spotlighted by the Controller and Auditor-General's latest report on the accounts of a statutory body, the Meat Board. His four-page review for the financial year ending Sep-

tember 30 1973 was released only two weeks ago (Companies are obliged to release their final accounts within six months of the year end).

Basic cause of government reticence is that more and more power is being vested in ultra-secretive Cabinet Ministers and ultra-cautious civil servants at the expense of Parliament, the Press and the public.

This trend towards a technocracy is not in itself a bad thing. Indeed, it is largely inevitable in a fast-developing country where neither Parliament nor Jan Burger has the time, skill or inclination to take much interest in the way the country is being run.

Trouble is that in SA, unlike the US and Britain, ministerial and bureaucratic power is not tempered by an appropriate degree of public accountability, whether formal or informal.

Prog leader Cohn Eglin says important decisions taken recently by the Cabinet without any reference to Parliament include the desegregation of the SAR's luxury trains, the Nico Malan theatre and the approval of mixed rugby teams. Moreover, Prime Minister Vorster didn't bother to make a single speech in Parliament for the last two-and-a-half months of the session, while the man often regarded as his successor, Information and Interior Minister Connie Mulder, was absent from Cape Town for about one-and-a-half months.

Unisa's Prof Willem Kleynhans ascribes Parliament's demise partly to the decline of the opposition — both in terms of numbers and quality.

On a more informal level, Pressmen have nicknamed Foreign Minister Hilgard Muller "Dr No" because of his con-

sistent "no comment". Civil servants rarely give information which isn't specifically asked for and often avoid questions by claiming they are not empowered to speak to the Press or public.

Worst of all, one of the few officials who does have authority to answer questions — Joep Steyn — is usually too tied up to answer them. The demeanour of ministerial private secretaries also leaves much to be desired.

There are, of course, exceptions. Among the more forthcoming departments are Agriculture, Finance, Transport, Planning, the Railways and the Post Office. Those few civil servants and ministers who regularly take employer organisations, trade unions, the Press and individual businessmen into their confidence will agree that confidences are rarely broken.

Indeed, more general publicity for government's actions usually does more good than harm. Take the recently announced anti-inflation programme. Though originally compiled as a confidential document (even the official Press release was marked "confidential"), government was forced to release it to the public after parts had been leaked.

The ensuing public debate undoubtedly contributed to the Cabinet's speedy decision to implement the programme and certainly did no harm. Goodness knows how many similarly "sensitive" documents are around.

It's time that politicians, businessmen and the Press demanded to know more about the decision-making process and more about how the decisions were arrived at. Pretoria might discover a more open government is also a more popular one.

# Railmen to demand COL boost

Rand Daily Mail 29/7/25

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Staff Reporter

THE country's 110,000 White Railway workers will soon demand full compensation for COL increased since July last year unless the Minister of Transport, Mr. Mulder, agrees to their request for the introduction of an index-linked pay system.

The request was made to the Minister by the Federal Consultative Council of Railway Staff Associations about three months ago.

Similar requests were made to the Minister of Interior and Minister of Posts and Telegraphs by the Public Servants Association and the three post office staff associations.

The Artisan Staff Association (ASA) of the Railways which in the past has spearheaded the drive for increased earnings in the Railways, meets the Minister of Transport for routine annual talks on September 12.

This meeting will be preceded by a meeting of the ASA executive which, unless there is a positive response to the request for indexed increases, is expected to decide on wage demands which will compensate for increased living costs since July last year.

Other railway staff unions will meet the Mi-

nister during October and in November. Similar demands are expected to be made.

Railway union leaders fear that by the end of the year the Consumer Price Index will have risen by nearly 20 per cent since last July.

If railway workers are granted increases the Government would have to agree at the same time to raise the earnings of State department and post office workers.

Senior government workers in Pretoria are confident that the salary issue will be discussed at the first Cabinet meeting of the year in Pretoria on August 5.

They expect the Prime Minister to announce increases for the whole of the public sector as he did in June last year — within the next three or four weeks.

If he does and they fall short of full compensation for the rise in the Consumer Price Index, a strong reaction can be expected from the railway unions, particularly the ASA.

The ASA's view is that it is not the function of the Prime Minister to decide on or announce increases for railway workers.

This, they say, is an issue which should be settled directly between the railway unions and the Minister of Transport.

# Private capital

## discouraged

ARGUS  
4/8/75

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~~368~~

THE construction industry is becoming increasingly dependent on public sector spending because inflation and higher interest rates have discouraged private investment in construction, Dr Zac de Beer, chairman of LTA, says in the annual report.

He says demand fluctuations in the industry are dependent on the short-term fiscal budgeting methods followed in South Africa and suggests that the industry and the public would benefit from more careful long-term planning to utilise the industry's capacity to the full.

LTA had an after-tax profit of R3916 000 for the nine months ended March 31, compared with R3 474 000 for the previous 12 months.

Highveld Steel and Vanadium Corporation has raised its annual dividend for the year ended June from the previous year's 7.5c to 10c a share, on 22 August.

Net taxed profit for the year rose from R9 906 000 to R11 512 000. The direct taxation amounted to R8 136 000 compared with R1 200 000.

In a joint statement in Johannesburg on Saturday it was announced that Barlow Rand has purchased 253 900 shares in Northern Lime from the Industrial Development Corporation of South Africa (IDC) and its subsidiary companies. The price paid by Barlow was 530 cents a share, ex dividend. The effect of this transaction is that Barlow Rand will hold approximately 80 percent of Northern Lime.

Brendan Ryan



# Reserve

STAR 26/8/75

## Bank guns

## turn on inflation

Neil Behrmann

The efforts of the monetary authorities are concentrated on strengthening the balance of payments and counteracting inflation.

This appears to be the main policy objective which has emerged from Governor of the Reserve Bank, Dr T W de Jongh's annual address today.

"A high rate of real economic growth remains a major objective in the longer perspective," said Dr de Jongh, but it "will depend to a great extent on the progress made in the months ahead in curbing inflation and maintaining a sound balance of payments position."

### WORRIED

It is evident from the address that the governor is very worried about the inflationary effects of the present government spending spree.

He said that the huge R885m increase in bank credit to the government sector was the main contributor to the 19 percent jump in the money supply during the year ended

June 1975. This increased government short term borrowing arose because government consumption spending rose by 12 percent during the year.

In fact more than R600m of the R885m increase in bank credit to the government occurred during the first half of this year.

Government spending not only fueled inflation, but contributed to the leads and lags situation and the consequent speculation against the rand.

The spending helped pull down interest rates below levels seen overseas. It also eased liquidity so that banks were able to finance importers. These trends lead to an outflow of cash as importers paid their bills quickly with local finance and the speculation against the rand is now history.

The Reserve Bank has urged the Government to cut down on spending and to analyse the costs of large capital intensive projects.

"We should not attempt to live beyond our means," warned Dr de Jongh.

The governor is confident that economic conditions will improve, but the recovery will be heavily dependent on a sustained business revival overseas.

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Govt  
STAR 28/8/75  
wages:  
freeze  
expected

Labour Reporter

Hopes for pay adjustments to restore the real income of about 500 000 Government employees to the level of July last year have been shattered.

In his call for sacrifices from all sectors of the economy in a concerted onslaught against inflation, the Prime Minister, Mr Vorster, refrained from announcing a wage freeze.

But all concerned believe that Government intends setting an example in the public sector which had its last general increase in July 1974.

Informed sources believe a six-month pay freeze for State employees is in the offing.

The Prime Minister's radio appeal last night is seen among trade unions as having provided private employers with a strong weapon to ward off pay demands in commerce and industry.

Current and pending wage negotiations which are expected to be affected include those in the motor industry and the banking sector.

Most other industries, such as the building,

To Page 3, Col 5

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# Inflation appeal

From Page 1

engineering, leather, textile and mining industries, had pay rises recently

Comments from organised labour today made it clear that trade unions and staff associations were prepared to accept Mr Vorster's appeal

But labour leaders emphasised that they would only do so on the proviso that commerce and industry also made sacrifices

Trade unions "noted and observed" Mr Vorster's request for sacrifices, said Mr Wallie Grobler, general secretary of the Confederation of Labour

But he warned that they would keep a close watch on the contribution by commerce and industry

Mr Robert Kraft, assistant general secretary of the Trade Union Council of South Africa said TUCSA welcomed and endorsed the appeal

The chairman of the Public Service Commission, Mr J H C van Zyl, said he would get in touch

with staff associations to see "what arrangements we can arrive at with regard to the requests already submitted"

He was referring to demands for increases to be tied to the Consumer Price Index

The Public Servants' Association, railway unions and post office workers submitted their demands several months ago

The CPI rose by more than 14 percent in the 12 months ending in June

Mr R de Wet, Transvaal general manager of a leading supermarket chain, said his group fully supported Mr Vorster's call

However, he stressed the group would not support a price freeze as this was impossible to implement and control and would push up administrative costs

"The Government must encourage consumers to spend less. The authorities must tighten the money supply to curb overspending," he said

(See Pages 29 and 31)

# Public service pay hi

John Patten,  
Political Correspondent

The Minister of the Interior, Dr Mulder, said in an interview today that the question of when civil servants would get their next pay rise had not been settled

He was commenting on public service pay after

the radio appeal by the Prime Minister last night that workers in the public service and State-controlled organisations hold back pay demands temporarily

Dr Mulder said it was expected that staff associations would be influenced by Mr Vorster's call in any steps they might take.

He expected them to

continue negotiations with the Government, possibly seeking improved fringe benefits instead of wage and salary increases, or possibly postponing negotiations for a time.

The United Party's chief spokesman on Public Service matters, Mr Lionel Murray, MP, said Mr Vorster's request meant civil servants would have

to carry a heavy burden in fighting inflation in the private sector

Mr Sery, chairman of the strong Public Association, have not done our representative ready being the Government leave it their deration."

# Drastic cuts in council and State budget

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STAR 29/8/75

## Political Staff

The Government, Provincial Administrations and municipalities now face drastic cutbacks on their spending, especially on non-essential services and projects.

It became clear today that the State itself intends setting the example in the fight against inflation cutbacks and salary

curbs at all levels of government.

This follows a statement by the Minister of Finance, Senator Horwood, earlier this month that the Government was relying on the full co-operation of the public sector.

Treasury and other Government spokesmen expected today that the appeal to State departments, Provincial authorities, municipalities and other public bodies, might now be "formalised" in

the form of concrete suggestions about areas where savings could be affected.

The suggestions might come directly from the Cabinet Committee dealing with inflation.

With the Government's anti-inflation drive based on a voluntary contribution by all, it could be expected that the main stimulation would have to come from the authorities, a State Treasury spokesman said.

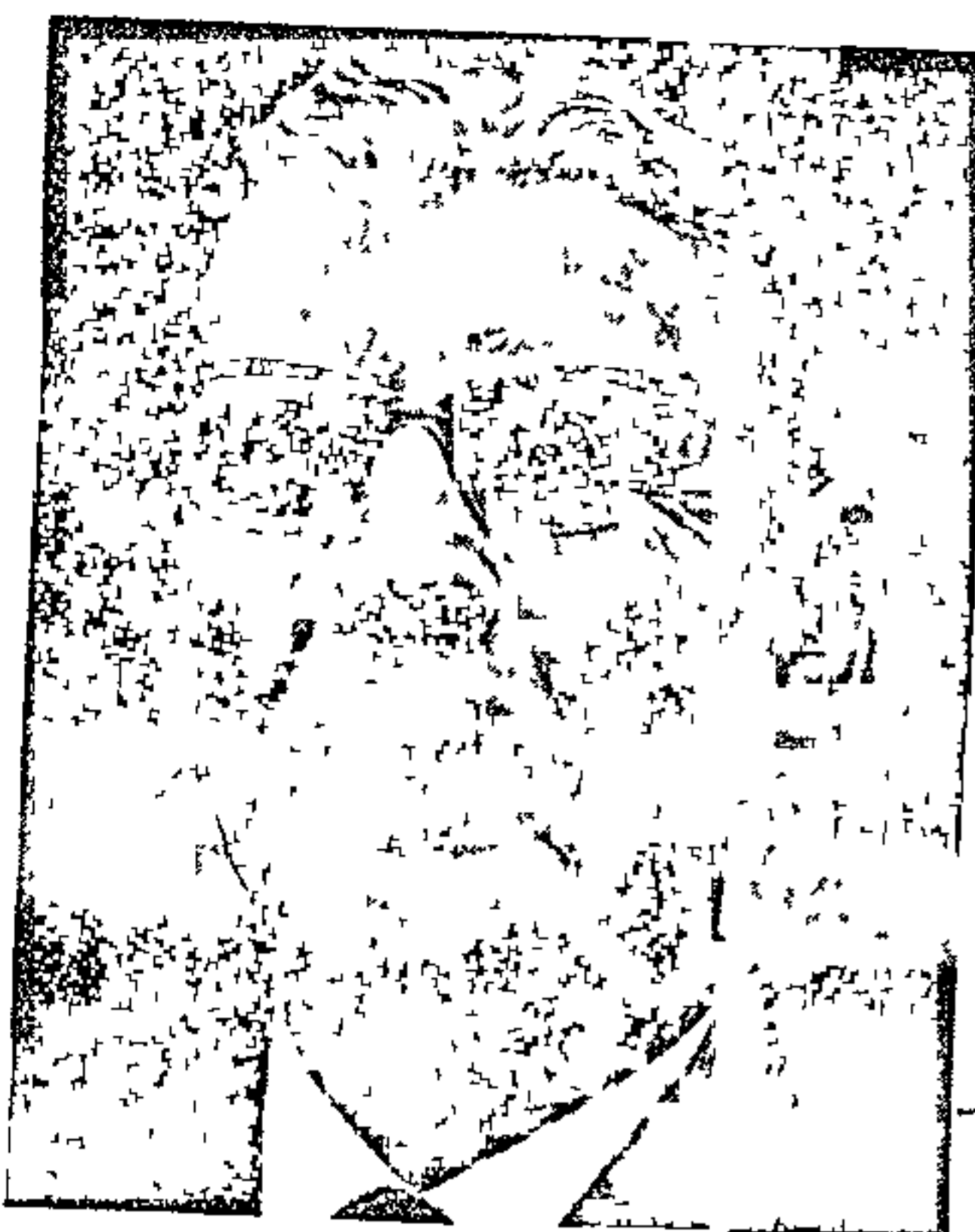
The Transvaal provincial and Pretoria municipal authorities could not give a firm indication today of the projects that might be affected by the curbs.

The Transvaal provincial secretary, Mr J G van der Merwe, said the executive committee might meet soon to discuss possible further savings.

The director of Provincial Works, Mr I D P Burger, said the province was already operating under an expected deficit of R6-million for this financial year.

"Our funds are so limited that we cannot help making all possible savings. It is also clear we cannot expect to get much in terms of the additional estimates this year," he said.

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De Jongh . . . realism at last

Monetary policy, says Governor de Jongh, is now aimed at curbing inflation and righting the balance of payments. If you want to know what happened to growth, ask Senator Horwood

# Reaping the whirlwind

FM 29/8/75

11-47  
2 252  
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The most significant piece of economic news in the past seven days was not the Governor's annual address. Nor was it even the announcement that Pretoria is to float a long-term loan yielding a record 10%. Nor the PM's call for wage and price restraint.

Important though these developments are, they are not half as crucial as the assurance, given last week by Finance Minister Owen Horwood, that government is finally making "every effort" to curb its spending.

It has been excessive government expenditure more than anything else that has boosted the money supply, thereby worsening our latest balance of payments difficulties and underpinning our high rate of inflation. And it is because of our BoP and inflationary problems that Church Square has been forced to make a major course correction in its monetary policy.

A little over six months ago, when the first signs of recession became apparent, the Reserve Bank was only too happy to see a rapid rise in the money supply and a fall in interest rates. Yet paradoxically, with the recession now biting more deeply, it has decided to tighten its grip on the money supply and raise rates.

From the point of view of domestic economic conditions, the timing of this switch could hardly have been less appropriate. As the next story shows, most economic indicators are pointing decidedly downwards and — were it not for our inflation and balance of payments problems — it would normally be time to expect some further reflation of demand, rather than a new drive to tighten credit.

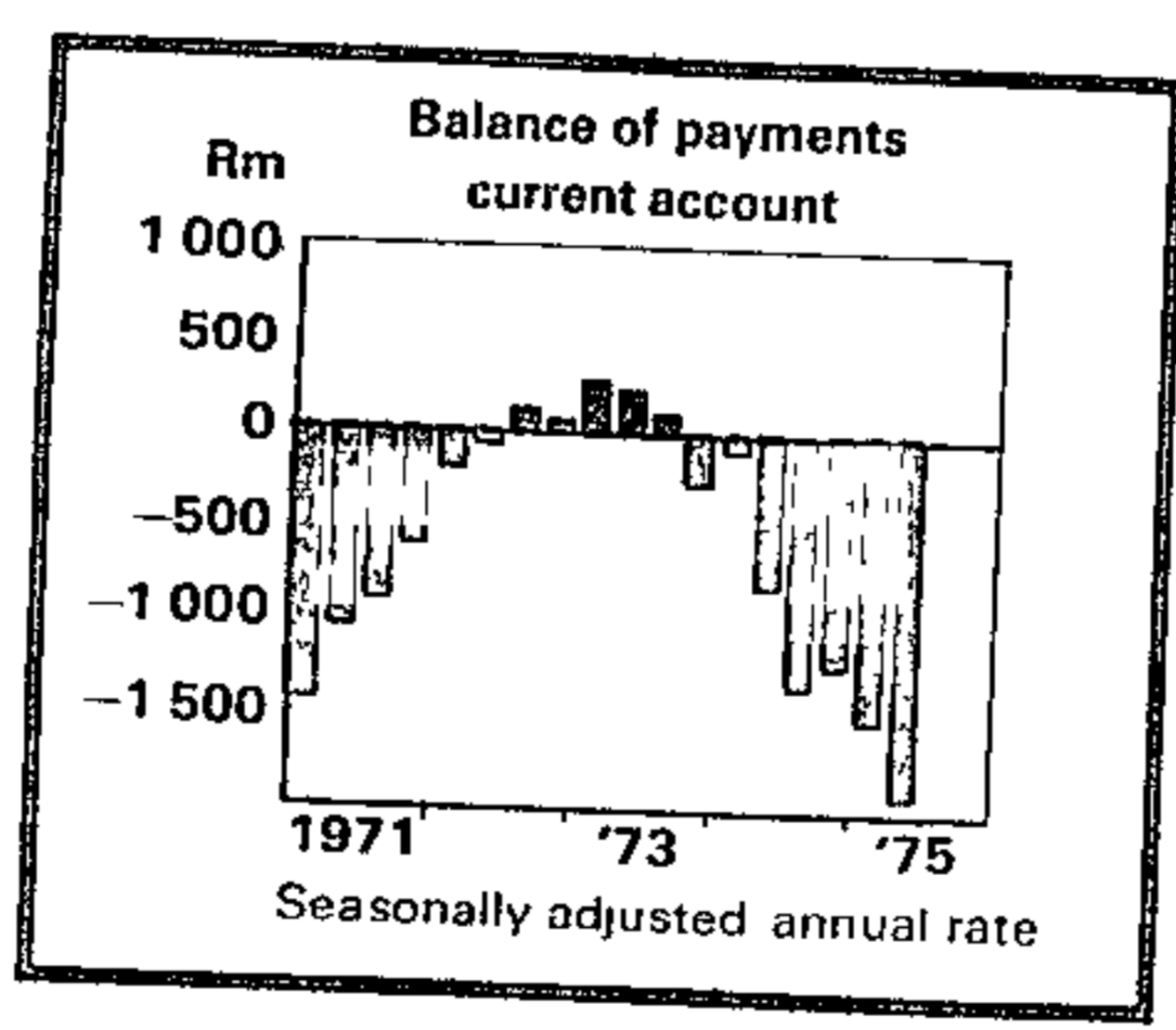
That excessive government spending is indeed largely to blame for this setback is clear from remarks made last week by Governor Bob de Jongh.

Government consumption expenditure, in real terms, he pointed out, rose by

no less than 12% in 1974-75 (compared with a 1% rise in fixed investment and a 3.5% rise in household spending). This, coupled with a lower rate of increase in revenue receipts, led to a substantial increase in the Exchequer's overall deficit, which compelled government to draw down its balances with the Reserve Bank and borrow from the banks.

As a result, the net claims of the banking sector on the government sector rose by no less than R885m — the chief cause of the increase in money and near-money.

This has definite inflationary implications. As De Jongh points out, while the recent inflation was more a reflection of upward adjustments of government-administered prices and rises in import prices and salaries and wages, strongly rising government spending has been and remains a decided threat to price stability.



"In any analysis of the current inflation in SA," he says, "account must be taken of the potential inflationary effect on demand of the increase in real government consumption expenditure of 12% during the year ended June 1975, particularly in view of the fact that the net claims of the banking sector on the government sector increased substantially during this period."

As for the effect of government spend-

ing on the BoP, De Jongh was quite specific. The increase in official outlays had played a major part in bringing about unfavourable leads and lags during the second quarter of this year.

"It did so in three ways. Firstly, it contributed directly to a further increase in the supply of money and near-money. Secondly, it provided banking institutions with excess liquid assets and thereby made it easier for them to expand their domestic credit to the private sector in substitution of foreign trade credits. Thirdly, it assisted materially in bringing down domestic interest rates to levels which, in some cases, were lower than comparable rates overseas."

In other words, it all boils down to excessive government spending — something which the FM roundly condemned at the time of the March Budget, but which Senator Horwood strongly defended on the curious grounds that "strict fiscal and monetary policy is not, in today's conditions, the proper remedy against inflation."

The chickens have certainly come home to roost.

Hopefully, the latest government stock issue will repair some of the damage by channelling more of the nation's savings into government coffers. At least then a smaller proportion of government spending will need to be financed through the creation of new money.

But a proper solution must wait until government prunes its spending. Diverting savings from the private to the government sector means higher interest rates, tighter money and — consequently — stagnant private sector investment. And without sizeable increases in private investment one can bid goodbye to the Economic Development Programme — and its 6%-plus growth target.

Horwood's announcement that government is now at last "making every effort to economise on expenditure" is therefore the most welcome news SA has heard for a long time.

# Wage rise for civil servants 'is out'

STAR 3/9/75

Labour Reporter

It appeared a foregone conclusion today that most Government employees — including Blacks — will go without pay adjustments this year.

This became clear from statements by spokesmen for the key parties involved, although a formal announcement is still pending

"I believe there will be no pay adjustments for the rest of this year in the bulk of the public sector," said Mr J H C van Zyl, chairman of the Public Service Commission.

Mr S D de K Venter, president of the Public Servants Association, said "We accept that there will not be a pay increase for some time to come.

"In view of the Prime Minister's appeal for restraint, we are willing to make a temporary sacrifice in an attempt to cut the wage-price spiral"

Mr van Zyl said he could speak only for public servants, but traditionally statutory bodies, teachers and universities fell in line with the public service.

There would be no pay adjustments for Blacks if Whites went without increases, Mr van Zyl said.

He made it clear that the Railways and the Post Office had separate dispensations.

There have been no pay rises in the Railways, the Post Office and the public service since July last year.

# Regering nie alleen te blameer vir 'sluipende sosialisme'

① 47  
② 252  
③ 260B

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SACE-RAPPORT  
7/9/75

Dear PROF. R. R. TUSENIUS  
**SLUIPENDE SOSIALISME** is 'n weselike gevaar in Suid-Afrika. laar dit is nie regverdig of realisties om die Regering in hierdie verband te kritiseer sonder ook ander aspekte — soos byvoorbeeld (politieke) skadelike magskonsentrasie in die private sektor — tegevoel in oënskou te neem nie.

Dit was een van die getrekkings waartoe die eelnemers gekom het wat 'n se Verandering-ententise en Beplanning-ministrie in Durban en aanstad bygewoon het. Hierdie seminare is deur 'n Nagraadse Bestuur-oor van die Universiteit in Stellenbosch georganiseer.

## Onopsigtelik

Dr. Albert Wessels het sluipe sosialisme gedefinieer as die onopsigtelike proses van staatsindringing in ekonomiese aktiwiteite, nie seer in die beheer en kontrole van die volkshuishouding nie, maar in sy daadlike toetrede daartoe en deelname daaraan.

Hy het egter benadruk dat dit nie gewaak moet word teen algemene veroordeling van die toetrede van die staat tot volkshuishouding. Eerder oet daar 'n duidelike afbakening en erkenning wees in die veld waartoe die staat wel en nie moet oetree. Sosialisering kan sêre word, nie net uit opdrag van die arbeid nie, maar ook geleidelik uit die rewe van 'n staat om homself te handhaaf, byvoorbeeld die lig van 'n stygende internasionalisering van die indel en nywerheid, in sy rewe om internasionaal mededingend te bly om werkgeleentheid vir die burgers te voorsien en uit ander oortelike oorwegings.

## Min. Horwood

Daar is natuurlik reeds 'n die staat sekere beginsels in hierdie verband oegale. Senator Horwood het as Minister van Ekonomiese Sake by die opening in Augustus 1974 se senior seminar van die Nagraadse Beplanningsskool onder andere gespel. Hy het dit die belangrikste oegmerk van die regering genoem om voortdurend 'n drag om 'n gesonde sake-

die gemeenskap as 'n geheel te ontgin (bv. Foskor) of om suiwer strategiese redes (bv. Soekor).

Dr. Wessels het die opinie uitgespreek dat die huidige Minister van Ekonomiese Sake die begrip van vrye mededinging nie net onderskryf nie, maar dat hy bereid is en reeds besig is om stappe te doen om staatsdeelname in die privaatbedryf te beperk.

In verband met die probleem van „wie doen wat” in die volkshuishouding moet daar egter sekere basiese feite in gedagte gehou word. Dit word teenwoordig algemeen aanvaar dat private sakeondernemings in die sisteem van vrye entrepreneurskap nie net 'n verantwoordelikeheid aan hul aandeelhouers het nie maar ook aan hul werknemers, hul kliënte en die samelewing waarin hulle opereer.

Hierdie vier „korporatiewe verantwoordelikhede” bestaan ook vir staatskorporasies, maar dit kan nie ontken word nie dat die klem in baie gevalle verskillend sal wees — en selfs moet wees. By private besighede moet die nadruk op die winsmotief op die verpligting teenoor hulle aandeelhouers lê, sowel in verband met beslissings waar om te investeer, watter pryseleied te volg ens. ens. By staatskorporasies sal by baie beslissings die nadruk meer op die landsbelang kan en moet lê — sonder om natuurlik die winsmotief uit die oog te verloor.

## Konsentrasie

'n Ander oorweging wat in hierdie verband in gedagte gehou moet word is die feit dat die groot konsentrasie van mag wat teenswoordig in toenemende mate in die private sektor plaasvind, ook 'n gevaar vir die vrye entrepreneurskap inhou. Party (nie sosialiste) sien dit selfs as 'n groter bedreiging as sluipe sosialisme vir die voortbestaan van 'n gesonde, doeltreffende, kompeterende, produktiewe, vrye markmechanisme en vrye ekonomiese

saamstem dat die winsmotief die mees suksesvolle, langtermyn-ekonomiese gangmaker is wat die selfsugtige mensheid nog ontdek het om die gemiddelde welvaart van die massa te verhoog.

Die optimale antwoord op die „wie doen wat”-vraag vereis deurdringende, objektiewe gedagtewisselings tussen al die betrokke partye, nie 'n oppervlakkige dogmatiese antwoord van een enkele belangegroep nie.

Die tema dat dit nie net noodsaaklik is om krities na die staat se aktiwiteite te kyk nie, maar dat die private sektor ook dringend sy hand in die boesem moet steek, het dwarsdeur die seminaar na vore gekom. Mnr R. Raymond Ackerman het die bestaan van onwettige prysooreenkomste en die beperking van vrye konkurrensie skerp gekritiseer. Hy sien dit as een van die faktore wat pryse hoër opstoot as wat die geval sou wees indien die markmechanisme werklik vry sou wees.

Mnr Len Abrahamse het

verwys na die feit dat dwarsdeur die Westerse wêreld sakeelui te dikwels die belange van die publiek vergeet het en amper tot elke prys net maksimale winste nagestreef het. Hy sien dit as een van die kapitalisme se groot tekortkomings.

Dr. Sandra van der Merwe het gesê dat verbruikersbewegings die direkte gevolg is van die misleidings en wanpraktyke waaraan party besigheidsmense hul skuldig maak. Dit laat die publiek krities en selfs negatief teenoor die stelsel van vrye ondernemerskap staan.

## Vaderland

Met al sy tekortkominge bly hierdie stelsel van vrye ondernemerskap nogtans die mees produktiewe sisteem om werkgeleentheid en welvaart te skep in 'n klimaat van redelik persoonlike vryheid. Baie meer so as die alternatiewe wat sosialisme en die Kommunisme bied. Maar dit is o a deur mnr. Jan de Necker en dr. Hennie Reynders benadruk dat ons nasionale „koek” baie meer regverdig tussen al die bevolkingsgroepe moet verdeel word, en dr. Wessels sê in hierdie verband.

„Die agitator en die terroris is iemand wat niks het te verloor nie. Die mens bly maar 'n materialis — vaderlandsliefde hou dikwels op by die punt waar jy nie meer 'n

stukkie van die vader sit nie.

„Die kapitalistiese wat private eiendom hoeksteen het, is id skik om hierdie stabde politieke invloed Afrika uit te oefen ons plig om die van vrye ondernem ook aan ons tuisla oor te dra.”

Die staat is verantwoordelik om 'n land te beheer en om dit we en sterk te hou. As die omvang van hier antwoordelike in derne gekompliseerd peterende wêreld net groter word nie, is d om te verwag dat die te en relatiewe rol staat ooreenkomstig neem. Dit is dan ook deur die wêreld die n

Wat Suid-Afrika b reeds die dringende heid genoem dat daa likheid moet kom in met die gebiede v volkshuishouding waa staat wel en nie moet

Wat betref die sta planningsmechanisme algemene en sterke tydens die seminare nie voldoende doeltre nie, veral wat betref keling en koördinasie verskillende depart en die bepaling van n en interdepartemente ritete

# Pay rise call to Minister

# Warning over better jobs for Coloureds

**Labour Reporter**  
The Coloured Postal Employees Association made a direct appeal for equal pay to the Minister of Labour and of Posts and Telegraphs.

The call by Mr F M Luttig, the association's national secretary, followed the Minister's official opening of the association's biennial congress.

The theme of the congress is "equal pay for equal work"

Mr Luttig said he had learned from high authority that the productivity of Coloured post office workers did not lag behind that of other post office employees.

"We believe we have rendered sufficient proof of our loyalty, our aptitude and our sense of responsibility for the introduction of equal pay for the same work."

Mr Luttig also asked for his association to be given the opportunity to appear in future pay negotiations, hinting at the formation of a federation of post office staff associations.

He thanked the Minister for his interest

## Labour Reporter

The narrowing wage gap could have serious inflationary consequences.

The warning came last night from the Minister of Labour and Posts and Telecommunications, Mr Viljoen

He pointed out that the Government is "irrevocably" committed to a gradual narrowing of the wage gap, but added

"If we do not succeed in balancing expenditure and production, we—all of us—will have to pay the price."

Not only the Post Office but the Government called for wholehearted co-operation, Mr Viljoen told the biennial congress of the Coloured Postal Employees Association in his opening address in Johannesburg.

Better news was Mr Viljoen's announcement that

all Coloured employees of the Government, and of certain other institutions, could get a medical aid scheme similar to that for Whites

"The Cabinet has already approved the scheme.

Mr Viljoen sketched advances made by Coloured telephone workers into technical fields previously reserved for Whites, gave details of progress made with training, and explained improvements imminent in leave for Coloured workers

## 57 AT WORK

Senior Coloured workers handled certain facets of cable-jointing, mounting and line installation work.

At the end of June this year, there were already 57 trained telephone electricians in service, 108 apprenticeship telephone electricians and 28 technicians.

At present 50 offices were under the exclusive control of Coloured staff. A total of 69 Coloured supervisors had attended seminars on modern personnel management

Improved arrangements would come into effect in January next year, providing equal leave privileges to those enjoyed by Whites.

In some cases leave had been increased from 24 to 36 days a year and sick leave from 60 days to 120 days in every three years

(1) 234  
(2) 252  
(3) 264  
(4) 285  
(5) 624

① 252  
② 286

# Coloureds in PO to get medical aid

*Dispatch 10/9/75*

JOHANNESBURG — The Cabinet had approved the establishment of a medical aid scheme for Coloured civil servants, including post office workers and Coloured persons employed by certain other institutions, the Minister of Posts and Telecommunications, Mr. M. Viljoen, said here last night.

Opening the annual congress of the Coloured Postal Workers Association, the minister said details of the scheme were still being worked out.

The minister listed a number of improvements in service conditions for Coloured post office workers.

Since January of this year Coloured post office workers had been granted leave privileges on the same basis as enjoyed by white post office workers.

Vacation leave privileges for Coloured post office workers had in some

cases been extended from 24 to 36 days a year and sick leave privileges from 60 to 120 days in a cycle of three years.

"The gradual narrowing of the wage gap, to which the Government is irrevocably pledged, could have a serious inflationary effect unless we succeed in compensating for the millions of rand of expenditure involved with higher production, not only in volume, but also in quality," he said.

The importance of the role of Coloured workers in the post office was shown that in five years the complement of Coloured post office workers had doubled, the figure having risen from 1 311 to 2 678, the minister said.

The activities of senior Coloured telephone workers had been extended to include technical work previously done by whites. — SAPA.



(1252)  
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# Wage freeze for 760 000

13/9/75

Mercury Correspondent

**PRETORIA**—The Government's temporary wage freeze is now in full operation throughout the public sector.

This means that about 340 000 Whites and 420 000 Blacks will have to bear the burden of an inflation rate which is depreciating the purchasing power of their earnings by more than one percent a month.

Most are worse off now than they were before they got their last increases in July, 1974. The 15 percent increase paid then has been wiped out by the price spiral.

Yesterday leading trade unionists warned the Government that unless commerce and industry were clearly seen to be playing their part, and making comparable sacrifices, they would ignore the Prime Minister's request for a go slow on wage demands.

In Pretoria yesterday the chairman of the Public Service Commission, Mr. J. H. C. van Zyl, confirmed the fears of the president of the Public Servants' Association, Mr. S. D. de K. Venter, when he announced there would be no increases for State Department and provincial workers in the foreseeable future.

This includes teachers, nurses, police, prisons and S.A. Defence Force personnel, as well as clerical and professional staff.

What the statement by the commission chairman means is that the earliest increases can be expected is the start of the new financial year in April, 1976.

Then, too, it will depend entirely on whether the inflation rate has responded to the Government's anti-inflation programme — a programme which will be launched within the next few weeks.

The Minister of Economic Affairs, Mr. Chris Heunis, said yesterday the "highest degree of priority" had been given the preparation and implementation of the programme.

Mr. J. Schoeman, a member of the executive of the Railway Artisan Staff Association, said yesterday that the association had decided to defer its pay increase demands of its own decision.

The headline on a Natal Mercury report of September 12 about the pay increase issue had been misleading.

"The Minister did not 'put a pay clamp' on the association. After negotiations we decided to defer the increase claim until April next year"

# The trouble with rises

## Pretoria Bureau

Pay rises are not the way to make the public service more attractive as an employer, it is claimed today.

Nor are they in the best interests of public servants themselves, said Professor J J N Cloete, Professor of Public Administration at the University of Pretoria.

In fact, he added, the

public service pay freeze could force departmental authorities to seek the real causes of staff shortage, instead of trying once again to solve problems with wrong measures

### OFFERING

Professor Cloete said public service pay rises were frustrated every time by the private sector offering still more

The inflation rate merely became stronger, to

everyone's cost.

The public services staff problems were caused not by its salary structure, but by its outmoded employment policies, he went on

Personnel problems not created by inadequate pay could not be solved through pay rises, said Professor Cloete

Yet in recent years public service authorities had tried to solve their staff shortage problems with

pay rises

And every attempt had failed

Public servants were, like all other employees, entitled to pay rises to cope with the rising cost of living

But this should not be confused with futile attempts to buy candidates off the private sector

The public service, said Professor Cloete, could make improvements in

● Personnel adminis-

tration, which should be done by professionally-trained people, not poorly educated clerks.

● Work programmes which should be shorn of work and employment opportunities not really necessary for the general welfare.

● Outmoded employment policies, which should be brought in line with prevailing conditions in the labour market.

Mercury 1919/15

# WORKERS TO GET R75m BONUS

Mercury Correspondent  
**PRETORIA** - Public sector workers will share a massive R75 million in holiday bonuses in the next few weeks.  
For the 178 000 workers in central Government and provincial departments

200 000 of them White - the total payout will be R10 million, for the 240 000 railway workers it will be R27 000 000 and for the 68 000 post office workers - 13 525 of them White - it will be R8 million.  
Economists warned yesterday the pay out will add to South

Africa's inflation problems. White bonuses are R 200 for married workers and R130 for unmarried workers.  
Maximum house loans for Government workers have also been increased, from R15 000 to R20 000.  
For workers in the lower grades all interest

payments above three percent will be paid by Government subsidy, and for higher grade workers subsidies will be paid for all interest payments in excess of five percent.  
According to a senior public service commission official normal service increases will be paid.

① 274  
② 252



The Manifesto . . . a politician's delight

No doubt the anti-inflation Manifesto is a politician's delight. Its 70-odd proposals will provide plenty of scapegoats for those who seek to shift the blame for inflation away from the real villains — the Cabinet and Reserve Bank — and onto the shoulders of businessmen and their employees.

But as far as effectively fighting inflation is concerned, its 28 pages of vague promises, evasive commitments and lack of new ideas may well prove to be not worth the paper they are written on.

Certainly it is no mean achievement for the heads of 25 diverse private and public sector organisations to agree on any wide-ranging wage-price-policy package. All credit to them for that. But in the final analysis, its success will be judged not by the degree of consensus achieved on Tuesday but by the rate of inflation next year. What with devaluation and the government's explosive borrowing requirements, that will almost certainly remain up in the stratosphere of double digits.

The cornerstones of the programme are firstly, the commitment by some upper and middle income workers to limit wage demands for the next six months (see box on next page), and secondly, the promise by some firms earning more than 15% on total capital before tax and interest (whatever that may mean) to pass on only 70% of "unavoidable" cost increases (what then is an avoidable cost and how much of that may be passed on? 100% or 0%?) in the form of higher prices.

Since simple arithmetic shows that

# The Road to Hell

10/10/75

252

Unfortunately most of the good intentions in Tuesday's Social Contract are irrelevant to the rate of inflation. And if they deflect attention away from its real cause, which is unsound government finance, they could be downright dangerous.

these constraints are not likely to have much of a *direct* effect on the rate at which costs and prices are rising, presumably it is hoped that the main impact will be psychological, ie there will be a dampening of inflationary expectations. But since inflationary expectations are likely to be as high as ever in six months' time, the programme may well have merely bought time at the cost of distorting the whole fabric of private business.

○ Cost-raising factors already in the economy are going to send prices soaring sooner or later. A petrol price shock is around the corner and the overall inflationary effects of devaluation have still to take their toll. Hefty jumps in rail tariffs are also on the cards.

○ Voluntary restraint (or a compulsory wage and price freeze for that matter) is not in itself a change in expectations. It is merely acquiescence in the postponement of those expectations.

Though the Manifesto lays down that neither workers nor firms may recoup their sacrifices after the end of the six-month restraint period, how on earth will anyone be able to determine the motives behind each fraction of a price increase or wage demand after next March? Or is the government's intention to extend the programme after then?

○ Many companies are already seriously under-capitalised. Long-term loans at reasonable rates are difficult to come by and Holland Street is in the doldrums. Quite rightly the anti-inflation plan recognises that companies will have to finance more and more of their capital requirements from profits — government even undertakes to investigate tax incentives to help firms plough back more.

Yet incredibly, the same plan provides that 30% of almost all cost increases will have to be absorbed by profits, while no business (with a few exceptions) will be

DEAR BOSS,

In the past year, I have continued to make my contribution to this company and to the State. In the first instance I have worked hard and conscientiously, improving, at least to some degree, my productivity as my responsibilities have widened.

At the same time I have always responded to calls by management to cut down on costs when necessary. And it is with some pride that I look back on yet another year in which the company has, through good management and good sense, achieved its profit goal.

As to my contribution to the State, I have continued to pay my taxes, on income and on goods bought, I have even managed to save a little, have incurred no credit obligations — in short, though not without a struggle, have managed to live within my means.

I am most discouraged, therefore, that the State should think to penalise me, by suggesting that you limit what salary increase you intend for me this year as a reward for my labours, as part of a more-than-somewhat belated exercise to combat inflation.

I see no signs of the State having fulfilled its obligations to its citizens. It certainly has not lived within its means; its spending has been profligate, its debts unchecked. Where have been its efforts to increase productivity? I still cannot telephone a government department after 16h00 nor can I pay my electricity account or telephone account after 15h30 (the offices are closed).

That we have grave inflation and that it must be controlled I don't deny. But must I and thousands like me be made scapegoats?

Your faithful employee.

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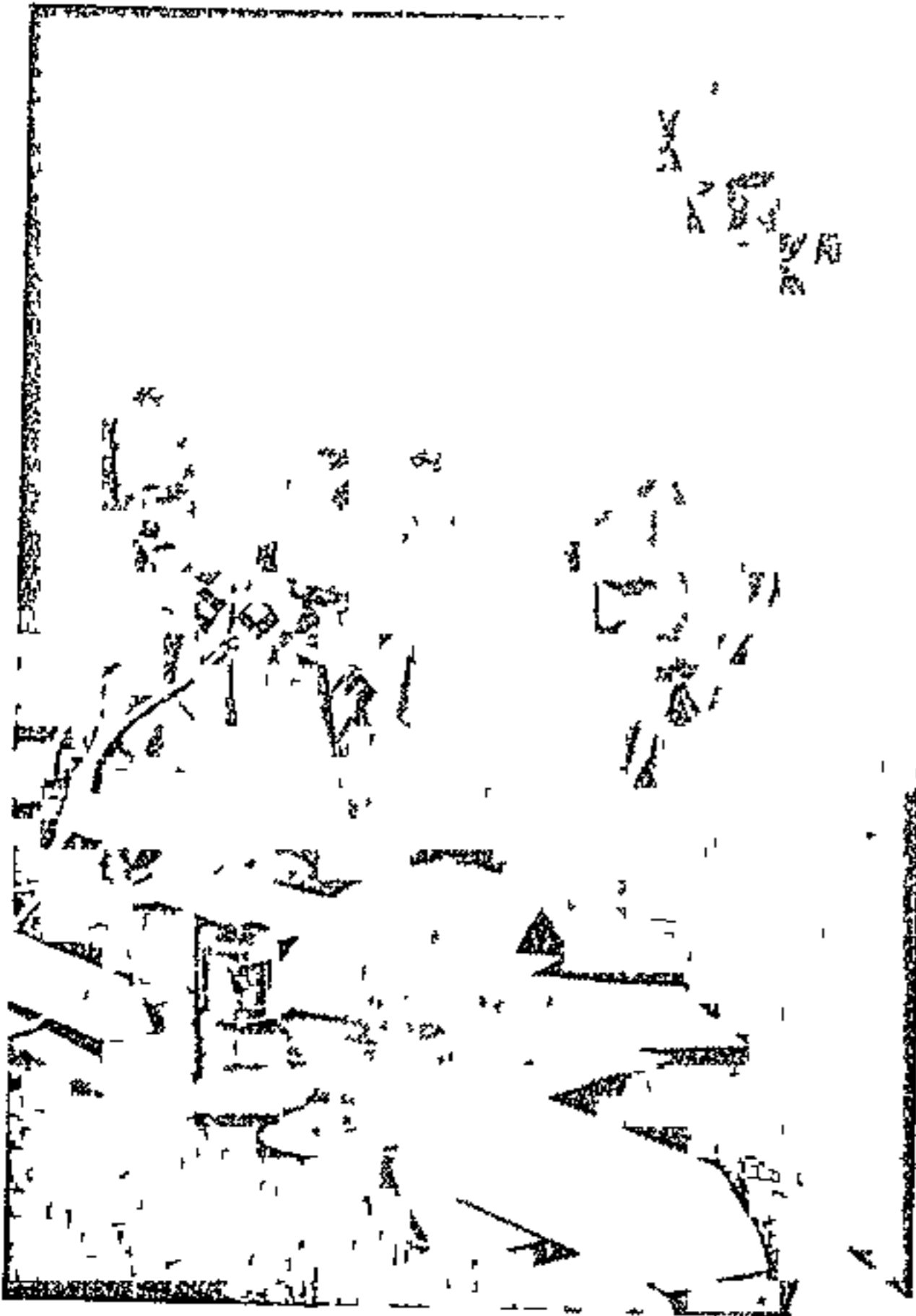
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Since simple arithmetic shows that

# Inside Mail

JOHN IMRIE

NA BRAND tends to blame her husband, partly anyway, for South Africa's rising price structure

"She has a misconception of the powers I have at my command," sighs Dr Simon Brand, 37, father of five and Deputy Economic Adviser to the Prime Minister

And even if he had the power to run South Africa's economy, as he liked, he would have no instant solution to inflation or the problem of providing jobs for the country's rapidly growing population

"If you had asked me that when I was a university professor a few years ago I might have had very much clearer ideas on the subject," he replied

Going back further to 1955, the Brand family living in Hatfield, Pretoria, would have been astonished if anyone had suggested then that their son Simon was to become a professor, never mind an economics adviser to the Prime Minister.

## Railways

For Simon Brand's father was a Railways worker, an assistant stores supervisor when he retired, and his mother worked in a shop to help put him through school

There were no overblown expectations in the Brand family, although Simon did hope to become a farmer, an ambition which, for

some back realism, was still at the Seun then sary Agr in ag the



DR SIMON BRAND practical approach to economic problems  
Simon Brand joined 1974  
Department of Agricultural Economic

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See also ECONOMY - General

252

# Govt staff 'a problem'

Pretoria Bureau

The secretaries of Government departments will meet early next month to discuss the staff position in the Public Service.

With concern over staff being constantly expressed, it was decided to arrange a conference of departmental heads for November 6 and 7. Such meetings were regularly held until a few years ago.

According to senior public servants it was hoped the conference would be a contribution towards solving the staff problem, which is regarded as the most serious facing the Public Service today.

Dr Willem Steyn, secretary of the Public Service Commission, said today

the conference would be mainly investigative in placing the searchlight on staff problems and giving departmental heads the chance of sharing their points of view.

He regarded the main purpose of the meeting to be thorough analysis of manpower utilisation and expressed the hope that some solutions to existing problems would lead from the discussions.

Dr Steyn will be one of four experts addressing the conference, which will be officially opened by the Minister of the Interior and of Information, Dr Connie Mulder. Dr Mulder's deputy, Mr Louis le Grange, will also be present.

Dr Steyn will speak on more intensive training and development for top officials in the Public Service.

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**JOHANNESBURG.** — Hundreds of millions of rands in public funds may be saved by a new Government plan to cut the standards of public buildings. The hint was given today by the Minister of Finance, Senator O. P. F. Horwood.

First in the firing line for a cut-back in standards will be hospitals, with universities and other institutions of higher education close behind.

Senator Horwood threw significant new light on Government efforts to cut State expenditure as part of the joint anti-inflation campaign.

Opening the first corporate money conference, the Minister used his address to disclose.

● The Government's intention to look closely at the standards of Government services. The question must be asked whether these standards are not unnecessarily high.

### Hospitals

● A cut in standards of public buildings without sacrificing basic standards of efficiency. He singled out hospitals and higher education buildings for special mention.

● The Government intends to question whether the high standard of new road construction is justified in relation to competing demands on the country's resources.

● The Government will follow up the Driessen Committee recommendations on urban transport, because of the many people driving to work in large and expensive cars using large quantities of petrol and cluttering up the roads, streets and parking areas of our towns.

### Norms

Senator Horwood said a committee of the Council for Scientific and Industrial Research national building institute had recently submitted a report to him on norms for hospital construction.

These norms—determined after extensive research into essential hospital standards in South Africa and abroad—will in future be strictly applied to hospital construction in the Republic.

'I intend to extend this principle to other public buildings. The next on the list being universities and other institutions for higher education,' Senator Horwood said. 'I am convinced we can save tens of millions—perhaps even hundreds of millions of rands—in this way, without sacrificing basic standards of efficiency,' he added.



*Mercury 7/11/75*  
**Staff poaching  
irks Mulder**

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Mercury Correspondent

**PRETORIA**—The Minister of the Interior, Dr. Connie Mulder, yesterday warned the different branches of the public sector that the State would not allow them to buy away staff indiscriminately.

Addressing the annual meeting of departmental heads of the public service, Dr. Mulder made it clear that he was perturbed by the staff situation in the service itself.

In the five-year period ended in June this year, posts in the service's administrative section had increased by 19,41 per cent, in the professional and technical divisions by 11,82 per cent and 9,79 per cent respectively, and in the clerical division by only 1,20 per cent.

Between 1971 and 1975 annual appointments decreased by 3 per cent while personnel losses increased by 9,1 per cent, indicating a nett outflow of manpower.

"What is even more disturbing is that surveys show that a quarter of the personnel who leave the public service start work in another branch of the public sector," said Dr. Mulder.

"We cannot allow the different branches of the public sector to compete so much over personnel that some bodies are crippled.

"If it appears that the existing voluntary agreements between public bodies do not give the required results, the Government will be obliged to consider other measures," he said.

# Mulder warns on scramble for staff

R.D.M.  
7/11/75

172  
2, 252

## Staff Reporter

THE Minister of the Interior, Dr Connie Mulder, yesterday warned the public sector that the Government would not allow them to buy staff from each other indiscriminately.

Addressing a meeting of departmental heads of the public service, Dr Mulder said he was perturbed by the staff situation in the service.

He said that in the past five years there had been a decrease or outflow of manpower from the public service, in spite of demands made on the service.

In the five-year period to June, this year posts in

the service's administrative section had increased by 19,41 per cent, in the professional and technical divisions by 11,82 per cent and 9,79 per cent respectively and in the clerical division by only 1,20 per cent.

In the public service and provincial administrations the White personnel had increased by 2,5 per cent a year since 1969 to a total of 206 000 in 1974.

"This means that an additional 27 000 White workers shall have to be found. And in the meantime we know that the shortage of White workers by 1980 will be about 60 000 even if the immigration target

is reached", said Dr Mulder.

It was understandable that in a growing country such as South Africa employers would fall over each other to secure the limited trained manpower available.

"But on the other hand we cannot allow the different branches of the public sector to compete so over personnel that some bodies are crippled.

"If it appears that the existing voluntary agreements between public bodies do not give the required results the Government will be obliged to consider other measures", he said.

# Pay claims

## of 10% are

*August 20/11/75*

## expected

Mercury Correspondent

PRETORIA — Senior Government officials expect an across-the-board increase in salaries and wages in the public sector of at least 10 percent from April next year.

The Government's total wage and salary bill for the State departments — including police, prisons and SADF personnel and provincial administrations — amounts to more than R1 500 million a year.

This means that if the minimum expectation of public servants is met, the Minister of Finance, Senator Horwood will have to make provision for an additional expenditure of R150 million in the 1976-77 budget.

The R150-million, according to economists, would be almost totally inflationary money, as little if any increase in productivity could be expected from the public service.

Public sector workers got their last increases in July, 1974.

The Government, according to authorities in Pretoria, dare not delay increases beyond next April. To do so would be to risk an increase in the already disturbingly high resignation rate in the service.

1 252  
2 334  
3 150A

# State spending slashed by R800m says Horwood

Daily Dispatch 8/12/75

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JOHANNESBURG — There has been no all round pay rise in the public service for 18 months — and none is contemplated at present, the Minister of Finance, Sen Horwood, said last night.

## Imports: no policy change

PRETORIA — South Africa's import control policy for next year will be substantially the same as for this year, according to the Minister of Economic Affairs, Mr C. Heunis.

A government notice would soon be gazetted setting out their import control policy to be followed next year.

On advance permit allocations, he said he had decided to grant in advance to importers an allocation of 40 per cent of the total permits issued to them.

This applied to commodity groups for which import facilities were determined from time to time in the form of global quotas — groups such as consumer goods, clothing, confectionery, and alcoholic beverages, including whisky.

This permit allocation was equivalent to the advance granted for 1975 and further issues of import permits for the commodities would be reviewed during May, 1976. — DDC.

In this way the public service was playing a decisive role in the anti-inflation campaign.

Sen Horwood added that state expenditure in real terms would be reduced in the next financial year.

Well over R800 million had been slashed from requests for funds for the 1976/77 financial year to government departments — even though most departments had shown a realistic sense of moderation.

The minister said the collective campaign against inflation did not provide for a wage and price freeze, but for moderation and restraint in wage bargaining and price fixing. The success of the campaign would therefore have to be judged, not on whether price and wage increases still take place (as they must do) but on the moderation of such increases.

The government was also one of the partners in the collective campaign and would rightly be expected to play its part.

There had been much irresponsible talk about government over-spending in the past, the minister said. It was not easy to cut state expenditure, especially at short notice.

The cuts in government expenditure ranged over the whole field of government activity, and impor-

tant priority decisions were involved. In the case of six major departments the pruning had been between nine and 22 per cent.

"The point I wish to stress is that total state expenditure will exceed the current year's figure by a smaller percentage than the expected increase in prices and costs. In other words . . . state expenditure in real terms will be reduced in the coming financial year."

In view of the many fixed commitments to which the government was bound, and the cost escalations involved, this was no mean achievement.

The minister said his message was one of good hope and a sure faith in the future for all South Africans.

"If we can, together, hold the line against the most intractable inflation the world has ever seen, and if we can keep our eyes rivetted on raising efficiency at all levels, all the time, we shall rise above the challenges engendered by a current world depression worse than anything experienced since the Great Depression of the early thirties, sustain the soundness of our economic institutions, and raise the living standards of all sections of our growing population." — SAPA.

# R800-m

for 9/12/75

# pruning

# — and

# no rises

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**John Patten,**  
Political Correspondent  
The Cabinet has pruned R800-million off the estimates of Government departments for 1976-77. And no pay increase for the public service, which plays a decisive role in the anti-inflation campaign, is at present contemplated

The public service has been without an all-round increase for 18 months

However, in disclosing this at a business banquet in Johannesburg last night, the Minister of Finance, Senator Horwood, acknowledged that next year's estimates were higher than this year's.

He emphasised that the amount involved represented a smaller percentage than the expected increase in prices and costs.

### IN REAL TERMS

"State expenditure in real terms will be reduced in the coming financial year," he said.

In the case of six major departments, the pruning of estimates had been of the order of 9 percent, 12 percent, 12 percent, 16 percent, 21 percent and 22 percent.

Senator Horwood said the Government's task did not end there. It was also committed to financing its expenditures from non-inflationary sources as far as possible — from revenue and savings.

### APPEAL

His last budget had been moderately stimulatory, but it was now desirable to keep the money supply under control to counter a re-emergence of demand inflation.

The Minister, after giving details of restraints

and pension fund in the country to invest an additional 2 percent of liabilities or assets in Government securities. This he said would involve R160-million.

He announced too the issue of a new four-year 8 percent Government stock which would be of special interest to banks in their present liquid condition. The issue was open to all subscribers in amounts of not less than R100 000.

The issue was a double attraction for banks in that it carried a relatively high interest rate and would become a liquid asset before the end of next year. It would be open for about a fortnight.

See Page 31

employed in the current year, appealed to the building societies to divert funds into investments in the Government sector. Senator Horwood announced a request to every insurance company

29/12/75 STAR.

# Civil service may be in for salary rise

## Political Staff

CAPE TOWN—Public servants may be in line for general and possibly fairly substantial salary increases soon.

The belief was sparked by the Minister of Finance, Senator Owen Horwood, when he spoke yesterday during the no-confidence debate.

Dealing with Government steps to curb inflation, Senator Horwood said:

"I take my hat off to the public servants. For 18 months now they have had no general salary increase."

## AWARE

Utterances at other occasions during the past few months have also left the impression that the Government is strongly aware of the wage lag of the Public Service.

It has been pointed out by Public Servants Association spokesmen that public servants had to pin their hopes on price decreases to maintain their living standards, as they had no hope of salary increases.

The chairman of the Public Service Commission, Mr J H C van Zyl, said to-

day no representations for a revision of salaries had been received from the Public Servants Association since last year.

He declined to comment on the possibility of salary increases, but pointed out that such increases were based on various factors, such as increased living costs and higher living standards.

Public service salary increases were provided

for in the Budget, although the increases could be announced outside the Budget.

Mr van Zyl said there had been a general weakening of the public service staff position, especially with regard to trained personnel.

The whole structure of the public service was being revised and new proposals may be ready this year.

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## Public servants press 13/1/76 PD. for pay rises in April

PRETORIA — Nearly half a million white and black government and provincial workers, including nurses and teachers, expect pay increases from the start of the new financial year in April.

But yesterday the chairman of the Public Service Commission, Mr L H van Zyl, said requests for more pay from the Public Servants' Association were now with the commission, and would be considered only "when the time is ripe".

The last increases in the

public sector were granted in July, 1974. Since then the consumer price index has risen by nearly 20 per cent.

According to the Department of Statistics there are 473 000 government workers, 206 000 of them whites. The annual salary and wage bill calculated in the figures for the third quarter in 1974 is R1 400 million.

So even a ten per cent increase would pump an additional R140 million of inflationary money into circulation. — DDC.

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Hansard 3 col 217 13/2/76

**Payment of Coloured/Indian professional persons employed by State**

\*7 Mr L F WOOD asked the Minister of the Interior

What is the estimated annual cost to the State of paying (a) Coloured and (b) Indian professional persons employed by the Central Government and the provincial administrations the same salaries as those applying to Whites

The MINISTER OF THE INTERIOR.

(a) R191 000.

(b) R584 300.

These amounts reflect the position with regard to posts which could be classified in the professional division of the Public Service and exclude posts such as for example technicians, teachers, etc

Handwritten scribbles and a rectangular stamp at the bottom right of the page.



THE SOUTH African civil servant — pardon me, state official — has, over the years, strayed far from the traditions of co-operation, understanding and, sadly, sometimes even courtesy, that were inherited from our colonial past

However, the average citizen can take some cold comfort from the non-discriminatory fashion in which the public service ignores or, at best, treats in cavalier fashion, the views and feelings of the private sector.

From the Indian traders of Pageview, the bustling Johannesburg area where for half a century they have done business and added life and bustle to drab surroundings, to powerful bodies such as the Association of Chambers of Commerce (Assocom) and the Clearing Bankers' Association, the complaint is the same: "We weren't consulted"

Obviously the public service is basically the instrument of its political masters. Instructions are given and they are to be executed and senior public servants, rather than politicians, carry the can if matters go wrong.

There is not an easy task, and there are doubtless many public servants who execute legislation which they find distasteful for one reason or another

But there is no getting away from the fact that in this country, where one political party has ruled for close on three decades, the public service has developed its own empire-building dynasties in which vast power is wielded. In more fluid societies, such as the United States and Great Britain, political changes result in policy switches, reviews of performance and healthy ex-

amination of aims and objectives

Our civil service has not been subjected to such wholesale departmental stocktaking for decades, and it shows

Compounding the problem is that, but for the Prime Minister's Economic Advisory Council, there is precious little exchange of views between policy-makers in the public sector and leaders in the private sector

We lack, for example, that healthy American practice of seconding outstanding people from the private sector for stints in the public service. This process benefits both parties. Private sector leaders working temporarily in the public service bring with them valuable experience and insights which the average public servant cannot have

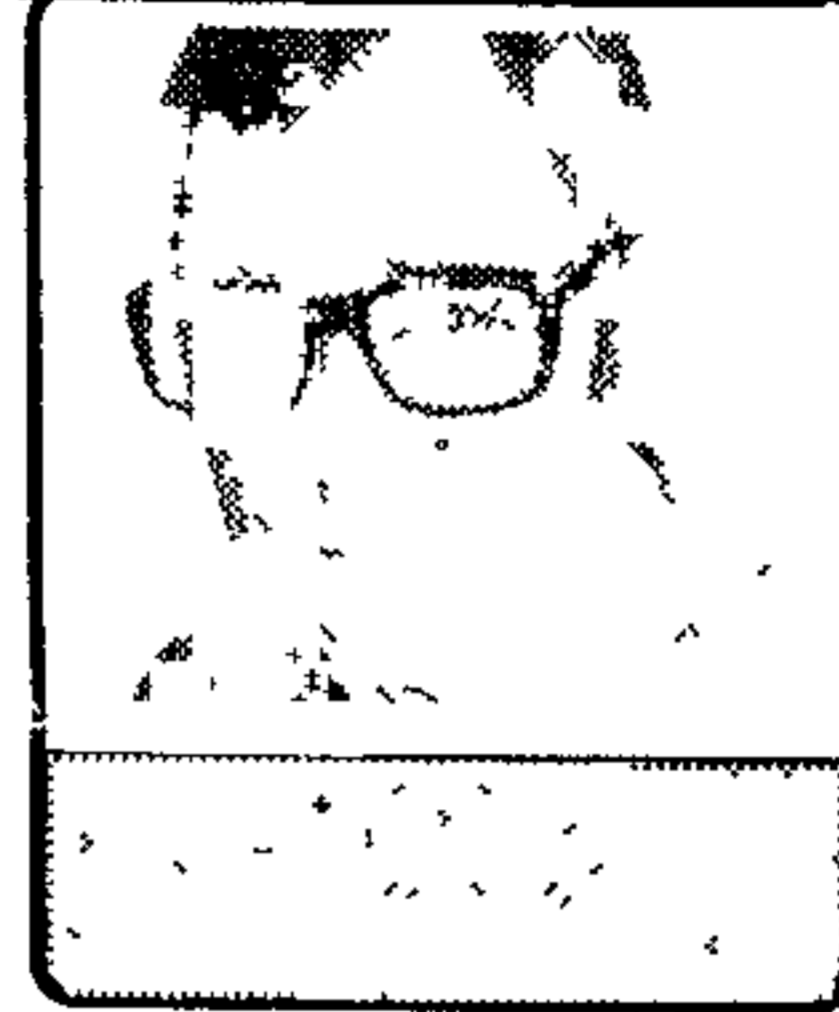
Similarly (on returning to the filthy business of grubbing for money with which to pay the taxes to feed the public service), the private leader takes with him a deeper understanding and appreciation of the functions and problems of the public service

Evidence of a breakdown in the vital communication necessary between the private and public sectors is seen in a recent statement by Assocom

"Assocom enjoys an excellent relationship with Government, particularly in regard to consultation on proposed changes in the law

"Recently, however, there has been a spate of proposed legislation in respect of which the private sector has been allowed a hopelessly inadequate time within which to comment.

"For instance, three draft Bills (published in anticipation of the parliamen-



tary session) were received by Assocom from the Government Printer on January 7 and formal submissions had to be made to the Departments concerned within two days, by January 9"

The exclamation mark is Assocom's

Similarly, the recent severe and wide-ranging restrictions on bank credit, with highly important implications for the banking sector, were apparently made without any consultation whatsoever between, on the one hand, the Reserve Bank and the Treasury, and, on the other, the Clearing Bankers' Association

It is fair to assume that Pretoria regards the private sector as a responsible, productive element in our society. It is also fair to assume that private sector leaders don't expect to make official policy. But, at the very least, it is only fair that their views be given reasonable consideration and taken into account in the formulation and execution of policy

If, as sometimes seems the case, we are creeping steadily towards a totally planned economy run by State decree and little else, then Pretoria should stop paying lip-service to the virtues of capitalism and free enterprise and get on with its planning

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Mercury, Friday, February 27, 1976.

# <sup>nm.</sup> 'Crisis' looms over staff

Mercury  
Correspondent

**PRETORIA —** The ability of State departments to provide essential services will crumble unless the growing staff crisis is eliminated.

This is the view of senior public servants in Pretoria who were supported yesterday by the president of the Public Servants' Association, Mr. S. D. de K. Venter.

They were commenting on the tabling in Parliament earlier this week of the annual report of the Public Service Commission.

The report has revealed a near disastrous staff turnover of 50 percent in the past three years

Mr. Venter said no

purpose would be served by attempting to conceal the fact that the public service was moving into a crisis situation because of its inability to attract staff of the right calibre.

There was a lack of suitable staff with the qualifications needed to ensure maximum efficiency. This meant that

posts were being filled by workers who were unable to fully cope with their task

Mr Venter said the staff crisis was not only because of pay grievances — although this was an important cause — but service conditions were non-competitive with the private sector.

ST. 29/2/76

# Mulder reveals plan

## for the public service

# FOR BLACKS

By NICHOLAS VAN OUDTSHOORN

**THE GOVERNMENT** has plans to drop pay discrimination against Blacks working in the public service.

The scheme will mean equal pay for equal work for all South Africa's 400 000 State employees.

In an interview this week the Minister of the Interior, Dr Connie Mulder said a top-level investigation had revealed that the immediate extra cost of the scheme would be about R95-million.

Dr Mulder said that if the Cabinet gave the go-ahead, public servants of all races would be paid according to specific notches laid down in one key salary scale.

The scale would start at the level of the lowest paid unskilled workers and rise to that of the highest paid officials, such as secretaries of Government departments.

There would be minimum and maximum salary levels for each grade. When the maximum was reached, the employee would move on to the next grade.

Annual increments in each grade would vary, and increase as the grades progressed.

Dr Mulder said: "Each employee will have to be phased into the grade for which he is qualified. There will be one salary scale for the whole public service. It will not be influenced in any way by racial discrimination."

Reliable Government

(1) 162 A

(2) 252

(3) 371

(4) 306

# Tax-free salary criticised

1/8/76

DD -

PRETORIA — Economists have described as ludicrous the suggestion that to plug the drain of state workers, to the private sector and to give recruitment a job public servants should be paid tax-free salaries.

The Minister of Interior, Dr Connie Mulder, said earlier this week that "some people" had made the suggestion

The economists claimed in Pretoria yesterday that what was needed most urgently was a smaller, more efficient and better paid public service

The Government's apartheid policy, they said, had led to a mass of duplicated work and functions in a number of state departments.

For instance there were four departments of education — National Education as well as Coloured, Indian, and Bantu Education departments

They said that if public servants were paid tax-free salaries other taxpayers would be squeezed even harder to compensate

Yesterday the Nationalist-supporting newspaper, Rapport, said the civil service should be investigated by a team of top businessmen with a view to making it more efficient.

In an editorial the newspaper echoed dissatisfaction with the inefficiency of the over-large civil service — DDC

① 252

② 177

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# Equal pay 'too costly' for S.A.

1/3/76. Political Correspondent NM

CAPE TOWN — The Minister of the Interior, Dr. Connie Mulder, yesterday ruled out the introduction of equal pay for equal work in the public service in the near future.

He said the removal of discrimination could not be considered at this stage because of the cost to the Government. "Such a move would be highly inflationary and not in the interests of the country," he said.

Dr. Mulder said an investigation by the Public Service Commission had revealed that the cost of implementing a single key salary scale for all races would alone cost about R95 million.

To introduce full equal pay for equal work for the country's 400 000 State employees would cost "a few hundred million rands more."

The single salary scale envisaged in the Public Service Commission's report would not be influenced by race and would cover grades ranging from the lowest paid unskilled workers to the highest officials.

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# No equal pay yet, says <sup>A.D.M.</sup> 13/76 Mulder

**Political Correspondent**  
CAPE TOWN.—The Minister of the Interior, Dr Connie Mulder, yesterday ruled out the introduction soon of equal pay for equal work in the public service.

He said the move could not be considered at this stage because of the cost to the Government. "Such a move would be highly inflationary and not in the interests of the country."

Dr Mulder said an investigation by the Public Service Commission had revealed that the cost of implementing a single key salary scale for all races would alone be about R95 000 000

## MORE

To introduce full equal pay for equal work for the country's 400 000 State employees would cost "a few hundred million rands more," Dr Mulder said.

Dr Mulder said the envisaged single salary scale would do away with separate pay scales for Whites and Blacks, but would not narrow the wage gap substantially

He said that the Government's policy on the narrowing of the wage gap where possible remained unchanged, but there was no blueprint or time schedule.

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RAND DAILY MAIL, Friday, March 5, 1976

# 'Govt is hedging on pay demands'

Staff Reporter

THE Government is hedging on pay increases for nearly 800 000 White and Black workers in the public sector.

This is how senior public servants, Post Office and Railways officials read the statement by the Minister of Transport that if pay increases are to be granted, to Railways workers later this year rail rates and fares will have to be raised again.

Mr Muller will meet representatives of the unions separately next month, and he will be told bluntly that he will be asking for trouble unless pay concessions are granted.

Meanwhile the 24 000-strong Salaried Staff Association of the Railways

warned yesterday that pay increases were essential to ensure the stability of the Railways.

The association said in a statement it noted the remarks made by Mr Muller about the anti-inflation programme and his appreciation of the association's contribution to the scheme.

"This association feels it has shown the necessary self-control in demanding a salary increase, considering salaries were last reviewed nearly two years ago, the consumer price index rose by more than 20 per cent, and that circumstances have provided a stiff test of its sense of responsibility," the statement said.

It adds that if the matter

is not remedied, the Railways will be incapable of attending to the country's transport requisites in a competent manner.

And in Pretoria yesterday authorities said another increase in the petrol price was inevitable later this year.

It is understood that no claims have so far been made by the oil companies for increases after the 13,7 per cent rise in the pipeline tariffs.

But the view of at least some of the companies is that they sacrificed part of the last increase to keep prices down, and that it would be unreasonable to expect them indefinitely to carry the additional pipeline costs.

# Pretoria a 'guinea pig' in staggered hours plan

By KEITH ABENDROTH

PRETORIA is to be the "guinea pig" in an experiment to stagger working hours which the authorities hope will point the way to reducing peak-hour traffic congestion and result in tremendous transport savings throughout the country

The Public Service Commission has already approved in principle the application of the experiment in Pretoria, where more than a third of the 100 000 centre city White workers are public servants

Final details to stagger working hours to a greater extent than ever before were now being worked out, a senior official of the Department of Planning said yesterday

He said it would be difficult to give any estimate of possible savings. But because of the present inconvenience and traffic jam frustration alone it was hoped the plan would be successful

Mr J. M. de K. Schutte, Pretoria's transport department manager, estimated the plan could save the city R800 000 a year because the bus services would be used better.

This figure would go a long way to meeting the growing annual deficit of the municipal service

According to Mr Schutte, 212 buses are now used during the two peak periods each day for an average of only 3,3 trips each

If the peak periods were extended by only an hour each, trips could be increased to 5,3 — with

the result that the same work could be done by 132 buses, resulting in a saving of nearly 40 per cent on the buses required

Broadly the plan is to stagger the starting hours of various State departments more evenly from 7 15 am to 8 45 am and ending the day for workers between 3 45 pm and 5 15 pm

The recommendation of staggering working hours came from a subsidiary committee of the Prime Minister's Planning Advisory Council

In Parliament last week the Minister of Planning, Dr Schalk van der Merwe, said in reply to a question that such a system was being considered

However, speculation then was that it would be "flexitime" — a more complicated system under which workers can stop and start work when they wish, doing as many or as few hours a day as they might decide, within certain limits

The Planning Department spokesman said that "flexitime" had been shelved, at least for the time being, because of many difficulties and expenses inherent in its introduction

It would require an extensive system of time clocks, and there would be difficulties in applying the system to departments dealing with the public

A survey in Pretoria shows that between 7 am and 8 am, 54 per cent more vehicles are on the road in the city centre. In the afternoons the percentage between 4.15 and 5 15 pm is 50



Public Sector - Central Govt - 4/1/76

# Blacks to get better pay deal

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Own Correspondent

CAPK TIMES  
23/3/76

PRETORIA. — The Government is to narrow the wage and salary gap between White and Black workers in the public service in actual money terms.

In the last round of wage and salary increases nearly two years ago Blacks were given impressive percentage rises, but when these were translated into money, they were less than the increases granted to Whites, and the gap actually widened.

In an interview yesterday the chairman of the Public Service Commission, Mr J H C van Zyl, confirmed that from now the wage gap would be narrowed in real terms.

This, according to senior public servants, would affect posts — mainly professional posts — open to Blacks and Whites in the service.

There were large numbers of Blacks employed in categories where there were no comparable White posts.

However the commitment to narrow the actual money gap would certainly affect doctors, nurses, teachers and other professional workers.

Meanwhile the 440 000 Blacks in the public sector — desparately in need of cost of living relief — are isolated from the wage and salary negotiations being conducted by the White staff associations.

The Railway and Post Office Staff associations, and the Public Servants' Association, are empowered to negotiate only for the White worker force.

The director of the SA Institute of Race Relations Mr Fred van Wyk, welcomed Mr Van Zyl's assurance that the wage and salary gap would be narrowed in terms of real income.

Mr Van Wyk said it was high time too, that Black workers in the public sector were permitted to form their own staff associations and unions able to negotiate in the same way as the White unions.

# Red tape bites dust

STAR

24/3/76

## Pretoria Bureau

While striking a blow for married women, a provision in the new Public Service Amendment Bill also rids the public service of unnecessary red tape.

Married women have become an increasingly permanent part of the public service during the last decade, and a clause in the new Bill will make their permanency a virtual fait accompli.

At present a female pu-

blic servant's permanent employment is ended when she gets married, and she has to be reappointed if her services are needed.

According to the new provision, marriage will no longer end an employee's service, Mr Johan du Plessis deputy secretary for the Public Service Commission, said today.

However, he explained, at present married women were being permanently appointed anyway Powers were delegated to the in-

dividual government departments to reappoint women on a permanent basis when they got married, and also to appoint married women for the first time.

The legal position as it was now caused extra work in the reappointment of existing staff, and this would now be eliminated. Women would stay on automatically when they married.

The main advantage of the new clause was that

it would cut out unnecessary work, Mr du Plessis said.

The president of the Transvaalse Onderwysersvereniging, Mr P N K Terblanche, said today the new clause would have no practical effect on the teachers employed by the Transvaal Education Department. Married women teachers had been permanently appointed since 1970, he said.

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# THE MIND FROM THE WILDS

5th 25/3/76

An insatiable demand for public servants, fueled by increasing government expansion into private sector affairs, has highlighted critical problems in public administration in South Africa.

The problems — as well as several solutions — were highlighted in a speech on "top-level compensation in the public sector, and its consequences," by Professor Georg Marais, director of the Unisa School of Business Leadership and dean of the faculty of commerce.

Professor Marais was talking yesterday at the Institute of Personnel Management's national convention in Johannesburg.

**"Perhaps many more Blacks should come into the civil service."**

Exacerbating the problem of efficient public administration was the high inflation rate and consequent "freezing" of civil servants' pay

This contributed to a 50 percent staff turnover in the civil service in the three years to June 1975 and, together with other factors, has led to the situation where "efficient public administrators ship left... are in the minority, and the workload they are having to cope with is reaching a critical level

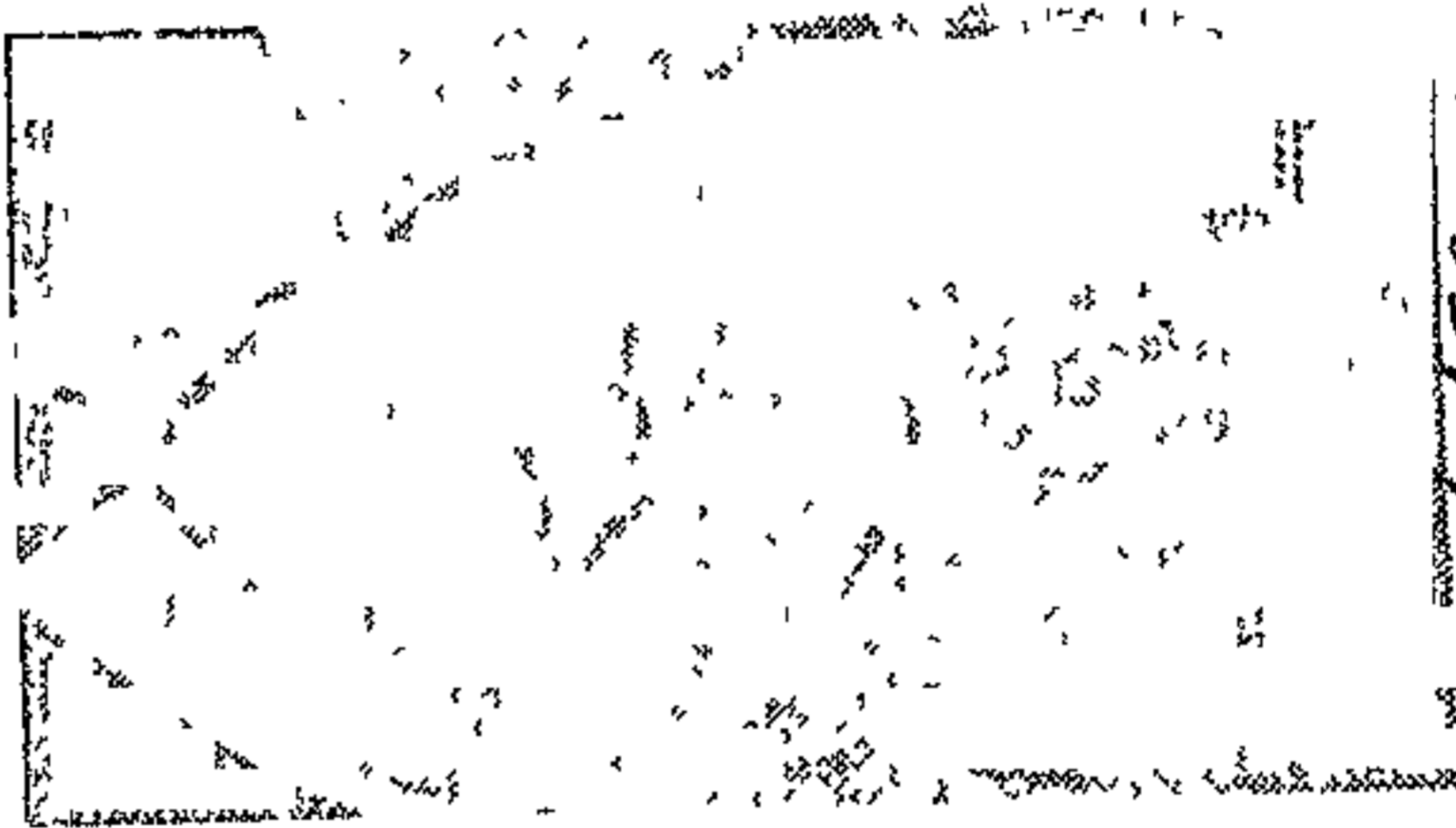
"They must make do with inefficient middle-managers controlling a group of people in the lower levels of management with little or no experience"

So, what has lead to this alarming situation? Professor Marais dealt first with salaries.

Public sector	R16 800
Dep-sec/official sec	R15 600
Private sector	R22 534
Chief execut ve	R19 514
Asst chief executive	

Taking into consideration fringe benefits, civil servants emerge worse off, because "often the fringe benefits of top executives take the form of non-taxable incomes — which is incompatible with civil service policy."

Self-fulfilment: Money is



## PROFESSOR GEORG MARAIS

not the sole motivator. Depending upon personality, self-fulfilment may be a dominant or "prime" motivator. In South Africa's civil service the "entrepreneurial personality" who enjoys power and status, has always been a dominant figure

"But in many cases self-

fulfilment for such a personality is possible only in top positions. The middle/top management may not have this opportunity.

**Social responsibility:** The public sector, as the largest employer in SA, plays an important role in training. For a long time it drew largely on the services of Afrikaners speaking people

**"If civil servant A becomes more efficient, it creates the possibility for civil servant B to become less efficient."**

"But this is an unbalanced situation... and these people are moving towards other areas of employment. The serious question now arises whether the civil service is not perhaps still relying too greatly on Afrikaners-speaking people"

"Should there not be an

effort to promote more rapidly the self-sufficiency of Blacks? To do this, perhaps many more Blacks should come into the civil service. How many Black people are employed in the Department of Bantu Administration and Development?"

**Non-profit policy:** This makes it "almost impossible to measure increased efficiency and introduce a system of job-evaluation. It is frequently said that if civil servant A becomes more efficient it creates the possibility for civil servant B to become less efficient"

**Size:** Generates inertia. "The application of new

ideas is frequently inhibited by the organizations climate. Also, political formation is basically in the hands of political bodies. Thus the civil servant is doomed to implementing policy determined by a politician"

Among the solutions suggested by Prof Marais.

- ⊙ Curtail the functions of the civil service
- ⊙ Tender out more manufacturing and service activities to the private sector
- ⊙ Speed up the implementation of Black self-sufficiency
- ⊙ Create steeper salary scales with a wider range for civil servants
- ⊙ Better training in public administration

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(1) 47  
(2) 252

# Govt spending: PM's statement

CAPL Times 5/4/76

PRETORIA — The Prime Minister, Mr Vorster, said in a statement released yesterday that his Economic Advisory Council had recommended that Government expenditure during the coming year should as far as possible be financed out of current income and actual savings — that is to say, mainly out of taxes, loans and from the local non-bank sector and foreign loans.

At the outset of the statement, the Prime Minister said that the discussions at the latest meeting of the council, which took place in Cape Town on February 26 and 27, were aimed specifically at formulating recommendations to the Government with a view to the Budget, which had since been presented to the Assembly by the Minister of Finance.

## CUSTOMARY

"As is customary, this statement on the meeting of the council was held back until the minister had delivered his Budget speech," Mr Vorster said.

"The current economic position having been fully dealt with in the Budget speech, as well as in the March issue of the 'Quarterly Bulletin of the SA Reserve Bank', the Prime Minister said.

He added that he had informed the council on the latest developments in South Africa's international political situation to enable it to take these developments into account in formulating its recommendations for the coming year.

## FACTORS

After taking all factors into consideration, the council recommended that Government expenditure during the coming year, after curtailment to the minimum level compatible with the fulfilment of the Government's undertakings under the collec-

been foreseen at the time of the meeting, the council nevertheless considers that the Budget should meet these requirements, even if this were to mean substantial increases in taxes.

"This opinion reflects the council's conviction that everybody in South Africa should be prepared to contribute his share to strengthen the economy and that, under present conditions, it is the duty of every member of society to avoid wastage and not to want to get more out of the economy than he is prepared to put back into it.

"Apart from the methods of financing the Budget expenditure as a whole, the council, with a view to, among other things, restraining healthy growth in the economy as little as possible, therefore also discussed various possibilities with regard to the spreading of the burden of such tax increases as may appear necessary and submitted its findings to the Government for its consideration."

## FINDINGS

The Prime Minister said that in the main, the Government agreed with the findings of the council as well as with its recommendations, which, in general, were compatible with the course already taken by the Government and its undertakings under the collective campaign against inflation.

"The extent to which the recommendations of the council could already have been carried into effect will be evident from the budget, which has in the meantime been presented to the House of Assembly by the Honourable the Minister of Finance."

Dealing with the prospects for 1976 and referring specifically to the balance of payments posi-

African products in the local market as a result of the devaluation, both the general public and business men are now in an excellent position to make a contribution towards improving the balance of payments by giving preference to South African products where possible."

In the absence of an actively stimulative monetary and fiscal policy which is considered undesirable under present circumstances, the council therefore still expected the beginning of the next upward phase in the South African economy to be marked by a revival in exports in the second half of 1976 and in 1977.

## VOLUME

"In view of the fact that throughout 1975, but particularly in the fourth quarter of that year, the volume of imports already showed a declining tendency which is likely to continue in 1976 as a result of the expected low economic growth rate, and that the decline in the rate of inflation in the countries that are South Africa's most important trading partners should have a favourable effect on the rate of increase in import prices, the import account should take a turn for the better in 1976.

"Together with the improvement in the export earnings that may be experienced in the course of the year, whether such an improvement is due to the effect of the devaluation of the rand or to the economic revival abroad, this should lead to a considerable improvement in the current account of the balance of payments during 1976."

## IMPROVEMENT

Referring to the council's recommendations, the Prime Minister said that

... against inflation, should as far as possible be financed out of current income and actual savings, that is mainly out of taxes, loans from the non-bank sector, and even foreign loans

Even if South Africa's position on the international front were to develop in such a way as to necessitate a greater increase in defence expenditure than could have

tion, the Prime Minister said the council was of the opinion that various factors should lead to a considerable improvement in the current account of the balance of payments during the year

#### ADVANTAGE

In view of the unused productive capacity that does exist in the South African manufacturing industry and the price advantage obtained by South

especially in view of the necessary of continued improvement in the balance of payments, the council could not find justification for deliberate, active stimulation of the economy, by means of an expansionary fiscal and monetary policy

Such a policy would inevitably counteract the declining tendency in the import account, both directly through the high important content of certain categories of Government spending and indirectly through the stimulating effect, which this would have on expenditure in the rest of the economy

#### EASING

Such a policy would also result in an easing of the liquidity position in the economy, which, apart from its potentially inflationary effect, would make the means available through which any unfounded rumours about possible changes in the exchange rate of the rand could again lead to disruptive fluctuations in the movement of short-term capital between South Africa and other countries.

The council agreed that it would not be possible to revoke the recently announced quantitative restriction on credit to the private sector till

Such time as a further improvement had unmistakably manifested itself in the current account of the balance of payments

The fluctuations in the movement of short-term funds between South Africa and other countries could be effectively controlled with the aid of other measures

A budget had been put into operation which could supplement the use of indirect restrictive monetary measures — Sapa

Cape Times

5/4/76

# STAAT BEST

SITKE RAPPOORT

## Private sektor 18/4/76. kry baie

**O**NDANKS voorspellings dat die staat en openbare owerhede se besteding vanjaar 'n laagtepunt sal bereik, is die Departement van Statistiek baie meer optimisties.

Die departement raam trouens dat die openbare sektor se besteding vanjaar met 22,7 persent tot R3 949 miljoen gaan styg.

Die rede waarom hierdie toename nie klop met die verwagte toename van 10,5 persent in die staat se besteding in die Begroting nie, is omdat die bestedings van openbare korporasies hierby ingesluit is

Die kapitaalbesteding van openbare korporasies sal volgens die departement met 30,2 persent styg en die van die Spoorwee, die Posterye en ander sentrale owerheidsondernemings met 23,7 persent.

### Woningbou

Hierdie twee afdelings saam verteenwoordig byna 60 persent van die geraamde totale kapitaalbesteding van die openbare owerheid

Op woningbouplanne van die owerheid gaan daar vanjaar R200 miljoen bestee word, wat 50 persent meer is as verlede jaar. Grondaankope deur owerheidsinstellings gaan egter

met 6 persent daal tot R149 miljoen.

'n Verdeling van die verwagte kapitaalbesteding volgens die soort bate, toon dat die grootste toename gaan wees in die aankoop van masjinerie, 'n styging van 35 persent tot R1 446 miljoen

### Konstruksie

Private konstruksiefirmas gaan vanjaar nog heelwat werk van die openbare sektor kry, maar dit lyk asof die openbare sektor van plan is om in 1977 'n groter deel van die werk self te doen.

In 1975 is R1 972 miljoen van die totale nuwe konstruksie van R2 673 miljoen aan die private sektor toegewys. Van die geraamde R3 212 miljoen in 1976 sal R2 435 aan die privatesektor toegewys word.

Dit beteken dat waar die private sektor in 1975 en 1976 ongeveer 77,75 van die owerheid se konstruksiewerk gedoen het. In 1977 sal die private sektor egter

slegs sowat 74 persent van die R3 430 miljoen wat die owerheid beplan om te bestee doen

Hoewel daar in die Begroting geen voorsiening gemaak is vir 'n toename in die toewysing aan die provinsiale administrasies nie, verwag die departement dat die provinsiale administrasies se kapitaalbesteding vanjaar met 12 persent tot R458 miljoen sal styg.

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# BE STERK

752

# Row over pay rise

Labour Reporter

The tough pay policy announcement by the Prime Minister has raised fears of a further loan levy and increased hopes for a reduced rate of inflation

Mr Vorster's unilateral imposition of tighter wage restraint is, however, threatening to blow the lid off the trade union pressure pot.

"This is much worse

than a wage-price freeze," commented Mr Arthur Grobbelaar, general secretary of the 250 000-strong Trade Union Council of South Africa

He had little doubt that Tucsas would terminate its involvement in the anti-inflation campaign after urgent consultations among its leaders today

Mr Wallie Grobler, general secretary of the 200 000-strong Confederation of Labour, said the future of the anti-inflation manifesto was in the balance.

He accused the Government of a "breach of faith" and could not see how any trade union could now abide by the manifesto

It was wishful thinking to expect the trade unions in the private sector to follow the example given in the Government sector

Mr Jimmy Zurich, president of the 20 000-strong Artisan Staff Association of the Railways, described the announcement as a "kick in the teeth"

His union was in uproar

not only over the amount of the increase but over its imposition by the Prime Minister during pay negotiations between the Minister of Transport and the railway unions

Mr Johann Benade, secretary of the Federal Consultative Council of the railway unions, said "As trade unionists we are honour-bound to object to this unilateral and arbitrary modus operandus"

He found the announcement "difficult to comprehend," however, as Government employees now had a cost-of-living backlog of at least 20 percent after making allowance for their sacrifices under the anti-inflation manifesto

The need for tougher action against inflation was driven home today by the news that the consumer price index increased 1,2 percent in March, bringing the rise over the previous 12 months to 11,5 percent

Professor P J van der Merwe, labour economist of the University of Pretoria, said "The further restraints imposed by Mr Vorster's announcement are clearly aimed at bolstering the anti-inflation drive by limiting spending and thus putting further pressure on businessmen by way of consumer resistance"

## Pay rises to cost at least R250-<sup>STAR</sup>m <sup>23/4/76</sup>

CAPE TOWN — The South African public is facing the prospect of footing an additional bill of between R250-million and R300-million after the announcement of increased pay for public servants

While the Government has so far given no indication of how it will meet

the increased expenditure, it is being widely predicted that the Minister of Finance will resort to increased loan levies and the Ministers of Transport and Posts may be forced to increase rail and postal tariffs

The increases for State employees have been welcomed from all sides, but there has been sharp criticism of the Government for handling the pay issue separately from the Budget. Many of the Bud-

get estimates are obsolete only weeks after they were announced

The Postmaster General, Mr Louis Rive, said today that the pay increases would add about R40-million to the Post Office Bill. He said it could not be assumed there would be increases in postal tariffs

Information from the railways was not immediately available, but tariff

To Page 3, Col 8

## Teachers glad, but...

Transvaal teachers are not over-enthusiastic about the announcement of a long-awaited salary increase.

Nor are they disillusioned, according to the president of the Transvaal Teachers' Association, Mr Cecil Herselman.

Mr Herselman said that

teachers had hoped for something more "startling" than the 10 percent increase they are to be given

"They are not disillusioned. Nor are they frightfully excited. We are glad to have some sort of recognition from the Cabinet and are grateful that

this has been done despite inflationary measures.

"We are looking forward to the review of salary structures mooted in Parliament. We have been waiting for this for a long time."

Mr Herselman regarded the prospect of a further five percent increase in January, if the general

economic and financial position of South Africa did not deteriorate, as "reasonable."

He hoped that the salary of the Transvaal Director of Education, Professor J H Jooste, at present "a pittance" could soon be "pushed right up. After all he is in charge of 20 000 teachers."

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# Details of the R270m pay rise

23/4/76 RDM

By BERNARDI WESSELS  
Political Correspondent

CAPE TOWN — Details of the two-phase salary increase for public servants, Railway and Post Office workers, announced by the Prime Minister, Mr Vorster, in the Assembly yesterday are:

● A 10 per cent increase which comes into effect on July 1 and,

● A further five per cent increase coming into effect on January 1 next year.

The increase in salaries is expected to cost the country R270-million a year.

This is split up into an increase in the public servants' salary bill of R150-million a year.

● A 10 per cent increase for Railway workers and R87-million a year for Railway workers.

Mr Vorster gave no immediate indication where the money would come from. No provisions for the increases have been made in the three appropriations so far.

And he said that in addition to the increase, an amount, which he did not specify, would be added to narrow the wage gap between the different population groups.



# PAY HIKE—STAND

# BY FOR THE BILL

**THE SOUTH AFRICAN taxpayer must brace himself for a possible further increase in taxation this year — to pay for the hike in public service salaries announced this week by the Prime Minister Mr Vorster.**

**By FLEUR DE VILLIERS**

The higher tax—if applied—will take the form of another increase in the loan levy. In his Budget speech last month, the Minister of Finance, Senator Horwood, asked for power to increase or cut the loan levy without the sanction of Parliament

The announcement, however, is unlikely to be made before September when Government departments will have a clearer idea of what the pay increases will cost

Informed sources said this week that estimates that the pay hikes would add R260-million to the

State's wage bill were excessive

The 10 per cent increase will apply only from July and the total amount for the central Government, including lump-sum payments to provincial administrations and statutory bodies, as well as the amount involved in narrowing the wage gap and the State's higher contribution to its pension fund, would not exceed R100-million.

This sum does not include the cost to the Railways or the Post Office of

the higher wage bill

Increased State expenditure on salaries and wages did not feature in this year's Budget — when the amount allocated for public service pay was about R800-million

The Minister of Finance is therefore to decide on his return from overseas whether he will ask for authority for the increased amount this session through supplementary estimates or include it in the additional estimates to be introduced in Parliament early next year.

## Early move

As many of the smaller departments could feel the pinch if he waited, it is believed that he will introduce supplementary estimates as soon as the committee stage of the present Budget is complete, probably before the end of May.

Whether the South African taxpayer will be asked to finance the increase will depend on the state of Government revenues, the gold price and what the Government is able to raise through domestic loans.

But the taxpayer will probably only know that in September when the Government has totted up the bill and taken a fresh look at its exchequer.

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# Scales narrow wage<sup>DP</sup> gap<sup>6/5/76</sup>

PRETORIA — The black-white wage gap in the public service will be narrowed in real terms for the first time when the new salary increases come into operation on July 1 — but only marginally.

Figures provided by the chairman of the Public Service Commission, Mr J. van Zyl, showed that the gap between similarly qualified black and white workers was still massively wide.

Although the government committed itself several years ago to narrowing the gap, the gap in terms of money actually widened.

It was only the percentage increase for blacks which was greater than that for whites.

Confirming that the real gap would be narrowed in the new scales, Mr Van Zyl said before the new increases, a white with Std 8 in the clerical division started with a salary of R1 680; Coloureds and Indians with R1 350, and blacks with R900.

In the new scales, whites would get a ten per cent increase, Coloureds and Indians 15 per cent, and blacks 20 per cent.

The gap in the old scales between white and Coloured and Indians was R330 — this had been narrowed to R295 — and between whites and blacks R780, now reduced to R768.

With a BEd degree whites started at R3 480, Indians and Coloureds at R2 700, and blacks at R2 100.

The gap in this category between whites and Coloureds and Indians has been narrowed from R780 to R723 and for blacks from R1 380 to R1 308.

Mr Van Zyl said the cost of the increases for the remaining nine months of the financial year would be R121 million. All statutory boards and universities were included in the calculation, he said.

DDC

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HANSARD NO. 115 10/5/76

Audio/visuals

Is it essential to show any such as a film or videotape?

Cost of visits 985

855 Mr. R. M. DE VILLIERS asked the Minister of Information:

What was the cost of the visits of the (a) official and (b) domestic guests received by his Department during 1975.

The MINISTER OF INFORMATION:

(a) R436 651.

(b) R28 515.

venue for your presentation been decided?

Will you be playing at home or is the meeting room to be used?

Is the room suitable as a meeting place for your audience and as a background for your subject?

- (c) Is it the right size for the audience expected?
- (d) Will everyone be able to see? Is there a dais or platform? Is there enough room for the proper positioning of one or more projection screens?
- (e) Will everyone be able to hear? Will you need to use a microphone? Is there a public address system already installed? Will there be any distracting noises and can these be silenced during your presentation?
- (f) Can the room be darkened easily? Are there sufficient power supplies for any projected visuals or recorded sound?

Visuals

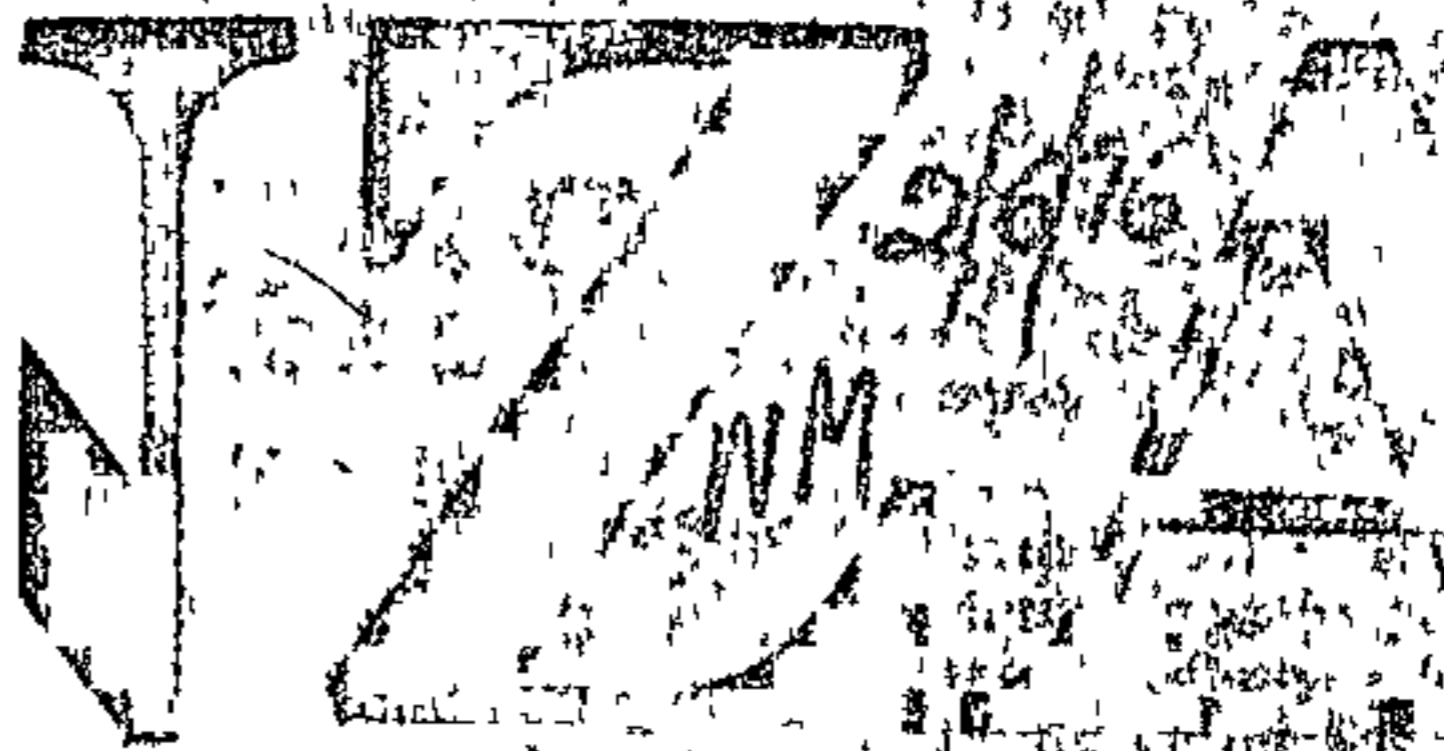
- (a) What equipment will you have at your disposal? Will there be an experienced projectionist available?
- (b) Are there any suitable visuals or other aids (e.g. films, videotapes, sound tapes, slides, etc.) already available?
- (c) What facilities are there for obtaining or making others you may need?

Budget

Has a budget already been prepared? If so, how much money has been allowed for:

# civil service pension changes

U. 252  
(2) Social Security - Pensions



ORMANDE POLLO  
Political Correspondent

CAPE TOWN - Some retired civil servants will find their pensions almost doubled under sweeping changes announced yesterday.

From October 1, "minimum pensions" will be done away with, said the Minister of Social Welfare and Pensions, Senator Johan van der Spuy.

He made the announcement in rounding up his reply to the debate on the Deputy Prime Minister's Budget Vote, during which Mr. Geoff Oldfield, chief United Party spokesman, and others, raised the issue of minimum pensions and the means test.

Now if a civil pensioner, with all his income, still qualified for a social pension under the means test, it would be paid to him.

As an example, Senator van der Spuy cited a person entitled to a civil pension of R42.

He would, if he had no other means, qualify for a maximum social pension, giving him his R42 plus R64. This would mean his pension would go up from R59 (R42 plus the difference between R42 and R64, the minimum pension) to R106 a month.

It also meant that a married person on a monthly civil pension of R84 would also qualify for a social pension after October 1. On top of this, if the wife had reached the prescribed age, she would qualify for a social pension.

Their income would therefore increase from R144 to R212 a month.

The new concession would apply to those who retired on or after October 1, because the civil pensions of those who retired before then would have been supplemented to the extent that they would not qualify for a social pension.

During the debate, Mr. Oldfield called for legislation to protect people like Mrs. Ethel Payne, evicted earlier this year from her home in Durban because her rates had not been paid.

He did not mention her by name but said such people should be protected.

Recently, he said, a widow had been evicted from her home which was sold for R2,000 because she had failed to pay her rates amounting to R92. The municipal valuation of the house was R7,000.

Though it was established that assistance from welfare officials was rejected, there were people who needed special protection, and the Minister should introduce legislation to make this possible.

Mr. Oldfield, cheered by the United Party benches, said pensioners were disappointed that the R8 increase would be effective only from October 1.

The Minister, in collaboration with the Minister of Finance, he said, should find some other basis to grant the increases earlier.

The means test also needed to be reviewed and the pensions gap between White and Black pensioners narrowed.

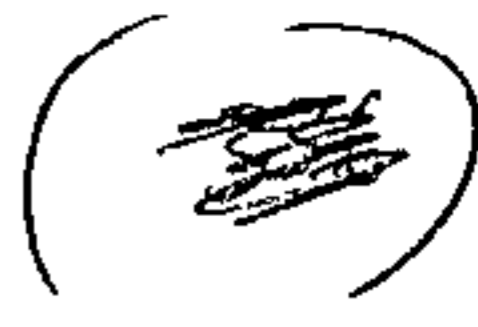
tween White and Black pensioners narrowed.

Mr. Oldfield said it was necessary that all people of all races should belong to a contributing pension fund. It would mean that more money would be available. It would eliminate the means test and also the disparity between the various race groups.

Pensioners would receive a remuneration according to their income.

Mr. Oldfield deplored the increase in child abuse. This was not peculiar to South Africa, but people were concerned that in one case where a child was battered to death only a fine of R50 was imposed. It was necessary to keep registers of child abuse, he argued.

He said industry and commerce should play a role in the care of creches and other centres.



# CAPE TIMES Pay rises in public sector

7/7/76

Own Correspondent

PRETORIA — Public sector workers — 814 000 of them — will share nearly R200 m in pay rises during the remaining nine months of the financial year.

According to economists, it will be hot inflationary money, which will fuel the price spiral and counter the Government's co-ordinated fight against inflation.

However, the chairman of the public Service Commission, Mr J H C van Zyl, warned in an interview in Pretoria that the public sector workers should not take it for granted that they would get another 5 percent from January.

### Circumstances

The Prime Minister said that this five percent would depend on financial circumstances.

"There are no sure indications at this stage that these circumstances will be favourable."

If they were not, the further increase would have to be delayed, Mr Van Zyl said.

For the remaining nine months of the current financial year state department and Provincial Administration workers, including teachers and nurses, will share R98m, railway workers about R80m and post office workers about R20m.

### Increases

Mr Van Zyl said that Whites would get increases of 10 percent, Coloured peo-

ple and Indians 15 percent, and Africans 20 percent.

The total number of Blacks in the state departments, including police, prisons and SADF personnel, provincial administration, railways and post office is nearly 450 000.

For the first time, he said, the new pay rises would narrow the gap between White and Black pay in real money terms.

Meanwhile, the seven railway unions representing 114 000 White workers, and the three post office staff associations, representing 43 000 Whites, will press for increases of more than five percent from the beginning of 1977.

### Negotiating

The Minister of Posts and Telegraphs, Senator van der Spuy has been told by the Posts and Telegraphs Association that postal workers intend negotiating for these additional rises before the end of the year.

Similarly, the railway unions have told the Minister of Transport, Mr Lourens Muller that they cannot accept the July ten percent rise as adequate compensation for the sharp rise in living costs since the last increases in July 1974.

The Minister has agreed to meet union leaders during October to discuss additional financial relief from January.

He has made it clear however that if further pay rises have to be granted, railway rates will have to be raised again.

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# What happened to pay rise?

Mercury Correspondent

16/7/76 AM

PRETORIA — Public servants opened their pay envelopes yesterday and were appalled at what was left of their 10 per cent increase.

They found that after the higher pay deductions following the tax increases in the budget their actual increases were "unacceptably tiny."

They expect, too, that the increase in the consumer price index during July will rob them of at least another 1 per cent of the meagre rises.

The president of the Public Servants' Association, Mr. S. D. de K. Venter said here yesterday the Association was aware of the widespread disappointment among State workers at the real increase in their earnings.

The State worker was still "badly trailing" his counterpart in the private sector.

"We are now formulating a memorandum for the Public Service Commission to emphasise that if we want suitable recruits we have to offer competitive rates of pay," he said.

# Fears for pay promise to public sector

23/8/76 nm.

Mercury Correspondent

PRETORIA—State department, Post Office and railway workers fear the Government promise of a 5 percent increase from the beginning of next year may have to be revoked.

Botna, said yesterday the increase in rail tariffs and fares should, beside helping to wipe out the substantial deficit which had accumulated this year, provide sufficient funds to compensate railway workers for the continuing price spiral.

The Posts and Telegraphs Association is expected to see the Minister of Posts and Telegraphs, Senator van der Spuy, before the end of the year, also on the wage issue.

The new railway tariffs come into operation from the beginning of September.

The increase, according to the Prime Minister when he announced the 10 percent July rises in the public sector, would depend on favourable economic conditions.

But according to assessment by the Reserve Bank and the Bureau for Economic Research at the University of Stellenbosch, the economy is still on the way down, so the chances of favourable economic conditions at the end of the year are remote.

But the country's 114 000 White railway workers claim they have a strong case for increases greater than the 5 percent from January next year.

The seven railway unions are due to meet the Minister of Transport, Mr Louwrens Muller, separately during September and October when the "desperate" plight of railway workers will be stressed.

The chairman of the Federal Consultative Council of Railway Staff Associations, Mr. Neels



# Stop pay rise, Govt asked

Michael Chester, Financial Editor

9/9/76  
STAR

The Government was urged today by an influential economic unit to block the 5 percent wage increase widely expected by about 500 000 workers in the public sector next January.

The advice came from the Bureau for Economic Research at Stellenbosch University in a special survey on "Prospects for 1977".

It applies to all employees in public sector jobs.

Professor J L Sadie, director of the BER, says that if the increase is given the go-ahead, it will mean Government employees will have had pay-rises of 25 percent in only 12 months by next April.

Refusing the January raise, says Professor Sadie, provides "a golden opportunity to politicians to set a good example."

The South African labour force is expected to earn in 1976 about R4 020 000 more than in 1974. Productivity of the average worker has been static at best.

If the impoverishment is to be borne by the White labour force alone, it means:

- Each worker must produce R1 000 worth of goods and services more every year.

- Workers cannot be compensated for having to pay the oil shekels R700-million more.

- Nor can they be compensated for the 18 percent addition to the cost of living caused by higher wages.

- Many more Blacks will be jobless — Page 3 and Prospects for 1977 — Page 24.

1947  
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# Radical changes 2/10/76 proposed by BIC chairman

**Michael Chester,  
Financial Editor**  
**PORT ELIZABETH** —  
In proposals aimed at reducing racial tensions the Government was today urged to make provinces smaller and to give them more autonomy

The proposals were made by Dr S P du Toit Viljoen, chairman of the Bantu Investment Corporation, at the annual congress of the Association of Chambers of Commerce here.

Dr Viljoen put forward a formula for radical changes in the structure of Government throughout South Africa from local to national levels. It envisaged handing down more autonomy on a multiracial pattern.

He argued that it was in the central heartland — where 78 percent of the total White population lived — that the main political issues had to be resolved.

Both Blacks and Coloureds must be given an increasing share in government, he said.

The political issues at stake could no longer be shelved or covered by cosmetic facades.

They were pervasive and pressing and must be solved by Government in negotiation with all racial groups.

Inside the central area, all discriminatory legislation based on race or colour must be abolished.

New moves must include the extension of facilities for Black, Coloured and Asian businessmen and workers to own houses in their municipalities and locate their businesses wherever they wanted.

For Blacks and Coloureds

reds a policy of profit-sharing and, if possible, co-partnerships should be introduced in all sectors of the economy.

Within the central heartland, local autonomy should be given in large measure to the three main metropolitan centres: the PWV triangle, the Western Cape and the Port Elizabeth-Uitenhage complex.

A large degree of auto-

nomy would also have to be handed over to the border provinces.

The functions of the central state would be delegated to it by the constituent states in the case of a federation. These would probably include external defence, central finance, customs and excise, foreign policy, and economic planning.

Call on migrant labour — Page 4.

# M C Botha expected to resign Cabinet to be shuffled

Star  
12/11/76  
254

John D'Oliveira

There is mounting speculation in Pretoria about imminent Cabinet changes, including the resignation of Mr M C Botha, Minister of Bantu Administration and Development and of Bantu Education.

This would clear the way for a new approach to South Africa's urban blacks and, possibly, the splitting of Bantu administration into two separate departments — one to deal with homeland development, the other with the increasing problems of the urban blacks.

Sources close to the Government believe the Prime Minister will have to make a number of Cabinet changes shortly, and that these will most probably be made in the next few weeks to give new Ministers some opportunity to prepare themselves for the 1977 parliamentary session

## 'Out of step'

Current speculation centres on four Ministers:

Mr M C Botha, who many Nationalists see as out of step with the requirements of the seventies. It is understood that Mr Botha, after ten years in one of the most important Cabinet jobs and after witnessing Transkei independence as a career highlight, is thinking of retiring.

● Dr Hilgard Muller, who has served for 12 years as Minister of Foreign Affairs and who has wanted to retire from politics for two years now

● Mr Louwrens Muller, Minister of Transport and former Minister of Economic Affairs, who wants to retire from politics

## Welfare

● Senator J P van der Spuy, Minister of Posts and Telecommunications and of Social Welfare and Pensions, who might be considered for a diplomatic posting. Counting against this possibility is the fact that Senator van der Spuy was unanimously elected as Leader of the National Party in the Orange Free State in September.

## 'Tricky changes'

There is strong speculation that Dr Piet Koornhof, currently Minister of Sport and considered as one of the most capable men in the Cabinet when it comes to the handling of "tricky changes," will either succeed Mr Botha or that he will be put in charge of a separate department to deal with urban blacks.

There is equally strong speculation that Dr Connie Mulder, Minister of Information and the Interior, will be appointed Minister of Foreign Affairs and of Information, handing the interior job to Mr Louis le Grange, now Deputy Minister of the Interior

(254)

# Govt stops pay rises

CT 26/11/76



Mr Muller

Own Correspondent

PRETORIA. — January pay increases for the country's 820 000 White and Black public sector workers have been rejected by the Government

In Pretoria yesterday the Minister of Transport, Mr Louwrens Muller, told the Federal Consultative Council of Railway Staff Associations that against a background of the recession and expected large railway deficit at the close of the financial year in March, it would be impossible to pay railwaymen the promised five percent increases in January

He promised to make a statement on the issue this afternoon.

Senior public servants confirmed that if the railway workers' five percent had been rejected this would apply to all public sector workers

In June this year when the Prime Minister announced an across the board increase of 10 percent for State

department, railway and Post Office workers, he added that should economic conditions be favourable, another five percent would be paid in January.

### Economic conditions

Economic conditions are decidedly not favourable, and according to the University of Stellenbosch's economic bureau are not likely to be until towards the end of 1977

Five percent increases for railway workers in January would have meant another increase in railway tariffs and fares from the start of the new financial year in April

254/49

Public servants may lose expected 5 per- cent increase

Economy's next victims?

next 26/11/76 Argus

PRETORIA. — South Africa's stumbling economy is threatening to strike into two new areas of social stability — the desperate housing position, and the loyal corps of public service employees.

In the housing field:

The Department of Community Development has stopped the allocation of all new loans for housing schemes till the end of the financial year, and will spend remaining funds only on schemes already in progress.

In the public service sphere:

Public servants, railway and postal workers and teachers are in jeopardy of losing their expected pay increases of at least 5 percent which were due from January 1.

The Minister of the Interior, Dr C. P. Mulder, said in an interview this week that the Cabinet had not yet taken a decision on whether the additional 5 percent pay increases for public servants (which were mooted by the Government when the July increases were granted) would be approved.

A decision would be

The Argus Correspondent

taken and announced, he said, before the Cabinet held its last meeting of the year early in December

Dr Mulder said the Government was eager to alleviate the position of public servants and other public sector employees such as rail and postal workers and teachers, but admitted there had been no upturn in the economy since the July increases took effect — one of the conditions under which the further 5 percent pay hikes would be granted

'Naturally, if we can assist public servants we will, but at the same time we must be responsible in our actions, otherwise we will lose everything we have gained,' Dr Mulder said.

CRITERIA

The criteria on which the public servants pay issue would be decided would be 'what a man is entitled to and what the economy can afford,' he said

The degree of staff shortage in the Public Service would not be a deciding factor Dr Mulder said that the staff position in the public service was

better than in previous years, perhaps because in depressed economic conditions people valued the security offered by the civil service

Meanwhile on the housing position, the Minister of Coloured Relations, Mr H. H. Smit, disclosed in a speech in the Free State this week that the financial position had necessitated drastic cuts in the allocation of funds for housing

CONTRACTS

Allocated funds for housing he said, would not be used further than contracts already undertaken 'no further contractual ties may be entered into even if they should be within the advances approved,' he said

The senior Deputy-Secretary for Community Development Mr A. V. W. Schoeman, confirmed the position on loans from his department He said it was an abnormal situation brought about partly from the downturn in the economy and partly by the fact that bigger contracts were being signed and were being completed faster.

News by John Patten, 216 Vermeulen Street, Pretoria

27/11/76

# Cabinet Council's 1st work session

PRETORIA — The Prime Minister, Mr Vorster, yesterday presided over the first working session of the joint Cabinet Council in which the Cabinet and Executive Committees of the Coloured, Persons' Representative Council and the South African Indian Council are represented. The joint council had its first meeting on September 24, but on that occasion the meeting was a mere formality.

Indications this morning were that the representatives

of the Coloured and Indian bodies were anxious to raise a wide range of subjects and that the meeting could last the greater part of the day.

Present at yesterday's meeting were, from the Cabinet, three senior Ministers, Dr Hilgard Muller, Foreign Affairs, Mr P W Botha, Defence, and Mr M C Botha, Bantu Administration and Development and the three Ministers whose departments are involved — the Minister of the Interior, Dr Connie Mulder, the Minister of Indian Affairs, Mr Marais Steyn, and the Minister of Coloured, Rehoboth and Nama Relations, Mr Henne Smit.

The Coloured representatives are led by Mrs Alatheia Jansen, chairman of the CRC, and Mr W J Bergins, Mr P T Sanders, Mr M A Rabie and Mr M Lynn.

The representatives of the SA Indian Council are the chairman, Mr J N Reddy, and Mr I Kathrada, Mr J A Carren, Mr J F H Mayet, Mr I Monsouk and Mr A M Moolla — Sapa.

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FINANCE

# Piccan to use Land Bank funds

**A SORE point with much of commerce and industry is the extent to which agricultural co-operatives, with their ready access to cheap Government money and their freedom from taxation, compete with the private sector.**

This has led to calls for restraints on the activities of these co-operatives.

Now, however, a new twist has been given to this situation with the news that Piccardi Canners, a company quoted on the Johannesburg Stock Exchange, is to be

allowed to use Land Bank money from February.

This means that Piccan will be able to get funds at a rate four percent below what it has been paying until now, and will put the company on the same basis as the country's other major canner,

Langeberg Co-op (Koo), says the chairman of Piccan, Mr J. A. J. Pickard.

He told The Argus that he also hoped to be able to get access to Land Bank money for Asokor and Karoo Meat Exchange, which are also in competition with agricultural co-operatives.

The use of lower-priced Land Bank funds could make a big difference to Piccan's results.

For the past two years Piccan has been operating at a loss — of R4,25-million in 1974/75 and of R1,86-million in 1975/76, during which year it paid more than R2,2-million in interest charges.

# Viljoen wants Cabinet shuffle

19/2/76  
5

Sunday Times Reporter

PROFESSOR Gerrit Viljoen, influential head of the Broederbond and principal of the Rand Afrikaans University, believes a Cabinet reshuffle is vitally important to give a new atmosphere, emphasis and enthusiasm to government in South Africa

Speaking on the radio programme "Op pad na 2000" this week, Professor Viljoen said a reshuffle would have the effect of a change of government

The Opposition had become irrelevant and, unless the National Party encouraged a "loyal opposition" from within, the democratic process would disappear

In most other democracies, changes of administration were completely normal and brought with them the revival and keenness of a new team. But in South Africa there was, he believed, no alternative to Government policy, with the result that the State suffered the disadvantage of an unbroken period of power

Mr Piet Cillie, editor of the Afrikaans newspaper, Die Burger, said the system inherited from the British had eventually led to tribal government throughout Africa.

"Now you have a tribe (Afrikaners) in power that does not believe in domination," he said. "He may not believe in it. It is against his whole history."

The Afrikaner must now decolonise as the old empires did, but he must do it in one geographic area



# Club of Ten man 'changed his mind'

Own Correspondent

DON — Judge Gerald Sparrow yesterday revealed that he had revealed the names of key men behind the pro-South African group "The Club of Ten" because of a change of heart over the matter.

He said that after a recent visit to South Africa and his Malaysian wife he had changed his mind. He said to the club say, however, they said that the judge, who started the club's activities, had hoped to make money from writing a book on the club "The Ad Astra Club", and that he could be financially benefited after being replaced as the club's representative.

As yet unaccepted manuscript, the judge said Dr Eschel Roodie, Secretary for the club, and Dr Connie Mulder, Minister for Information, as the masterminds behind the club, which had since been taken over by a group of

businessmen including Mr Jan Pickard, Mr Louis Luyt, Mr Clarence E Rhodes, Mr Werner Ackermann and Mr Lampis Nichas.

The new representative of the club in London, Mr Don Bodie, said he could not understand Judge Sparrow's action but confirmed that he benefited financially from the club while the judge did not.

Mr Bodie, a former editor of the London Evening News, confirmed that he is the club's propagandist, writing and laying out the full-page advertisements it uses for its international pro-South African propaganda.

"When I was in South Africa in 1975, I met Jan Pickard, who may be in the club, and subsequently other people whom I knew to be connected with the club.

"I was told that Judge Sparrow was considered too old and asked if I would be the club's consultant in London," Mr Bodie said.

He is believed to receive a percentage of the money spent on advertising. In the past 18 months, the total amount spent has been £120 000 (about R180 000) and the latest adverts will appear in the New York Times and Washington Post today. They call for acceptance by the United Nations of the Transkei.

Mr Bodie said he did not know of any South African Government connection with the club, which now has more than 10 members.

"It is a loosely formed group of businessmen to whom the sort of money we are talking about does not really mean very much. They are completely sincere in their efforts and the money is a secondary consideration."

© Sapa reports that Dr Rhoadie said in Pretoria last night it was "totally incorrect" that he or Dr Mulder had formed the Club of Ten or had asked anybody to form it.

~~Maitrise es Lettres~~  
~~Bordeaux, 1969~~  
~~Master's Degree (M.A.) in French (University of Pennsylvania, U.S.A.)~~  
~~special correspondent of the Times. An outcome of his work was~~  
~~Doctorat es Lettres (3ème cycle) (Ph.D) in French contemporary~~  
~~South Africa of In-Day (1898) in which he gave what purported to be a~~  
~~research in progress: Doctorat es Lettres (Etat): thesis:~~  
~~balanced assessment of the Boers;~~  
~~Andre Gide: critique des écrivains français~~

## TEACHING EXPERIENCE

- 1968-1969: a brave self-reliant people, with high military aptitude; (Instructor) West Chester State College, West Chester, Pa., U.S.A.
- 1968-1969: peace-loving, yet ever ready to defend their independence; slow to (Lecturer) University of Pennsylvania, U.S.A.
- summer 1969: move, but bitter and obstinate when roused, suspicious, but credulous, (Teaching Assistant) University of California Students, Centre for the Flag Commission, Los Angeles, U.S.A.
- 1969-1970: sensitive to ridicule and criticism, genial, hospitable and (Teaching Assistant) University of California Students, Centre for the Flag Commission, Los Angeles, U.S.A.
- 1970-1971: affectionate in their family relationship; a large-hearted people, and (Visiting Lecturer) West Chester State College, West Chester, Pa., U.S.A.
- 1971-1973: as a result of their stern life, possessed of a broad common sense not (Lecturer) University of Cape Town, South Africa.
- 1973-1974: always attained by more highly educated nations, yet at the same time (Assistant-Professor) University of Cape Town, South Africa.

## COURSES AND LECTURES GIVEN:

- Elementary and intermediate French by individualized methods
- French I, II, III (grammar and grammar)
- French conversation
- French civilization (traditional and contemporary, undergraduate and graduate)
- Stylistic exercises (graduate seminar)
- The 20th century French novel
- Survey of French 19th and 20th century literature
- Contemporary French theatre (Anouilh, Sartre, Beckett, Ionesco, Genet)
- French novel and cinema (seminar)
- André Gide: autobiography and the novel (seminar)
- being some further facts about Martial Law" (1902).

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FIN MAIL 7/1/77  
**CIVIL SERVANTS' PAY**  
**False economy?**

"Everybody", says Andries Engelbrecht, director of training of the Public Service Commission, "has his price" Even public servants. At R18 480 a year (plus fringe benefits) are top civil servants paid enough to ensure top quality management?

Since July 1974, public service salaries have risen by only 10% — in July last year A hoped for further 5% was not forthcoming Asked whether he contemplated future salary increases, Piet Rautenbach, Public Service Commission chairman, gave an emphatic "No"

He asserts it would be "most irresponsible to press for higher salaries at this

juncture — under present circumstances I won't press for it at all" Public Service Commission guidelines are invariably followed by the public sector as a whole Rautenbach has thus effectively put the damper on all public service increases.

Rudolf Landman, secretary of the Public Servants Association, comments with not a little patriotism, "We are prepared to make the sacrifice . . . on condition that we are not the only people making the sacrifice"

The responsibilities of public service management are enormous: the combined annual budget of 44 departmental secretaries and Railways' general manager exceeds R10 000m They employ 840 000

The 50% civil service staff turnover between 1972 and 1975 certainly raises some questions, although the figure is admittedly lower at the management level Management staff comprise secretaries (44), directors (90), deputy secretaries (350), and under secretaries (1 600) — about 2 000 in all. They show little sign of leaving *en masse*, being career civil servants who have made it to the top

But what of the future? The young graduate entering the civil service today will be one of the 2 000 tomorrow It is disturbing to discover that each year resignations from the professional sector of the service amount to 60% to 70% of appointments Even more disturbing, fully 80% of resignations are within the first four years of service

One can reasonably assume that it is largely the cream of the service's graduates who defect to the private sector. Only the less competent — or exceptionally public-spirited — would choose to accept a lower salary

Of course, in today's recessionary conditions, the public sector has little to fear. But what about the next economic upswing? According to Bill Glasgow, MD of SMW Management Services (a Standard Bank company), "When the upswing comes, there is going to be a shortage of management talent in the private sector This is absolutely certain as far as I am concerned"

Compared with the civil servants' 10% rise since July 1974, private sector executive salaries have risen by 20% to 35%. There has always been some flow from the public to the private sector. When business conditions improve, this flow could become a flood

Piet Rautenbach recognises the difficulty "That could be. But as civil servants, first of all we must take the country's position into account"

One wonders whether he is in fact doing so Further overstrain and inefficiency in the top echelons of the public service could be disastrous And current economising on salaries might have just such an effect

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# SA now paying R280-m a year to Sasol fund

Financial Editor ARGUS 10/1/77

**HALF of today's 4c a litre increase in the petrol price is to go to the Strategic Oil Fund, set up to finance Sasol II, the giant oil-from-coal plant being erected in the Eastern Transvaal.**

This means that South Africans are now contributing 4c a litre or about R280-million a year for this purpose.

However, large though this amount of money is, it is relatively small in relation to the amount the Strategic Oil Fund has to find.

This is because inflation has greatly increased the cost of the Sasol II plant.

When it was first proposed building this plant

in 1974 it was estimated that it would cost just under R1 000-million. Later this figure was revised to R1 021-million. But by October 1975 the cost of Sasol II had escalated to R1 900-million — or almost double the figure of a year earlier.

It is now being suggested that the cost of Sasol II is beginning to approach the R3 000-million mark — though no official figures are available as yet.

In its latest annual report issued just over a month ago, Sasol comments that the majority of important contracts for Sasol II will be finalised only at the beginning of 1977.

It adds that on receipt of these contracts it will then prepare a detailed revised estimate of costs which will allow for escalation since October 1975.

'Present indications, taking into account known rates of escalation and already received bids for the supply and erection of plant and equipment on the one hand, and product price movements, on the other hand, are that the original estimates of return on capital employed remain virtually unchanged,' the report continues.

### BURDEN

Sasol II looks like imposing a heavy financial burden on the country.

On the other hand, the expenditure of such a vast amount of money this year should keep the engineering and construction industry in the Transvaal fairly active and go a long way towards mitigating the effects of the present business recession.

It will also result, when completed, in a saving of R350-million a year in foreign exchange. And, of course, one must not forget the original purpose of the project which is to make South Africa far less dependent upon foreign sources for its petroleum requirements.

# QUANTANGO

Sunday Times 30/1/77

by  
**MARTIN  
CREAMER**

## The word that means Jobs for the Boys ... and higher taxes for the taxpayers

### THE power of patronage —jobs for the boys—is flourishing in South Africa.

Men and women — many of them with records of faithful party service — are climbing on a Pretoria gravy train to a degree that few have noticed, say experts in public administration.

The jobs — and there are hundreds of them — are in the grey world of Quasi Autonomous National Government Organisations — Quango for short.

They come in the form of public corporations, statutory boards, control boards, councils and advisory bodies.

Exactly how many there are and how much they cost the taxpayer is anybody's guess. But look up the Government Gazette and you will find another is either being set up or taking on new members.

Mr Theo Gerdener, former Minister of the Interior, thinks there are about 600. A lecturer in public administration at a South African university says there could even be 1 000.

### Silence

Cabinet Ministers and Provincial Administrators collectively have hundreds of jobs in their gift. Only they know the exact number.

And they are not saying.

The Sunday Times this week put questions to Cabinet Ministers in charge of 23 aspects of government. We wanted to know:

- The names of the statutory boards,

By direction of Dr. the Honourable C.P. Mulder, Minister of Information, I wish to inform you that he has no comment on the matter put forward in your telex JH29 of 20 January 1977.

### WILLIE'S RETIREMENT

MR W. A. (WILLIE) MAREE has become dedicated to public service since retiring as Minister of Community Development, Public Works and Social Welfare and Pensions in 1968.

Officially he left the Cabinet on grounds of ill health. Yet he has become a busy man since then.

Mr Maree receives a comfortable Cabinet Minister's pension, but he is also chairman of the Electricity Control Board (about R1 300 a year), a member of the SABC Board of Control (about R2 400 a year), and a member of the Immigrant Selection Board (R3 600 a year).

He told me he is no longer engaged in property development

corporations and advisory bodies attached to their Ministries.

- The names of their chairmen, members and salaried staff.

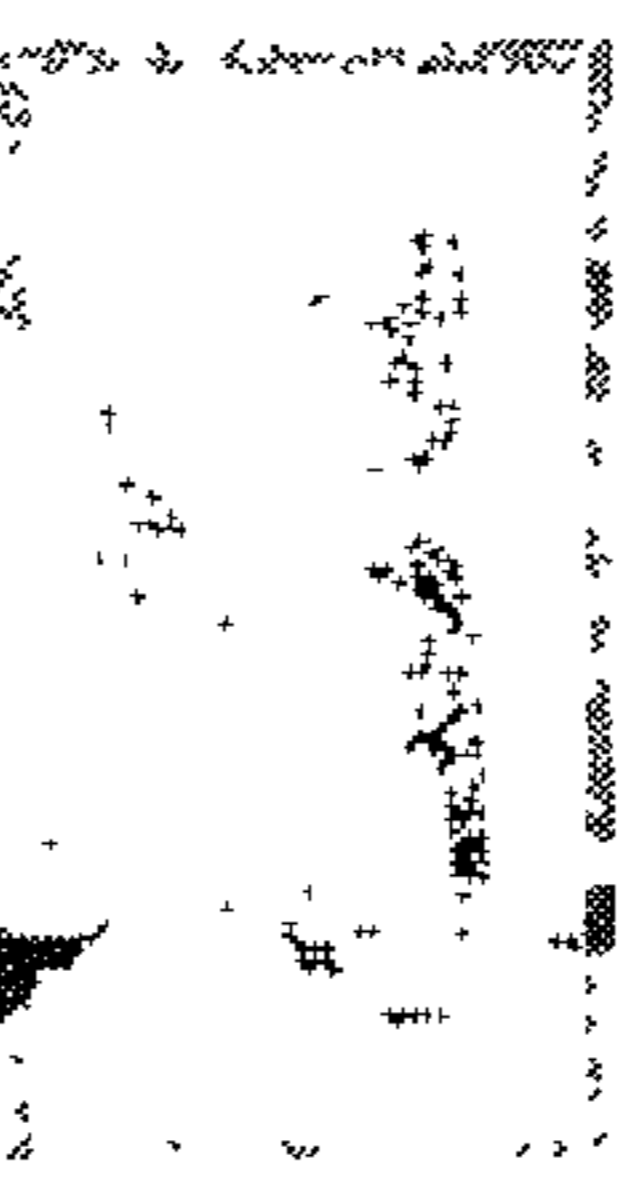
- Their annual pay, and whether it was taxed.

- Whether the positions were advertised, if so, where, and if not, why?

- The annual cost of keeping the boards in existence.

From replies received at the time of going to press, Cabinet Ministers are not prepared to give that sort of information.

The Ministry of Economic Affairs wrote: "I wish to inform you that the



MR WILLIE MAREE  
with the Quango

but concentrates on his board duties and does a little farming.

"It is difficult to find suitable people with time available to sit on these boards," he said.

Asked if any of the positions were ever advertised, Mr Maree said, "No, they are never advertised. The appointments are made by the State President."

Honourable J. C. Heunis, Minister of Economic Affairs, is not prepared to supply the information as requested by you."

From the Ministry of Bantu Administration and Development: "All the bodies you refer to are autonomous. All the desired information is not available in the form asked and cannot be readily obtained and supplied."

From the Ministry of Social Welfare and Pensions: "As this information is available from official documents, your request cannot be accepted to."

A professor of public administration told me: "The pattern is always the same. Direct Ministerial or State President appointment to the positions, which are not advertised. In this way there cannot be competition or merit appointments."

"The situation gives politicians a glorious opportunity to reward allies or party hacks at the taxpayer's expense."

"But this is a fault of power politics. I am sure that if the Opposition got in tomorrow it would do the same."

Agriculture's 22 control boards have come in for a hammering in recent months. But these form only part of our colossal statutory organisation.

It is hard to believe the country would not be better off without some of them. In the case of the Immigration Selection Board, for example, the country would save R3 630 a year for each member it disposed of.

Nor do State corporations advertise jobs for general managers and managing directors, who earn enormous salaries.

"It's as though the age of government reform had never been," a public administration expert told me.

"The shareholding of these corporations is in the hands of the State and they should therefore be answerable in all matters to Parliament.

### Useless

"But the reports they render to Parliament are useless for control purposes. They don't give salaries, directors' emoluments, or budgets."

A former United Party MP, Mr Mike Mitchell, calls for control of State corporations in published extracts of a book soon to be published. He says that when Opposition MPs question Ministers on their affairs they are given non answers.

Mr Mitchell quotes Senator Horwood, then Minister of Economic Affairs, as saying in 1974: "I could no

more prescribe to the board of Iscor ... than I could prescribe to the man on the moon."

In a recent speech, the chairman of Anglo American, Mr Harry Oppenheimer, referred to expenditure by the public corporations thus: "It is said that expenditure of this sort is not in the hands of the Government but in the hands of companies formed by the Government which are supposed to act in a normal, private business sort of way."

### The facts

"In practice, such companies are relieved of the normal constraints which apply to private business people.

"Because they are companies not directly run by the Government, they are also free of the parliamentary restraints which would arise if their activities were debated fully, clearly and deeply in Parliament."

With 25 State corporations, 22 agricultural control boards, 29 prison boards and who knows how many other boards, Quango jobs must be plentiful supply.

Who, in these hard-pressed times, could resist the status of extra office and the pay that goes with it?

The lid needs to be blown completely off the Quango quagmire. The taxpayer must be told how much they cost, whether they are all needed, who gets on them, and whether those on them are really qualified to be there.

A system of open, accountable appointment would not be a bad idea for a start.

WITH REFERENCE TO YOUR TELEX DATED 20 JANUARY 1977, I WISH TO INFORM YOU THAT THE HONOURABLE J.C. HEUNIS, MINISTER OF ECONOMIC AFFAIRS, IS NOT PREPARED TO SUPPLY THE INFORMATION AS REQUESTED BY YOU.

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# Government bid to centralise amenity control

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CAPE TOWN — The Government has reintroduced a Bill which will give it full powers to control the admission or exclusion of people of different races to public amenities, including theatres and sports clubs.

The Reservation of Public Amenities Amendment Bill will grant the Minister of Community Development the power to decide who can be admitted to clubs and societies and who may not be admitted.

If passed, the Bill could be used to prevent multi-racial sports teams playing in white leagues or to control the admission of black people to privately-owned theatres

The reintroduction of the Bill was attacked by opposition spokesmen.

The Progressive Reform Party's Dr Van Zyl Slabbert, MP for Rondebosch, said. "After what has happened over the last six months, one can only react with despair and wonderment at such steps by the Government"

And the United Party's Mr Lionel Murray, MP for Green Point said that although the Minister had promised a clear policy in regard to the admission of

people of all races, he was now taking "wider powers by wider definitions to exercise centralised control without any regard for local opinion and desires."

The Bill was given its first reading in the House of Assembly last year and although it was not debated, there was considerable controversy at the time about the Government's intentions.

Last year, the Minister of Community Development, Mr Marais Steyn, said that the legislation would enable the Government to act against people "who acted in deliberate defiance of Government policy"

The reintroduced Bill goes further than last year's by including stages, theatres and other places, whether indoors or not, where a performance of any of the arts of the stage or of entertainment is presented within its ambit.

It still includes within its definition of "public premises" and land, place, enclosure, building, structure, hall, room, convenience, dam, lake, river, vlei or swimming-bath to which "the public usually or at times whether on payment of an admission fee or not, has access or

has had access" before the commencement of the Bill.

The Bill does not, however, include public roads or streets.

It gives the Minister power to reserve the use of any public amenity, as defined, for the exclusive use of people "who are members of any particular body or bodies of persons" or who belong "to a particular race or class and who are members of any particular body or bodies of persons."

This means that the Minister can order that a public amenity be reserved for particular race groups or clubs or societies.

Any person who wilfully uses any public amenity in contravention of its reservation can be fined up to R500, which is raised from R100, or imprisonment not exceeding six months, which is raised from three, or both.

Last year, it was suggested in some Nationalist circles that the measure was aimed at giving the Minister full power to control the opening up of public amenities to all races, but immediate concern was expressed at the wideranging powers which the Minister of Community Development will have, whatever his motives — PC.

# PM under fire for attack on Wassenaar

By BERNARDI WESSELS  
Political Correspondent

## HOUSE OF ASSEMBLY —

The Prime Minister, Mr Vorster, was accused yesterday of being a "petty party political hack" and of attempting a "character assassination" on African businessman, Dr Andreas Wassenaar, for attacking Government economic policies.

The charges were levelled by Mr Dick Enthoven, PRP Randburg, in a bitter reply to Mr Vorster during a private members motion thanking the Government for maintaining a private enterprise system.

Earlier, Mr Vorster had rejected Dr Wassenaar's recently published attacks, and said the Sanlam chairman had not levelled constructive criticism, but had indulged in "scandal stories".

Mr Vorster devoted his entire speech to direct and indirect attacks on Dr Wassenaar to the virtual ex-

clusion of economic matters. This prompted Mr Enthoven to launch his attack amid loud interjections from Government benches.

Mr Vorster had not been concerned with the collapse of banks or property companies, or the fact that the economy was on the verge of bankruptcy, nor that the country was threatened on its border and isolated from its friends, Mr Enthoven said.

"He was only worried about the political issues, Dr Wassenaar had said only what others before him had said and what others would still say."

Mr Vorster had used the opportunity to attempt to assassinate Mr Wassenaar's character, and when the country was looking for leadership all it had got was a "petty party political hack".

Better people than Dr Wassenaar had tried to break the Government, Mr Vorster said.

# Nearly a million bureaucrats

Cape Times

2/2/77

Chief Reporter

AN EXAMINATION of the "quite stupendous growth" of bureaucracy in South Africa, referred to in Dr A D Wassenaar's hard-hitting book *Assault on Private Enterprise*, reveals that the total number of people in Government employment is nearing the one-million mark.

Figures released in 1975 by the Department of Statistics showed that with the homeland governments added to South Africa's three-tier system of government, the number of public servants was about 800 000, and total earnings at that stage had already soared over the R2 000m mark.

In addition there are the many thousands with jobs on public bodies including the 25 State corporations, the 22 agricultural control boards, the 29 prison boards and the host of advisory and other boards and semi-state bodies

## Warning

Mr Theo Gerdener, leader of the Democratic Party and a former Minister of the Interior, estimates that there are about 600 corporations

boards and other public bodies altogether. Three years ago he gave a warning that South Africa's civil service was "uncontrollable and out of date".

He said "this monstrously big octopus" was heading for collapse and that the number of State departments should be chopped from 44 to 24.

Dr Wassenaar, one of the Republic's foremost financiers, whose about-to-be-published book echoes many of the points made at that time by Mr Gerdener, has estimated "over-employment" in the public service at 30 to 35 percent.

Professor R R Tusenius, head of the Graduate School of Business at the University of Stellenbosch, said yesterday that, generally speaking, the findings of the

three free-enterprise seminars he organized in the Republic last year accorded with Dr Wassenaar's observations on bureaucracy in this country.

"With the proviso," he added, "that creeping socialism is often the direct result of demands for state intervention made by the private sector."

## Blame

"It would be quite wrong to blame the Government entirely for the inordinate growth of bureaucracy in South Africa; I would go so far as to allocate 50 percent of the blame to the private sector, which either by commission or omission has contributed to the present state of affairs."

Professor Tusenius said that in any concerted and coordinated attempt to overcome the country's serious economic problems a full-time "think-tank" should be established with a mandate to — among other things — make urgent recommendations on the justified functions of State departments, corporations, boards and other bodies in an "as-free-as-possible" free enterprise system.

Such a "think-tank" should be supported by part-time advisors representing the top brains from the public, private and academic sectors.

This, Professor Tusenius added, was one of the matters dealt with in a proposed plan of action drawn up after the series of free-enterprise seminars last year and which in the next few weeks would be submitted to private as well as public authorities throughout the Republic, for study and comment.

Public Actor 254  
- Govt General

## Bid to clear banned movie

Mercury Correspondent

PRETORIA — The Publications Appeal Board sits in Pretoria today to review the banning of the film *The Message*, after it was denied showing rights on December 14 by a committee of the Publications Control Board.

The three-man board had a private viewing of the film in Pretoria yesterday.

The appeal is being brought by Ster Films, the distributors. The film has not yet been shown in South Africa.

The film, which a spokesman for Ster said deals with the rise of Islam and the life and teaching of Mohammed, was deemed unfit for public showing on three grounds.

It was said to be harmful to public morals, blasphemous or offensive to religious convictions and harmful to the relations between sections of the population.



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**Persons employed by State**

426 Mr G H WADDELL asked the Minister of Statistics

- (1) How many persons in each race group were employed as at 30 June 1976 by the (a) Central Government, (b) provincial administrations, (c) Bantu homeland governments, (d) South African Railways and Harbours Administration and (e) Department of Posts and Telecommunications,
- (2) what was the total amount paid in salaries and wages to each race group in each of these categories for the year ended 30 June 1976

**The MINISTER OF STATISTICS**

	Whites	Coloureds	Asians	Bantu
(1) (a)	119 114	46 990	9 076	120 282
(b)	112 194	20 513	3 295	86 936
(c)	—	—	—	125 822
(d)	113 046	20 312	1 650	120 930
(e)	43 124	5 926	926	18 916
	(R1 000)	(R1 000)	(R1 000)	(R1 000)
(2) (a)	281 223	46 123	16 227	78 663
(b)	261 222	14 342	4 546	40 426
(c)	—	—	—	66 658
(d)	344 203	12 439	1 661	66 152
(e)	95 583	4 392	1 108	10 155

Hansard 4 14/2/77 col 313

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**Persons employed by bodies constituted under statute**

429 Mr H H SCHWARZ asked the Minister of Statistics.

(1) How many persons were employed as at the latest date for which figures are available by (a) the Central Government, (b) State corporations, (c) the

provincial administrations, (d) local authorities and (e) any other bodies constituted under statute,

(2) in respect of what date are the figures given

The MINISTER OF STATISTICS

(1) (a) Central Government	295 927
(b) Public corporations (estimated)	142 000
(c) Provincial administrations	224 704
(d) Local authorities	249 400
(e) S A Railways and Harbours	262 906
Dept of Posts and Telecommunications	69 399
Bantu Homeland Authorities	94 115
Sundry Statutory Bodies	23 190

(2) 30 September 1976

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17/2/77  
2 H 1970

# State has doubled number of employees

The Argus Political  
Staff

THE number of people in full Government employment has more than doubled in the last six years, official figures given by the Minister of Statistics, Dr van der Merwe, show.

The figures show that there are now 1 361 641 people employed by the five arms of government — the central government, public corporations, provincial administrations, local authorities, and other statutory bodies.

In 1970 there were only 675 694 people in government service representing an increase of 685 947 employees between 1970 and 1976.

## SERVICE INTAKE

But even more startling is the Government service intake of nearly half a million employees in one year — between 1975 and last year.

The figures show that 489 651 new employees were taken on in that time.

The amount paid to them in salaries and wages has also increased drastically. In 1970 public servants earned R1 047-million, compared with R2 224-million paid in 1975.

Although the wage figures for 1976 have not yet been disclosed the huge intake since 1975 would indicate that this would have risen proportionately to an estimated R3 500-million.

The figures given by Dr van der Merwe were in reply to a question by Mr Harry Schwarz (PRP, Yeeville).

(News by Patten, Press Gallery - Houses of Parliament, Cape Town)

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Supporting country by the amount. by some amount. Supporting country.

Salary scales of men/women in the Public Service

634 Mr H H SCHWARZ asked the Minister of the Interior

Whether the same salary scales are applicable to men and women employed in professional posts in the Public Service, if not, what are the scales applicable to men and women in such posts.

- 1. Increase work
2. Decrease the amount of the
3. Lower the pri
4. Increase outp
5. Both 1. and 3

homogeneous commodity that commodity would

In a simple two c the effect of rem be to :

The MINISTER OF THE INTERIOR
Yes except in the case of a few posts which form part of the structure for

teachers and where the principle of equal salaries does not yet apply Particulars of these posts are as follows

Table with columns: Post, Salary scale (Male, Female). Rows include Education Planner and Subject Inspector/Inspectress.

If the demand for strawberries was relatively elastic then a

- 1. (a) and (b) only.
2. (b) only.
3. (c) only.
4. (d) only.
5. None of them.

If the railways are making a loss on passenger traffic they should lower their fares". The suggested remedy would only work if the demand for rail travel has a price elasticity of

- 1. A is correct because B is correct.
2. Both A and B are correct but there is no causal relation.
3. A and B are both incorrect.
4. B is correct because A is correct.
5. None of the above.

(A) The prices of agricultural products tend to fluctuate less than the prices of manufactured goods.
(B) The demand for agricultural goods tends to have a lower price elasticity than the demand for manufactured goods.

- 1. The analysis in the quotation is correct.
2. The quotation confuses shifts in curves with movements along the curve.
3. The quotation is free of logical error but does not describe the way prices behave in actual competitive markets.
4. The quotation would be correct if "excess supply" were substituted for "excess demand".
5. None of the above.

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NATAL MERCURY

21/3/77

# Govt heads for clash with workers

Mercury Correspondent

PRETORIA — The Government is heading for a clash with its workers unless cost of living relief is granted soon.

Senior public servants said in Pretoria yesterday that increases had apparently been blocked until the Government decided that the economy had regained momentum.

This means that 800 000 Black and White workers in the State and Provincial departments, Railways and Post Office — already trailing the CPI by nearly 25 percent — will have to continue to cut back on living standards in the face of continued price rises.

## No increases

Earlier this month the Minister of Transport told Railways workers — and yesterday the Minister of Posts and Telegraphs stressed to Post Office workers — that there was no hope of increases until the economy improved.

In spite of the Government's attitude, however, most of the seven Railways unions and the Post Office Staff Associations are determined to increase pressure for rises.

The need for financial relief and the angry mood of workers is expected to be spelt out at the annual congress of the Posts and Telegraphs Association next month and the Railways Artisan Staff Association in May.

# Prof warns on bureaucracy

18/1/77  
R.D.M.

Staff Reporter

THE PUBLIC sector employed a third of all economically-active white men in South Africa, Professor S P du Toit Viljoen, chairman of the Bantu Investment Corporation, said in Pretoria last night

Addressing the annual banquet of the Pharmaceutical and Chemical Manufacturers Association of South Africa, he warned that the size of the bureaucracy was a serious threat to the free enterprise system

In South Africa the public sector provided work for 42% of all working white graduates, compared with 35% in the private sector and 2% self-employed

A free enterprise society could be weakened by the erosion of those attributes which gave it strength and vitality free policy and an

open society derived from its freedom and the genuine attachment of citizens to its institutions

"This erosion is proceeding too fast," he said

Western democracies were spawning overgrown bureaucracies which were making them more and more monolithic

If present trends continued they could rob democracies of the vigour and those qualities which aroused affection and spontaneous loyalty in their citizens.

At the economic level in South Africa, the danger was that a conflict could develop between the existence of a free market economy and the institution of a centrally administered national budget

At the political level the danger was of a form of representative democracy with a totalitarian regime.

PUBLIC SECTOR

GOVT.

GENERAL

JULY 1977 - DEC. 1978

FRIDAY, July 15, 1977

## WHY THIS SECRECY?

WHY a Government disclosure of considerable interest to every South African should emanate from a Deputy Minister speaking in a foreign capital is far from clear. For that was the somewhat casual manner in which South Africans learned this week of the existence of a Government blueprint to eliminate "negative" racial discrimination in the country.

London — not Pretoria — was the platform for the announcement by the Deputy Minister of Information and the Interior, that for more than a year the Cabinet had been gradually implementing changes recommended by a committee of Cabinet Ministers and top Government officials. Apparently the committee worked on its report for nearly 18 months.

Well, the mere existence of such a plan is heartening news. But having communicated that fact to the world, why draw a curtain of secrecy across the whole operation? Possibly some of the measures envisaged might cause loud intakes of breath among ultra-conservative Nationalists, but there is also another aspect to be considered — the need for the Government to generate confidence among Blacks that it is sincere and purposeful about moving away from racial discrimination.

It cannot hope to do that, or to subdue its critics abroad, simply

by reference to some mysterious blueprint that cannot be published. Moreover, it cannot expect the world to give much credence to the Government's claim that it knows where it is going when it is reluctant to give its own people even a glimpse of what it has in mind.

Only last week this newspaper stated that what was needed was "an orderly and coherent plan for political change at home—a blueprint which will satisfy the expectations and aspirations of our moderate Black population and give potential friends in Africa the wherewithal to defend an open relationship with us." However, an important rider to that sentiment is that we should be seen to have such a plan.

One of the most unfortunate features of the Government's granite-like nature is the grudging manner in which it makes its concessions to change — even when no meaningful sacrifice seems to be involved. It is no more than in keeping with this image that it should now announce a master plan for reform but refuse to disclose the details. As long as it maintains this secrecy it must not be surprised if its reforms are interpreted in some quarters as reaction to pressures rather than implementation of a planned programme.

Is it too much to hope that the Prime Minister will elaborate on a matter which is of crucial concern to all races?

## Sports trouble-makers

MULTI-RACIAL sport will never come about in South Africa as long as politically motivated administrators like Mr. Hassan Howa continue to frustrate and antagonise those who are genuinely striving to end discrimination.

He is reported to be behind what has been described as a new policy among non-racial sports leaders — no co-operation with White sports bodies until there is political and economic equality for Blacks. If this is indeed so it will come as no surprise to those who have long regarded Mr. Howa, who is president of the South African Council of Sport, as a man who is more concerned with politics than the true interests of our sportsmen.

Any administrators who go along with this attitude should declare themselves forthwith and enter politics overtly rather than use their positions to undermine the efforts of dedicated men whose aim is to normalise sport. By supporting Mr. Howa they will assuredly plunge South Africa into deeper isolation in

cricket, soccer and the Olympic movement.

There is no legislation to prevent sports clubs from choosing Black or White members. However, they cannot operate fairly and effectively while subjected to the restrictions of the Group Areas Act and the Liquor Act, from which they should be granted blanket exemption.

Sports administrators should act responsibly at all times. The claim made on Tuesday by Mr. Abdul Abass, president of the non-racial South African Rugby Union, to the effect that Dr. Piet Koornhof had rejected an outline for mixed club rugby, is to be deplored, for he subsequently admitted that he had merely "got the impression" that the Minister had vetoed the recommendation.

Dr. Koornhof, in denying the report, indicated that he had as yet made no firm decision on any of the points discussed.

The pity of it all is that this kind of confusion only encourages those political extremists who have ostensibly been tackling our sports problems under the guise of administrators.



D.D. 15/7/77

## Race Act: Botha forced Schoeman?

JOHANNESBURG — The Minister of Defence and Cape leader of the National Party, Mr. P. W. Botha, applied strong pressure behind the scenes on Mr. Hendrik Schoeman after his controversial speech in which he suggested the abolition of the Immorality Act.

According to Cape Nationalist sources, this was largely responsible for Mr. Schoeman's subsequent public climb down.

This hardline conservative intervention by Mr. Botha, who has been carefully built up by the Cape Nationalist propaganda machine as the leader of the so-called "verligte" movement to stop the allegedly "verkrampte," Dr. Connie Mulder, from becoming the next prime minister, is not being seen as a surprise development.

It goes a long way to explain the strange role of the Cape-based Nasionale Pers group newspapers — in particular, Die Beeld and Die Burger — during the past few years.

In contrast to their

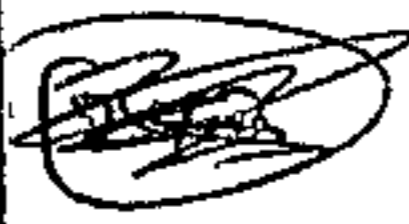
earlier reputation as verlig, these newspapers have been consistently conservative and pro-party establishment.

This has been in sharp contrast to the Perskor newspapers. — Die Vaderland and Transvaler — which have often taken a bold verligte line on important issues, however unpopular they may be with the party leadership.

The conservative attitude of Nasionale Pers group of which Mr. Botha is a director is blamed on the circulation war but it also involves the power struggle in the party.

Basic to the strategy is that on controversial ideological matters they should not be seen as verlig. This tactic has led to some sharp and often bitter attack on the Transvaal-based Perskor newspapers.

On the immorality issue, Nasionale Pers resented the debate while Perskor publicly supported the abolition of the Act. An editorial by Die Vaderland caused a furore — DDC



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D.D. 22/7/77

# Nats lost 10 years — prof

(254)

JOHANNESBURG — It took the Afrikaner establishment 10 years to discover that there was race discrimination in South Africa, according to Prof Nic Rhoodie of the University of Pretoria

Describing the 10 years as a lost decade, Prof Rhoodie said "We believed during those years that we were differentiating and not discriminating"

As a result little or nothing was done to tackle race discrimination at grassroot level

Prof Rhoodie makes these points in a long letter to Die Transvaler, most of which is devoted to a defence of the speech in which Dr Piet Koornhof mooted the idea of interracial consensus decision-making on matters of common concern

The idea was rejected as impractical politics for the present by the Prime Minister as well as several Cabinet Ministers

Prof Rhoodie says the reaction confirmed the suspicions of "enlightened South Africans" that the National Party did not have an overall plan with clear guidelines for the peaceful accommodation of the various peoples of South Africa

Prof Rhoodie attributes the rejection of Dr Koornhof's speech to a misinterpretation of it. The Minister's intention, Prof Rhoodie says, was not to create a single integrated nation but to recognise that South Africa consisted of several distinct communities which had to be accommodated politically.

Prof Rhoodie defines the system advocated by Dr Koornhof for peaceful political accommodation of the various communities as plural democracy.

"At its core plural democracy means the reconciliation of the demands of group identity

and autonomy with the demands of national and mutual involvement in joint matters

"It is these two dimensions of decision making through group orientated and national orientated institutions that Dr Koornhof had in mind when he said South Africa would definitely develop into a variant of the Swiss canton system"

Prof Rhoodie was one of the key men behind the conference at which Dr Koornhof spoke in Cape Town in May. He has just completed a book in which he advocates the inclusion of Coloureds in decision making at the highest government level

Now a verligte pressing for change, Prof Rhoodie was once a sophisticated defender and interpreter of old-style apartheid. His earlier work, Apartheid and Racial Partnership, was regarded as the classic exposition of Verwoerdian apartheid

— DDC

N. Mercury 26/7/77

**Commerce Congress**  
SENATOR O. P. F. Horwood, the Minister of Finance, will open the Regional Congress of Chambers of Commerce in Natal and East Griqualand in Durban on August 19. The congress will continue on August 20, when the highlight will be a seminar on succeeding in business in 1977.

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254      D.D. 28/2/77

# Botha blames foreign elements for boycott

PRETORIA — The Minister of Bantu Education, Mr M. C. Botha, yesterday blamed foreign elements with political aims for the boycott of black schools near here and said the pupils were harming their own future.

He repeated official denials that the Department of Bantu Education system was different or inferior and warned that some schools might be closed if the boycotts continued.

"Continual school boycotts may lead to the decline or even complete falling away of these school facilities, to the disadvantage of the children," he said in a statement.

"Pupils and teachers should seriously consider for themselves whether they are prepared to allow foreign elements with political aims to deny the pupils the opportunity of utilising to the full, in their own interest, their schooling and their train-

ing for a future career."

Mr Botha referred to reports that groups of blacks had visited schools in the Atteridgeville area near Pretoria and elsewhere, causing the boycott, which is now in its third day.

"It has come to my notice that irresponsible and unscrupulous persons, who themselves are not pupils, were responsible for the pupils in Atteridgeville having to interrupt their normal schooling," he said.

"This also happened at other places. It must be realised that pupils who behave in this manner, or are forced into such action, render incalculable harm to their own education."

Despite repeated explanations that the requirements at all South African schools were identical, there were still some who unfortunately believed a propaganda campaign which claimed the Department of Bantu Education standards were different or inferior.

Mr Botha said the disruption of normal school attendance made it impossible for pupils to attain normal achievements, or to make full use of the department's facilities so they could later make a good living for themselves. — SAPA



MR BOTHA . . . "pupils harming their future."

## School head threatens to shut classrooms

PRETORIA — A tough warning on school boycotts was issued yesterday by the Department of Bantu Education.

And at the same time, the boycott in the Pretoria area spread to Mamelodi,

the township 10 km from here.

"If this senseless boycott continues, we may be forced to close all the schools affected," the regional director of Bantu Education, Mr F. J. Wiese,

said yesterday.

He blamed lack of discipline for the boycott and warned teachers to attend schools.

"I am convinced several of the teachers are also behind it," Mr Wiese said.

"We will have to do something, as we cannot waste the taxpayers' money trying to keep empty schools open, and paying teachers who are doing nothing, especially as there is such a shortage of black teachers in other areas."

All was quiet in Atteridgeville and Saulsville yesterday.

Mr D. Molala, secretary of the North Sotho School Board, denied the students sought the resignations of the school board's secretaries.

"We have been wrongly clubbed together with the other members of the school boards. Our position is different from members of the school boards," Mr Molala said.

He confirmed the local school boards had been given an ultimatum by the students to resign.

Meanwhile, police arrested 12 pupils following Tuesday's demonstration in Alexandra township, in which a school and several vehicles were badly damaged by stone-throwing youths. — DDC.

SAPA

D D 29/7/77

(254)

# Minister silent on free farms claim

**EAST LONDON** — The Deputy Minister of Bantu Development, Dr Ferdie Hartzenberg, refused to comment yesterday on press reports that the Prime Minister of Transkei, Chief Kaiser Matanzima, and his brother, Chief George, had been given two farms formerly owned by whites

"I am not in a position to comment right now," Dr Hartzenberg said in an interview

Although he had seen the newspaper reports about the farms, he had been in the Eastern Cape all week for discussions about the purchase of

farms for the Ciskei and he had been unable to attend to the matter. He may, however, comment at a later date

But Dr Hartzenberg did say: "We did not give them the farms although we did give the Prime Minister of Transkei a house on one of the farms"

Earlier this week it was reported that farms, which were being run by the Transkei Development Corporation, were being used by Chief Kaiser, Chief George and other cabinet ministers rent free

These reports were strongly criticised by Chief George. — DDR

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# Cabinet faces crisis issues

P.D. 2/8/77

CAPE TOWN The Cabinet meets today for the first time since Parliament went into recess facing a number of smouldering problems.

High on the agenda will be the summering discontent in urban townships and the Government's failure to convince urban blacks to accept its policies.

Highlighting the deadlock is Soweto's Committee of Ten which wants fully-fledged local authority status to administer their own affairs, and the Government-backed Committee of 13 whose identity is being kept under wraps.

The Government is also having problems elsewhere.

Chief Lucas Mangope of Bophuthatswana is holding back on accepting independence for his scattered homeland because of the citizenship issue. Other black leaders such as Chief Gatsha Buthelezi of Kwazulu continue to reject the idea altogether.

The Cabinet will also

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have to find a more convincing method with which to deal with "black managers" controversy than the compromise settled on by the Minister of Bantu Administration and Development, Mr. M. C. Botha.

His attitude contrasts sharply with the verlegte utterances of ministers such as Dr. Piet Koorhof, Minister of Sport and Mr.

Holland  
Culture

Pik Botha, Minister of Foreign Affairs and other Nationalists.

The Nationalist Sunday newspaper, Rapport, said at the weekend that South Africa had never found itself in such a serious situation. Guest columnist Dr. Wimpe de Klerk, Editor of the party's official mouthpiece in the Transvaal, Die Transvaler, went further to say that the country was already "technically" in a

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revolutionary situation. Another issue which could be dealt with is the preliminary report of the Cabinet committee investigating adaptations to the Westminister system.

Other issues which could come before the cabinet are the general economic situation, yesterday's talks with the five "contact nations" over South West African independence and the Rhodesian impasse. — P.C.

# Public sector not all that big, businessmen told

RDM 2/8/77

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SOUTH Africa should not be singled out for criticism over the size of its public sector, Professor Piet Nieuwenhuyzen of the Rand Afrikaans University said yesterday.

Speaking at the regional economic conference in Johannesburg of the Afrikaanse Handelsinstituut, he said the number of people employed by the Government in proportion to the total economically employed labour force is the same as in most big industrial countries.

In contrast to countries with a relatively homogeneous population, whites alone could not serve in the public and production sectors for optimum results.

Because of this, top management in South Africa, in both the public and private sectors, had too thin a spread of top intellect or highly trained officials.

Industrial problems could not be handled properly in a number of industries covered by a recent survey, not one undertook research into the economic environment.

"Apparently the gap between the public and private sectors in South Africa is exceptionally wide. This can probably be the result of the use of more than one language and because the public and production sectors are controlled by different language groups."

In most instances the political gap was also wide. Actions of one sector were often interpreted by the other as unsympathetic.

"This state of affairs has particular implications on economic decision taking in both the public and private sectors.

"Perhaps the time has come to involve the technologist more closely in forming policies for the interdependence of the public and private sectors.

"Without injury to the character of the South African political processes, the knowledge of people involved in the production sector could probably be used more frequently."

Mr D P de Villiers, chairman of Sasol, told the conference that South Africa's public corporations are doing their job as well as they can without socialising the country.

"Let us take care that we do not socialise them through our own actions."

He listed ways in which these corporations were subjected to socialisation by private enterprise.

- Businessmen calling on the Minister of Economic Affairs or his department when they could not get their way in their commercial negotiations with corporations;

- Running to the Government when they could not sell their services or products to the corporations through normal commercial negotiations. "If Anglo American can establish its own pension scheme for its own advantage Sasol should be allowed to do the same."

- By making propaganda at Government level for professional firms dissatisfied with the amount of work they receive from Sasol. "Because it is unprofessional for these firms to make their own propaganda, they should rather send their friends directly to Sasol to promote their cause."

Mr De Villiers said Dr. Andreas Wassenaar was wrong when he wrote that companies are inclined to function at a lower profit margin or at a loss after nationalisation.

In 1955/56 Sasol's turnover was R1.3-million. In 1976 it was R72-million and its pretax profit R7.5-million. During this time, and in spite of inflationary conditions, it could not increase the price of its main product.

"Because it was impossible to combat rising costs of labour and materials through the normal way of increased product prices, our economic welfare during those years depended on our ability to constantly increase the productivity of our equipment and manpower," Mr De Villiers said.

It had also followed a sound

policy of diversification.

In 1976 turnover was R562-million and pretax profit R52-million. In the past financial year turnover increased to R680-million and Mr De Villiers expected a further profit increase.

"Sasol is run like any company in the private sector. We try to play the game according to the normal rules of commercial life."

"That is why we are careful not to ask the Government for concessions which would not be available to another company."

Mr I J Moolman, group investment manager of the Federale group, said that state control and state participation could both be classified as dangers to the free marketing system, but both were necessary to help create the economic climate in which the system operated.

Few things were as disturbing as ever-expanding State control.

"The Government should take a good look at control measures to see if they are really necessary. But more important, these measures between local, provincial and central authorities should be co-ordinated."

# GOVERNMENT 'FAILED BLACKS' CLAIM

Mercury Reporter  
2/8/77

THE Government had failed to meet the legitimate aspirations and ambitions of its Black people, Mr. Radclyffe Cadman, parliamentary Leader of the Opposition said last night.

Addressing a New Republic Party report back meeting in Kloof, Mr. Cadman said the

Government's ability to meet these ambitions was a test of its success or failure.

These aspirations had to be seen against the reality of a generation or more of Black education, and a decade of rapidly rising living standards which should have led to greater opportunities for participation economically and politically.

But the Government had failed to meet the challenge, he added.

Mr. Cadman accused the Nationalists of implementing the "crude reactionary ideas of Treurnicht, M. C. Botha and Dr. Verwoerd."

He added that an alternative government should follow the pattern set by the Turnhalle talks

of South West Africa.

"The Natal Provincial Council has expressed the intention of organising such a conference for this province and has sought additional powers from the Government to do so.

"I hope that this request is favourably received," Mr. Cadman said.



EDITORIAL OPINION

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# Painter from Potch

Too often the Afrikanse Studentebond congresses are forums for verkramptheid. But this week an ASB congress on law heard some sound common sense which, hopefully, will filter up the Afrikaner Nationalist pipelines to the Cabinet. A member of Potchefstroom University's law faculty, Mr F Jacobs, said South African courts should have the right to test laws to ensure that the freedom of civilians was not infringed.

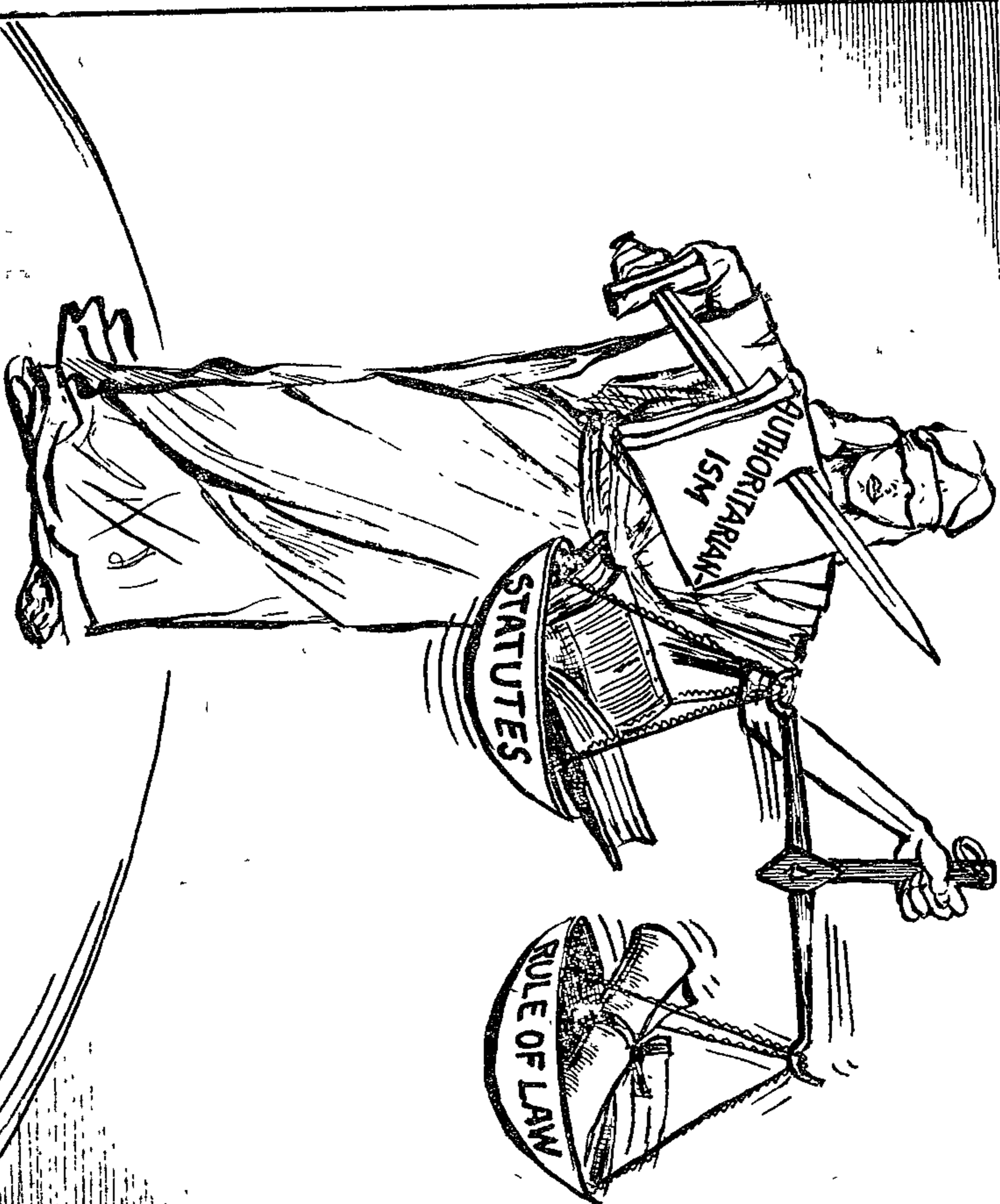
It is not a new idea, of course. All too often ideas like these have been repeated ad infinitum by the press and opposition politicians of all races — and all too often they have been ignored by a government that prefers as much power as possible in its hands freed of any necessity to test its morality or legality in court. It is sad that it takes self-proclaimed verligtes (in which class Mr Jacobs presumably ranks) so long to discover the validity of these ideas, but on the old theory of better late than never, the late adoption of self-evident principles is to be welcomed.

Citizens, as Mr Jacobs points out, are at the "mercy or otherwise" of the Legislature and it needs a court to test the laws and thus ensure the government does not intrude on the terrain of civil rights. It is a pity the National Party's resident intellectual

verligtes did not discover this years ago then we may not have had, for example, the disfranchisement of the Coloured people, the abolition of the so-called Native Representatives from the Assembly, 90-day detention, 180-day detention, the Suppression of Communism Act, the Internal Security Act, the Prohibition of Improper Interference Act, the Terrorism Act, the Group Areas Act, minimum sentences for a wide variety of offences, the Prisons Act, the Defence Act ... in fact the list encompasses just about every aspect of authoritarian apartheid.

And with all those powers in its hand, the Government is unlikely to surrender them. Mr Jacobs has little hope of persuading the Cabinet to set up an independent court concerned with implementing the Rule of Law on the lines of the American Supreme Court.

But that doesn't make the ideal any less valid. Increasingly, unless there is a major change of heart, ideas like this are pointers to the future. Ideals to be incorporated into a new South African constitution to be drawn up, at some stage not too far in the future, by consultation among all. For it is unthinkable that a new South Africa, having gone through one period of rigid authoritarianism, will not build in safeguards against future Executive abuse.



South African courts should have the right to test laws — news headline

## Comment

# Where the real danger lies

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Sun. Trib.  
7/8/77

FIFTY years ago General Hertzog created the Department of External Affairs. And for nearly thirty years it was controlled by the Prime Minister himself, until in 1954 Mr Strijdom handed it over to Mr Eric Louw. The present Minister of Foreign Affairs, Mr Pik Botha, became famous when in 1974 he gave the nations of the world the assurance that South Africa would now begin to "move away from racial discrimination".

The Government is now celebrating the jubilee of the department, and it was fitting that Mr Vorster should make an authoritative speech, to which every thoughtful South African should give attention.

Is there a concerted international pressure campaign against white South Africa? Undoubtedly there is. It has been spelt out openly and clearly.

Could it result in chaos and anarchy? Undoubtedly it could. There are powerful world figures who believe that white South Africa must be destroyed before the new society can be built.

Will the US Government back a campaign which could result in chaos and anarchy? That is the real question for the Foreign Affairs Department, for the Government, and for the National Party.

Mr Vorster concedes that the US Government and people might be doing this in ignorance. He says they are subject to two pressures, the black American vote and their own desire to win the favour of the Third World and Africa. That they are subject to these two pressures cannot be doubted. Mr Vorster's cardinal error is to suppose that they are acting in ignorance of the disastrous consequences that might follow.

It is our belief that the US

Government does not want anarchy, and that its moves for peace are frustrated not by its own ignorance, but by the apparent impotence of Mr Vorster and his party to make any meaningful political, social and economic changes. These are the changes that are considered imperative by Nationalist verligtes, editors, ministers of religion, and, increasingly, by Afrikaners from the universities. Perhaps most importantly of all, some of our military leaders have said that they will never defeat an attack from without as long as there are enemies within.

In the face of all these demands for change, Mr Vorster remains enigmatically silent. He sees American foreign policy as the great danger, not his own internal policy. In fact he gave little or no recognition in his speech to the need for internal change.

It is time for the Prime Minister to realise that the greatest danger to the peace of South Africa is not the US Government or the United Nations or Cuba or the front-line presidents. It is his own National Party, which appears to have no conception of its responsibility in these critical times.

If the National Party, under Mr Vorster's leadership, pursues its present intractable course, then the US Government will have no option but to give its full support to the international campaign. We believe it understands fully the consequences of this, and that it urgently desires that Mr Vorster will offer another option. Southern Africa's whole future depends on his readiness and ability to do so.

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Sun Trib

7/8/77

# Commerce in stern

CAPE TIMES 10/8/77

## warning to govt 254

Own Correspondent

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JOHANNESBURG. — The government was warned yesterday that organized commerce now has no alternative but to shed its traditional role and become involved in the political arena.

The warning was issued by Mr Ted Smale, outgoing president of the Johannesburg Chamber of Commerce (JCC), at the annual meeting in Johannesburg. His audience included Dr Piet Koornhof, Minister of National Education and Sport

Mr Smale said "If the politicians are unable to provide a business environment in which we can operate, then it is our duty to play an active role in correcting the situation.

"Regrettably, the environment has not improved, and while we have done our best as a chamber there is little evidence of change."

Mr Smale said the JCC had been reluctantly drawn into politics but, because of its firm convictions on the issue of equal opportunities for all in the socio-economic area, organized commerce had no alternative but to express its views.

### Confrontation

This stated intention on the part of the business community to become more forceful in political issues seems certain to lead to a confrontation with the government, and with the Prime Minister, Mr Vorster, in particular

At the Association of Chambers of Commerce annual congress in Port Elizabeth last year, Mr Vorster warned business organizations to stop meddling in politics. He said efforts to use such organizations to effect change in South Africa would fail and create unnecessary tensions between the government and the private sector.

"Change in South Africa must come from political processes. Giving in to unreasonable requests from business organizations would be adulterating the whole

both politically and economically, to continue to stagnate. There appears to be, in many areas, a lack of a sense of urgency and in some cases a complete disregard for the political and economic needs of the day

"We have to build a stable South Africa and we have to start now"

### Stimulation

A restoration of business confidence in South Africa — both locally and abroad — was vital, and in order to achieve this it was necessary in the first instance to open up job opportunities by a selective stimulation of the economy, and by removing all forms of discrimination, thereby allowing the best man to do the job, said Mr Smale.

He condemned the lack of progress made in fulfilling the promise expressed by Mr Vorster in a letter to Assocom earlier this year, stating the government's support to eliminate discrimination on the basis of race and colour in the socio-economic field

"We accept that change cannot be brought about by a stroke of the pen, but unfortunately issues such as the recent statement on black managers in white areas runs contrary to what has been promised," he said.

"If all our sporting teams are being selected on the basis of the right man for the job, why not the teams that man commerce and industry?" asked Mr Smale.

"They are playing for the good and prestige of the country. If we get this right, business confidence could return with all the resultant benefits to the economy

"It takes a long time to build — to stimulate the country in every sense of the word — and we must start doing this now. The sands of time are running out."

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political process in the Republic," Mr Vorster said African Mr Smale said "The country can no longer afford in South Africa is rightly authority in terms of the

control board system. In the discussion that follows

# Dividend repatriation curb eased

CAPE TIMES 30/8/77

By GORDON KLING

THE GOVERNMENT has apparently given in to pressure from major international companies by easing restrictions on the repatriation of dividends by foreign controlled businesses.

In the March national budget, dividend transfers were restricted to the two previous years which was interpreted as a move to stem the rising outflow of capital from South Africa by effectively locking funds in the country.

In a statement from Pretoria yesterday, the Minister of Finance, Senator Owen Horwood, said: "In my press statement of March 30, 1977, I announced that dividend transfers by non-resident controlled companies would in future be limited to income earned after January 1, 1975, and that this date would be moved forward by one year on January 1 each year. It has now been decided that the effective date of January 1, 1975 will not be moved forward annually."

## Horwood's visit

The move was not popular with the international business community. Financial sources yesterday speculated that the partial retraction was designed to repair overseas business confidence. They noted that Senator Horwood had recently visited several European financial capitals and it was considered likely that financiers had made their displeasure evident.

Parent companies which would have left funds in subsidiaries to build them up for better times were being faced with the prospect of losing the opportunity to retrieve earnings.

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# Pay rises likely for public staff

## Staff Reporter

GOVERNMENT plans to reflate the ailing economy are expected to include increases in the 1978-79 budget for the 800 000 black and white workers in the public sector.

Increases of 10% all round were granted in July 1976 to State, provincial, Post Office and railway workers.

Railway and Post Office staff associations claim they are running 30% be-

hind the consumer price index, and that members have had to make painful adjustments to their living standards

Staff Association leaders say standards are still dropping because of inflation, currently running at about 12%.

Government financial source in Pretoria say that a 10% increase for the public sector would inject a useful R250-million into the economy.

In Durban last week, the Minister of Finance, Senator Horwood, said the economy must be boosted "out of the recession to attract foreign capital and confidence".

Economists said yesterday if the economic pace was to be accelerated, more buying power for consumers was a basic ingredient.

On September 14 the executive of the 22 000-strong Artisan Staff Association will submit a demand for 17% rises to the Minister of Transport.

The demand is certain to be rejected and the Minister taken to arbitration unless he promises rises early next year.

Increases, it is pointed out, would have to be extended to all public works staff.

# SA hoarding oil says Heunis

WELKOM — The Minister of Economic Affairs, Mr Heunis, says the Government has launched an extensive hoarding campaign to stock-pile strategic and other imported material, including oil and fuel in all forms, to cope with any occurrence.

Mr Heunis told the Afrikaanse Sakekamer here that supplies were sufficient to see South Africa through on normal requirements for some considerable time. The position was being revised from time to time to keep pace with changing circumstances, and to identify possible critical areas with the view to timely planning.

The Government was planning to develop the

manufacturing industries as quickly as possible, particularly in those fields where it was important to lessen or eliminate dependence on overseas sources of supply.

Mr Heunis said businessmen would have to realise that striving for profits would have to be considered in relation to the social obligations towards the community.

The private sector tended to look to the Government too often to provide social welfare and other facilities, such as housing. These obligations were speedily beginning to claim too much from the State. SAPA

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Trastevere who were perhaps as handsome as she; but even the head-dress of the Roman contadina contributed to the identity of the person born to wear it than the sweet and stately Arlesian cap, which sits at once aloft and on the back of the head, which is accompanied with a black audition as soon as possible, with one of the persons listed below.

Please send the presses of the faculty pushed by your matriculation or matriculation exemption certificate, and proof of symbols obtained in the matriculation or equivalent examination. Rhodesian students are asked to send copies of "O", "M" and "A" level certificates and a matriculation exemption certificate if available. These documents must reach the Registrar's office as soon as possible, and in any case not later than the third week in January.

FR: Acceptance to a course of study does not imply automatic admission to a University residence. If you have applied for admission to a University residence you will be informed of the result of your application by the Residence Officer of the Registrar's staff.

for Registrar

Mike Barkusky  
Economics Honours 1977

Pace and

INTRODUCTION The  
dependence of cost  
ex ante and ex post  
descriptive functions

The information problem again

Cost Accounting - Rationale and outline of simple  
conventional practice

SECTION I THE MANUFACTURING PROCESS IN THE FIRM

The Knitting Industry as a hybrid of the textile and clothing industries. Principal processes used in knitwear manufacture. Sources of production costs. Materials, Machinery & Labour

SECTION II ECONOMIC ENVIRONMENT

Multi product, fashion product, manufacture. No. of firms in the industry, competition, marketing and production practices. Diversification of ranges, brand differentiation, temporary price inflexibility.

SECTION III PRICE AND OUTPUT DECISION PROCEDURES - THE RISK OF SUBOPTIMALITY

Procedures used to set prices Sources and extent of possible suboptimality.

SECTION IV OUTLINE OF A POSSIBLE MODEL

Modelling the multi-product firm. Mathematical generalisation of monopolistic competition model to the multi-product case. The Clemens model. - application of price discrimination analysis to the multi-product case.

SECTION V ESTIMATION OF COST FUNCTIONS

Estimation of empirical cost functions by regression analysis on adjusted time series data.

Public servants to  
seek pay parity (254)

Own Correspondent

DELEGATES to the Public Servants' Association's annual congress in Bloemfontein this week are expected to call for an immediate start in closing the gap between private and public pay scales

Dissatisfaction in the service has been aggravated by increases announced for Iscor workers

Government workers, say senior public service sources, feel they are being "sacrificed in the name of inflation" while private sector increases continue to be granted and workers in semi-State organisations like Iscor and Escom are given rises

The Prime Minister is to speak at the congress tomorrow night and there is hope he will leave the "blood, sweat and tears" theme of recent speeches to tell Government workers what their hopes are of financial relief before the end of the year

Including Post Office and railway workers, the total number of public employees has risen above 800 000 of all races - nearly 500 000 of them in State and provincial departments

They earn a total of about R2 400 million a year, so even a 10% increase would mean an additional burden on taxpayers of R240 million a year.

Monday 29th August  
2.15 PM.

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# GOVT moves on economy

By PAUL DOLD  
Financial Editor

THE GOVERNMENT is planning to boost the depressed building industry, creating jobs for thousands of unemployed workers, providing housing for blacks and injecting new life into the economy which is languishing in a trough after the worst recession since World War II.

The pump-priming of the economy is the first of the expected selected measures to stimulate certain sectors and with other encouraging trends such as improved car sales, suggests business will soon revive from the three-year recession. Financiers believe the government will spend millions of rands on the scheme.

The government is expected to tap the local capital market which is awash with funds as the build-up of liquidity continues. This could be done through the floating of long-term loans, and it is unlikely that financing what could be the biggest low-cost housing project ever tackled in the country will be a severe problem.

## Spin-offs

The measures will have important spin-offs apart from curbing the soaring unemployment rate, which is the main purpose. The expected boom in the building industry should ripple through the economy with the man in the street, both black and white, having better job prospects, and eventually more money to spend when general inflation is under way.

The predicted mass housing projects should have an immediate impact on the Western Cape. Estimates put the number of jobless in the local building industry in the past year at more than 11 000. The work-force has been cut by one-third.

The government has chosen the building industry as it is relatively easy to stimulate this sector without causing a severe blow to South Africa's foreign exchange reserves which must be strengthened in the months ahead. Most of the materials used in the industry are produced in South Africa, so the stimulation will not lead to a sharp rise in South Africa's import bill.

## No dissipation

The capital injection into the industry will have the maximum benefit for the South African businessman and labour force without being dissipated overseas through imports.

One worrying factor remains — South Africa's still high inflation rate, which is bound to be aggravated by the recent Fscm price increases. Presumably the Economic Advisory Council feels selected stimulation must be kind now, rather than risking a further rise in the jobless rate by waiting a few more months.

The stock market has been expecting the announcement and industrial shares have advanced about 20 percent during the past

five months. Investors have been concentrating on buying building supply, cement and brick-company shares. Thus, while prices may firm in trading today, the stimulation has been largely discounted.

Sapa reports that the Prime Minister, Mr Vorster, said in a policy statement yesterday, following the last meeting of his Economic Advisory Council, that it was clear the time was not ripe for a general stimulation of the economy. However, he said council felt other factors were becoming more serious.

## Bottlenecks

Unemployment was reaching a high level and there was a shortage among some sections of skilled workers which could lead to "serious bottlenecks" when an upswing in the economy got under way.

In addition, the prolonged recession was beginning to impair the economy's basic production ability seriously.

"If the economy is cooled down further, these harmful effects will be aggravated and the concomitant social problems intensified," he warned.

It had therefore been urged that the government should consider increasing expenditure on projects with a low direct-import content and a high direct potential to provide employment. It should also be productive in the economic or social sense and be able to get going quickly.

The council felt that housing for blacks met all these requirements, he said, with the private business sector also able to make a significant contribution by supplying housing to individuals who could afford it.

## Agreement

Mr Vorster said the government agreed with the general purport of the council's diagnosis of the present economic position, its view of the immediate prospects and its suggested policy approach.

The need for some change in general direction had already been indicated, and the Minister of Finance had given instructions to the Treasury to go into details of the practical implementation of the encouragement of specific projects such as non-white housing.

In Cape Town Mr R S Back, president of the Cape Chamber of Industries, said that anything done in this regard "would be a good thing".

"It is encouraging to hear the government come out and state their policy. It is good news," he said.

Mr Lionel Murray, New Republican Party MP for Sea Point, said "If the Prime Minister means that there must be a stimulation of job-intensive development as against capital-intensive industrial development, his announcement can only be welcomed".

RAM 8/12/77

# FOR 80

## PRETORIA BUREAU

**THE Government yesterday announced a 5 per cent increase for South Africa's 800 000 public servants — a move that almost certainly heralds sharp tax increases next year.**

The pay rise — which is expected to cost the country an extra R50-million — comes into effect on January 1, exactly a year after it was promised by the Government

The increases, announced by three Cabinet Ministers in Pretoria yesterday, affect all public servants, school teachers, Post Office workers and Railways employees. A new deal for teachers was also announced.

Details of all increases will be announced later by the departments concerned.

The announcement also introduces the possibility of big increases in postal and railway tariffs, which are likely to be announced in Parliament next year.

Making the announcement, the government killed hopes that the increase was the start of a new round of general salary improvements.

The Minister of Posts and Telecommunications, Mr Johan van der Spuy, said the Government's decision finalised relief measures envisaged by the Prime Minister, Mr Vorster, and should not be seen as the beginning of a general salary improvement cycle.

He was supported in this warning by the Minister of the Interior Dr Connie Mulder, and the Minister of Transport, Mr S L Muller.

The Minister of National Education, Dr Piet Koornhof, announced that a revised structure for teaching personnel would be introduced next year.

The particulars of the new structure were accepted by the Government in May this year and complied with the minimum requirements of the teaching profession, he said.

Although details were not announced, the new deal is expected to involve the appointment of more administrative staff at schools to relieve teachers and provide better promotion and advancement prospects.

The chairman of the Public Commission, Dr S Rautenbach, said the rises came as "something of a surprise", but were well deserved by the service.

"The service has really played the game over the past year, not pressing for rises and continuing to give faithful service," he said.

But the Progressive Federal Party's national chairman and MP for Musgrave, Mr Ray Swart, said the rises would "hardly satisfy anybody" and were "an indication of our struggling economy."

"At the same time it is inflationary, and with the economic climate created by this Government, even this minimum rise is going to be difficult to absorb."

The executive director of Assocom, Mr Raymond Parsons, said the five per cent increase was too small to make any real difference to South Africa's economic performance, reports Sapa.

"Its justification lies more as an effort to partially offset the loss in real income suffered by State officials in the last couple of years," he said.

Vorster

also

254

gets

Nov 8/12/77

a rise

John Patten

Political Correspondent

The Prime Minister will receive more than R60 000 a year for the first time next year and Ministers and other MPs will also do better following the pay increases granted to civil servants.

Increases to Government members and MPs will follow automatically on the decision to grant the 5 percent pay rise to public sector staff from January.

The State President will make the determinations in terms of the Payment of Members of Parliament Act of 1974, which stipulates such a determination "shall be made whenever any revision or adjustment of salaries and allowances of public servants is made."

Precedent leads politicians to assume the increases in their parliamentary salaries and allowances will be made at the same rate as that granted to civil servants.

In that case, Mr Vorster's salary can be expected to rise to R40 425 a year from next year with a reimbursive allowance rising to R20 184 a year — a total income of R60 609 a year.

#### MINISTERS

Cabinet Ministers are likely to earn R22 060 a year in salary with allowances pushing their total income to R28 384 a year.

The parliamentary salary of the Progressive Federal Party leader, Mr Colin Eglar, will rise dramatically through his elevation to the position of Leader of the Opposition. Instead of earning R16 033 a year with allowances, his income should now be R23 764 a year.

Ordinary MPs will earn an extra R801 a year with their annual salaries and allowances earning them R16 834. Whips receive an extra R1 000 a year.

MPs' salaries are fixed statutorily but the salaries of Ministers are subject to parliamentary decision. Although the opposition has several times moved motions for the reduction of Ministers' salaries as a form of protest against Government policy, a Minister's salary has only once been reduced by parliamentary vote since the nationalists came to power.

It was promptly restored when enough Nationalists were in the Assembly to reverse the vote.

# Gratitude and

Star 8/12/77

# anger over

254

# pay rises

Sieg Hannig, Labour Reporter

Public servants reacted with gratitude — and some with anger — over yesterday's announcement of a January 1 five percent pay rise for all Government workers. Now the eyes of the public service are shifting to an unsettled 18 percent pay dispute

About five years ago a similar dispute announced by the Railways Artisan Staff Association (RASA) led to a general pay rise for all Government workers

The association, which spearheaded a similar move recently, is undeterred by the five percent pay rise which has come a year after it was expected

The RASA president, Mr Jimmy Zurich, described the rise as a disgrace and said the arbitration of the 18 percent claim by a commission of inquiry was continuing

The only difference was that the claim would now be reduced by the five percent

The feeling among railway labour leaders is that it will not be the merit of the pay demand that will count, but the question of whether the country can afford it

## EVERYBODY

The secretary of the Public Service Commission, Dr W I Steyn, said today the January rise applied to "everybody paid out of State funds, including blacks"

The rise comes after two years during which inflation stayed above 11 percent a year

The Bureau for Economic Research at the University of Stellenbosch said today that inflation was unlikely to be significantly lower than 10 percent next year

Government workers had a 12.5 percent pay rise in July 1974 and a further 10 percent in July 1976

In spite of the fact that they still claim to be more than 30 percent behind the rise in the cost of living, even after the January rise, public servants are well aware of the national economic plight.

## SURPLUS

"This increase is at best a gesture of goodwill — but it is all they could afford," commented Mr Johann Benade, secretary of the Federal Consultative Council of Railway Staff Associations

The cost of the five percent to the Railways alone was about R60-million a year, he said, and that accounted for most of the surplus notched up so far this year through productivity increases and savings

Mr Benade said his Running and Operating Staff Association was to negotiate for a 10 percent demand, effective from April, with the authorities next month.

## TEACHERS

Mr J F Potgieter, chairman of the Natal coastal branch of the Postal and Telegraph Association, said "We are claiming a 20 percent pay rise. We've saved the department millions of rands. Post Office staff have each worked two hours more a week than any other member of the public service since 1971"

Educationists welcomed the pay rise as a breakthrough for the teaching profession

"We won't be getting the salary structure we have been campaigning for but we have, in effect, finally received official recognition that we are a profession separate from the civil service," said one educationist.

Details of the new salary adjustment for teachers still have to be worked out and are expected to be made known next month

Pay up,  
RSM 10/12/77  
but the  
gap <sup>254</sup>

## widens

By AMEEN AKHALWAYA

THE 5% increase announced this week for all public servants means that the pay gap between the various race groups will widen further.

When the last increases were made in July, 1976, the gap between the races narrowed in real terms, for the first time in at least one category — the clerical division.

The latest increase, in fact, makes the gap between whites and blacks even wider in that division than it was before 1976.

In that year, whites with Standard 8 in the clerical division started at R1 680, coloureds and Asians at R1 350 and blacks at R900. The gap between whites and blacks was R780.

When the new scales came into effect, whites were given a 10% increase, coloureds and Asians 15% and blacks 20%, narrowing the gap between whites and coloureds/Asians from R330 to R295, and between whites and blacks from R780 to R768.

The latest 5% increase means that whites will now start at R1 940, coloureds and Asians at R1 630 and blacks at R1 134.

The gap between whites and coloureds/Asians will be R310, compared to R330 in pre-July 1976. But the white-black gap will now be R806 compared to R780 in pre-July 1976 and R768 in July 1976.

FIN. MAIL 16/12/77  
**PUBLIC SECTOR PAY**  
**Slicing up the cake** 254

The recently announced 5% pay rise for civil servants will, for the most part, be an across-the-board increase. Narrowing the black/white wage gap will only be a consideration in the Railways and the teaching profession.

A spokesman for the Public Service Commission tells the *FM* that all civil servants will receive fatter pay packets. This includes all members of the public service (including the police and the permanent force), Post Office and Railway workers, members of statutory bodies financed out of the State revenue fund (such as the Council for Scientific and Industrial Research) and provincial administration employees.

The present increase is the second and final round of those announced by the Prime Minister on April 22, 1976. At that stage white civil servants were granted a 10% increase, coloureds and Asians 15%, and Africans 20%.

At the same time the Post Office awarded increases of 10% to whites, 15% to coloureds and Asians, and 17.5% to Africans, while the Railways increases were 10%, 12.5% and 15% respectively.

Under the current provisions there will again be a racial difference in the increases given by the Railways — although the exact percentages haven't been finalised. The objective will again be to narrow the wage gap. In contrast, with the exception of the teaching profession, all workers — black and white — in the Post Office, provincial administrations, subsidised institutions and the public service will receive a blanket 5% increase.

Teachers will have their salary structures revised, and this will be accompanied by a narrowing of the wage gap according to a spokesman for the Public Service Commission. But, he tells the *FM*, this will "not necessarily" include university lecturers, although "they are on a salary structure that is in sympathy with the teachers."

The exact percentage increases for teachers have yet to be finalised.

The increases will affect a total of about 1m workers, and will take effect on January 1 next year.

The 5% announcement doesn't mean that the pay issue among public servants is dead, however. A number of public service employee bodies are still pressing for pay hikes.

Most important of these is the SAR's Artisan Staff Association, which is pressing ahead with its demands. An arbitration board, consisting of a judge, an SAR representative, and Confederation of Labour secretary Wessel Bornman, is sitting to consider the ASA's claim, which will now be for a raise of about 13%.

It's uncertain when the arbitrators will announce their findings, although it's probable they will do so in late January or February. If they do grant an additional hike, this is likely to be extended throughout the civil service.

The odds are probably against any additional rise, however. While ASA secretary Wallie Grobler says he has no idea as to the effect on the arbitrators of last week's award, he concedes that SAR management is likely to stress that the 5% is all it can afford.

A further problem for the ASA may be the unwillingness of the other railway unions to put in a similar claim. While many of them privately support the ASA's stand, they seem content to rely on it to fight for an increase on its own.

Meanwhile, other civil service workers will also press ahead with claims. The 33 000 strong Public Servants' Association, for example, is still pressing ahead with attempts to have the entire civil service pay structure changed. "We're interested in long term improvements rather than across the board awards," says a spokesman.

## A taxing dilemma (250)

The tax revenue deficit currently facing the exchequer (*Current affairs*, October 28) is widening, lending weight to predictions that collections for the 1977/78 fiscal year will fall R350m-R400m short of the target budgeted last March.

An *FM* analysis of tax receipts from April 1 to November 30 indicates that

the rate of collections is lagging about 6,8% below anticipated levels. In money terms, this suggests a shortfall of a little over R266m during the eight-month period.

At first sight it might seem that the renewed strength of the gold price — about \$172 an ounce as the *FM* went to press — offers the solution, in the form of higher gold-mining tax receipts.

But with the mines facing escalating costs and low production levels — aggravated by the fact that they tend to work lower-grade ores as the gold price rises — nobody expects gold mining revenue to do much more than equal its budgeted target of R560m.

While preliminary results for some mining houses look promising (see *Fox*) no all-in results of gold mining profits — or tax payments — are available for the December quarter (the third quarter of the fiscal year). But the *FM* learns that gold-mining tax receipts during the previous two fiscal quarters were R60m-R70m lower than expected.

"While the much higher price will push up tax payments," says a mining economist, "that means that we should just about reach the budgeted target. They can't expect much extra from us."

An official of the Department of Inland Revenue agrees. "I don't think we'll reach the budgeted estimate, although the higher price may well narrow the gap," he tells the *FM*. "But we won't know exactly until the last mines pay during February."

It's possible, however, that the seasonal pick-up in consumer spending during the Christmas period, coupled with revenue skimmed from year-end staff bonuses, will marginally reduce the deficit.

During the current fiscal year — thanks to the success of government's loan issues — the revenue shortfall is unlikely to present much of a problem to Finance Minister Owen Horwood or Secretary for Finance Joep de Loor.

The *FM* learns that loan revenues — excluding the proceeds of operations by the Public Debt Commissioners (PDC) — were about R400m ahead of expectations by the end of December. Depending on the success of Pretoria's February issue, loan revenues — excluding the PDC — should "very easily" exceed the target by R550m-R600m by the end of the fiscal year.

#### The 1978 budget

But what of the 1978/79 fiscal year? Despite extensive pruning, state expenditure is still expanding faster than revenue, and the lag in the recovery of recession-hit company taxation will carry the problem well into 1978/79.

How then will Horwood and De Loor balance the books in the forthcoming budget?

Gold mining taxation — despite the presently soaring price of gold — can't be relied upon to make up any shortfall in 1978/79 either. Firstly, the higher price doesn't guarantee higher profits for the mines.

Secondly, even a consistently high gold price doesn't necessarily promise a tax revenue bonanza.

If the gold price maintains an average \$170 during the 1978/79 fiscal year — \$14 an ounce more than the likely average for 1977/78 — state coffers will only be swelled by an additional R176m.

Even an average price of \$180 an ounce — \$24 up on the average for the 1977/78 fiscal year — will only rake in an extra R302m for the year.

So Horwood will have only two real options — to borrow heavily, or to increase taxation. The *FM* learns that borrowing on a large scale is not believed to be the answer. The success of government's internal borrowing operations



Horwood . . . 5% sales tax up his sleeve?

during the current fiscal year was something of a windfall, and can't be relied upon to fill any tax gap during the next — particularly in the absence of foreign capital for SA's public corporations, and if the expected economic upswing develops.

So taxes seem the likely target. An increase in company taxation is simply not on, for fear of strangling the already emaciated goose. And the *FM* is told that no increase in direct personal taxation is likely.

It seems, therefore, that the proposed "point of sale" sales tax will be Horwood's trump card, despite doubts that the wrinkles will have been ironed out by Budget Day.

It's the *FM's* bet that the new sales tax

will be an across-the-board 5% — though some exceptions may be made — added to, rather than instead of, existing sales taxes.

It's thought that each 1% of the new tax — in tandem with other sales taxes — will pull in around R200m a year. So 5% seems the likely percentage, promising to swell Pretoria's coffers by about R1 000m a year.

# MOVE TO PROBE CIVIL SERVICE

4/2/78

Mercury Correspondent

**PRETORIA** — Opposition politicians have called for a thorough investigation of the country's "ballooning bureaucracy" by the Public Service Commission.

Their concern at the mounting costs of the Public Service is supported by Department of Statistics figures which show that since 1974 the number employed in the Government sector — the State Departments including police, prisons and permanent SADF personnel — has increased by 48 000, including 20 000 Whites.

In the same period government workers' annual earnings soared from R713 million to nearly R1 200 million.

In the House of Assembly this week the leader of the SAP, Mr. John Wiley MP, claimed the country's civil service was too big, too cumbersome and too inefficient.

Other prominent politicians claimed that about a third of the public sector structure could be dismantled if the Government scrapped its discriminatory race policies.

## Education

There were, they pointed out, eight Departments of Education — four provincial and one each for Coloureds, Indians, Blacks and Whites. The Departments of Coloured and Indian Affairs and the Department of Community Development were also large and growing.

It would be difficult to refute the claim that there was too little staff supervision, too limited work expectation and too much clock-watching in the Public Service, it was stated.

The PFP spokesman on interior affairs, Mr. Dave Dalling MP, said at a time when the country's economy was at a low ebb the Public Service should streamline its operations and create a leaner and more efficient machine.

In spite of the independence of the Transkei

and Bophuthatswana and the devolution of powers to South West Africa, complements of State departments continue to grow.

This was especially so in the Department of Bantu Administration and Development.

## Workers

"They have shed responsibility for about 6 000 000 Blacks yet the number of workers in the department is approaching 6 000 and there are about 400 unfilled posts still to be established."

Mr. Dalling said that in 1974, according to official figures, a total of R712 980 000 was paid to government workers. Based on the payout for the third quarter of 1977 the Government's wage bill was now nearly R1 200 million.

Provincial departments paid their staff R557 902 000 in 1974. Last year this figure had escalated to R850 million.

Mr. Wiley said drastic steps were needed to improve the efficiency of the civil service.

Certainly, according to economists spoken to yesterday, there was no justification for the sharp increase in staff since 1974.

It was then that the recession started and it was then, too, that the unemployment problem in the private sector began to develop.



Cape Times 21/2/78

~~250~~

250  
f

# National Supplies fund lent R908m in year

HOUSE OF ASSEMBLY — The National Supplies Procurement Fund lent a total of R908,3 million to various projects, including R557,2m for stockpiling, during the 1976/7 financial year

And the Armaments Board lost R217 992 in variations or cancellations of contracts in compensation payment during the 1976/7 financial year

These details were given by the Auditor-General, Mr F G Barrie, in part three of the report tabled yesterday

The National Supplies Procurement fund, which has overdraft facilities of R650m at the Reserve Bank and another R750m guaranteed by the Minister of Finance, lent R19,4m for the "purchase of fixed assets and operating and administration costs", R1,9m for the erection of warehouses, and R22,1m to Sasol for the financing of NATREF

The fund also lent R214,9m to Iscor "to meet temporary shortages in the general levy and steel import subsidy scheme", R14,1m to the fertilizer industry "for price stabilization purposes", R2,3m to the plastics industry "to finance surplus imported raw materials", R68,7m to Iscor for development and R7,7m to Iscor for the tin plate levy scheme.

The Auditor-General said the fund had R52,7m in stocks on hand at the fund's stores and in transit

With regard to these stocks, Mr Barrie said "The accounting

officer informed me that he had received certificates from the directors or auditors of the firms concerned, regarding the existence of the stores and that the stores on hand as reflected in the books of the fund are in agreement with these certificates, with the exception of certain differences in respect of gram bags which the department is still investigating"

He also reported losses of R146 304 on stockpiled materials. This included

R141 603 as the net loss, when 3 986 bales of jute fibre were damaged by fire

The Armaments Board lost R166 227 in 14 cases where contracts were varied or cancelled to the disadvantage of the board. In seven cases, the amount exceeded R10 000 and in three of these, the amount ranged from R20 000 to R30 000

The Armaments Board also paid out R51 765 in four cases where compensation was necessary

Hansard 6 col 337 6/3/78

**Persons employed by statutory public bodies**

310 Dr Z J DE BEER asked the Minister of Statistics

How many persons in each race group were employed as at 30 June 1977 by (a) the Central Government, (b) the Provincial Administrations, (c) the Bantu homeland governments, (d) the South African Railways and Harbours Administration, (e) the Department of Posts and Telecommunications, (f) local authorities and (g) other statutory public bodies

The MINISTER OF STATISTICS

	Whites	Coloureds	Asians	Bantu
(a)	121 699	51 257	9 631	123 375
(b)	116 987	21 379	3 565	87 795
(c)	—	—	—	96 000
(d)	114 399	21 943	1 691	124 032
(e)	43 612	6 385	1 047	19 308
(f)	57 900	24 100	5 600	136 000
(g)	78 578	5 332	579	90 776

S.D. 27/4/78 (250)

# All must have chance to work says Botha

**THE ASSEMBLY** — The Minister of Labour, Mr Fanie Botha, said yesterday he hoped to introduce legislation during the next session of Parliament stemming from the recommendations of the Wiehahn and Riekert Labour Commissions

Replying to the debate on his Budget Vote, Mr Botha said, however, that he would not make changes in the present labour pattern that could threaten the peace and security of any groups, particularly minorities

"It is necessary that everybody in this country, black, brown and white, has the chance to get work, but this must be within a pattern that provides security and peace for all"

It was obvious that in the future millions would be seeking jobs and it was equally obvious that there would not be enough whites to do certain jobs

It was therefore necessary to determine how black and brown people could be brought into certain jobs without, at the same time, posing a threat to the security of the white worker

"It is necessary that

everybody be protected," he said

This was the aim of the labour commissions and not, as had been suggested, to formulate a new labour policy for the Government

"The labour policy is designed to bring about peace and order in South Africa. Before changes can be made it is necessary that the Wiehahn Commission and the Riekert Commission thoroughly investigate the situation

"You cannot run the economy in an undisciplined manner, and perhaps reach the point where the consumer cannot trust the quality of a product or service"

The Government alone could not achieve labour discipline. The effort had to come from employers and employees

South Africa's future development would rely heavily on her export capabilities, which, in turn, depended on the quality of her products

As important as organisation was labour training, he said. While a great deal of training was being done it was

necessary that there be more so that South Africa could rely on the local market for skilled workers

"For example, if we should one day build a third Sasol, then we should not have to import workers. Should we move into a stage of great economic development, then it will be desirable that we can use our own labour" — SAPA

Aug 10/6/78

## Private sector <sup>(250)</sup> 'slow' on housing

Frank Jeans

While the State has contributed almost R550-million for sub-economic housing for all population groups in just over five years, there might well be a greater effort on the part of the private sector.

According to Mr A B de Wet, managing director of the Trust Building Society, the private sector, during the same period provided only 10 percent of total finance to black housing, 20 percent to coloured peoples, and just over 35 percent to Indian

These figures compare with an 80 percent financial commitment to white housing

Speaking at a Trustbou Trophy ceremony in Potchefstroom last night, Mr de Wet said "The performance of the private sector is not very encouraging."

### POTENTIAL

"The tremendous potential of the multi-national housing market must not be under-estimated. The private sector should adapt itself to it accordingly, and fast"

Certainly, increased activity by the private sector in housing will create heavy financial demands, as well as provide building societies, with a great challenge, new opportunities for the property, building and construction industries will become, increasingly important

Set against this, too, are the signs of greater stability in the economy, which Mr de Wet listed as:

● Additional credits for banks

● The tendency for a fall in interest rates, and increased liquidity

● A decrease in unemployment among non-Blacks.

● Increased personal savings.

On the political scene, Mr de Wet believes that problems so far as SWA/Namibia and Rhodesia are concerned "will rather improve than deteriorate"

Mr de Wet said it was in the interest of all in South Africa to have a black middle class with home ownership

# Expert sums up boycott chances

250

THE West will try at almost all costs to use the classical tools of modern diplomacy to bring about change in South Africa, rather than apply international economic and political boycotts

This view was expressed by Professor Arnt Spandau, Professor of Business Economics at Wits when he spoke to the Computer Society in Johannesburg

He said boycotts were the West's trump card in pressuring South Africa.

"However, once this card has been played, there is a fairly strong possibility that South Africa will continue to be stubborn," he added

In a hypothetical total boycott situation, foreign journalists could be barred from the country and all mass communications media could be nationalised

The liberalising forces of Western ideology could then

be barred from South Africa

Inevitably, he felt, the interruption of political and economic links with South Africa would bring about a stalemate, leaving South Africa sufficiently strong to continue withstanding the call for abandonment of apartheid policies, even in isolation

South Africa's vulnerability to boycotts was limited, he felt

Productive capacities presently directed to export markets would be used to meet internal needs South Africa is not dependent on outside food supplies

The country's industry was well developed and it had many of its own raw materials

Specific scarcities would develop in South Africa and certain goods and services would become more expensive, thus encouraging sanctions-busting

ed Seminars on the  
th Africa, 2 vols.  
The government levied a tax of 5 cents per unit sold. Both supply and demand have some price elasticity. This tax has had a dynamic effect on the economy.  
(1) The entire supply of goods is perfectly elastic.  
(2) The entire supply of goods is perfectly inelastic.  
(3) The entire supply of goods is perfectly elastic and perfectly inelastic.  
The government levied a tax of 5 cents per unit sold. Both supply and demand have some price elasticity. This tax has had a dynamic effect on the economy.  
(1) The entire supply of goods is perfectly elastic.  
(2) The entire supply of goods is perfectly inelastic.  
(3) The entire supply of goods is perfectly elastic and perfectly inelastic.

51. In an acute housing shortage, rent controls are often applied to hold the price of housing to a reasonable level. What is the immediate effect of this policy with respect to tenants and landlords, and the allocative function of prices?  
(1) It prevents tenants from gaining an expense of landlords; the allocative function of prices is impaired.  
(2) It prevents tenants from gaining an expense of landlords; the allocative function of prices is not impaired.  
(3) It prevents landlords from gaining an expense of tenants; the allocative function of prices is impaired.  
(4) It prevents landlords from gaining an expense of tenants; the allocative function of prices is not impaired.  
(5) None of the above.

52. If the price of butter decreases by 10% and the demand for butter decreases by 5%, what is the price elasticity of demand for butter?  
(a) Greater than 1  
(b) Equal to 1  
(c) Less than 1  
(d) None of the above

53. The price of a commodity would be expected to increase if:  
(a) Demand increases and supply remains constant.  
(b) Demand decreases and supply remains constant.  
(c) Demand increases and supply also increases.  
(d) Demand decreases and supply also decreases.

SCHOOL OF ECONOMICS  
DIVISION OF ECONOMIC HISTORY  
Examples: 1. The price of a commodity would be expected to increase if:  
(a) Demand increases and supply remains constant.  
(b) Demand decreases and supply remains constant.  
(c) Demand increases and supply also increases.  
(d) Demand decreases and supply also decreases.  
Example: 1. The price of a commodity would be expected to increase if:  
(a) Demand increases and supply remains constant.  
(b) Demand decreases and supply remains constant.  
(c) Demand increases and supply also increases.  
(d) Demand decreases and supply also decreases.

or local epidemics, had their part to play when the times of trouble had subsided, deferred marriages took births following upon them swell eighteenth-century population growth is essentially necessary to a rapid a great and continued demand for reinforced one another, certainly was drastically different from what Behind these general observations. Cruelty, destitution, infant imate babies) remained wholes: frequently been told," Adam Smith Scotland for a mother who has been The death of an infant was as common the poor. Goethe, who came from later could not recall how many of And the historian Edward Gibbon century, coolly noted that "the de parents may seem an unnatural, but given number the greater part are own infantile constitution had been my brothers, my father's prudence Edward, that, in case of the deprecation might still be perpetuated inaccurate, but it testifies to the imagination of the eighteenth century.

**The Persistence**

Whatever else it changed, the growth of hierarchical structure of society All government was...  
 Republic  
 oligarchy  
 chused  
 precarious  
 of social  
 spectacles  
 banker  
 to speed

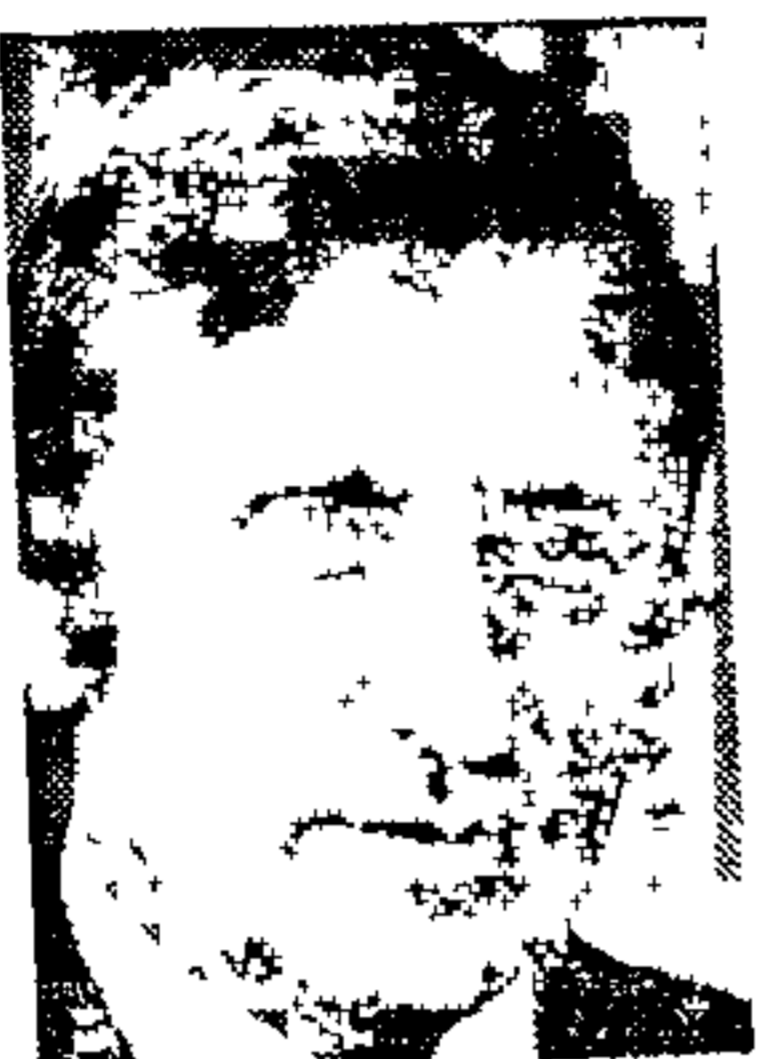
But we need a saleable "survival package" And here I am also convinced that only the present Government is strong enough to produce a package that we will be able to sell to a large enough number of people both inside and outside South Africa to make it meaningful and effective. This is a fact of life that theorists and do-good idealists might as well accept

The move away from discrimination based on skin colour must be stepped up Must become complete And the public should not look only to

A lot of people differ with this Government on a lot of specifics, but the basics of its policies provide the only acceptable formula for the majority of white South Africans which has so far been devised

buying rural properties and marrying his children...  
 Dr Jan S Marais, a former president of the South Africa Foundation, and now Nationalist MP for Pinetown, says, after his first parliamentary session, that the following statement reaffirms his views on a blueprint for South Africa's present and future needs.

Dr J S Marais . . . a tremendous step forward.



the Government to take all the initiative  
 The colour bar is in the first place the result of custom There are endless forms of discrimination which have nothing or very little to do with legislation I ask the public to take action!  
 Everyone should support the new constitution as it constitutes a tremendous and positive step forward For the first time in the history of South Africa it will place the coloured people and Indians on par with the whites. It would simply be stupid not to grasp this opportunity, at least as a point of departure  
 As regards the homelands I do not see their present size as a major problem: Size is not the only factor and not necessarily relevant to the well-being of a country Look at Switzerland! It is

STAR 25/7/78  
**What SA needs** (250)

unscientific to work merely on size And in any case the matter of consolidation and allied aspects are still receiving the attention of the authorities  
 Far more important than the size of the homelands will be the education, the industriousness and the ingenuity of their people. I place great value on economic co-operation and economic development throughout the whole of southern Africa — water harnessing, electricity generation, irrigation and food production and exports, as well as the mining, refining and conversion of gold, diamonds and a whole range of other valuable minerals.  
 I envisage a community of linked states — a southern African community of nations which might extend as far as Angola, Zambia and even further north Our homelands policy does not aim at something like the original complete or water-tight "balkanisation" of Europe — that is also in the economic sphere We hope to continue to work together to maximise economic co-operation  
 Whatever we do, however good our intentions may be, the "Red Onslaught" against this desirable part of the world will continue Our survival is at stake We therefore need "total mobilisation" And for this purpose we need to com-

municate Talk! Learn to know and understand each other's frustrations and aspirations We also need a "vision of our future" — a "manifesto of intent" — what we will look like in, say, 10 to 20 years' time — to inspire our people and to make the world see the logic of what we are doing  
 We also have to reach inwards, especially to the leaders of all communities in South Africa, to all races, and with special communication accent on the non-white people They must become more acutely aware of the alternatives available to them, and what policy or philosophy will give them the greatest security and prosperity in the future The same applies to the whites  
 The black voice must be harnessed to the white voice in telling the world to keep their noses out of our affairs We should not neglect the Malawis, the Swazis and several others Most of all, not our own black people, many of whom are eager to work with us, provided the package is put together honestly, sincerely and fairly  
 Finally, we need multi-dimensional thinking and an almost fanatically fair and "balanced viewpoint" Press We should launch a campaign to avoid and eliminate over-accentuation, emotionalism, sensationalism, looking instead at a situation from both or all sides, and avoiding extreme and emotionalised reporting With practically all of the rest of the world visiting with us, and reading about us, only able to understand English, this issue involves momentous responsibilities, especially for the English Press. Let's not sacrifice our country on the altar of party political pettiness!

the gentry or the He himself big prosperous slave offspring succeeded. bourgeoisie, put it in makes gentlemen, men's children, or at tesmen, Parliament hose of the highest Great Commoner, he people," was on 7, said that unlike it was "a minister people" referred to ademen, to some and to a handful adership Even in a game played by as a small minority of social life and res like Russia and with their local lord e free imperial city ed dress code—a roper social niche. "seemed to be a  
 Europeans were few exceptional he most brilliant for the working encourages the e"; where wages e, diligent, and reward" merely that those "who ave such a share erably well fed, Enlightenment, everyone but an stern European

<sup>31</sup> See Simpson's *Autobiography* (ed Dero A. Saunders, 1961), 53, for a correction of this report, see D M. Low, *Gibbon's Journal* to January 28th, 1763 (n.d.), xxx.

<sup>32</sup> Franklin L. Ford, *Strasbourg in Transition, 1648-1789* (1958), 15

RDM 1/8/78

# SA needs world trade (250)

Pretoria Bureau

SOUTH AFRICA was faced with ill-advised and ideologically-based actions aimed at isolating it from world markets, said the Minister of Economic Affairs, Mr Heunis, in Pretoria last night

He told the International Association of Commerce and Economic Students that were it



not for these negative actions, the many positive aspects of South Africa's economic potential would have been developed to a much greater degree

More than 30% of all black labour depended directly or indirectly on exports for a livelihood

From an economic and socio-political viewpoint international trade was exceedingly important to South Africa

South Africa had never had the opportunity to fulfil its

rightful role in Africa, although it did have economic ties with a number of Southern African states

The South African Government had a firm policy of pursuing a relatively high rate of growth to improve the material and other conditions of the country's people

However, a new and disturbing development in which political whims conditioned the conduct of governments had adversely affected the willingness

of foreign financiers to invest longer-term capital in South Africa

The actions of certain governments in their trade relations with South Africa had created doubts about the ability of manufacturers, investors and exporters in those countries to honour contractual obligations

These actions had caused certain foreign companies with businesses in South Africa to review the advisability of continuing their links with South Africa

force works in the public sector, the figure for white Afrikaans-speakers is in excess of 40%

If these researches hardly bear out the oft-heard charge of "creeping socialism," they certainly throw up some of the distortions created by 30 years of Nationalist rule. How a realistic financial formula is to be found for our planned new constitutional dispensation looks like the burning issue of the moment; alas, there are no easy answers.

strong move towards centralisation, with the provinces and local authorities responsible for a steadily falling share of government consumption expenditure

This move occurred in two main stages: in the early Sixties through the economic implementation of separate development (including the transfer of some services to the central government) and since 1973 because of the greater costs of the self-governing homelands and defence

Interestingly, although between 1971-72 and 1975-76 defence rose from 8% to 18% of all general government spending, spending on internal security and policing fell from 9% to 7%. Indeed, defence was the only sector where outlays grew faster than the overall 115%. There was a relative decline in expenditures on social services, particularly education, which showed only an 82% increase, despite sharp increases in black education.

If more money for guns and less for schooling and training is one of the most obvious practical consequences of SA's political troubles, problems of sharing revenue are of as much significance for the system of "plural democracies" now planned. Common functions and resources represent more than 50% of total government expenditures and receipts, while estimates of revenues and expenditures allocatable to specific ethnic groups show that all groups except whites show deficits — hardly surprising in a society where wealth and income are so heavily concentrated in the hands of whites.

The graph shows the massive imbalance in the public sector's use of resources.

It owns more than 50% of capital assets (excluding land) but generates less than 25% of gdp, partly because of the high capital/output ratio in the public sector and partly because of the free or sub-economic provision of infrastructure services to the private sector. Less academically neutral commentators might also think relative inefficiencies an important explanation of the discrepancy. And whereas only 13% of the total labour

## THE PUBLIC SECTOR

### Summing it up

Total participation by the public sector in the economy has risen only mildly in the post-war period, far more significant are the shifts in the pattern of public sector participation. This is the surprising lesson of the latest *Mercabank Focus on Key Economic Issues*, released yesterday.

Mercabank's researchers point out that total public sector contribution to gdp in 1950 was about 19%, in 1977 it was about 26%, but would only have been about 23% if the private sector had been operating at full capacity.

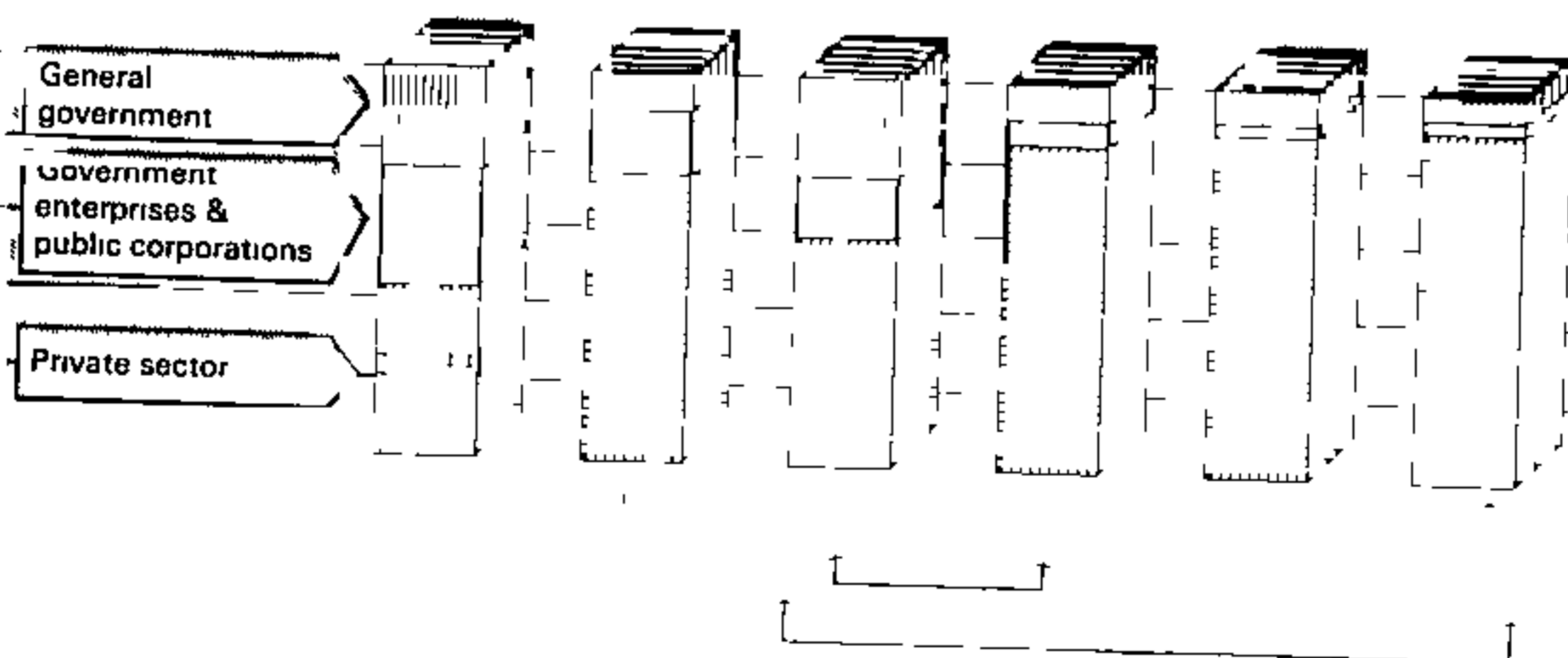
But the contribution of public corporations has risen from just under 2% to almost 6%, reflecting the expansion of infrastructure services provided by bodies like Escom and the Rand Water Board, and the growing share of public enterprises (notably Iscor and Sasol) in the manufacturing sector (from less than 5% in 1950 to more than 11% last year)

As the study shows, within the three tiers of central, provincial and local administrations, there has also been a

250

PM 11/8/78

### USE OF RESOURCES BY THE PUBLIC SECTOR, 1977





20

13/10/78

close the gap.

So public servants are to an extent victims of changing patterns. Yet, over that same April-April period, average white earnings in manufacturing rose by 11%.

And of course public servants of all race groups are not as well paid on average as their private sector counterparts. A departmental secretary's R1 600 odd a month (see table) would be scorned by a chief executive in the private sector. University professors would certainly earn a good deal more than R1 300 in the private sector, and a start-up BA graduate would get more than the R335 the GPO offers him. The paucity of nurses' pay is well known.

The same is true of workers lower down the scale. In April, average monthly pay of whites in central government was R458, in the SAR R576, and in the GPO R455.

In manufacturing, the figure was R665, and in mining R786. African pay, too, lags behind the private sector in all the central government, despite the rise of recent years. Which leads a university man to complain: "We're forced to the middle income group and we feel the pinch of inflation more than our counterparts in the private sector."

cost of pay

Public service salaries, then, seem to many to be designed to attract only the very dedicated, or the very incompetent. Despite this, government remains loath to grant any overall increases.

It uses the pocket money argument in spite of improvements in railway finances. Muller said last week that he was not prepared to give the artisans an increase because he would then have to give it to everyone else in the SAR. He calculated the cost at R125m. And at the back of his mind must have been the likelihood of an SAR increase sparking off similar claims throughout the civil service.

There is no way government could afford to give the entire public service the same increase. Railwaymen are asking for — while it were to print the money, according to FM calculations, a 10%

hike would cost R324m a year in central government service alone and it could be more than that, because African pay would presumably have to be hiked by more than 10% to continue closing the wage gap.

While it may make sense to some to resort to the printing press if the reward is increased consumer spending, government does not see it that way. It quite naturally fears the inflationary consequences.

But can the dike hold? The FM understands the universities are expecting a pay increase soon. The fact that the politically influential Afrikaans universities are backing the demands means they are likely to be successful, say academics. Government may be able to argue that university staff, like teachers, are a special case.

Even so, if the universities get more, government will have difficulty explaining to railwaymen, postmen and bureaucrats why they should not have more too.

The problem is compounded by teachers' expectations of yet another upward adjustment. Their deal with Koornhof was only part of what they wanted, and they are expecting the rest, not necessarily today or tomorrow, but at some stage.

So what should be done? Both universities and teachers have a point when they plead for a special deal to attract talent. Why should SA's educational staffing priorities be tied to our postal staffing priorities?

The railwaymen have an equally compelling case. They are right when they argue that it has been largely their efforts that have won previous increases.

Other civil service staff associations are scarcely militant bargainers. Indeed, they resent being described as trade unions at all. So the railwaymen are also right when they feel that their effectiveness is retarded by the rest of the public service.

So why not throw wage setting in the SAR open to collective bargaining of the sort that takes place in private sector industrial councils? If most of the railway unions are skilled and effective enough to strike a good bargain with SAR management,

### WHERE YOU START

(Monthly pay)

University junior lecturer	R369-R514
White teacher with bachelors degree*	R450
Teacher, matric and diploma only†	R390
Postal employee with bachelors degree	R335
Administrative assistant	R193-R403
GPO, with matric only	R220
*Women get R390	
†Women get R330	

### PAY AT THE TOP

(Monthly pay of senior civil service personnel)

Department Secretary	
Commissioner of Police	R1 588
Registrar of Financial Institutions, Attorney General	R1 458
Principal medical officer	R1 182
University professor	R1 040-R1 329
White school inspector	R1 425
White high school headmaster* (with ordinary degree)	R1 050-R1 250
White primary school headmaster* (with ordinary university degree)	R950-R1 150
Clinical psychologist	R570-R880
*Women receive R50 less	
Note: These are basic salaries excluding fringe benefits	

### WHAT THE MASSES GET

Average monthly earnings in central government SAR and GPO

	Whites	Africans
Central government	R458	R171
GPO	R455	R123
SAR	R576	R128
Provincial administration	R494	R104
Sundry statutory bodies	R647	R96

Note: GPO and SAR figures for April 1978. Others are average for June quarter.

ment, why shouldn't they?

By the same token, if the other associations are content to win increases by cosy behind-doors discussions, or to wait for hand-outs, there is no reason why they should benefit from the effectiveness of others.

In other words, the need to bargain separately with all the separate components of the public service has never been as great. Government should set about doing so.

**PUBLIC SECTOR PAY**

**Weighing professors and postmen**

FM 12/14/78

The problem is familiar enough to fathers. One of your children asks for more pocket money. Yes, you can afford it, but then you will have to give more to the others. That you cannot afford

This is essentially the problem the Cabinet has to tackle as it deals with a fresh round of public service pay demands, except that it is not dealing with compliant children but with an increasingly angry band of railwaymen and academics, the two groups most actively pressing their demands at present

The railwaymen, who usually spear-head public service pay claims, are doing so again. Members of the Artisan Staff Association, which failed to win an increase in an arbitration hearing earlier this year, have passed no-confidence votes in Transport Minister Louwrens Muller. Some have threatened to strike. Another railway union, the Footplate Staff Association, has an arbitration case pending

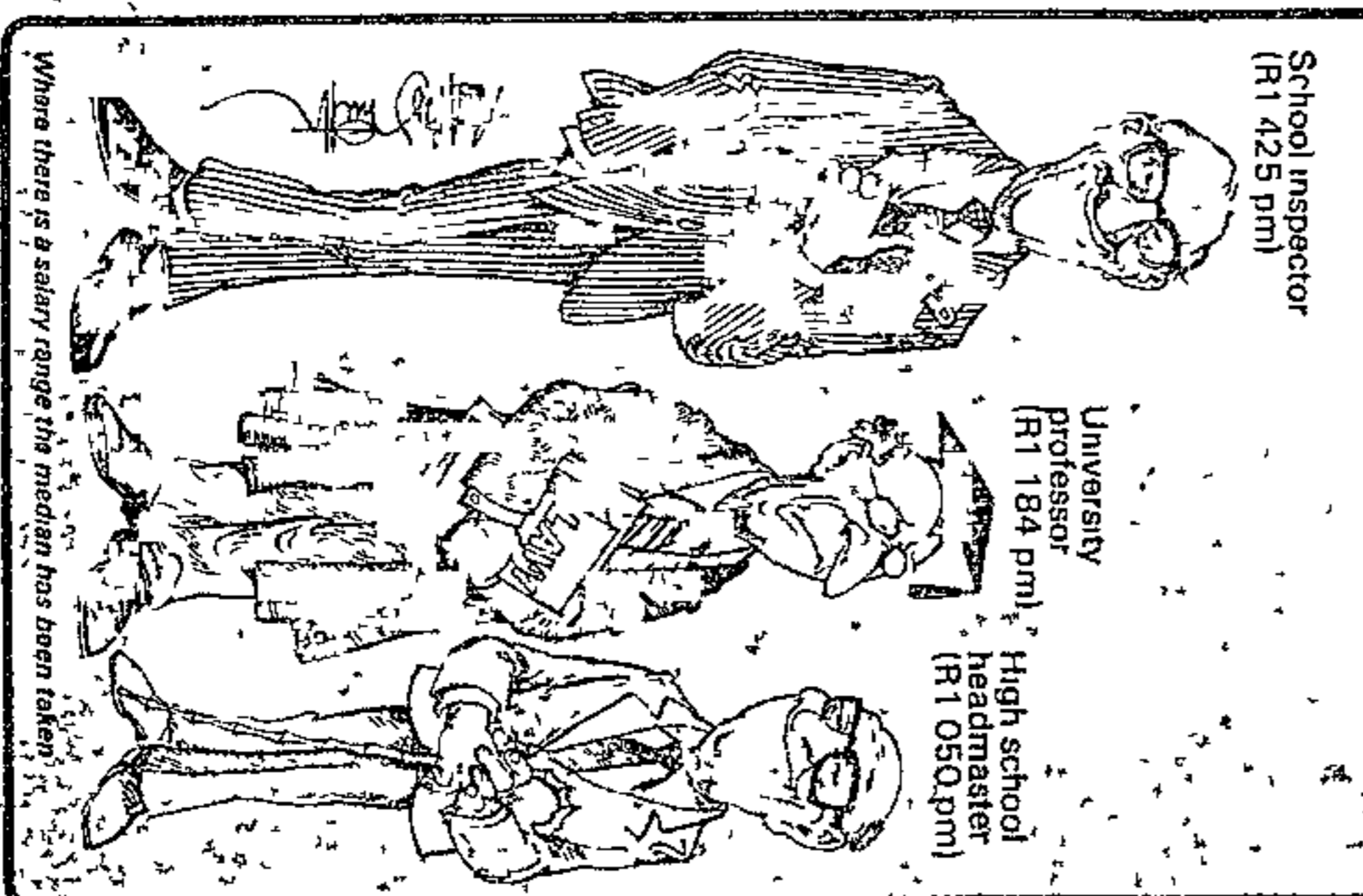
The academics, who traditionally wait for others to take the lead, are now pressing their own claims. It is the first time, say academics, that they are not waiting for someone else to do the pushing for them. Some have even threatened to strike.

Both groups have particular gripes. The universities are irked because Education Minister Piet Koomhof gave school teachers and education college lecturers a new deal earlier this year that altered teachers' pay scales and closed the sexual and racial wage gaps. The effect of this was that teachers received larger pay

likes than university staff, who only enjoyed the 5% hike awarded to the rest of the public sector

There is also a feeling, especially at the Afrikaans universities, that university teaching is a prestige profession that should not be treated as just another part of the public service. "Not only are salaries low, there's no scope for incentives or bonuses above a laid-down ceiling," says one academic. Most pay scales unrelated to the rest of the public service.

**PROFESSORS' PLIGHT**



The railwaymen, meanwhile, argue that they should not be lumped together with the rest of the public service since the railway's are supposed to be on "business principles". The key to this complaint is the feeling that wages on the railways should be set by objective bargaining, not by arbitrary hand-outs from the Minister.

Railwaymen are the only public servants represented by effective unions and many feel their ability to bargain is impaired by their financial ministerial hand-outs.

But as the railwaymen and their servants point out, the reality for all white public servants is falling living standards. White earnings in central government services rose by 6% in the year to April 1977, while on the SAR the figure was 6.40% and in the GPO 9.5%. So, only the postal service comes close to keeping pace with inflation. White workers' real earnings are of course falling virtually all sectors, partly because of the recession, partly to accommodate rising black pay.

In central government, African earnings rose by 23% in the year to April period, on the SAR by 14.5%, and in the GPO by 13.5%.

The central government is the only sector where the absolute racial pay gap has narrowed in money terms. Part of the reason is increased job advancement for Africans, part a conscious attempt to

Van Deventer noem 1 April

# AMPTENARE KRY HOËR SALARIS

Burger 15/11/78

Van Ons Korrespondent

250

## Hoër salarisse

\* VERVOLG VAN BL. EEN \*

vroer kan geskied, het mnr. Van Deventer gesê.

Hy het gesê 'n volle maand se salaris as vakansiebonus kon nog nie beding word nie. Die vereniging beywer hom voorts dat salarisverbetering in departemente se begrotings

ingesluit word, sodat aanpassings nie deur die nuusmedia aan die groot klok gehang word nie.

Op korttermyn het die vereniging reeds vir staatsamptenare groot afslag op 'n wye reeks van produkte gekry, asook op verblyf in hotels en vakansiewoonstelle.

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constitution.

The works committee, on the other hand, is established in every establishment employing more than twenty workers.

committee exists, such workers may elect a works committee consisting of no fewer than three or more than twenty persons. However, representation is limited to a quarter of the total number of African workers in the establishment or section of the establishment at the time of the election. The Bill extended representation in the sense that it allowed for more than one works committee in an establishment and in larger firms, therefore, sections of the African labour force can now elect their own works committees.

A meeting convened to elect a works committee is held under the chairmanship of the employer concerned or his authorised representative. Obviously where the employees and their employer enjoy a reasonably harmonious relationship dissension on this score is unlikely. However, where relations are cool or even hostile, where distrust exists on one or both sides, this particular arrangement is inadequate for resolving what may be a fundamental conflict of interests. While the present definition of a labour dispute is far wider than that contained in the 1953 legislation, and a Bantu Labour Officer and/or Inspector, with or without the assistance of the Regional Bantu Labour Committee concerned, should intervene in an attempt to effect settlement there does seem to be a remarkable shortcoming in this connection. The Act

'N SALARISVERHOOGING vir staatsamptenare word op 1 April aanstaande jaar „of dalk vroer” verwag, maar dit is onbekend wat die persentasie sal wees, het mnr. B. J. S. van Deventer, direkteur van die Vereniging van Staatsamptenare, eergisteraand in Bloemfontein gesê.

BLOEMFONTEIN.

Mnr Van Deventer het op die jaarygadering van die Vrystaat-distrik gesê die vereniging sal in die huidige tyd nie onverantwoordelike eise aan die owerheid stel nie.

'n Deeglike studie is egter van salarisstrukture in die staatsdiens gedoen. Sedert 1 Julie 1974 het amptenare met 27,75 persent by die lewensduurte agter geraak.

### VERBETERING

In Julie en Augustus vanjaar het die vereniging vertoe tot die Minister van Binnelandse Sake en die Staatsdienskommissie gerig dat algemene aanpassings in die salarisse van staatsamptenare

gemaak moet word sodra die ekonomie verbeter.

Die vereniging het ook gevra dat beginsalarisse aantrekliker gemaak word, vir kwalifikasies vergoed word, verhogings in sleutelskale met aanpassings tred hou, en verhogings voorsiening maak vir styging in lewensduurte.

Staatsamptenare se salarisse is die swakste as dit vergelyk word met dié van plaaslike besture, die Spoorwee, myne en banke. Daar is tans gelukkig tekens van verbetering in die landse ekonomie en dit het tyd geword vir 'n aanpassing. Die aanduidings is dat dit dalk op 1 April aanstaande jaar of

\* VERVOLG OP BL. 5 \*



REPUBLIC OF SOUTH AFRICA  
**GOVERNMENT GAZETTE**

**STAATSKOERANT**  
 VAN DIE REPUBLIEK VAN SUID-AFRIKA

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Vol. 161]

PRETORIA, 17 NOVEMBER 1978

No. 6222

**GOVERNMENT NOTICE**

**OFFICE OF THE PUBLIC SERVICE  
 COMMISSION**

No. R 2263 17 November 1978

The State President has, in terms of section 26 of the Public Service Act, 1957 (Act 54 of 1957), as amended, been pleased to make the following regulation.

The Public Service Regulations published under Government Notice 2047, dated 11 December 1959, as amended, are hereby further amended by the substitution of the following definition for the definition of "head of a department" in regulation A4 1

"head of a department", except for the purposes of regulation A4 1, includes—

- (a) the Economic Adviser to the Prime Minister,
- (b) the Government Printer,
- (c) the Director-General National and International Communication,

or the officer or employee acting as such."

Amendment 88]

**GOEWERMENSKENNISGEWING**

**KANTOOR VAN DIE STAATSDIENS-  
 KOMMISSIE**

No. R 2263 17 November 1978

Dit het die Staatspresident behaag om kragtens artikel 26 van die Staatsdienswet, 1957 (Wet 54 van 1957), soos gewysig, onderstaande regulasie te maak.

Die Staatsdiensregulasies gepubliseer by Goewermentskennisgewing 2047 van 11 Desember 1959, soos gewysig, word hierby verder gewysig deur die omskrywing van "departementshoof" in regulasie A4 1 deur die volgende omskrywing te vervang

"departementshoof" behalwe vir doeleindes van regulasie A4 1 ook—

- (a) die Ekonomiese Raadgewer van die Eerste Minister;
- (b) die Staatsdrukker,
- (c) die Direkteur-generaal Nasionale en Internasionale Kommunikasie,

of die beampete of werknemer wat as sodanig waarneem."

Wysiging 88]

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## PUBLIC SECTOR SALARIES

# Paying for growth

FM 24/11/78  
250

At last, government has spoken. It has plumped for another consumer spending boost to stimulate the flagging business recovery, and it has chosen to do this by increasing public service pay, although only from April 1. Or so it seems.

So far, only railwaymen have been awarded specific increases (see box). But now that the dyke has broken it is scarcely possible that the rest of the public sector will not be rewarded more or less equally. If so, it will be a good thing.

SA's public sector is huge, employing a wide range of both whites and blacks. Bigger pay packets for them will generate greater household spending, higher retail turnovers, and a much-needed boost to SA's beleaguered consumer-goods factories.

Certainly, how to ginger up the economy again has been a key issue among economists and civil servants for some time, and is likely to have been near the top of the agenda at this week's meeting of the Prime Minister's Economic Advisory Council chaired by Simon Brand.

Of course, there are those who would have preferred an income tax cut, or the scrapping of the import surcharge (though one official points out that a public sector wage hike does not exclude these possibilities) But an income tax cut would mean more administrative work in the form of adjusted PAYE tables.

Furthermore, pay increases are more direct and as such are more likely to guarantee greater consumer spending. Last July's tax handouts, it should be noted, led more to an increase in bank deposits than in consumer spending — which slowed within a month. Also, income tax reductions do not benefit Africans — who constitute the biggest, if not the richest, consumer market

As for organised commerce's pleas for the removal of the import surcharge, it is true the longer it stays the more difficult it becomes to remove — like so many other bureaucratic measures. But local industry would lose what has become a protective crutch and the import bill might jerk upwards with serious conse-

quences for the exchange rate. And, on that score, it would be unwise to move until the De Kock Commission has given an indication of how future exchange rate policy is going to be formulated

What about the inflation danger? Many top men in the SAR don't believe Railways can afford the R125m pa the increase will cost the service. They point out that the bonus already granted to railwaymen will eat up this year's accumulated surplus of around R60m, that severe losses in rail traffic are being experienced because of road transport concessions and the counter-productive effects of tariff hikes, and that profitable rail traffic may be cut sharply by the troubles in Iran

### Inflation fears

Even so, a Railways spokesman assures the *FM* that SAR *will* be able to absorb the increases. Of course, the public service hike is bound to fuel more wage demands, though perhaps not to the extent many fear

Nevertheless, fatter pay packets accompanied by a billowing money supply are certain to push up the inflation rate — and consumer prices are already bounding up at 12% a year. So, let's make no mistake, the public sector pay hikes mean we can kiss goodbye to markedly lower rates of inflation in 1979.

But, as we have argued before, SA's priority now is surely growth and job creation, even at the longer-term expense of the balance of payments and inflation rate. With the economies of our main trading partners set for a slowdown next year and our own exports showing signs of levelling out, it will be a gamble, to be sure. But is there really an alternative?

We must take the initiative while we can, and this week's move is a good beginning. To have tarried any longer could have meant a collapse of the recovery. Inevitably, that would sooner or later have had to be followed by a massive forced devaluation.

And what would happen to inflation then?

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1/12/78  
250

THE NATS

Is the west wild?

Western governments are both surprised and alarmed at the extent and depth of reactionary sentiment in the National Party, evidenced by Dr Andries Treurnicht's Transvaal support. Because he is theoretically only a heartbeat away from the premiership, there is concern in Western capitals about what this will mean for settlement initiatives in SWA and Rhodesia. Foreign office officials of a number of Western governments are weighing a series of policy alternatives designed to give maximum diplomatic support to P W Botha to help him prevent NP policy sliding into verkramppte regression

As a result of Treurnicht's victory there is a great deal more Western understanding of Botha's position, because even the best-informed diplomatic observers were taken aback by the extent of grassroots resistance to change, and the resurgence of Verwoerdian nostalgia and hardline apartheid. With these notions in the ascendant, there is a danger that the promise of policy changes to modernise apartheid to some extent may now disappear.

It is a fair bet that Pik Botha and Cyrus Vance discussed the Treurnicht implications at length in the US this week. A number of policy scenarios are mooted, the most appealing of which would involve a concerted Western effort to create a wide range of international diplomatic openings for P W Botha which, if capitalised, would be presented to SA and the world as a triumph for the forces of enlightened reform.

Positiveness

The vehicle to maintain verligte momentum would be SWA. Already there is clear evidence from diplomatic sources that SA is now prepared to go a good deal further than the vague terms of the Pretoria agreement to allay Western fears that there may not be a second round of elections in SWA. What may now be required is a positive public statement by SA that it guarantees UN elections. This would help the West to re-enlist frontline African support for southern African peace moves.

It is suggested that favourable developments on the SWA front would draw positive response from Western governments which could set up a number of diplomatic moves to draw SA into a less

covert role in international efforts to stabilise southern Africa. SA's "visibility" in international politics could be enhanced in any number of ways: a US warship could call at the Cape, joint naval exercises in the South Atlantic could be suggested by the British or the French, P W Botha could be invited to visit Carter in Washington - the permutations are endless.

Assuming the most favourable outcome of events in SWA, a West German source suggested to the FM this week that Botha could consolidate Western and African support, in particular, by making intelligent use of the reports of three commissions of inquiry: Wichahn, Riekert and Cilie. In the light of evidence that suggests strong white right wing reaction against fundamental labour reforms (see page 805), Botha may think it prudent to let Wichahn (labour) be for a while, but Riekert (urban blacks) and Cilie (soweto riots) may provide enough scope to throw down the gauntlet to the verkrampptes

By means of the Riekert report's observations on the intolerable situation of Africans in the Western Cape, Botha could reap heavy international dividends by regularising Crossroads and accepting the principle that no man should be expected to sell his labour without the prospect of family life.

Secondly, there is the related issue of African education and the general condition of urban blacks. The Cilie commission report on urban unrest in 1976 might provide a vital opening to examine

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ANDRIES TREURNICHT

# Libertas, here I come

250 pm 12/12/78

So Dr Andries Treurnicht has at last succeeded in capturing one of the commanding heights of Nationalist politics. Does it make any difference?

The answer depends on how you define apartheid. If it is conceived of as little more than so-called petty apartheid — a series of Jim Crow-type laws enforcing segregation in sport, theatres, restaurants and the like — then Treurnicht will make a difference. As he himself once put it, you can't make apartheid big if you kill it little by little. He can thus be counted on to resist (as he has in the past) government's gingerly steps in the direction of opening up certain facilities to people of all races.

But if apartheid is seen as the whole gamut of controls and restrictions in force against blacks — pass laws; denial of the vote; inequalities in education, citizenship deprivation, absence of freehold rights — then Treurnicht is not going to make much difference, for the simple reason that on these issues verligtes and verkrampes think alike. They also think very much alike on detention without trial and similar matters. Verligtheid, in short, is concerned not with basic issues like white supremacy but with superficialities and cosmetics.

## Unassailably strong

Far from signifying any intention to alter apartheid fundamentals, verligtheid reflects the confidence of a government that knows it is in a politically unassailable position. Sport can thus be desegregated in certain respects precisely because the verligtes believe they can allow this to happen without in any way threatening white supremacy in the political and economic fields. The same goes for opening up a few theatres to blacks on a permit basis, allowing integration on the Blue Train, desegregating a handful of public libraries, and so on.

Where Treurnicht differs from the verligte strategy is on the implications of steps like these. For he does not believe that the process of desegregation can be held at the superficial level. Thus "If you



Treurnicht . . . back to square one

allow integrated sport you have no leg to stand on when there are further demands for concessions such as mixed suburbs and schools."

And "You cannot integrate a community's social structures — residential areas, schools, clubs, associations, and universities — and on such a basis build a separate political structure for different nationalities. It simply does not make sense."

It might be argued that the verligtes have been developing a more sophisticated form of apartheid, secure in their belief that allowing it to become a little bit frayed round the edges will not in any way undermine the core of their policies.

Treurnicht, on the other hand, finds that this offends his desire for consistency and intellectual neatness.

There is also little doubt that the party faithful at grass-roots level were becoming more and more resentful and confused. One day "international" hotels are opened to blacks, the next, applications to allow those same blacks into central city restaurants are turned down. How on earth was anyone supposed to fathom what the verligtes' real intentions were, or where this stop-start policy of social desegregation would lead?

Unsa's Professor Willem Kleynhans sees Treurnicht's triumph last Saturday as a "grass-roots revolt" against the "false verligte image of the National Party painted by English-language and Afrikaans newspapers.

"The head committee voiced the feelings of the grass-roots. A halt will now be called to the pathetic cosmetic efforts which were held up as verligte measures. Treurnicht's election is a slap in the face for the verligtes pushed by the Afrikaans newspapers. The grass-roots wants to restore the party's true image. It's a return to normalcy taking the form of a revolt."

There is thus a great irony in Treurnicht's victory. For what seems to have happened is that the press (English as well as Afrikaans) oversold the verligtes and has now been hoist with its own petard. Its whole strategy has backfired.

Paying scant attention to SA's political history since 1948; paying scant attention to the inherent conservatism of Afrikaner Nationalism, paying scant attention even to authoritative surveys which showed consistently that fewer than 10% of Nationalists were verligtes, the press over the past few years has built up a picture of growing verligte power about to introduce fundamental changes in the country.

It mattered not that the strength and influence of the verligtes was grossly

**GOVERNMENT SPENDING**

**Sticking at 9%** *FM 22/12/78*  
*(250)*

Government spending is not doing anything to pep up the economy. That is crystal clear from the statement of exchequer receipts and issues published in last Friday's *Government Gazette*.

Financial Mail December 22 1978

1974	6,138
1975	5,087
1976	7,053
1977	5,038

These improved statistics outside the D.H.O. are medical attention is a

During the first eight months of the fiscal year (April-November), outlays by the central government rose by 9% which is the same rate Finance Minister Owen Horwood aimed for in his budget last March. In November, spending was only 7.5% up on November 1977.

If defence is excluded, the rate of spending is appreciably higher. Presumably as a result of fewer arms purchases abroad, Defence outlays in April-November were only R772m, compared with R920m in the same months last year.

Among the departments whose expenditure has grown considerably faster than the average are: Industries (up 81%, the result of bigger transfers for Sasol 2); Commerce (47%, probably due to higher export incentive handouts); Indian and Coloured Affairs (each up by well over 20%); Public Works and Social Welfare. Departments, besides Defence, whose spending was lower in November 1978 than in the same month last year include Transport, Agricultural Economics & Marketing, Planning, and Immigration.

A feature of government finances last month was the large repayment of foreign debt. Redemptions in November totalled R81m, bringing the total for the year so far to R135m.

ospital):

Deaths

158
96
84
62
43
79
34

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**NOTIFIED BIRTHS AND BIRTH RATES BY RACE . 1972 TO 1976  
 CAPE TOWN**

RACE	1972		1973		1974		1975		1976	
	LIVE BIRTHS	BIRTH RATE	LIVE BIRTHS	BIRTH RATE	LIVE BIRTHS	BIRTH RATE	LIVE BIRTHS	BIRTH RATE	LIVE BIRTHS	BIRTH RATE
White	4 092	17.1	3 780	15.6	3 593	14.6	3 261	13.2	3 125	12.6
Coloured	14 156	34.3	14 080	32.9	13 530	30.5	12 340	26.8	12 076	25.2
Asiatic	182	18.3	250	24.5	241	23.0	240	22.3	264	23.0
Blacks	3 683	40.4	3 931	43.6	4 250	44.7	4 031	41.2	4 115	40.9
<b>TOTAL</b>	<b>23 112</b>	<b>29.4</b>	<b>22 041</b>	<b>28.6</b>	<b>21 614</b>	<b>27.2</b>	<b>19 899</b>	<b>24.3</b>	<b>19 641</b>	<b>23.3</b>

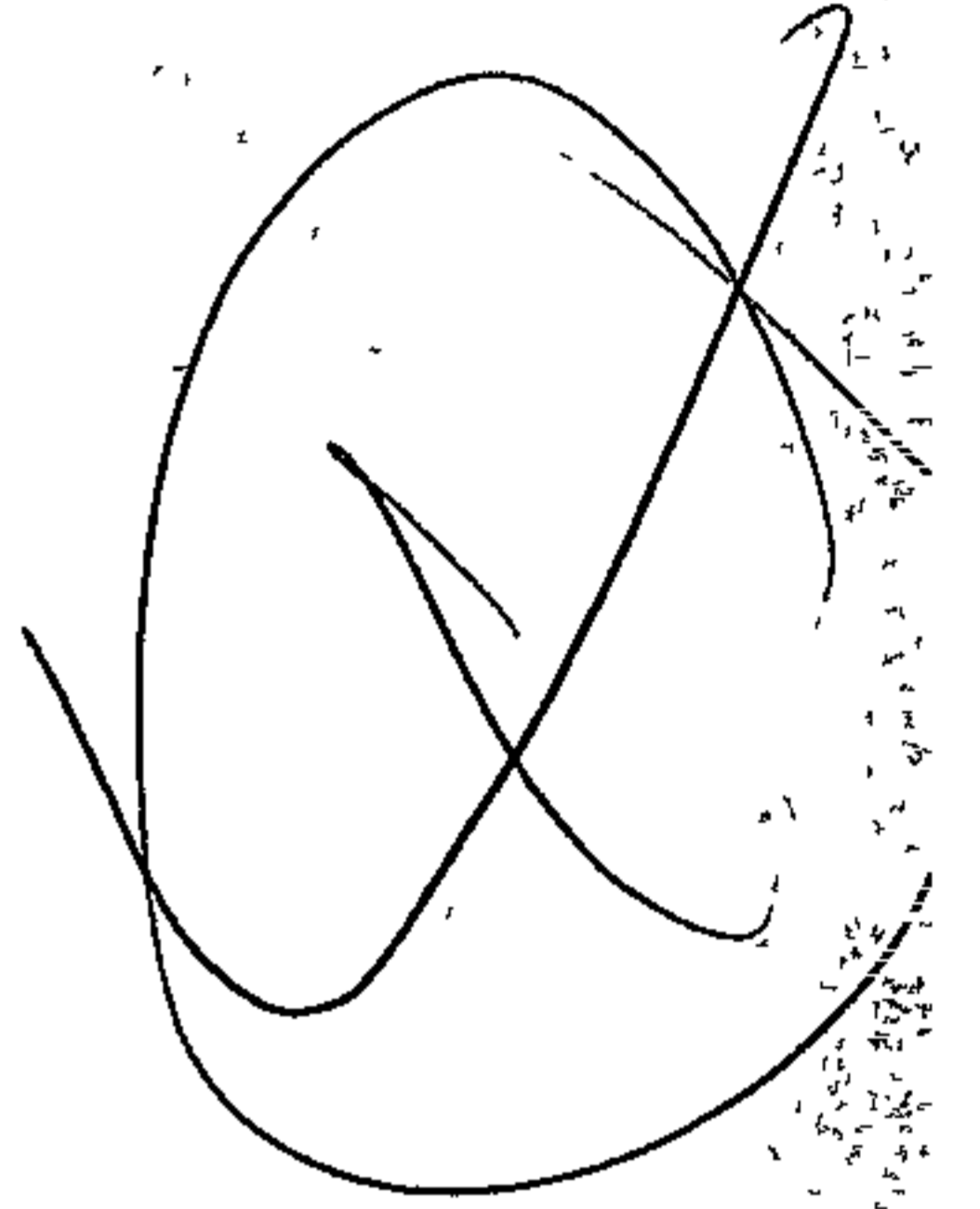


# PUBLIC SECTOR - Gov. - GENERAL

250

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Persons employed in Republic

117 Mr. T. AKONSON asked the Minister of Statistics

(a) How many persons in each race group were employed in the Republic as at 31 December 1978 and (b) how many of these were employed in the public sector

The MINISTER OF STATISTICS:

Information only available as at 30 September 1978.

*Handwritten: 11/12/78 5/1/78*

	Whites	Coloureds	Asians	Blacks
(a) Total population	1 874 000	842 060	247 030	6 477 000
(b) Public sector				
Central Government	125 021	54 240	10 351	112 658
Provincial Administration	120 154	22 912	3 898	89 918
Local Authorities	57 609	24 100	3 600	138 700
Black townships				87 000
S.A. Defence Force	114 855	24 119	1 268	125 483
Police	23 475	6 976	1 076	20 872
Country Constabulary	12 114	1 131	75	9 898
Public Works Corp.	6 177	4 000	200	82 000
Country Boards	1 651	117 271	26	654

*Handwritten: 250*

*14 2 79*  
*memo*

*Done*

**Persons employed by State**

292 Dr Z J DE BEER asked the Minister Statistics.

(ansoid(4)(253) 28/2/79)

How many persons in each race group were employed as at 30 June 1978 by (a) the Central Government, (b) the provincial

administrations, (c) the governments of Black states in South Africa, (d) the South African Railways and Harbours Administration, (e) the Department of Posts and Telecommunications, (f) local authorities and (g) other statutory public bodies

**The MINISTER OF STATISTICS**

	Whites	Coloureds	Asians	Blacks
	123 268	53 876	10 164	127 013
	120 867	22 764	3 847	89 276
				85 800

255

WEDNESDAY, 28 FEBRUARY 1979

256

(d)	116 469	24 550	1 863	126 373
(e)	44 789	6 863	1 070	20 554
(f)	58 100	23 900	5 700	140 600
(g) Public Corporations	66 000	4 000	500	82 000
Control Boards	1 836	272	8	632
Sundry Statutory Bodies	12 308	1 102	75	9 949

For written reply

**Fruitless expenditure on capital work**

Hansard 7 col 491 21/3/79 250  
148 Mr T ARONSON asked the Minister of Public Works

(a) What was the amount of fruitless expenditure on capital work for 1977-'78, (b) what were the projects involved, (c) what was the estimated cost of the projects not proceeded with and (d) for what reasons was each project not proceeded with.

**The MINISTER OF PUBLIC WORKS**

(a) An amount of R155 121,75 being fruitless expenditure on capital works was reported by the Auditor-General in his report for 1977-'78

(b) and (d)

(1) Athens Residence for Ambassador Revision of project in order to reduce cost

(2) Bellville: Magistrate's Office Omission of certain works as a result of revised requirements

(3) Bellville-South (Proteaville), Peninsula College for Advanced Technical Education. Service suspended because of revised requirements

(4) Benoni: Magistrate's Office Re-planning because of revised requirements.

(5) Bredasdorp: Albert Myburgh School. As in 4 above.

- (6) Doornkop Military base Covered accommodation As in 4 above
- (7) Durban Parkhill High School As in 4 above
- (8) George S A Army Women's College Sick bay and vehicle workshop As in 4 above
- (9) Goodwood Elsties River J S Klopper Primary School Re-planning because of unforeseen site problems
- (10) Graskop Military base Engineering services Service suspended because of unforeseen site problems
- (11) Jan Smuts Airport Freight complex As in 4 above
- (12) Johannesburg Eldorado Park High School As in 4 above
- (13) Ladismith Towerkop Primary School As in 4 above
- (14) Lilongwe (Malawi) Residences for three senior officials As in 1 above
- (15) Louis Trichardt Primary School Revision of requirements after commencement of building contract.
- (16) Oudtshoorn. Military base Recreation complex As in 4 above
- (17) Pietermaritzburg. Ester Payne-Smith High School. As in 4 above.
- (18) Standerton: Stanwest High School As in 4 above.
- (19) Stellenbosch: Eisenburg Agricultural College. Dairy and office buildings. As in 4 above.
- (20) Umtata: Three residences for Embassy officials. As in 1 above.

(21) Witbank Prison 4 quarters Engineering services As in 9 above.

(c) R2 711 340

- 35. Keynes fundamental psychological law states, in effect, that:
  - (1) People will always increase their consumption by some amount as Y.
  - (2) Consumption will fall as income falls.
  - (3) People will save some part of any increase in Y.
  - (4) As consumption increases, so will income.
- 36. Empirical evidence shows that the long-run consumption function is a straight line running through the origin. Therefore, other things being equal, the MPC and APC are constant. APC is declining as the income level rises.
  - (1) APC =  $\frac{C}{Y}$
  - (2) MPC =  $\frac{\Delta C}{\Delta Y}$
  - (3) APC and MPC are constant.
- 37. Assuming a closed economy (no govt. X or M), if MPS increases so that it equals MPC:
  - (1) Investment equals fall of the total income.
  - (2) The multiplier is 1.5
  - (3) The multiplier is 1.5
  - (4) There will be an inflationary gap.
  - (5) MPC + MPS = 1
- 38. When a family's income is low and its current consumption is high, its saving is low and its current consumption is high.
  - (1) The MPC must be equal to the ratio of total C to total Y.
  - (2) The MPC must be equal to the ratio of total C to total Y.
  - (3) The MPC must be equal to the ratio of total C to total Y.
  - (4) The MPC must be equal to the ratio of total C to total Y.
  - (5) The MPC must be equal to the ratio of total C to total Y.
- 39. A bed of...
  - (1) MPC must be declining.
  - (2) The MPC must be declining.
  - (3) The MPC must be declining.
  - (4) The MPC must be declining.
  - (5) The MPC must be declining.
- 40. An important finding...
  - (1) Saving causes depressions.
  - (2) Individuals who try to save cannot succeed.
  - (3) Increased total saving may, ceteris paribus, quite possibly have a contractionary effect on the economy.
  - (4) Thrift is never a virtue.
  - (5) The poor are more likely to be thrifty than the rich.

Table 14 contains the results, but a word of caution is needed. The figures for land sizes are not accurate because they were rough estimates made by those interviewed.

- 41. The greater the leakages from the income stream, the smaller the multiplier effect.
  - (1) Greater taxes the government will realize.
  - (2) Larger the MPC.
  - (3) Smaller the APC.
  - (4) Smaller the multiplier effect.
- 42. The consumption schedule can be shifted upwards by...
  - (1) Raising the rate of interest.
  - (2) Expectations that prices will fall.
  - (3) Reducing income from those with low MPCs to those with high MPCs.
  - (4) Subsidizing the export industry.
  - (5) All of the above.
- 43. If fall of...
  - (1) Infinity
  - (2) 1
  - (3) 0
  - (4) -1
  - (5) 0.5
- 44. If the MPW is 0.3 and MPI is 0.7, the level of income will be...
  - (1) About R17m.
  - (2) R120m.
  - (3) About R8m.
  - (4) R5m.
  - (5) R25m.
- 45. One of the major reasons why investment expenditure is not postponable...
  - (1) It depends heavily on businessmen's expectations.
  - (2) Consumer demand changes so erratically.
  - (3) The interest rate fluctuates sharply.
  - (4) Investment goods wear out quickly.
  - (5) Investment expenditure is not postponable.

confidence level. By the either has land available as dependants in the rural cultivation.

# Public servants puzzled

**JOHANNESBURG** — Public servants are still not certain what their salary improvements amount to. The general secretary of the Public Servants Association, Mr R. H. Landman, said it appeared the big State corporations would share in the R257 million set aside for increases. Senior public servants criticised the Minister of Finance for not being more specific about the extent of their increases.

They said if the R257 million was to be used only for State department workers, including prisons, police and SADF personnel, the increase would amount to about 10 per cent. But even with the increases, State department workers would still lag behind the Consumer Price Index by about 25 per cent. The increases, he said, would not be sufficient to stop the still serious rate of resignations from the service — DDC

21. The Ch...  
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one worker's farm...  
land for cultivation...  
It clear that...  
The investment outlay should not be made.  
The MEC is rate of interest.  
The MEC is rate of interest.  
The present value has been determined with the wrong interest rate.  
The current supply price of the asset will decrease in the future.

confidence level. By the either has land available as dependants in the rural cultivation.

# Letdown over

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# those Budget pay rises

By Sieg Hannig, Labour Reporter

Pay adjustments for hundreds of thousands of public servants have been worked out after the announcement that R257-million has been made available for new salary structures, effective from April 1

STAR  
6/4/79  
250

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auch in die Abne.

But it became clear today that many will not get the 10 percent pay jump which was widely expected.

In fact, some will get as little as five percent.

"There are many public servants who will get far less than 10 percent," said Mr R H Landman, general secretary of the 40 000 strong Public Servants' Association.

"Seen in the light of the backlog of about 33 percent compared with the cost of living, the extent of dissatisfaction is understandable."

Mr Landman said increases varied from rank to rank and were not based on seniority.

"At a quick glance, the lowest increase appears to be 4.9 percent.

"We are still studying the implications of the new salary structures and shall take the necessary steps," Mr Landman said.

He said the instructions concerning the new pay scales were distributed among the different departments this week and it was up to them to decide when and how to notify staff.

Besides central Government departments, semi-State bodies such as the Council for Scientific and Industrial Research are included in the restructuring.

A notable exception is teachers.

It is generally expected that the restructuring made allowance for higher adjustments in black and coloured staffs' salaries — in keeping with the declared Government policy of narrowing the wage gap.

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# Salary awards a con- (250) —angry civil servants

By GERALD REILLY  
Pretoria Bureau

ANGRY senior public servants claimed in Pretoria yesterday they had been conned by the Government over salary increases.

They warned of a backlash of resignations which could seriously curb, if not cripple, some key services.

The Government is also the target of fierce criticism from the country's 55 000 teachers. They too claim that salary promises have not been fulfilled.

Public servants were led to believe that increases from April 1 — totalling a massive R257-million — would be about 10%.

They said the raise failed to compensate for a big pay backlog, but they were prepared to accept it under prevailing economic circumstances.

Now it has turned out that most of the increases for Government and provincial workers would be between 5% and 8%.

The R257-million is to be shared between 552 000 State and provincial workers, including prisons, police and Defence Force personnel.

About R2 000-million is needed to pay the govern-

ment's vast work force, judging by figures provided by the Department of Statistics last year.

In a bitter statement the Public Servants' Association said the post-Budget impression, that the amount set aside for public sector increases would not be enough to stem the drain of trained personnel, had been confirmed by increase details.

The PSA executive said although the document with the details was still being studied, it was clear the Public Service Commission could not meet the expectations with the limited funds made available.

Meanwhile, the storm of protest from public service teachers over their exclusion from the general wage increases continues.

On Thursday, the chairman of the Federal Council of Teachers Associations, Professor J de V Terblanche, had talks with the Minister of National Education, Mr Willem Cruywagen.

The meeting followed accusations by the council of bad faith on the part of the Government and of a failure to honour salary scales.

Support for the teachers has come from the influential Committee of University Principals.

The chairman, Professor Gerrit Viljoen said the Government's inexplicable no-increases action opened up a credibility gap about its teachers' pay policy.

Policy statements by the former Prime Minister and Mr Cruywagen that teachers would be lifted above the rest of the public sector had been negated, he said.

The chairman of the Association for Technical and Professional Education, Mr A J Steyn, said in Kimberley the association identified itself with the attitude of Prof Terblanche, reports Sapa.

Mr Steyn said the salary adjustments of January 1978 could not be used as justification. They were two years behind and granted as an interim measure after agreement.

Teachers had paid heed to the Prime Minister's 1976 appeal to curb pay demands.

"Now while everyone else is having a picnic, the patient stepchild has been given a clout or two and is kept at home."

250  
123

# GOVERNMENT HOUSED

**HOUSING subsidies for public servants came under fire this week after plans to tax fringe benefits in the private sector were announced by the Minister of Finance.**

Senator Horwood's plan, outlined during his budget speech, exempts the Government from 'fringe-benefit' legislation to be instituted later this year.

It is this exemption clause in the plan which is drawing the most criticism from building societies and large companies.

## Law

Building Society Association

# Peel's

## Civil servants will escape 'fringe' tax

ected, but by exempting the civil service, the largest sector of subsidised employees is left unaffected.

A spokesman for the Finance Department stresses that Government subsidies have also come under scrutiny.

He says a separate scheme to 'de-escalate' subsidised housing for Government workers is 'being worked out and may be instituted in the near future'. 'If we were to suddenly cut off housing subsidies for civil servants,' said the

spokesman, 'we would be faced with immediate wage demand which we could not possibly comply with.'

He would not say what the separate plans were. The South African Property Owners' Association (Sapoa) has come out in favour of the move, 'in favour of the move, but warns of dire problems involved in

the scheme.

A spokesman for Sapoa said this week that should subsidies be cut off without any safeguards, the property market, only now beginning to recover after years of recession, would suffer and 'as many as 25 per cent of householders receiving subsidies could be

Figures released by the Department of Statistics on housing subsidies provide a clue to the number of people who will be affected by the new move and what the effect will be.

The most recent report on housing matters shows that in 1975 more than R6-million was spent by the Government and by private

or public companies in subsidising housing for employees — a large figure when you consider that there are approximately 1.3-million white households in South Africa, of which only 40.5 per cent are still being paid off.

The R6-million, says a spokesman for the department, is an extremely conservative estimate and he says a more realistic figure would have been in the region of R12-million.

He said the amount spent on housing subsidies for employees had 'probably doubled' by the end of last year.



ston says the biggest and most common fringe benefit offered to employees is the housing subsidy, used by many companies as a lure to prospective employees

"Instead of offering large salaries which would be heavily taxed," says Mr Alston, "companies subsidise their workers' housing, and at the same time claim the subsidy as a tax deduction"

Mr Alston said he saw the latest Government move as part of an overall plan to eventually make housing subsidies too expensive and difficult to be worthwhile.

"It is chiefly against subsidised housing that the new legislation appears to be di-

8/4/79  
250

# Jurists hammer new constitutional proposals

(250) RIM 10/11/79

Own Correspondent

POTCHEFSTROOM — The Government's new constitutional proposals, published last week in the Government Gazette, were severely criticised yesterday by jurists

A lecturer on constitutional law at the University of the Orange Free State, Dr Willem Olivier, told the law conference on the new constitution held at the Potchefstroom University that it would be impossible to maintain law and order if blacks were not accommodated in the system.

"The constitution is sure to fail if the underlying motive is to broaden the base of white power by accepting coloureds and Indians or to entrench only the white minorities' right to self-determination," he said.

"It doesn't matter whether you drown in three or 30 feet of water," he said.

Professor B C du Toit said the new proposals do not move away in principle from the present Westminster system as power was still entrenched in a white Parliament.

"The fundamental truth to the new dispensation is that the coloured and Indian parliaments will be subject to the House of White Lords," Prof du Toit said.

The idea of three parliaments was a contradiction in terms as the new constitution was still one parlia-

ment although much more complex, he said.

Prof S C Jacobs of Potchefstroom criticised the new constitution on its lack of clarity of the position of the traditional opposition parties

It would reduce their relevance virtually to nil but the great danger lay where opposition parties might disappear into an opposition among the different races. This would have a polarising effect, depending on the law prohibiting political interference, he said.

He hit out at inconsistencies concerning the provinces which are left to decide for themselves whether they want to split up into smaller units.

"Coloureds and Indians, in the meantime are obliged to do this," he said.

Prof Jacobs strongly appealed for judicial control by a judiciary independent of even the civil service.

He was joined in the call for a bill of human rights based on the West German system by Prof D H van Wyk of Unisa.

Prof Jacobs said the Government should issue a white sheet on the proposals which should be discussed by all relevant parties.

He described the problem of sovereignty in the new constitution and the power which is to rest with the State President as "judicially untenable".

# Govt move will save SA millions

250  
RPM  
2/14/79

Pretoria Bureau

A SMALLER and more efficient public service would save the country millions of rands a year, labour authorities said yesterday

They were reacting to the "radical rationalisation" of State departments referred to by the Prime Minister, Mr P W Botha, in the House of Assembly earlier this week

Mr Botha indicated that a big reduction in the number of State departments, currently 41, was possible

The kind of development he has in mind, for instance, is the grouping together under one Department of Agriculture the three present Departments of Agricultural Technical Services, Agricultural Economics and Marketing, and Agricultural Credit and Land Tenure

At the last count, according to Department of Statistics figures, there were 320 000 workers — 125 000 of them white — in the State departments, police, prisons and SA Defence Force

The four provincial administrations employed another 235 000 — 121 000 of them white. This is a total of 555 000 workers unavailable to the private sector

With the R257-million pay rise, which came into operation at the beginning of the month,

the annual payout to public sector workers is about R2 300-million, according to calculations based on official statistics

Senior public servants spoken to yesterday were nervous that the "radical rationalisation" would mean redundancies in the public service

However, the president of the Public Servants Association, Mr S Venter, said there was little danger of unemployment among State workers because of the rationalisation

"We have big shortages of staff at many levels and we don't think that even a radical rationalisation would create redundancies," Mr Venter said

A senior lecturer and labour authority in the School of Business Leadership of the University of South Africa, Mr Robert Kraft, said the administration of apartheid was the major reason for the high cost — in labour and funds — of public administration in South Africa

"There is overlapping of functions, duplication of functions in the departments administering white, coloured, Indian and black affairs, particularly in the field of education"

But even within the apartheid framework there was plenty of scope for rationalisation — cheapening and sharpening the Government's service to the public

DD 25/4/71 (250)

## R257m for salaries

THE ASSEMBLY — The Civil Service Commission had this year set aside R257 million for salary improvements and allowances for the various departments under its control, the Prime Minister, Mr Botha, said yesterday.

Certain improvements had already been made, especially where the commission considered the greatest need to be.

It should be

remembered, however, that the State had only a certain amount it could spend on salaries for Defence Force, Police, Prisons and the staff of other departments — SAPA

# R257m set aside for higher pay

THE ASSEMBLY — The Civil Service Commission had set aside R257-million for salary improvements and allowances for the various departments under its control this year, the Prime Minister said yesterday.

Mr Botha, speaking in committee on the Defence Vote, said certain improvements had already been made, especially in certain categories where the commission, in its wisdom, considered the greatest need to be.

However, he said, it should be remembered that the State had only a certain amount it could spend on salaries for the Defence Force, Police, and Prisons Department staffs.

Everyone was striving for higher wages, but more money was not the solution, Mr Botha said.

It would be a mistake, he felt, to divorce the Department of Defence from the Civil Service Commission. Other departments would follow and in the end it would lead to a situation where there would be no overall control or planning on the part of the State.

"This will only lead to friction. It will lead to a situation where the State will find itself in competition with itself," he said.

It seemed that the only way to solve the manpower position in the Defence Force and other

branches of the civil service would be to introduce legislation providing for an overall body to investigate the manpower position and how it could best be utilised.

Legislation in this regard would probably be introduced by the Minister of Labour this session.

The problem as far as the manpower shortage was concerned was the limited pool in the leadership class. Problems would continue to exist as long as this was the case — Sapa

## Never again, says Schwarz

THE ASSEMBLY — Secret funds should never again be allowed to be channelled through the Special Defence Account as had been done for the former Department of Information, Mr Harry Schwarz, chief PFP spokesman on defence, said yesterday.

Mr Schwarz said the Prime Minister, Mr Botha, had to give Parliament an assurance in this regard and take steps to ensure it could not happen again.

He was pleased that defence had been in no way affected by it and accepted the Prime Minister's own concern and objections to the practice — Sapa

**GOVERNMENT PAY**  
**Doing OK** *PM 27/4/77* (250)

South Africa's rulers stand to be better off financially than ever in terms of salary and pension improvements currently envisaged.

The State President is expected in the near future to grant MPs an increase of 10,16% after receiving the approval of the Cabinet. In most cases this will mean an increase of around R120, since MPs' salaries sans allowances amount to R11 600 per annum. Ministers will naturally get more, as will the Prime Minister.

In terms of the new Parliamentary Service and Administrators' Pensions Amendment Bill, ministers and MPs will — for the first time — receive cash gratuities in direct relation to length of service when they retire.

According to official sources, an MP who retires after 15 years' service will receive a gratuity equal to his final annual salary — in addition to his monthly pen-

sion (also his final monthly salary)

Moreover, anyone who has served a term as prime minister will on retirement receive an annual pension equal to his highest annual salary — and a gratuity equivalent to that salary.

The PM's salary is currently R43 224, in addition to which he receives a "reimbursive allowance" of R19 953. Ordinary cabinet ministers get R23 592 in salary, and an allowance of R6 753.

There are 300 kg of finished goods in stock. There are 100 kg of Alpha stock at 31 May.

15 300	Budgeted contribution	(10 000 x (5,10 - 3,57))			
306	Less: Volume variance	200 x 1,53			
14 994	Standard contribution	(9 800 x (5,10 - 3,57))			
12 000	Less: Fixed costs				
2 994	Standard profit				
980	Sales price variance				
200	Alpha price				
(1 500)	Material mix variance				
6 175	Yield variance				
1 000	Less: Sale of waste				
5 175	Labour efficiency variance	$\frac{10}{4} (10 100 \times - 400) \times 4$			
(16)	Variable overhead efficiency variance				
(16)	Fixed overhead expenditure				
(200)	Actual loss for the month				

Suggested Solution

(10 100 kg of finished product is equivalent to 5/4 x 10 100 of original product i.e. 50 500 or kg 12 625)

15 000	Actual issues at standard	12 500	2 500	25 000	12 500	37 500	15 000
15 000	Standard mix	15 000	3 000	24 000	12 000	39 000	15 000
2 500F	Mix variances	2 500F	1 000U	1 000U	1 500F	1 500F	
12 625	Actual production	12 625	2 525	20 200	10 100	32 825	12 625
2 375U	Yield variance	2 375U	3 800U	3 800U	6 175U	6 175U	
R	Alpha	R	Gamma	R	Total	R	Kg

Mix and yield variances:

Workings

QUESTION 1 - SUGGESTED SOLUTION

14 MAY 1979

Public service salary structures for  
and non-White typists

797 Mr D. J. DALLING  
Minister of the Interior and Immigration

- (1) Whether there is any difference in comparative salary structures White and non-White typists in Public Service; if so, what are salary structures;
- (2) on what basis are the relevant differences justified.

The MINISTER OF THE INTERIOR  
AND IMMIGRATION

- (1) Although there is a difference between the salary structure of White non-White Typists in the Public Service this difference is in line with the accepted salary relationship and is as below

Rank	White	Coloured Indian	Black
Chief Typist	R4 320 × 210 -6 000 × 300 -6 600	R3 540 × 180- 3 900 × 210- 5 790	—
Senior Typist	R3 540 × 180 -3 900 × 210 -4 950	R3 000 × 180- 3 900-4 110	R2 220 × 150 -2 820 × 180- 3 360
Typist	R2 640 × 180 -3 900 -4 110	R2 220 × 150- 2 820 × 180- 3 540	R1 614 × 114- 2 070 × 150- 2 820(M) R1 500 × 114- 2 070 × 150- 2 520(V)

- (2) The difference between the salary structure of White and non-White Typists is in accordance with the accepted comparison basis between the salaries of the various population groups in the Public Service. The salary gap will in accordance with the accepted Government policy be systematically narrowed and closed on a horizontal basis commencing with the highest posts. This process has already been commenced with and full salary parity was effected with effect from 1 April 1979 for certain categories of staff.

Public Service: Black language  
 Hansard (665) 9/4/5779 (50) Mur  
 793 Mr D J DALLING asked the  
 Minister of the Interior and Immigration

Whether any posts held by Whites in the Public Service have a working knowledge of a Black language as a prerequisite for appointment to such posts, if so, what posts

The MINISTER OF THE INTERIOR AND IMMIGRATION

There are only two posts in the Public Service where Whites must have a knowledge of a Black language in order to qualify for appointment, viz that of Court Interpreter and Ethnologist. In respect of the first mentioned post the ability to interpret in at least one Black language has been prescribed while in respect of the latter post the ability to speak a Black language is a requirement

(1)  
(2)  
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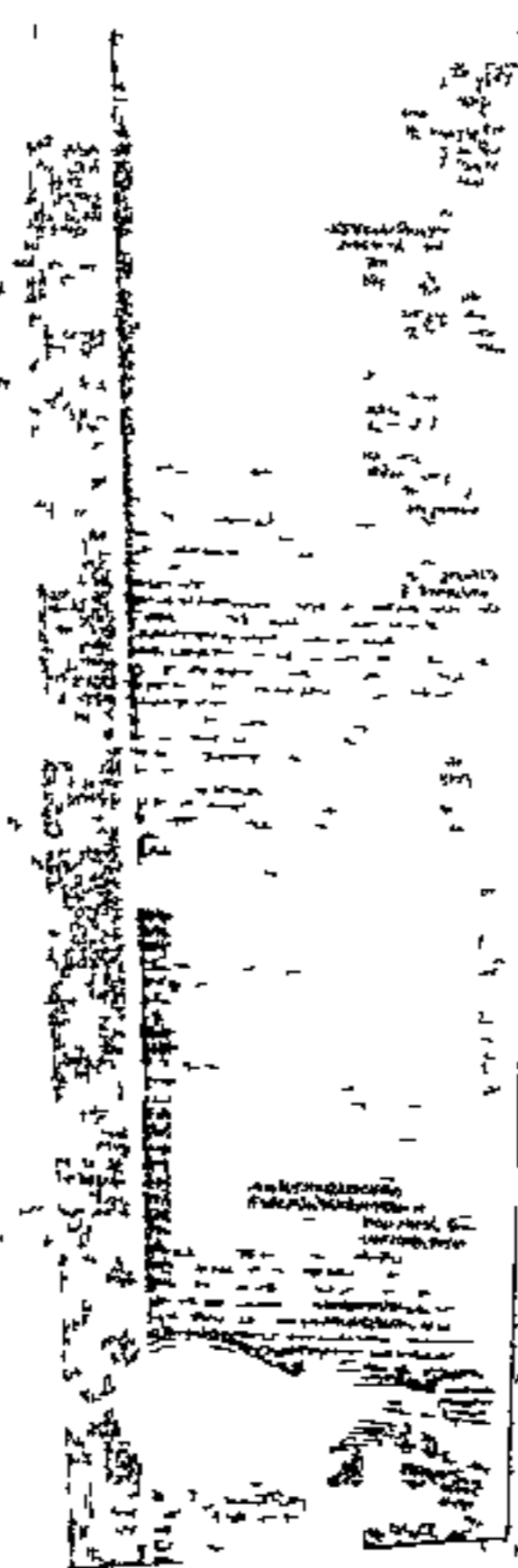
12 MAY 1979

Public Service: Black language  
 794 Mr D. J. DALLING asked the  
 Minister of the Interior and Immigration

(a) How many White members of the Public Service have any qualifications in a Black language and (b) in which Government departments are such persons employed

The MINISTER OF THE INTERIOR AND IMMIGRATION

- (a) 55 members, i.e. according to available particulars
- (b)
- |                                     |    |
|-------------------------------------|----|
| Education and Training              | 22 |
| Plural Relations and Development    | 12 |
| Sport and Recreation                | 3  |
| Defence                             | 5  |
| Information Service of South Africa | 11 |
| Commerce and Consumer Affairs       | 1  |
| Foreign Affairs                     | 1  |





Yesterday  
in the  
House

## Secrecy Bills support

ORMANDE POLLOK  
Political Correspondent

CAPE TOWN — Both Opposition parties have supported the Government on two Bills which will prohibit the publication of information on oil supplies and other strategic materials

The measures — the Petroleum Products Amendment Bill and the National Supplies Procurement Bill — give the Minister of Economic Affairs, Mr Chris Heunis, extra powers to control the products and news about them

Mr Derick de Villiers, MP for Constantia, said the Progressive Federal Party believed the intention of the first Bill was not to restrict the Press but to safeguard South Africa's oil supplies

Later he voiced minor reservations about the National Supplies Bill because it covered undefined products as opposed to a specific material

# Black pay gap to be narrowed

Parliamentary Correspondent

CAPE TOWN — The Government has explained that the difference in salaries paid to White and Black typists in the Government service was in accordance "with the accepted comparison basis between them and the salaries of the various population groups in the public service".

However, the Minister of the Interior, Mr Alwyn Schiebusch, said the salary gap would be "systematically narrowed and closed on a horizontal basis commencing with the highest posts"

This had already started and full salary parity had been achieved in certain categories of staff as from April 1, 1979

Mr Schiebusch was replying to a question which had been tabled in the House of Assembly by Mr David Dalling (PFP, Sandton)

The Minister of Co-operation and Development, Dr Piet Koornhof, in replies to questions tabled by Dr Alex Boraine (PFP, Pinelands), said 31 807 Black men and 14 691 Black women were unemployed at the end of 1977

Figures for each month of 1978 showed unemployment among Blacks in White areas reached a peak in January 1978 when 80 212 and 31 068 women were registered

(Report by Barry Streek and R Nuttal House of Assembly, Cape Town)

## No fuel price rise for now

Political Correspondent

CAPE TOWN — No immediate petrol price increase was being planned by the Government, Mr Chris Heunis, Minister of Economic Affairs, said yesterday

Reacting to rumours that the price could possibly double, he said

"That is untrue. You can tell the people that I am not contemplating a price increase at the moment"

However, the warning he had issued in Parliament last week — about the serious position South Africa was in — still applied. Mr Heunis warned that rationing or price increases, or both, might be applied if the oil price continued to rise

## Report on rare bone disease

Parliamentary Correspondent

CAPE TOWN — One in 60 Afrikaans-speaking South Africans are carriers of a rare genetic and potentially lethal disease, according to the latest report of South African Medical Research Council tabled in Parliament this week

Marble bone disease has been investigated for a number of years in South Africa through studies of deafness of genetic origin

It is an inherited potentially lethal disorder in which progressive overgrowth and thickening of the skull leads to deafness, paralysis of the facial muscles and compression of the brain

Sclerosteosis, a variation of marble bone disease, has the highest prevalence in the world among White Afrikaans-speaking South Africans

So far 48 cases have been identified in South Africa while only a few cases occur in the rest of the world

# Govt to narrow typists' pay gap

RDM  
16/5/79  
(250)  
3.

## Political Staff

THE ASSEMBLY — The Government has explained that the difference in salaries paid to white and black Government typists was in accordance "with the accepted comparison basis between the salaries of the various population groups in the public service"

But the Minister of the Interior, Mr Alwyn Schlebusch, said the salary gap would be "systematically narrowed and closed on a horizontal basis commencing with the highest posts"

This had already started and full salary parity was achieved in certain categories of staff on 1 April 1979

Mr Schlebusch was replying to a question by Mr David Dalling (PFP Sandton)

He said white chief typists started at R4 320 a year and rose to R6 600 a year, while coloured chief typists began at R3 540 and rose to R5 790

White typists begin at a higher salary than black and coloured typists in all posts

730 Mr H. E. J. VAN RENSBURG  
the Minister of the Interior and Immigration

What steps (a) have been taken in the past five years and (b) are planned to be taken in the near future by each Government department falling under the Public Service Commission to remove discrimination based on race and sex respectively, in respect of (i) employment of personnel, (ii) payment of personnel, (iii) training opportunities, (iv) opportunities for promotion,

(v) pension, (vi) medical aid (vii) other benefits of employment and (viii) canteen facilities

THE MINISTER OF THE INTERIOR AND IMMIGRATION

- (a) (i) Since personnel in the Public Service are employed in posts which are created as a result of specific needs and in respect of which specific requirements for appointment purposes are laid down, there is no question of discrimination as far as the appointment of personnel who comply with such specifications are concerned
- (ii) With the exception of teaching staff and certain entry grades for Blacks, the differences in salaries based on sex have been eliminated in the Public Service. Discrimination in payment based on race has been eliminated as far as the top management is concerned, as well as posts in the top structure in respect of Coloureds and Indians. The wage gap in respect of all other posts has been narrowed
- (iii) There has never been discrimination based on race or sex in respect of training in the Public Service
- (iv) No distinction based on race or sex is made in respect of any post for which a person may qualify
- (v) Public servants are members of pension funds which, in terms of existing legislation, fall under the jurisdiction of the hon. the Minister of Social Welfare and Pensions
- (vi) The viability of a medical aid scheme for Coloureds and Indians has been identified and a scheme was created which is administered in terms of the Medical Schemes Act 1967. The relevant scheme is furthermore subsidized by the State on the same basis as the scheme for Whites

HUTCHISON, W. M. J. & STOLLE  
MANAGE CUSTOMER SERVICE

PART III P.P. 133-138

(v) The... OF SHARED SE  
FRIEDMAN, W.

case of... difference...  
JOURNAL OF  
IMPACT ON  
LUSCH, R. F.

In the... parity has been implemented...  
FEB - 1976

During the past five years...  
CHANNELS  
COUNTERPARTIL  
ETGAR, M.

(viii) Government departments as such do not provide canteen facilities  
MARKETING SY

(b) (i) The policy referred to in (a)(i) above will be maintained in future  
CONTROL ON  
ETGAR, M.

(ii) The further narrowing and elimination of the wage gap between Whites and non-Whites, as well as the discrimination based on sex, is receiving continuous attention  
GOWER PRESS

(iii) Refer to (a)(iii) above  
(iv) Refer to (a)(iv) above  
(v) Refer to (a)(v) above  
(vi) The viability of a medical aid scheme for Blacks is being investigated  
SANDY, L. C. W.

GEORGE ALLEN  
MARKETING CO

CHRIST

GOWER

CHRIST

PLANNING

DISCRIMINATION

FM 22/6/79

250

**CIVIL SERVICE REFORM**

# Bringing in the experts

Prime Minister P W Botha this week followed his extensive cabinet reshuffle with a move to take charge of the nation's administrative machine and put his stamp firmly on the way the country is run.

And his first steps are clear evidence that he backs fully a swing of resources away from government towards the private sector.

With surgical precision, Botha is applying his formidable administrative and organisational skills — not only to Cabinet reform — but to changing the face of the entire public service.

Supported by some of the country's most successful and influential businessmen, Botha this week took the first steps in a massive programme of "de-socialisation" of government enterprises. And at the same time work has been started by the Public Service Commission on its plan to reduce radically the size of the administration.

Botha asked PSC chairman Piet Rautenbach to hold back the action until he had announced his new Cabinet and departmental groupings (which he did last week), but now the green light has been given.

First step in Botha's and Rautenbach's battle for a small but efficient administration has been the unprecedented appoint-

ment of private sector leaders to the Public Service Commission. The first of these are SA Breweries' chief Dick Goss, General Mining's Wim de Villiers, and Old Mutual's Jan van der Horst.

These historic appointments follow top-level discussions between 10 of SA's most important businessmen and the PSC in Pretoria earlier this year. In a sense, the trio are the nominees of this group, and they have been given possibly the most important brief ever from government to private individuals.

Apart from assisting in the restructuring of the public service along businesslike lines, and marshalling its resources more effectively, they are to help decide which functions of the public service will be handed over to private enterprise. And they will devise a programme to attract leaders from the business community into public service at competitive rates.

They are to help create a structure which, in Rautenbach's words, will increase in productivity and become far more competitive for labour with the private sector. "Says the PSC chairman:

"We want a smaller, more effective and well-paid civil service. Our theme will be to provide more for the better man."

In other words, he explains, if the PSC

wants top people to head up Commerce and Industry, for example, and no suitable civil servant presents himself, it wants to be able to woo executives from the giant corporations like Barlow Rand, General Mining or Anglo American. But it would not end at senior appointments. This spirit should permeate to all levels, he avers.

Goss's reaction to the injection of private sector manpower is that it makes "one helluva lot of sense. This link means we can overcome many of the problems there have been," he points out.

Chief public service inspector Gerrie van Zyl hopes this philosophy will stop the trend of capable people training with the civil service, then leaving when at the height of their powers for senior jobs in the private sector. At present the service loses seven out of 10 employees within the first decade of their careers, and they're usually the best. Clearly an untenable situation.

Another vital reform already approved by Botha will be given expression at the beginning of July, when the Cabinet is back in Pretoria.

In the past, administrative bottlenecks of alarming proportions have arisen from the cumbersome and ineffectual cabinet committees, of which there are about 40.

Botha has done away with all that and formed six committees: State Security (including Foreign Affairs, Police, SWA/Namibia and Defence), Finance (monetary matters), Welfare (pensions, etc), Economics (Agriculture and matters such as consumer affairs), Legislation and Parliamentary Affairs, and Internal Affairs.

These committees will have full executive authority to take immediate decisions, and in future only points of dispute and some ideological policy-making will be referred to the full cabinet.

In addition, the Secretary to the Department of the Prime Minister will act as Secretary to the Cabinet and run a Secretariat serving its six committees. This centralisation is designed to remove conflicts in interpretation of decisions — a



De Villiers, Goss and Rautenbach . . . private sector moves in

Significantly the Prime Minister recently it was the responsibility of the Interior Minister. It is expected however that Botha will continue to delegate some of his authority to the present Minister of the Interior Alwyn Schlebusch.

Ministers are often at loggerheads with one another on important admin matters particularly as they grow in power. But with Botha as arbiter and decision maker this area of conflict will almost certainly be defused.

The new blueprint which is still being drawn up will provide for only the necessary functions of government to be retained by the civil service. All the rest will be farmed out to the private sector. Rautenbach elaborates.

### Radical surgery

This will involve perhaps the most radical surgery of all since government is considering handing over such vital work as dam-building and regional road construction to private enterprise.

Then there is the hitherto remote possibility that government may even hand over the Post Office and Railways to private enterprise. There are a number of thoughts on this matter, one popular concept is that they should be run on a subsidised basis where necessary with government entering into management agreements with private business.

It private business can run such an effective communications network as that of the US I can't see why this shouldn't happen here. One senior civil servant postulates.

And he points out that the SABC which now comes under the Post Office could be one of the first State-run bodies to benefit from private management although it is agreed that such a move would create too divisive an issue in government and the National Party -- even for the tough-skinned Botha.

It's common knowledge that Botha intends to reduce the number of departments from 41 to 18. But so far nothing has been spelled out.

What the PSC and the Prime Minister hope to do is combine all ancillary services (stores, financial management and personnel for example) under one roof. With each department looking after these functions under the present system the PSC believes money is being poured down the drain.

Then there is the question of legislation that will be affected by the changes. Rautenbach reckons it will be necessary for the standing commission dealing with these matters to amend -- and in necessary cases scrap -- laws going right back to 1910.

Obviously we can't do this at the PSC. But it will not be looking at legislation from a political point of view. It function

administrative practices and personnel structures that are now out of date.

Furthermore there is the crucial question of the various boards, commissions and government agencies (about 1000 according to Rautenbach) that will need ruthless cutting down. Some government men believe it will be necessary to reduce the number by as much as 80%.

Politicians close to Botha are convinced many heads may roll in the process of rationalisation. For example the Department of Agriculture is divided in three with three secretaries. They are Technical Services, Economics & Marketing and Credit & Land Tenure. Now they say there is to be one department whose administrative head has also been its political head -- Minister of Agriculture Hendrik Schoeman.

All the secretaries are capable men but as of last week the TAM learns it has been decided in principle that one man will fill the secretarial role and take charge of admin.

Yet Rautenbach and his right-hand man Van Zyl disagree strongly with the politicians who fear that civil service blood will flow. They argue that there will not be heavy retrenchment and that senior men will fill top posts of equal status in such bodies as the ESCO which is understaffed if they lose their positions.

And they argue that with many senior retirements pending and taking into account normal staff movement into private employment a policy of non-replacement should suffice when it comes to cutting down numbers.

None of this however takes into account Botha's political motivation. His ruthless intolerance of uncriminate elements in the party is clearly evidenced by his recent cabinet reshuffle. The Prime Minister's treatment of NP Transvaal leader Andries Treurnicht who has been given the least important cabinet portfolio of Public Works, of Statistics and of Tourism illustrates his determination to have his own men in positions of influence. The promotion of his lieutenants Chris Heunis to Transport and Alwyn Schlebusch to Justice lend further credence to this view.

It would clearly be naive to believe his plan ends here. After all SA has been run by its bureaucrats for years. Most ministers become timid in the face of criticism from their departmental heads, almost all of whom are more politically and administratively experienced -- and adept. And many of the senior men are powerful conservatives. A priority for Botha therefore must be to rid himself of uncriminate sympathisers in the administration -- or at the very least demand radical adjustments on their part. Significantly Botha has made a bid with

reform. The administratively weak Vorster was simply not prepared to countenance change of the kind envisaged by the ESCO.

Then came Botha. By contrast he met the PSC 'virtually days' after his election to the Premiership and agreed at once to introduce the necessary streamlining changes.

The Prime Minister laid the foundations in his Cabinet regrouping and we believe he has done it in such a way that there will be the least possible disruption when we start analysing government functions in more detail says Rautenbach.

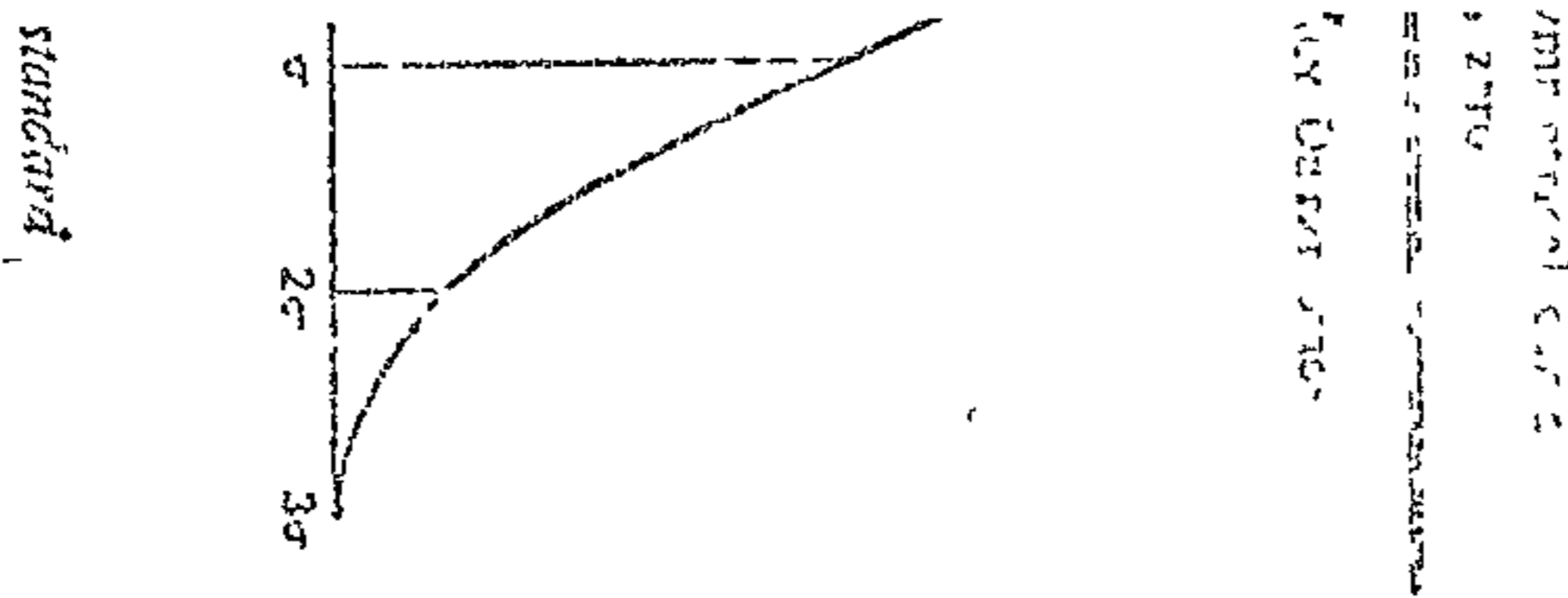
What Botha did last week was to single out combinations of cabinet portfolios that were fundamentally incompatible and make adjustments. Thus such bodies as the SABC were removed from the jurisdiction of National Education and given to the Department of Telecommunications, and Coloured Relations was tied to Community Development and Indian Affairs.

And while there may be criticism of some of the new cabinet appointees (Heunis to Transport and Schalk van der Merwe to Industrial Affairs, Trade, and Consumer Affairs, for example) Botha's basic rationale is not an issue. Now the PSC's job will be to bring all government departments within the structure provided by Botha. Considering the logistics (figures released in 1977 revealed the central government employed 296 000 people; public corporations 142 000, SAR&H 263 000; Posts & Telecommunications 69 000; homelands 94 000; and statutory bodies

23 000) the road ahead looks fearsome. But it's a course people such as Afrikaner business baron Andreas Wassenaar have warned government it will be forced to take. Indeed, those close to Botha maintain the PM and Vorster differed strongly on the "Wassenaar Manifesto." While Vorster debunked the views of Sanlam's old warhorse as brutally as he could, Botha is said to have quietly admired Wassenaar's stand against government's encroachment on the territory held by private enterprise. Now the price of tardiness and

downtight stubbornness (not on the part of the PSC, which has long called for change) must be paid. And in spite of protestations by the PSC to the contrary, some politically unacceptable heads will have to roll. Botha will see to that, and at the end of the day the PSC, which admires him, will have to endorse his actions. Meanwhile, the PSC has the delicate task of maintaining staff morale and confidence while preparing the ground for change. It's a task that will demand of Piet Rautenbach all the resourcefulness he's reputed to have.

There are several measures of size, mass, and weight.



THE CABINET

Cutting the pack

220 pm 29/6/79

Prime Minister P W Botha is shortly to make five crucial Cabinet appointments that will serve to heighten the antagonism between him and the powerful Transvaal wing of the Nat Party. He is to announce the chairmen (one of whom will be himself) of six Cabinet committees, who will form what amounts to an "Inner Cabinet".

Each committee will have full

Free State leader and former Assembly Speaker Alwyn Schlabusch, who now has Justice in addition to the Interior portfolio, will probably be the man for legislation and parliamentary affairs or, failing that, the internal affairs committee.

Another Botha loyalist, Schalk van der Merwe, is tipped for the welfare committee, which is expected to preside over health and pensions as well. Van der Merwe, who formerly held junior Cabinet jobs, was elevated by Botha to the posts of Industry and of Commerce and Consumer Affairs in the recent Cabinet reshuffle. If he fails to get it, the alternative is believed to be Fanie Botha.

Assuming Schlabusch gets legislation and parliamentary affairs, Botha is likely to open the internal affairs committee to the Minister of Co-operation and Development, Piet Koornhof. Though Koornhof is the man who proposed former Information Minister and Transvaal leader Connie Mulder for the premiership, he has now fallen out irrevocably with his new provincial leader, Andries Treurnicht.

In a very real sense Koornhof has helped Botha to divide Transvaal MPs on the most important policy issues facing the Nats. Many Nats believe that in doing so Koornhof may find he has earned a place at Botha's right hand.

But if Koornhof gets internal affairs, while Treurnicht languishes on something like Van der Merwe's welfare committee, the disenchanted Transvaal hard-liners are expected to take decisive action - perhaps forcing Treurnicht to stand up to Koornhof (and Botha) more decisively than he has done (see Holy War among the Nats). As one bitter Pretoria MP says: "If Andries continues to let PW get the better of him he may soon find most of his support going to Connie Mulder and the lobbyists working for his return to Parliament - even if Connie starts his own party."

The million-dollar question

The chairman of the Public Service Commission, Piet Rautenbach, tells the FM the groupings of portfolios in the six committees (down from the previous 40) have not been finalised by the Prime Minister. But Rautenbach expects that there will be an announcement sometime next month - once the Cabinet is back in Pretoria after the post-parliamentary holiday.

At this point, the million-dollar question is which Cabinet committee will be charged with final responsibility for black

affairs - if Koornhof is overlooked for a seat on the "inner Cabinet".

The Prime Minister will be an ex officio member of all six committees, and the Secretary of his department will run a co-ordinating secretariat covering the activities of all the committees, thus keeping Botha fully in the picture at all times.

While Botha's moves are clearly designed to strengthen his own position, they could backfire. If he ignores the influence of the mighty Transvaal party, and fails to give its ministers adequate representation at the helm of some of the committees, he could find the divisions in Nat ranks growing ever wider.



P W Botha . . . a place for Koornhof at his right hand?

executive powers, and only points of dispute and ideology will be referred to the full Cabinet. The chosen five, expected to be tried and trusted lieutenants of Botha's own, will have power unprecedented in ministerial terms.

Botha is expected to retain the chair on the security affairs committee himself. This committee will almost certainly include the potent portfolios of Foreign Affairs, Defence and Police. So Botha's namesake Pik may well find himself neutralised to some degree.

Natal leader and Finance Minister Owen Horwood will almost certainly be given the finance committee, which is to deal almost exclusively with monetary affairs. New Transport Minister Chris Heunis (previously Minister of Economic Affairs) is regarded as a certainty for the economics committee, which will control such ministries as Industry, Consumer Affairs and Transport.

Financial Mail June 29 1979

The policy implications of the Cabinet decision on the future of the Crossroads squatter camp are puzzling - not least in that they appear to contradict what is happening in other parts of the country. Such as the F. A. Rand where the houses of squatters in Laverton were summarily demolished last week. But if what the FAI has been told is correct - and not simply a public relations exercise designed to still criticism over what has become a closely watched international issue - the policy impact could be far-reaching. First, judgments on what government must await a change of heart however must await publication of the Rautenbach report. Although Pretoria Minister Piet Koornhof stressed that Crossroads was a one-off ad hoc solution to a delinquent urban problem, it is accompanied by measures to prevent similar ones from arising in the future. The manner in which he tackled it suggests that he has succeeded in convincing the Cabinet that it is necessary to reduce the pressure of urban pull and push on the movements of people with nationalist political ideals. Some people believe that the method of the C...

The way out? CROSSROADS

AT a mass meeting yesterday, Crossroads residents welcomed Dr Piet Koornhof's plans for their resettlement as a promise of new hope for their children. The joint committee of Crossroads conveyed the meeting to explain the implications of the Rautenbach statement to residents of the Board of Public Housing. The Minister of Public Housing last week announced plans to resettle the most of the 20 000 Crossroads residents in a new township to be built between Verano and Langaville. Mrs Heunis thanked the chairman of the working committee and said the residents had put their trust in Dr Koornhof to do as he had promised. A very lively was so excited because at least they now know what is going to happen to them. Since last we have struggled with no results and now there seems to be some future for us and our children. We heard newspapers welcomed the minister's proposals in their support commented that full marks can be awarded to Dr Koornhof for his handling of the Crossroads dilemma. He chose to allow human considerations to prevail instead of rigid ideology.

Welcome new plans CROSSROADS dwellers

SOVIET MILITARYS STEEP IN THE MOUNTAINS

by 1970, this figure had decreased to 15,7%, indicating that the whites had improved disproportionately to the 'coloureds'. Similarly, for children 1 to 4 years of age, during the period 1941 to 1970, the white mortality experience as a percentage of the 'coloureds' had decreased from 15,2% to 7,1%. It should be noted that the 0 year age specific death rates are higher than the corresponding IMRs. This is because the denominator for the former is the number of live births whilst for the latter it is the mid-year populations under one year of age.

Fig. 4 provides an indication of the proportional contribution of selected causes of death to the overall mortality experience of the white, 'coloured' and African communities.

During the period 1929 to 1970, the whites have shown a changing spectrum of mortality which is classically associated with an improving health status. Infectious diseases have become less important and the major causes of death are increasingly related to Cardiovascular and Neoplastic diseases. The 'coloureds' and Africans, however, have a persistently high proportion of deaths caused by infectious diseases. The Africans exhibit a spectrum of mortality which is characteristically associated with developing communities, whilst the 'coloureds' appear to occupy an intermediate position between the whites and Africans, although it is clearly much more similar to the Africans than it is to the whites.

What is of particular concern about the 'intermediate' position of the 'coloureds' is that it would appear to incorporate the worst of both the developed and the developing experiences. This becomes apparent from Table II which provides a more detailed analysis of the different diseases contributing to the overall mortality of the whites and 'coloureds' in the form of cause specific mortality rates for defined age groups. Thus, although cardiovascular diseases are consistently responsible for a fairly small proportion of the overall mortality of the 'coloureds', Table I indicates that the actual rates for cardiovascular diseases have been fairly similar for both whites and 'coloureds' since 1941.

Clearly, the broad diagnostic categories used in this analysis conceal a certain amount of information. However, because of the changes in disease classification which have taken place since 1929, it is not possible to examine the temporal changes of mortality rates in greater detail. Disease categories with rates greater than 5/1 000 appear in italics in Table II. It will be noted that the mortality experiences of the 'coloureds'

# R300m bonus for Govt workers

By GERALD REILLY  
Pretoria Bureau

THE one-month bonus to be paid to the 530 000 public sector workers from next year is expected to cost more than R300-million

Yesterday the Minister of Transport, Mr Chris Heunis met the Federal Consultative Council of Railway Staff Associations in Pretoria and, according to sources he hinted that the bonus would be paid at the start of the new financial year

The Prime Minister, Mr P W Botha, announced the bonus last month

The bonus for the 117 000 white and 160 000 black, coloured and Asian railway workers will cost about R100-million, it is estimated

Economists are concerned that the bonus, although it will have a stimulatory effect on the economy, could inflame inflation

At yesterday's meeting the

Federal Consultative Council made it plain to Mr Heunis that the seven railway unions did not expect the payment of the bonus to interfere in any way with their claims for higher earnings

The unions have lodged claims for increases of 15% and upwards with the Minister during the past two months

The president of the Artisan Staff Association Mr Jimmy Zurich, said the bonus was quite 'apart' from the claims made by the ASA for a 15% increase

'We could have justified a claim for 25%, but under the circumstances we considered 15% a moderate and reasonable demand

Senior public servants in Pretoria are also concerned that the increases they expect from April 1 next year will be substantially pruned because of the bonus

However, the Government hopes to defuse any discontent with the bonus handout

## RESULTS

The infant for whites the whites since 1929 static IMR From 1941 an improv-

decreased to 10,1%, a change of only 19,7%.

This is of particular concern when it is appreciated that the greater the IMR, the more easily should improvements be accomplished. The decrease in SMRs between 1941 and 1970 were 28,4% and 25,7% for whites and 'coloureds' respectively.

The age specific mortality rates are summarised in Fig. 4. Since death is inevitable, it is to be expected that decreases in the mortality experience of younger age groups will give rise to a corresponding increase in mortality amongst elderly persons. Thus, although it is to be expected that for both whites and 'coloureds' the mortality rates for persons over the age of 65 years have shown a rising trend, it is of some concern that the mortality rates have also increased between 1960 and 1970 for 'coloureds' in the 25-44 and 45-64 years age groups.

The imbalance between the age specific mortality rates of whites and 'coloureds' has improved or remained constant for persons between the ages of 5 and 64. However, for children less than 5 years of age, the gap between whites and 'coloureds' is widening. In 1941, white children under one year old experienced 28,0% of the mortality of 'coloured' children;

# Revamping the public service—key is speed

250

STAR

17/9/79

Political Correspondent

Reorganisation of the Public Service — including reducing the number of departments from 40 to 18 — was being done with all possible speed, the Minister of the Interior, Mr A L Schlebusch, said in Cape Town today.

Opening the annual meeting of the Public Servants' Association, he said firm decisions on Public Service Commission recommendations for reorganisation would be taken from time to time.

A plan of action had been devised by the Public Service Commission which had the full support of the Government.

The rationalisation programme would manifest itself on four fronts:

- A rearrangement of the present 40 departments and administrations into a better co-ordinated smaller number, with 18 fully-fledged departments, as the target.

- A review of the "astoundingly large" number of administrative laws, regulations and prescriptions, with a view to scrapping obsolete measures, consolidating necessary measures, and above all, simplifying them.

- A review of the entire public service personnel position, and all its sub-systems and practices, which has proved itself incapable of providing the required manpower resources under present conditions.

- A general reconsideration of ways and means to improve the image of the public service.

Mr Schlebusch said the rationalisation programme was being undertaken in terms of the Prime Minister's promise of an honest and effective public administration.



Public  
RAM 17/9/79  
servants  
to seek ~~(125)~~ (250)  
more pay

**Pretoria Bureau**

A STRONG demand for financial relief for Government workers is expected at the annual conference of the Public Servants' Association in Cape Town this week

State department workers, like all other workers in the public sector — the Railways, Police, Prisons and Defence departments — were given 10% rises in April this year

However, senior public servants claimed in Pretoria yesterday that the 10% had been swept up in the wave of price rises of the past six months

Although they did not expect interim increases they stressed that dissatisfaction in the service could reach crisis proportions — and so would resignations — unless adjustments were made in next year's Budget

The number of workers affected totals 314 000 and their total annual earnings amount to R1 240-million

Another 242 000 workers in the provincial departments would benefit if relief was granted to State department employees.

Provincial workers earn an annual R900-million

At this week's conference of the Trade Union Council of South Africa in Cape Town, it was emphasised that wage and salary earners were worse off now than they were a year ago

# PW's first

# year:

# widening

# the laager, fighting the Right

25



The Prime Minister in action this week a remarkable performance in the Transvaal by the man from the Cape

The Prime Minister, Mr P W Botha, approached the end of his first year in office this week with a declaration of war on Nationalist verkrampptes whom he clearly believes are impeding his initiatives. His remarkable performance at the Transvaal Nationalist congress is assessed by

**MARTIN SCHNEIDER**  
Political Editor

NATOR Gideon van den Berg was only doing what comes naturally to delegates attending a Nationalist congress. He was using his annual right to express his constituents' everyday concerns about the way things were going in the country.

What concerned his people, explained, was the removal of the apartheid divisions at the Maraisstad Post Office. He felt that congresses should be consulted before such changes were made because, as explained, "Apartheid is our policy. Apartheid is what got us to power."

At any other congress, Sen den Berg would have received a most sympathetic response from the Cabinet Ministers on the stage in the Pretoria City Hall. In fact, a few years back he would even have made special segregation laws for him like him.

But at the Transvaal Nationalist congress on Tuesday this week, Sen Van den Berg received a blast that would have astonished all the signs and divisions in the whole Western Transvaal.

It came from the Prime Minister who had already threatened to expel any member of Cabinet caught contradicting Government policy.

"We have been here for 300 years," Mr Botha thundered. "People had managed perfectly well all these years without racial divisions which had been introduced only recently."

They were also perfectly content to be served hand and foot by blacks in their homes, but if they had to share a post office queue, then blacks had to disappear.

If the white man wanted to live, he had to maintain respect and accord other people respect.

had the courage — all this did not seem to bother him at all.

In fact, the Nationalist leader, who enters only his second year in office next week, appears prepared to lose support to the Right in his resolute bid to reform his party.

But while total strategy demands harsh discipline, it also needs a framework of extraordinary flexibility.

"It demands an unprecedented economic flexibility to shift back and forth along a sliding scale between a war and a peace."

hours of his speech. Judging by the almost contemptuous and cavalier way in which he treated them at congress, Mr Botha appears to regard them as an obstacle impeding the momentum of his initiatives.

The energy

which does not seem to daunt him because he could amply compensate by gathering enthusiastic support from the NRP in particular and English-speaking conservatives in general.

Backed by more experience than any other active politician

in South Africa, Mr Botha has probably calculated that the losses to the Right would in any case be limited.

Even in the unlikely event of him losing 30 or 40 seats to the HNP, he would still have an overwhelming majority, maintaining the ability to give

ple access to power — the factor which inevitably dissuades most dissenters from breaking away.

Mr Botha, therefore, appears to be forcing a major realignment in white politics with Rightwingers regrouping around the HNP.

He himself is moving his own supporters into the white centre, attracting New Republic Party people and other conservative English speakers and leaving the PFP to a limited foothold on the white left.

In this process, the HNP is looking like the old Nationalist Party preaching to the white man that if he changed he would die.

And the National Party is looking more and more like the old United Party pleading with the white man to accept that he would die unless he changed. And just as the HNP has

made Nationalist apartheid its exclusive property, so it is quite conceivable that Mr P W Botha could take over the UP race federation policy to accommodate urban blacks, non-independent homelands and the coloured and Indian people of our country.

ply could not hate blacks, and if the congress believed he should, then he had no business there

What was more, black and coloured people were voluntarily joining in the fight against communism and terrorism

"Must I denigrate them?" Mr Botha thundered again

On his recent visit to the homelands and Soweto, he had moved freely among the people. He had never been insulted or humiliated

"Must we not use this goodwill in South Africa?" he asked

A sizeable section of the 1 000 delegates rose to applaud the sentiments which climaxed a remarkable impromptu speech challenging the most powerful province in the National Party to defy him

But an equally large number of delegates remained seated in stony silence

All 1 000 had earlier given Dr Andries Treurnicht two standing ovations on his election as Transvaal leader, displaying their strong emotional ties with the Verwoerdian apostle who laid such aggressive emphasis on the white man and his rights.

Yet the fact that the bulk of the Transvaal was opposed to Mr Botha, the fact that the Transvaal caucus could vote him out of office tomorrow if it

course, has never known Mr Botha like this

People suspected that he was something of a verligte, but he seldom publicly expressed strong views on race relations in his long tenure as Minister of Defence

Mr Botha, however, is in fact a man with seemingly unshakable beliefs and overwhelming confidence, a disciplinarian who rose through Nationalist ranks as a party organiser and ran his Cape party like a barrack room

The motives for his remarkable actions as Prime Minister probably have their origins in his appropriately para-military concept of "total strategy"

Devised with his generals who have apparently convinced him that the white man alone cannot protect the borders, total strategy involves the mobilization behind the Government of all facets of society, including commerce and industry

The goal is to unite the country, black and white, in a combined military and socio-economic assault on a common enemy — Marxism

As General Magnus Malan, Chief of the Defence Force, defined it once "It means a national re-orientation aimed at survival while at the same time ensuring the continued advancement of the well-being of all South Africans"

prevailing priorities," Gen Malan explained

"This demand on which our survival may well depend means that the economy must be able to handle at the same time conflict and development, survival and growth, central guidance and free enterprise"

The demand for flexibility at all levels means that the politicians and the generals cannot be bound by past ideologies and immutable principles

So, faced with what Prof Floors van Jaarsveld described this week as a "clash between apartheid and the reality of the South African situation," Mr Botha has therefore demanded of his supporters that they should "adapt or die"

Total strategy also explains why he is making such a concerted effort to win over businessmen by involving them in such major Government projects as the Soweto development plan and his constellation of Southern African states

It explains too why he is streamlining the civil service, introducing more efficiency through a reduction in the number of departments and greater control through more centralisation

And it also explains his attitude towards his Rightwing which retreated into unashamed verkramptheid within

threat to quit if they did not support his attempts to consolidate homelands

Dismissing the fundamental Nationalist argument that the 1936 Land Act was the final division of land between black and white, Mr Botha told the Transvaal congress that the law had in any case been introduced by the old United Party and opposed by the then Nationalist opposition

"So why make it a holy cow now?" he thundered again

Certainly, it would be a major coup if he could bring the Van den Bergs along with him, but all indications are that they have been alienated by his approach and his personality

Even if he wanted to win them over by retreating into verkramppte politics, it is unlikely he would succeed for the simple reason that they just don't like the distant man from the Cape who has hijacked their party, rendering them powerless and insecure

Mr Botha probably correctly believes that at this stage he has neutralised Dr Treurnicht whose obligation to support his national leader has forced him to water down considerably the verkramppte message Transvalers so dearly want to hear

But inevitably Mr Botha must lose support to Dr Connie Mulder and the HNP, a factor

250

RDM

20/9/79

2 MONTA...  
 P I m l a a l I t a a l m l w t  
 climbed by 5 000 in the first six months of this year, raising the total to 116 717. Nonetheless, the figures indicate that black employment is still sharply down on a year ago. However, PSC's spokesman argues these statistics are not a true reflection of black employment, since those working for government in the homelands are no longer included in the figures for employment by central government. No recent statistics on the homelands are available, although the PSC assures the FM that the number of blacks in the civil service is increasing.

Employment by the provincial administrations has also increased in the year to June. None of the races has suffered any cuts. Local authorities, on the other hand, have cut total employment in the same period by almost 5 000 to 223 779. Black workers have borne the brunt of this, with numbers down by 5 500. White and Indian employees are marginally down, while the number of coloured workers has risen.

Advances in  
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Despite the problems of using mortality data as a means of assessing a community's health status, it is a measurement which has stood the test of time and, to date, is usually the only method of evaluating the health populations, albeit indirectly, since it is frequently the only data which is available. The standard analyses of routinely collected mortality data undoubtedly provide an important indication of the unhealthy problems in the community and, if their limitations are appreciated, they provide an invaluable input into the overall health profile of the community, high-lighting the predominant problems and identifying major trends.

Since it is often instructive to examine the past in order to place the present in perspective, this study was undertaken as a preliminary investigation to a more detailed analysis of the current mortality experiences of the various communities in South Africa.

programmes in order to provide become operational and to ensure sensitive to the health needs

If the provision of health services is necessary to determine parity community can be measured. While specific medical problems which qualitative indices, when an overall measurement becomes problematic.

The medical profession has, on rather than on health. Consequently being made to measure the possibility to be applicable for routine and little alternative but to make unhealthy aspects of the community

**PUBLIC EMPLOYMENT**  
**No cuts yet**

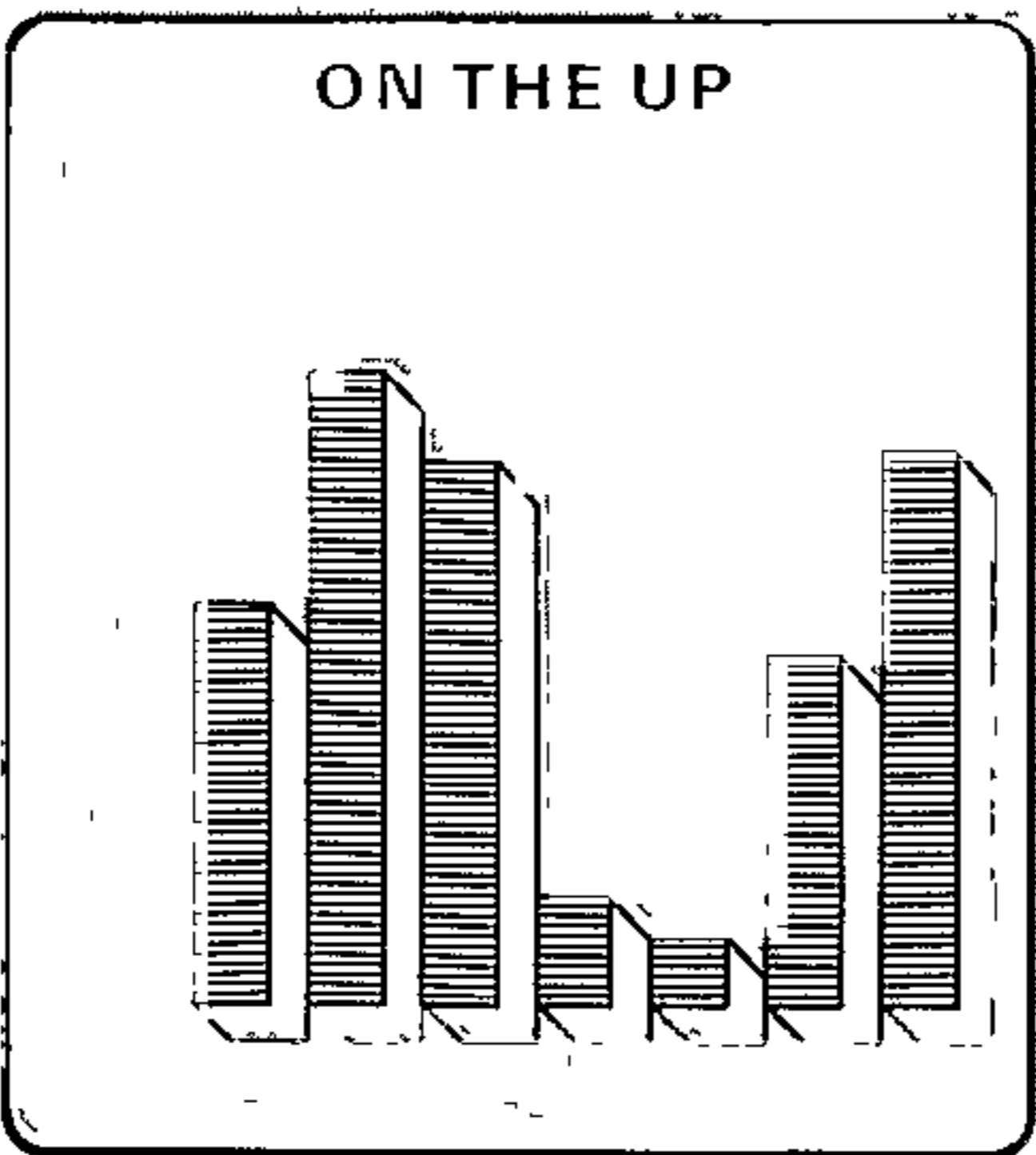
250  
 FM 21/9/78

"We want a smaller, more effective and well paid civil service. Our theme will be to provide more for the better man." Piet Rautenbach (FM June 22)

Employment in the civil service has grown this year, after dropping last year. This is evident in the latest figures from the Department of Statistics.

So, what has happened to the streamlining of the public service which Prime Minister P W Botha promised earlier this year?

A spokesman for the Public Service Commission claims that efforts to cut the large vacancy list have chiefly been responsible for pushing up employment this year. In the six months to June employment jumped by almost 14 000 to 314 569, which is marginally higher than June last year. More than 10% of the jobs are still unfilled, he adds. This, however, seems to contradict the PSC's claim that part of the streamlining of the civil service would be achieved by not filling vacancies wherever possible.



The statistics reveal that whites have come off best. Their numbers have jumped from just over 123 000 in June last year to almost 129 000 in the same period this year. The number of Indians and coloured people employed has also risen slightly over the same period.

Blacks, on the other hand, suffered a reduction of almost 27 000 in the last 9 months of 1978. The numbers of employed

Information about the mortality... of the community... collected in most countries, the reliability and detail of this data showing considerable variation depending on a number of factors, not the least of which are the resources available for its collection. There are further problems associated with reliability (See Pt. II).

processes is essential; and the division will have to be more fine the more discriminating public decisions can be.

The results of programme budgeting may be valuable in themselves, although the mere procedure does not necessarily ensure that better decisions will be made. Their potential is realised only if there follows an assessment of the value of expenditure in each programme.

2.2 Programme Evaluation

Methods of evaluation range from simple procedures for looking at costs, where the conclusions are left largely to intuition, to highly complicated processes which present more or less clear-cut solutions. For the precise methods, most of the value judgements have to be made explicitly in advance. Some points on the spectrum between these two extremes analysed below.

2.3 Looking at Expenditure

Basically, one is looking for inconsistencies. It was noted that logical axiom, basic to economics, is that a rand should yield approximately the same value in whichever programme it is spent. If the social benefit from the marginal expenditure on one programme much more than on another, one can do better by withdrawing funds from the second programme and increasing expenditure on the first. By simply looking at a breakdown of the budget between programmes, the amounts spent on each may be compared with our intuitive notions of how much 'ought' to be spent on these things. Our judgement will depend on what we consider the benefits of expenditure under each programme to be, a process which cost-benefit analysis seeks to formalise (see below). For example, if it can be shown that expenditure on preventive medicine constitutes approximately 2% of all expenditure on health, it may be felt that the benefits from this kind of provision warrant an increase in the share of the budget allocated to it.

Unfortunately, such intuitive processes can pick out only the grossest incongruities which are recognised by all, whatever criteria of 'value' are used. The optimum level of expenditure on a particular objective is, from the point of view of intuitive judgement, highly uncertain, because of the wide variation in benefits attributable to a particular type of spend-

GOVERNMENT SPENDING Thrift will stay 250

Government coffers are overflowing, but don't expect a spending binge. This was confirmed in Tuesday's speech to the Nat Party Congress, by Minister of Finance Owen Horwood. The present policy of financial discipline could not be relaxed, said Horwood. In the supplementary budget in February government departments are expected to ask for an extra R120m to cover cost increases during the year. Adding to this, increased subsidies and social pensions announced by Horwood will push actual government spending up by about 2.5% on budget estimates. This will keep the "deficit before borrowing" close to the budgeted target.

However, in an effort to help the economy along, the FM learns, some government departments have been instructed to accelerate their spending programmes. According to a government spokesman the pace of spending by some departments has been slow since the beginning of the fiscal year.

This is confirmed by gazetted spending between April and July this year, which

Financial Mail September 21 1979

indicates that a number of departments' increases in spending over the corresponding period last year were lagging way behind the average estimated rise for the year. For instance, in the first four months of this fiscal year transport increased its spending by a mere 8.4%, whereas the average for the year is 13%. And the amount drawn from the Exchequer for the National Road Fund is down on April to July last year. Outlays by police and community development have, in fact, dropped, although these departments have budgeted for increases in spending of 12.2% and 16.7% for 1979/80. Education and training, Indian affairs and commerce have also spent less than a third of their estimated total outlays.

But spending by other departments has not lagged and unless they are voted more money in February, they are going to have to start exercising a lot of financial restraint. For instance, until July issues to industries amounted to R200m - not far off the estimated total of R275.5m. National education has asked for almost half of its total from the Exchequer and mines more than a third.

On Tuesday Horwood pointed to a number of activities that will place "ever-increasing demands" on the Exchequer. Outlays which will continue to soar include defence requirements, which have shot up by 275% in the last six years to R1 857, housing and education for blacks, consolidation of the homelands, Sasol and Ucor. At the moment Sasol's extensions are being financed by the Exchequer to the tune of R150m, and R100m has already been made available to Ucor since April.

	concern	to management	Total
Large & poorly spaced families	+++	++	96
Inadequate antenatal & obstetric care	++	+++	48
Malnutrition	++	++	36
Need for medical care	+++	++	32
Specific diseases:			
V.D.	++	++	16
Dental problems	+	++	16
TB	+++	++	54
Common cold*	+	-	0
Yaws*	++	+++	0

\* Added to test scoring method

# After an eventful first year in office as PM, the big challenge is . . .

WHEN THE Prime Minister, Mr P W Botha, won the tussle for the premiership a year ago tomorrow, he faced two obvious crises the spluttering Information scandal and the more deep-rooted challenge of race relations

While Mr Botha had to move swiftly to defuse the Information debacle to survive, in the long run his reputation will be determined by his handling of the race question in a situation still marred by the scars of the rebellion of black youth in 1976 and 1977

It is, of course, too early to make a thorough assessment of his moves to contain, relieve and, ultimately, eliminate South Africa's endemic racial passions. But a preliminary appraisal is justified, particularly as Mr Botha has himself claimed credit for an apparent easing of racial tensions since he came to power

At the level of public relations Mr Botha met and talked to black and coloured leaders operating from Government-approved platforms in January. Later, in August, he undertook an extensive tour of the non-independent homelands as well as a one-day visit to Soweto.

There is no doubt that Mr Botha made a favourable impression on these leaders, some of whom were almost extravagant in their praise of him. A common theme in their views of Mr Botha was that he is more flexible and less afraid of his conservative followers than his predecessor, Mr B J Vorster.

Whatever reservations sceptics may have about containing race anger with political diplomacy, two points need to be made. A gesture of goodwill at the human level was vitally necessary as a starting point, and, to the surprise of many, Mr Botha demonstrated a perceptive and skilful ability in inter-personal relations.

Mr Botha's decision to become the first of South Africa's eight Prime Ministers to visit the sprawling urban complex of Soweto was justifiably proclaimed by his admirers as evidence of his determination to try to improve race relations where they mattered most.

At the more concrete level there was Mr Botha's decision to appoint the Vander Walt Commission to inquire into the daunting problem of how to consolidate the black homelands more effectively. Associated



Mr Botha his reputation in the long run will be determined by his handling of the race question in a situation still marred by the Soweto riots

# Can Mr Botha defuse the race issue?

While it is still too early to assess thoroughly the Prime Minister's moves to counter South Africa's endemic racial passions, **PATRICK LAURENCE** writes that Mr Botha has shown himself to be perceptive and skilful at handling inter-personal relations

Crossroads and Alexandra He may do the same in the broader context of urban

As he said in reference to the potentially reformist

sultations and heart-to-heart political discussions with "moderate" black leaders

On the NP relationship with selected black leaders, Dr Du Toit wrote "Appropriate elites can be recruited with the help of considerable resources of patronage at the disposal of the Government while, once installed, they can be backed up and protected by coercive force if necessary."

(250) ROM 27/9/79

ed, with that decision was Mr Botha's pronouncement that he did not consider himself bound by the 1936 Land Act

Even the most cursory reading of the history of African nationalism in South Africa reveals the cardinal importance of land to blacks and the bitter sentiment which attempts to curtail the black share to less than 14% have aroused

In is in this context that Mr Botha's decision not to regard the 1936 Land Act as a "holy cow" should be seen. His commitment made a significant contribution to lowering race tension, but, at the same time, it raised black hopes

Fulfillment or disappointment of those hopes will depend largely on the Vander Walt Commission and Mr Botha's ability to sell the commission's ultimate concrete proposals to the National Party. On that outcome will depend, in large measure, the future of race relations

Another important move by Mr Botha was his decision to postpone implementation of the NP's proposed three-parliament system for whites, coloured and Indians and, instead, to set up the Schlebusch Commission to hear further views on what constitutional changes South Africa should make

Seen against the backdrop of more than 30 years of National Party rule, the Schlebusch Commission's willingness to hear evidence from black organisations like Inkatha on what political direction South Africa should take is innovative; to say the least

The eventual impact of the Schlebusch Commission on race relations will obviously depend on its final recommendations and the extent to which they reflect or ignore black and coloured opinion

Then, too, there is the Cabinet Committee which is examining the future of urban blacks. Mr Botha did not appoint it, but he must be credited with the appointment of Dr Piet Koornhof as Minister of Co-operation and Development and therefore as chairman of the committee

Dr Koornhof, of course, has his critics, who see him as a semanticist par excellence who uses words to pretend there is change when there is none (and to deny there has been change when clearly there has been change)

But nobody can gainsay the goodwill which Dr Koornhof won for the Botha Government when he kept the bulldozers out of both

blacks

To these changes in official thinking must be added acceptance of the principle of black trade unionism after publication of the Wiehahn Commission's report on labour laws in May, and the more recent announcement by the Minister of Manpower, Mr Fanie Botha, that trade union rights will be extended to black "frontier commuters" and black migrant workers

Another of the important shifts in the theory and practice of separate development since Mr Botha came to power has been the clear commitment to speed up the growth of the black bourgeoisie, as evidenced by the lifting of all restrictions on township businessmen and the intention of opening the way for partnership between black and white capitalists in Soweto and elsewhere

But, of course, to chart the shifts in official policy since Mr Botha came to power a year ago leads inevitably to the question what does it all amount to as an overall strategy? Mr Botha has given his own answer: its purpose is to avert revolution

In a carefully argued paper presented to the 50th anniversary conference of the Institute of Race Relations, Professor David Welsh confessed to being a political optimist, in the sense that he believed there was sufficient flexibility in the ruling National Party for some kind of modus operandi with the black majority to emerge eventually

tees and to the newly espoused pragmatism of leading NP politicians "It is not inconceivable that out of all these considerations some kind of federal or quasi-federal arrangement could be devised"

Professor Welsh added "It may not be tidy or satisfactory, but to expect an immediate transition to a democratic Utopia would be naive. Planning for a democratic system must allow for different stages, based upon particular compromises which represent advances in the democratic direction"

Dr Andre du Toit, of Stellenbosch University, has presented a model of the National Party as a "modernising oligarchy", rather than a vehicle of obscurantism and reaction

Instead of adopting a rigid Verwoerdian defence of pre-defined fixed political lines, the Du Toit model of the NP aims at a more flexible defence, yielding ground on, say, the 1936 Land Act or the Immorality Act to gain allies outside of Afrikaner ranks

Referring to the "political exigencies" of the present time, Dr Du Toit said in a paper presented a year ago "It is necessary to broaden the base of the National Party in white politics and to form alliances with appropriate leaderships outside the white group as well"

Since then, of course, there has been the wooing of the white English-speaker by the NP, the courting of businessmen and the con-

In more concrete terms, there is the consolidation of the homelands, the non-aggression pacts with independent homeland governments, the training of ethnic armies (and de facto ethnic police forces in non-independent homelands), and actual or potential co-operative action against black radicals and/or insurgents

In the townships there are the community councils-cum-municipalities and the proposed system of community guards, who represent a threat to young political militants as much as they do to tsotsis

Linked to these moves is the proposed opening up of townships to white capitalists on the condition that blacks own 51% of the shares for township-based companies

The obvious corollary is an economic and, therefore, political alliance between white and black businessmen, with all that it implies in terms of creating a conservative township class with a stake in the status quo

These measures are not necessarily in themselves enough to prevent revolutionary fervour from growing, though they are likely to inhibit it and slow it down

But as a man of realpolitik Mr Botha is not relying on reform and "co-option" of black allies only the army and the police are being strengthened, not weakened, and security matters seem to be receiving more attention through the State Security Council

Mr Botha's realpolitik is not in itself an obstacle to a negotiated settlement, however

As Professor Welsh has said in the context of black anger "I would surmise that a far more significant emotion in black communities in general is fear — fear of the coercive capacity of white society. There can surely be little doubt that a substantial majority of blacks would prefer a negotiated accommodation to a protracted period of continuing urban violence and guerrilla war, in which the blacks would have no certainty of a decisive victory"

But, as Professor Welsh makes clear later in his paper, black willingness to settle for less than outright majority-rule depends on Mr Botha's willingness or ability to move beyond policies based on white hegemony buttressed by black auxiliaries to a genuine dispensation of power-sharing



Professor David Welsh black majority prefer a negotiated accommodation to protracted violence

# Pay boost is forecast

250/2011 29/9/77

Pretoria Bureau

PAY rises for the 900 000 workers of all races in the public sector will be part of next year's Budget plans to give a further push to the economy, according to public service sources in Pretoria

The seven Railways unions, representing 270 000 workers, have begun to agitate for higher pay. The Artisan Staff Association and the Salaried Staff Association have already lodged claims with the Minister of Transport, Mr Chris Heunis.

Big wage demands are also expected in the private sector

Trade union leaders said this week the wages of their members had fallen far behind the level of the Consumer Price Index and substantial adjustments were essential to compensate for a year of record price rises

Mr Steve Scheepers, deputy president of the Trade Union Council of South Africa and

general-secretary of the South African Leather Workers Union, said his union recently submitted a 25% pay rise claim to employers

"We could justify bigger claims, but, unlike the doctors, we are not prepared to ask for irresponsibly high increases," he said

The present inflation rate, which showed prices had risen 14% in the past year, had increased the gap between costs

and existing pay levels

The president of the SA Confederation of Labour, Mr Attie Nieuwoudt, said he had had enough of being "used as a tool" in anti-inflation drives

"Our members must be given increases which make it possible for them to maintain living standards — and this is what we intend pressing for. During the past ten years a huge wage backlog has built up," Mr Nieuwoudt said



# Oppenheimer sees hope in PM's plan

By PATRICK LAURENCE  
Deputy Political Editor

THE PRIME Minister's use of the phrase "constellation of states" might be the prelude to "wise and far-reaching action", the chairman of Anglo-American, Mr Harry Oppenheimer, said yesterday

Describing his attitude to the present political situation as one of "qualified optimism", Mr Oppenheimer said "I am prepared to believe that it is for this purpose that the Government has promoted the glowing phrase 'a constellation of states' "

Mr Oppenheimer, a known backer of the Opposition Progressive Federal Party, is one of the 150 businessmen invited by the Prime Minister, Mr P W Botha, to a conference next month on the proposed constellation of states

He made his comments in a

speech at a special graduation ceremony to commemorate the 150th anniversary of the University of Cape Town. A copy of his speech was released in Johannesburg

Mr Oppenheimer referred to Mr Botha's expressed desire to bring about rapid change to avert the danger of revolution, and said it had changed the "whole nature of the political struggle within our parliamentary system"

He added "Up till now, Government and Opposition have been fighting about ultimate ends. From now they will, I hope, be disputing the best means of reaching an end about which there is a measure of agreement on both sides "

But that did not mean that there would be no political debate, merely that beneath party political differences there would be a degree of unity on

fundamental issues

Mr Oppenheimer went on to list essential features of the proposed constellation if it were to be a meaningful political association. They included

- Mutual agreement on, and free acceptance of the laws governing it by the participating states
- A more authoritative body than a secretariat to determine and implement the constellation's common policy
- A Southern Africa free trade area, embracing a common currency and free movement of goods, money and people across boundaries
- Protection by the constellation of the interests of citizens of all member states, which implies that they should be citizens of both the constellation itself and of the particular member state

Mr Oppenheimer then turned

to what he termed the "most intractable problem of all" — accommodation of South Africa's urban blacks

" If the Government is determined to press homeland citizenship on the urban black population — something which I personally would not advocate — it should surely be in addition to, not as an alternative to, the South African citizenship they now hold

"This is not to deny that urban blacks have distinctive cultural and ethnic identities

"But it is to deny that these identities have to be held at the cost of their South Africa heritage — and in drawing up the rules governing the constellation full weight should be given to the numbers, the resources, the potential and the aspirations of the black urban population within our borders"

# Poll setbacks: Botha comes out fighting

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## QUESTIONS

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3. How wi of an compan in the
4. How do deduct income income
5. Furthe profit
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By HELEN ZILLE  
Political Correspondent

THE PRIME MINISTER, Mr P W Botha, appears to be using the record anti-Government swing in this week's by-elections as a stick to beat the Transvaal Nationalist leader, Dr Andries Treurnicht.

This development came as the NP's Left and Right wings turned on each other yesterday with accusations about the causes of the party's biggest ever by-election setbacks.

And as disillusioned Nationalists conducted their post mortem, Die Vaderland, a pro-Government newspaper, said the "red light" was burning for the NP.

It warned the Government faced similar setbacks in the forthcoming by-elections in Eshowe, Germiston District and Edenvale.

Transvaal verkramptes attributed the record anti-Government swing to the Prime Minister's new policy direction.

But Mr Botha went on the counter-attack yesterday, attributing the setback to the party's poor organisation in the Transvaal.

"I do not believe there was a stayaway vote. I believe there was a neglected vote," the Prime Minister said.

"I hope the National Party in the Transvaal will bring its house in order," he said.

This was in sharp contrast to Dr Treurnicht's statement, blaming the low percentage on old voters rolls, missing voters and general voter apathy.

The Prime Minister said while outdated rolls could affect the result, "good or-

ganisation makes up for the negative effect of outdated rolls."

This can be seen as a sharp attack on Dr Treurnicht, whose position has been seriously eroded by the long series of election setbacks for the National Party in the Transvaal; beginning in Randfontein in June and ending in Rustenburg on Wednesday.

The Transvaal setbacks contrast with the successes scored in Swellendam and Beaufort West by the NP's efficient Cape organisation under the control of the Prime Minister, who is also Cape leader.

Mr Botha faces his toughest test in the Worcester by-election on November 7, when the NP will face the HNP on his home ground. If his Cape organisation can win by a convincing majority in a high percentage poll, Mr Botha will be in a strong position to dismiss the reasons Transvaal verkramptes have given for the recent setbacks.

The Minister of Manpower Utilisation, Mr Fanie Botha, who sparked a minor rebellion amongst miners in the Rustenburg constituency by granting trade union rights to black migrants and commuters, commented: "We will have to get our people enthusiastically involved."

"The low percentage poll points to a sense of apathy. Especially in these times we cannot afford that such a large percentage of voters remains outside the decision making process. Hard work lies ahead for the NP."

● Editorial Comment

— Page 12,

● See Page 5.

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## GENERAL NEWS

# HNP win may well suit Botha's plans

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By HELEN ZILLE  
Political Correspondent

THE HERSTIGTE Nasionale Party now stands on the threshold of winning a seat in Parliament — a development that would have far-reaching consequences in South African politics.

This issue has already sparked deep and emotional debate, particularly among Afrikaners, but so far most people have ignored one key factor — an HNP representative in the green benches could suit the Prime Minister, Mr P W Botha, very well.

Indeed, Mr Botha appears to have accepted that the HNP could easily win a foothold in the system, and has worked this possibility into his new policy approach.

While the former Prime Minister, Mr John Vorster was prepared to pay the price of political paralysis to prevent an HNP advance, Mr Botha almost seems to be encouraging it.

In the week before the crucial Rustenburg by-election, he took the two most daring steps of his career by throwing open the debate on the Mixed Mar-

riages and Immorality Acts and granting trade union rights to black migrants and commuters.

These two steps undoubtedly cost the Nationalist Party many votes in the marginal Rustenburg seat and left many flabbergasted party supporters asking "Why did he do it at that time? Couldn't he have waited a week?"

Slowly one possible answer is emerging — an HNP representative in Parliament could fit in well with Mr Botha's long-term "total strategy". He could benefit from such a development in three ways.

- An HNP MP would provide a target for Mr Botha's attacks against racism and discrimination, something he seems keen to continue to boost his image in the black and international communities.

- An HNP MP would help to erode Dr Treurnicht's power base in the Transvaal, and could even lead to him losing his Waterberg seat.

- An HNP MP would provide a Rightwing pole, paving the way for a far-reaching realignment in white politics.

Mr Botha is the first Prime

Minister who places a high premium on his standing in the black community. If he could be seen to take the lead in attacking racism and discrimination, he would be assured of wide and favourable publicity at home and abroad.

He would not have this chance if he was forced to represent Parliament's Right wing, allowing the PFP exclusive option on the reformist tag.

Another of his priorities is to neutralise Dr Treurnicht and slowly force the Right out of the party. On the other hand, Dr Treurnicht is desperately keen to keep verkrampes in the party, building up a power base so that he can eventually take over the party's leadership from within.

If the HNP won a seat, there would certainly be a huge grassroots swing towards it, stripping Dr Treurnicht of a solid block of supporters. And one of the first seats to fall in a continued Rightwing shift would almost certainly be Waterberg, Dr Treurnicht's own constituency.

Thirdly, an HNP seat in Parliament would set up a magnet

for the extreme Right wing, paving the way for a far-reaching realignment in white politics. According to well-informed National Party sources, this is what Mr Botha is working towards.

He knows he has no chance of changing the old division of party politics as long as he has a lead-weight Right wing round his ankles. So he has to ditch them — before they use their power base and ditch him.

And he will fail to pick up significant support on the Left as long as he is anchored by men like Dr Treurnicht.

These are the reasons that probably underlie Mr Botha's seeming ruthlessness in pressing ahead with his new direction. He is basing his approach on the phrase Dr D F Malan, his political mentor, made famous: "Bring together those who belong together."

At the moment Mr Botha is applying the slogan strictly within the parameters of white politics.

But, at the outer Leftwing limits of the National party, people are talking about extending this framework to people of other races.

# Rightwing break looms — NP paper

## Political Staff

A RIGHTWING breakaway from the National Party was unavoidable, the Nationalist newspaper, Die Transvaler, predicted yesterday

Assessing the heavy Nationalist losses to the Right in this week's four Transvaal by-elections, the newspaper forecast the breakaway would come because voters would be forced to make a choice of allegiance as Government policy became "more clear and outspoken"

But Die Transvaler and its rival Nationalist Johannesburg daily, Beeld, both confirmed the heavy losses would not deflect the Prime Minister, Mr P W Botha, from his reformist course because of a belief that Rightwing gains could be contained at a reasonable level

Describing the results as a "bitter pill," Die Transvaler said they marked the beginning of a "process of political choice", particularly for Afrikaners

The first phase of this choice, said the newspaper, was "an immature vacillation" based on "lots of emotion and suspicion" as illustrated by the massive stay-aways by Nationalist voters in the elections

The next phase involved choosing one or other policy direction — a choice which would present itself more clearly in the next general election

"It is unavoidable that a break-away from the NP will have to come because the policy, which is becoming clearer

and more outspoken, forces a choice," the newspaper said

It said after all the years of "double talk", this development was logical and healthy

But, the newspaper asked, the question was whether the choice facing voters — between the NP and the ultra-Right — would mean defeat for the NP in the Transvaal

The newspaper said it believed the HNP — or other ultra-conservatives or even a merger of Rightwing forces around the HNP — could not succeed in attracting a majority of voters

Most Afrikaners, the newspaper said, would follow the NP's policy because there was no other "sober" choice remaining

But this would only happen if

the Transvaal NP — its Cabinet Ministers, MPs, MPCs, organisers and opinion-makers — followed a convincing "recruiting action" which would also show that they were fully supporting the NP's policies

If they did not do this, Transvaal's problems would be aggravated because voters would not become more mature

Emphasising the need for improved party organisation in the Transvaal, Beeld, which broadly reflects the views of the Prime Minister, said voters had to realise the Government was deadly serious about its new policy initiatives

The Government's reforms, said Beeld, were not an abdication to the Left, but developments based on proven and pure Nationalist principles

- a) deferral method
  - b) liability method?
2. Show how the tax charge will be disclosed in the income statement for the year ended 31 December 19.7, assuming
    - a) deferral method
    - b) liability method(assume there are no other items causing timing differences)
  3. How will the answer to 2. be affected by the existence of an extraordinary gain on disposal of a division of the company, amounting to R70 000, all of which was taxable, in the 19.7 financial year?
  4. How does the answer to 3. change if the R70 000 is now a deductible loss, which can be set off against the taxable income from other sources of R50 000? Draw up the income statement assuming the deferral method is used.
  5. Further to Note 4, assume now that the company has a set profit before depreciation of R60 000 in 19.8.
- Draw up the income statement for the 19.8 financial year under
- a) liability method
  - b) deferral method
- Assume the tax rate remains 42%

# With PW holding the reins

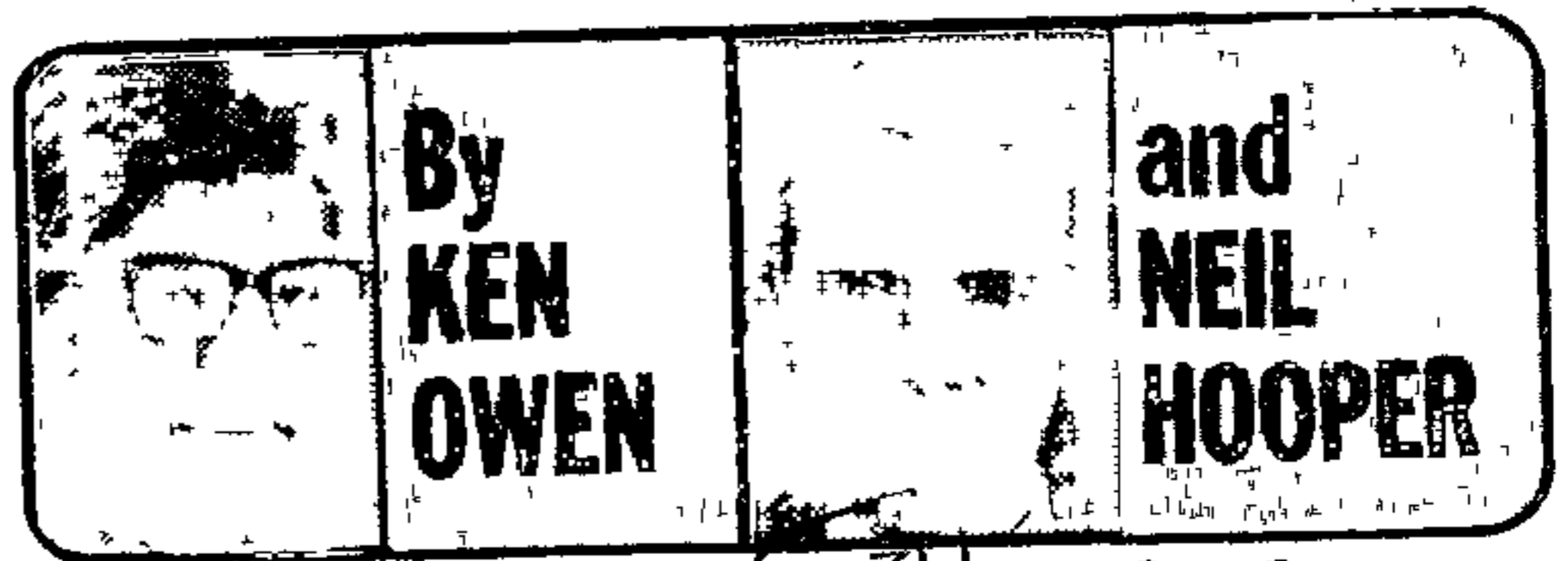
THE Prime Minister, Mr P W Botha, has gathered the reins of power firmly into his hands by reorganising the top level of government — the Cabinet, its committees, and its bureaucratic instruments.

The new system gives the Prime Minister and his Cabinet much tighter control over the workings of the Government and it enables them to bring in experts from the public service and from private enterprise as needed.

The phrase that pops up most often, albeit unconsciously, is, "Things don't happen by chance any longer."

The reorganisation came into effect at the beginning of September when five Cabinet committees replaced a score of such committees — some of them existing only on paper — that had sprouted over a period of years.

At the same time, the Secretary to the Department of the Prime Minister, Mr J E du Plessis, was appointed secretary to the Cabinet — a new post in South



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# happen by chance any more

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The system ran smoothly. The system was outlined this week in an interview that gave a clear, if incomplete, view of the inner workings of the South African Government. The fact that an interview was granted at all may be taken as an indication of new frankness and a new measure of openness in Mr Botha's premiership.

At the heart of the system lie the five Cabinet committees, of which the most important is the State Security Council created by legislation in 1972, but now serving a dual purpose as security council and Cabinet committee.

## Provisions

Its basic structure is determined by the Security Intelligence Service, the Security Council and the Prime Minister. The latter provides the membership of the committees, and the senior Ministers include the Ministers of Defence, Foreign Affairs, Justice and any other Ministers the Prime Minister may opt to include. The Prime Minister's office, in the light of the strategy of "total apartheid" — at least in part — by General Botha, head of the

HOW does the Prime Minister's new system of government work in practice?

The structure is rigid and formal, but according to the Secretary for the Department of the Prime Minister, Mr J E du Plessis — who is a key figure in the organisation — it is capable of great flexibility.

It combines this flexibility with an orderliness that was largely missing when the Government had a score of Cabinet committees but no centralised bureaucracy to maintain control of all the pieces.

Implicit in this is a criticism of Mr Vorster — though nobody will express it in those terms — for his fairly loose administration.

Mr Vorster's style of government was vividly captured in some of the disclosures of

# THIS IS HOW THE SYSTEM WORKS

the Information affair — for example, when he is alleged to have told his underlings to go ahead with one of their undertakings but to make sure that they did not get their coats caught in the door.

In the end Mr Vorster seems to have had great difficulty in finding out what his underlings — both Cabinet Ministers like Dr Connie Mulder, and officials like General Hendrik van den Bergh — were up to.

And, of course, the autonomy of the Department of Bantu Administration and Development under Mr M C Botha was legendary.

It became, in effect, a government within a government, barely under the control of the Prime Minister.

supposed to be collectively responsible for its actions. Similarly, the Cabinet was unwilling, if not unable, to accept collective responsibility for the Information affair because — so Ministers argued — it was not collectively informed.

The new system will effectively put an end to that. Every Deputy Minister and every Cabinet Minister receives an agenda for every meeting of every one of the five Cabinet committees; every Minister is free to attend any meeting of the four lesser committees (though not of the National Security Council because, officials say, it operates in terms of the Act and is therefore less flexible).

In some of the committees, Ministers have insisted on inclusion on a particular

general item that allows them to bring up any subject.

Whereas in the old days the plethora of committees met irregularly, or in some cases hardly at all, the five new committees meet regularly — most of them fortnightly.

Indeed, they now play a far more important role in day-to-day government.

Under Mr Vorster the Cabinet met every Tuesday morning, completing its work just before or soon after lunch.

the full Cabinet meeting proceeded by Cabinet committee meetings at 8.30 every day so that the Cabinet began only at 10.30 a.m. and tends to run to late afternoon or early evening.

Obviously — and officials emphasise this point — the Cabinet remains the supreme

executive body of the Republic, and the political forum at which Ministers resolve their differences, make their protests, or raise their concerns.

To enable Ministers to play their constitutional roles, decisions of the Cabinet committees are sent to every Minister, as are the minutes of each committee meeting.

Officials point to this openness as evidence that Mr Botha is not running an "inner Cabinet" system from which his political foes can be excluded.

"Ministers — and even Deputy Ministers — are better informed than ever," says Mr Du Plessis.

"What's more, they are informed in a uniform manner. They need not depend on individual versions of what happened at meetings they did not attend."

The implication is clear. There is much less opportunity under this formal system to play power politics within the Cabinet, to leak information to allies and to withhold it from foes, to tell one version to this man and another, slightly bent, to that man.

But control is tight. Deadlines are set for agendas, both for the Cabinet committees and for the Cabinet itself.

When questions are referred to individual Government departments, the secretariat sees to it that the answers come back — and come back on time.

There are fixed lines of communication, and fixed

channels of reporting so that the Cabinet gets "feedback" from lower down.

Decisions are tracked to ensure that they are, in fact, carried out.

The secretariat circulates summaries of outstanding work, and sees that every decision is followed up.

"Things don't fall between the cracks now," says Mr Du Plessis. "Nothing happens by chance."

A special feature of the system is the extent to which it can draw on expert knowledge, not only in the Government, but in private enterprise.

With Mr Botha, the desire to tap "the best brains" is something of a fetish.

He has called on the private sector to improve the management of Armcor and to help the Public Service Commission, and he plans to do the same in the Cabinet.

Officials refuse to say who has been drawn into the discussions of the Cabinet committees from outside the Government, but they say it has happened on a number of occasions already. They expect it to happen more frequently.

Will that perhaps include black people? Certainly, say the officials, if the chairman of a committee thinks it necessary, or if a working group needs a man's specialist knowledge.

The system has been in operation for only a month and so far no black person has been co-opted, but the officials think it highly likely

is the whole structure too formal, too rigid?

At least, says one official, a rigid structure is less dangerous than the disorganisation that existed before.

And since the Prime Minister has been elected to be responsible for the governing of the country, it makes no sense to deny him the means to fulfil that responsibility.

How well will the system work? Will it fulfil the Prime Minister's hopes and ambitions? Only time can tell.

But after the drift of the Vorster years which encouraged crown princes like Dr Mulder and Mr M C Botha and Mr Jimmy Kruger to run their own, semi-autonomous, hugely inefficient, and ultimately disastrous empire almost any change must be for the better.

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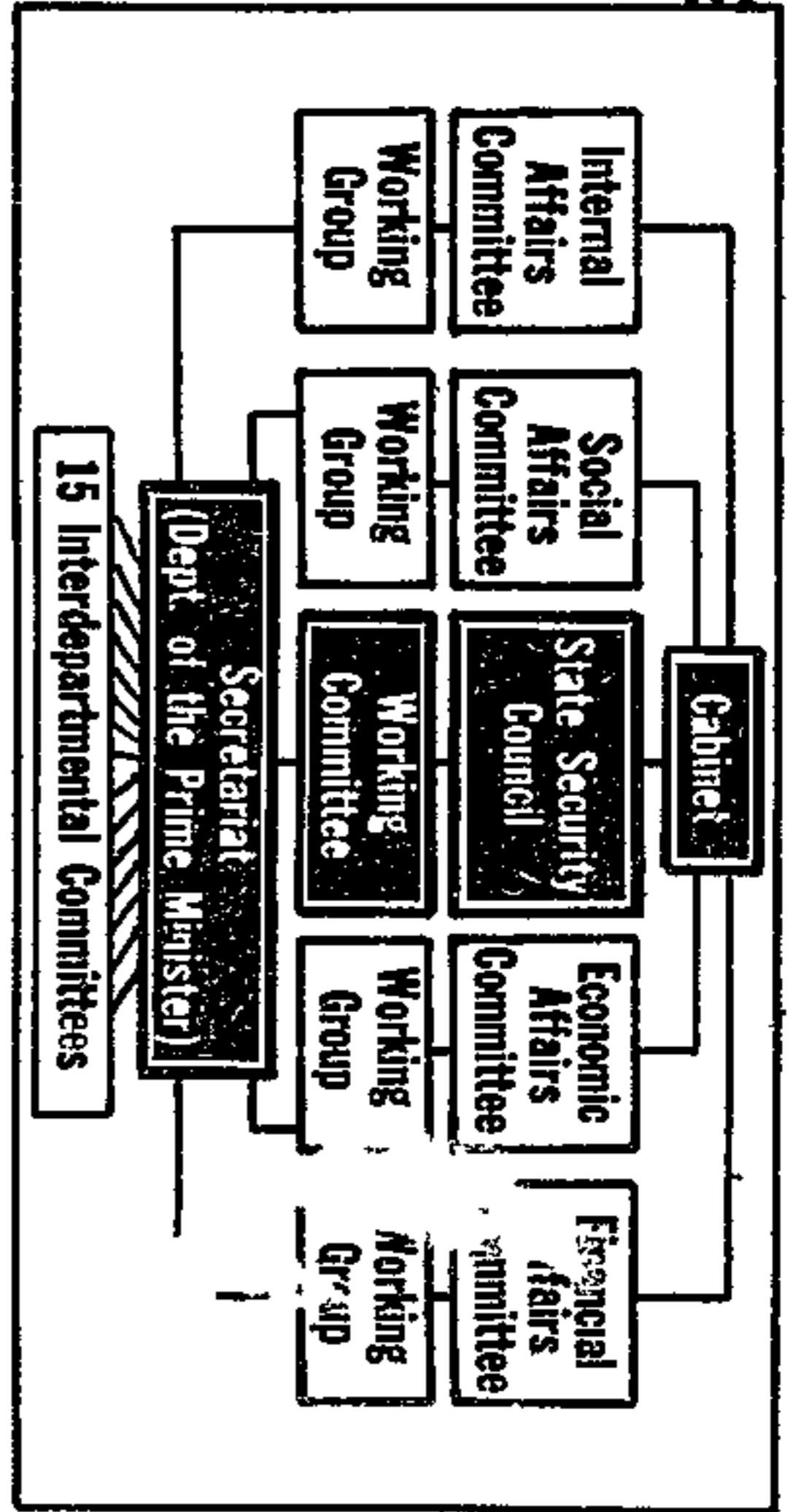
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19/10/79



to the Department of the Prime Minister, and Secretary to the Cabinet

Obviously, the statutory members of this committee must occupy — as they did under former Prime Minister John Vorster — a hugely influential position in the Government

### The pivot

But Mr Botha has used the council as a base for a much larger structure. He has, by giving the council its second role as a Cabinet committee, made it the pivot of the entire structure of his government

Beside it are four other Cabinet committees — internal affairs, social affairs, economic affairs, and finance

Each of these is also, in the words of officials, "a happy mix" of Cabinet Ministers and career public servants

Between them, they cover every aspect of government which is not covered by the State Security Council

Unlike the State Security Council, these committees are not defined by legislation and Mr Botha — exercising his prerogative to organise his Cabinet as he sees fit — has refused permission for officials to disclose the names of the

concept of a "total strategy" to enter a "total onslaught" — details remarkably we the functions of the State Council as laid down in the Act to advise the Government on "formulation of national policy and strategy in relation to the security of the Republic" and on the manner in which strategy must be implemented

Mr Botha's officials deny that the members who make up the council — and therefore, the Cabinet committee — dealing with national security — constitute a sinister "inner circle", and indeed Mr Botha himself has taken considerable pains to ensure that the rest of the Cabinet has easy access both to the council and to information about its activities

### Perceptions

But it is hard to know what phrase officials use to describe the "inner circle" — the Ministers who serve on the council. They are, in any event, loosely identified with Mr Botha, public perceptions

Mr Botha, who is Leader of the Opposition, is now the senior Minister of the Government as well as Minister of Labour. He has acted as pathfinder for new Labour policies based on the ideas of Riekert Coetzee.

The Prime Minister still holds the Defence portfolio, and, therefore, serves as a dual capacity in a dual role. He has also co-opted his Deputy, Mr P. Botha, the Minister of Foreign Affairs, as the first Minister to pledge himself to the removal of unnecessary appointments based solely upon race and nationality plays a key role in any national strategy

Mr Alwyn Schabus, the Minister of Justice, has been an unfavourable ally of the Prime Minister since the Information scandals

eliminated Dr Connie Mulder from the premiership a year ago

His replacement of the combative Mr Jimmy Kruger has brought a new tone to the Justice portfolio

Mr Louis le Grange, the Minister of Police, has similarly altered the tone of administration since he took over this part of Mr Kruger's former duties

According to other sources, the co-opted members include at least three other Ministers close to the Prime Minister (though the Prime Minister's office will not confirm their membership)

Dr Piet Koorhof, Minister of Co-operation and Development, who has taken over from Mr Pik Botha the role of pioneering new attitudes on racial questions

Senator Owen Horwood, an early ally of the Prime Minister and a chief architect of the Government's new policies of encouraging private enterprise

Mr Chris Heunis, Minister of Transport, the Prime Minister's loyal Cape lieutenant

The law also provides that the permanent members of the council must include the Secretary for Security Intelligence (the head of DONS, formerly BOSS), the Commandant-General (now chief) of the SADF, the Secretary for Foreign Affairs, the Secretary for Justice, the Commissioner of Police, and any others who might be co-opted

This gives a special role in the Government to Mr Brand Fourie, the long-serving Secretary for Foreign Affairs, to General Malan, to General Mike Geldenhuys of the SA Police, to Mr Alex van Wyk of DONS, to Mr J P J Coetzee, Secretary for Justice, and, of course, to Mr Du Plessis himself, who is simultaneously a member of the council, Secretary

The purpose of the working committees is to thrash out problems and to reduce them to a form in which they can reasonably be put before the Cabinet committees

Both General van Deventer and Mr du Plessis serve on each of the working groups

To avoid scattering the work uncontrollably throughout the entire government, Mr Botha has created, beneath the five working committees (actually one committee and four groups), a secretariat within his own department — the Department of the Prime Minister — to ensure that the system actually works

The secretariat keeps minutes, draws up agendas, passes orders downwards, passes complaints upwards, and generally keeps the government moving

When necessary, it calls in specialist experts from other departments to assist in the secretarial work on technical matters — complicated financial questions, for example

### Steerage

The secretariat is rightly called the administrative hub of the system

Beneath it are 15 interdepartmental committees consisting principally of heads of departments or their senior deputies, who co-ordinate work between them before passing it up to the secretariat, which steers it to the appropriate working committee, which passes it on to the Cabinet committee, which then — if necessary — puts it before the full Cabinet for a decision

Mr Du Plessis, who runs the secretariat, binds it all together

He is secretary to the Cabinet, Secretary of the Prime Minister's Department, a member of the State Security Council, a member of the working committee beneath it, and a member of each of the four working groups

But he is the Prime Minister's man. It is still the Prime Minister who, with his Cabinet, bears the responsibility for governing the country.

# The council forms a pivot to the structure of government

Ref. adv.

Rand Daily Mail Editor **ALLISTER SPARKS** examines the underlying reasons for the excitement, speculation and confusion in South African politics. And he analyses the remarkable changes that have taken place in the outlook of the National Party as it tries to find a solution for the Afrikaner dilemma

# The changing face of the National Party

25/11/79  
RDM



THESE are deeper changes than meet the eye taking place in South African politics. The National Party's loss of voter support to both left and right, the waning enthusiasm of its supporters as revealed by the stayaway vote Mr P W Botha's commitment to change, his visit to Soweto, the Wehahn and Rieker reports, the tension this has created with the 'Tremont' wing while trade unions, the formation of Dr Connie Mulder's new party to fill the gap which he sees 'to the right of centre', the way Mr Botha is drawing on expertise from outside the party and the civil service the way he has been converted to the efficacy of free market forces, its de-emphasising the role of the State in the economy and involving the private sector in the para-statal corporations, and his general *foeradering* with the business community which will reach its high point next Thursday — all these are things we can see taking place around us, creating much excitement, speculation and confusion.

But they are only the surface events. The real reason why they are happening is to be found deeper down in our body politic, where significant changes and pressures have been slowly developing through the Seventies. Under the heavy and strangely met-

hand of Mr John Vorster they remained suppressed. In the atmosphere of release following his departure they are being more strongly felt and Mr Botha is trying to adjust to them.

The nature of these deeper changes has been analysed in several fascinating academic studies lately. In particular I was struck by a recent lecture on the subject by the young Stellenbosch historian, Dr Hermann Gilhorne.

The starting point, as it emerges from these studies is the growth of manufacturing and commerce as the dominant base of the South African economy — coupled with the effect this has had on a large segment of the Afrikaner community.

In the past we had an economy based mainly on agriculture and mining, in which Afrikaners constituted the bulk of the farmers and the white working class.

Therefore as Afrikaner Nationalism developed it naturally concerned itself primarily with these interest groups.

It employed massive State intervention to advance the economic interests of Afrikaners vis-a-vis the more affluent English business class, and guaranteed security to the white workers through job reservation and the whole elaborate machinery of the industrial colour bar.

Through apartheid legislation it endeavoured to keep black labour on an unskilled

and migratory basis which was adequate for the needs of mining and agriculture, and which would prevent it from becoming either an economic or a political threat to the Afrikaner.

But this was not adequate for the needs of commerce and industry, which require a skilled and stable labour force. Therefore as these sectors gained ground, and as the Afrikaners moved to the cities and became more and more involved in commerce and industry, there was a critical shift in the balance of self-interest.

The increasingly influential bourgeois class of Afrikaners began chafing against apartheid laws which prevented blacks from acquiring skills which were badly needed as white labour became scarcer.

Meanwhile, coinciding with this, there was another important change on the political front — with the Government finally having to face up to the failure of separate development as a solution to the great Afrikaner dilemma.

This dilemma, in a nutshell, is the Afrikaner's desire to remain master of his own destiny in a country where he is heavily outnumbered by blacks.

Separate development was supposed to provide the answer by siphoning the blacks off to the peripheral homelands, so that Afrikaner Nationalism could continue to control 'white' South Africa without re-

course to naked *baasskap*.

It was a patently impracticable scheme from the outset, but for years the Government clung to the fantasy that the black influx into 'white' South Africa could be reversed as the homelands were developed. 1978 was supposed to be the year in which the tide would turn.

Well, 1978 came and went and the black tide continued unabated as our burgeoning industrial economy sucked more and more people of all colours into the cities.

Now the point has been reached where the hard truth can no longer be avoided. Separate development has failed — and another solution must be sought for the Afrikaner's dilemma.

The choice is plain enough. If the Afrikaner can't eliminate the monopoly around him, he must try to strengthen his minority position. In other words he must seek allies among the other groups.

This Mr Botha is trying to do — and the means he is using is the free enterprise system.

To begin with he is making a strong appeal to the English business community by committing the Government to a free market ideology. This is music to the ears of people who have long resented the Nationalist Government's high degree of State

intervention in, and control of, the economy.

At the same time, by drawing on the expertise in this community, Mr Botha is giving a heady sense of participation in political power to people who have been 'outsiders' for a very long time.

Next comes an attempt to win over the top third of the black community — enticing them, too, with the plums of participation in the free enterprise system, together with a measure of self-government at municipal level.

Hence the sudden recognition of the permanence of the urban blacks, the plans to build houses and improve the quality of life in the urban townships, the lifting of the barriers on blacks acquiring skills and becoming entrepreneurs.

Through Wehahn and Rieker, it is all clearly an attempt to create a stable black urban middle class — to the exclusion of migrants and homeland peasants.

On the one hand this will meet the requirements of manufacturing and industry, so boosting growth and pleasing the influential new Afrikaner bourgeoisie — as well as the English business community.

On the other hand it will build for the Afrikaner an alliance of interests with a stake on the capitalist system.

This is intended to provide the bulwark against the so-called 'total communist onslaught'. It's economic and military strength is also meant to be the mainspring of Mr Botha's attempts to create a South-African constellation of states.

It is a bold vision. But it is also a risky one, because in going for it Mr Botha is literally changing the nature of his party.

He is, as Dr Gilhorne says, turning the National Party into a specifically bourgeois party — whereas traditionally it has been a coalition of all class elements within the Afrikaner community.

For the great majority of Afrikaners who are now part of the middle class anyway, this poses no particular problems. The trouble comes from the fact that in doing it Mr Botha is abandoning the white working-class, its special protections are being shed as the system is changed to allow for black advancement.

And as the group becomes more dissonant, it is simply being dropped.

Here is the traumatic change. It is the main source of the right-wing backlash and the bitter accusations that Mr Botha is destroying the soul of the NP.

Which indeed he is. For the abandonment of the Afrikaner working-class means the old coalition is being broken. In becom-

ing more of a bourgeois party, the NP is becoming less of a *volksparty*.

And it is this ethnic factor which has been the secret of its success over the years, which accounts for the blind loyalty it has enjoyed, and which has given it automatic domination of the white political apparatus.

This explains the declining enthusiasm — and the stayaway vote.

It also explains the loss of support on the right, and the gap which Dr Mulder sees.

Meanwhile, by pushing the idea of reform Mr Botha has not only estranged the right as I noted last week, he has also given new respectability to the official Opposition, who have been advocating reform for years.

That is why he is losing support on the left as well.

Thus the full picture of the turmoil around us. But where is it all leading?

Mr Botha's plans are full of inadequacies and contradictions. They do not offer a solution in themselves, but they do mark the start of a process — one which he obviously hopes he can control, keeping the essentials of power exclusively in white hands.



F.M. 19/10/79

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## GOVERNMENT

# New look at the top

The private sector will participate in government decision-making at an unprecedented level now that the Cabinet is operating on a decentralised basis, according to J E du Plessis, Secretary to the Department of the Prime Minister. A new Cabinet power structure, involving a radical cutback from about 40 cabinet committees to five (first disclosed in the FM on June 22), has been finally approved by the Prime Minister, and fully functional since last month.

Directly responsible to these committees will be working committees where, says Du Plessis, recommendations to the Cabinet will be drafted by departmental heads and senior civil servants — in consultation with experts from the private sector. "In this way we should have a realistic mix of outside proposals, combined with those of government experts for the Cabinet committees to consider," he adds.

Significantly, however, Du Plessis refuses to disclose (on the PM's instruction) who Botha has chosen as chairmen of the individual committees. This is hardly surprising, since other members of the executive believe the Prime Minister has, in effect, selected an inner cabinet. It is understood, however, that Piet Koornhof has been charged with the Internal Affairs Committee, Owen Horwood with Financial Affairs, Chris Heunis with Economic Affairs, Fanie Botha with Social Affairs, and Alwyn Schlebusch is expected to take control of the State Security Council under the watchful eye and overall charge of the Prime Minister himself. The Security Council is regarded as the keystone of the new structure.

The functions of a sixth proposed committee, namely Parliamentary Affairs and Legislation, have been absorbed by the other committees.

### Power to loyalists

It goes without saying that Botha loyalists, such as SADF chief Magnus Malan, will have powerful roles to play, and that some ranking civil servants will, in many cases, have more influence than their Cabinet Minister bosses.

Though ordinary members of the Cabinet naturally have full access to their senior colleagues, each member of the inner cabinet is said to be a staunch supporter of the PM — and the five will almost certainly act as buffers between Botha and his brawling political factions. The PM's decision to move his party in a more liberal direction has caused a storm in the NP that could lead to a hiving off of

his recalcitrant right wing.

It is, however, unlikely that Botha will end his administrative reforms with the reorganisation of the Cabinet. According to sources in the Public Service Commission, he is keeping an eagle eye on promotions and retirements of civil servants. The PM aims, the FM learns, not only to reduce drastically the size of the public



service as he cuts back the number of government departments to 18, but to move people of verligte political persuasion into some of the most senior slots in officialdom.

Though his confidantes maintain he will replace as far as possible verkramppte elements in the administration with people of his own political persuasion, he is apparently finding this aspect of proposed reform by far the most difficult. Unlike political appointees, heads of department enjoy the protection of the PSC, and sackings or demotions are rare, to say the least. And in terms of his new cabinet arrangements, they will enjoy a new importance.

Thus, a reluctant bureaucracy could prove a formidable obstacle in any programme of political change. With most senior public servants reputed to be verkramp rather than verlig, and firmly entrenched in power, they could turn out to be Botha's *bete noir*.

But, as one optimistic civil servant points out, Botha was not fazed by the verkramppte legacy left by Erasmus and Fouche when he took over as Minister of Defence. He re-organised the force, pro-

moting English-speakers who had been overlooked for 15 years to senior ranks, and created a fine balance in the upper echelons of the SADF. Men with combat records received in many cases the promotional and financial recompense they deserved, and morale in the Permanent Force rose astonishingly. Specialists were brought in from outside, and promotion on merit rather than age became commonplace (Malan himself is a case in point).

It is precisely this kind of management philosophy that Botha espouses publicly and privately. And both his supporters and detractors believe nothing will stop him from following this approach through to its inevitable consequence — even if it shatters NP unity.

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with selected major categories of disease. Clearly, this is an entirely hypothetical situation. However, these competing risks life tables not only provide an indication of the relative importance of various disease categories to both the overall mortality experience and also to expectation of life of the three communities, but also, since there is an approximately linear relationship between the reduction of mortality and the percentage increase in life expectancy, any improvement will give rise to a proportional improvement in the expectation of life. Thus, if the mortality associated with any of the diseases included in Fig. 6 are reduced by 50%, then the increase in the expectation of life will be 50% of the improvements indicated.

With the exception of Necrotic System in men, the 'control' directed at the control of Of particular importance diseases which are frequent simple methods of prevention

## ACKNOWLEDGEMENT

The writers wish to thank Assurance Society for the

# Provincial borders likely to disappear

By HELEN ZILLE  
Political Correspondent

SPECULATION that provincial councils and the present provincial boundaries will disappear under a new two-tier system of government is gaining momentum in Government circles

This is based on the far-reaching streamlining of the public service that is expected to begin soon. A plan to reduce Government departments from 22 to 18 is part of Prime Minister P. W. Botha's "total strategy".

And there is speculation that

• The huge public service will be drastically trimmed, paving the way for a new dispensation

in which a lot of Government control will be passed down to small municipal units,

• A way will be sought to bring Indians and coloureds into senior positions in the Administration — one of the most touchy issues in the National Party,

• A Ministry of Local Government could be created to co-ordinate functions of the municipalities,

• South Africa's two-capital system, with Parliament in Cape Town and the administrative centre in Pretoria, could be phased out

• Department's that are closely related could be drawn together under directorates

• The system will be phased in

slowly over about 10 years

Dr Piet Rautenbach, chairman of the Public Service Commission, was not available for comment yesterday

However, the renewed speculation fits in with plans for a future constitutional set-up which will centre on a two-tier system. Strong municipal authorities divided on racial lines and a central government controlling matters of 'common interest'

Blacks outside the homelands will have the same municipal right as whites, but at the moment the Government still intends to allow blacks further political rights only in the homelands

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27/10/75

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# NEWS TODAY

## TEACHERS' SALARIES

**PRETORIA —** The Prime Minister, Mr P. W. Botha, last night announced a service benefit package for all public sector workers, including university personnel and teachers.

The Federal Council of Teachers Associations followed serious dissatisfaction in the teaching profession over the way in which salary improvements had been granted in the public sector.

It was clear to the government that this dissatisfaction — it was not only limited to the teaching profession — could be attributed mainly to the fragmentary improvements of salaries during 1978 and 1979.

The fact that the teaching profession was the only one to receive special treatment in 1978 in spite of serious economic problems, and at the expense of other high priority services, was to receive a revised structure, is ample proof of the government's positive disposition," he said.

Notwithstanding other urgent demands on the executive, the Prime Minister said he wanted to put a number of points of policy in connection with salaries and conditions of service in the public sector "within the framework of my endeavour towards orderly administration".

The government undertook in future to improve salaries in the teaching profession simultaneously with the rest of that part of the public sector which was mainly financed from the Revenue Fund.

Next year's package will include an annual bonus of a month's basic pay to replace the holiday bonuses, and a likely increase in salaries. The Public Service Commission is still working on details of the package.

And although he made no specific announcement about improvements in teacher pay, he said that in future teachers' salaries would be improved simultaneously with the rest of the public sector.

The Prime Minister's statement came after a meeting yesterday afternoon with the executive of the Federal Council of Teachers' Associations.

Executive of the Federal Council of Teachers' Associations said last night it was satisfied that the salary backlog since April 1979 would be taken into account when new salary structures were announced for the public sector.

In a statement issued after its talks with the Prime Minister — also attended by the Minister of Finance, Senator Owen Horwood and the Minister of National Education, Mr Punt Janson, the executive said at this stage the government could not comply with a request from the organised teaching profession that salary improvements should be retrospective to April this year.

The reason for yesterday's meeting, the executive said, was the serious dissatisfaction in the teaching profession because teachers were excluded from the salary improvements granted to the rest of the public sector from April this year.

The global guidelines made available for the service here, called service benefit package would in future be considered in conjunction with all other criteria.

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	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,02	0,03	0,20	0,21	0,06	0,16	0,06	0,06
1-4	0,01	0,01	0,02	0,00	0,02	0,04	0,01	0,01
					0,01	0,01	0,01	0,01

# Public sector bonus to cost R250-million

250 Roms  
26/10/73

By GERALD REILLY  
Pretoria Bureau

THE payment of a bonus of one month's salary to public sector workers announced this week by the Prime Minister Mr P W Botha will cost about R250-million

The bonus will affect all State and provincial department workers — including Police, Prisons, SADF, Railways and Post Office personnel

Staff associations yesterday welcomed the payment of the bonus from next year to replace the present holiday bonuses

Holiday bonuses paid now amount to a maximum of R260 for married workers and R130 for unmarried workers

The Public Servant's Association and other staff associations have fought without success for the past decade to have the holiday bonuses increased

However, officials were

guarded in their reaction to the indication given by Mr Botha that they were to get increases from April next year

Senior public servants are concerned at the Prime Minister's warning that they should "not entertain excessive expectations in connection with the total service benefit package"

Thus, they said, seemed to indicate that the increases contemplated from April 1 next year would be considerably less than would compensate adequately for inflation

They pointed out that the 10% granted them last April failed to compensate fully for the rise in the Consumer Price Index during the previous 12 months

They expected the inflation rate for the 12 months to the end of March next year to be between 14 and 16%

Anything less than a 15% salary increase, therefore, would mean a scaling down of their living standards, they claimed

The president of the Posts and Telegraphs Association, Mr Bernie Blume, welcomed the payment of a bonus of a month's salary This was now

one area where parity had been reached with the private sector

The secretary of the Artisan Staff Association, Mr Wally Grobler, said the bonus was obviously welcomed by railway workers

However, the association wanted to register a protest at being bundled with the rest of the public sector as far as pay rises were concerned

"We prefer to make our own representations and to conduct our own negotiations We saw the Minister of Transport last month and made certain demands, but it appears now that these will be considered in relation to what is to be given to the whole of the public sector"

The president of the SA Association of Municipal Employees, Mr Attie Nieuwoudt, said municipal workers could be expected to make considerable new demands following the public service improvements

The president of the Public Servants Association, Dr C M Cameron, welcomed the decision to announce all public sector pay adjustments at the same time

POLITICAL comment in this issue by Allister Sparks Benjamin Pogrand and Lin Munge now bills by Peter Bunkell headlines and sub editing by Paul Holroyd cartoons by Bob Connolly all of 171 Main Street Johannesburg

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,51	0,33	1,10	0,21	1,80	1,59	0,13	0,10
1-4	0,05	0,06	0,02	0,10	0,15	0,17	0,02	0,04
5-24	0,07	0,06	0,09	0,10	0,14	0,17	0,11	
25-44	1,09	0,44	1,31	0,70	1,54	1,27	0,73	
45-64	9,75	4,44	14,76	10,70	10,33	8,25	4,61	
65	42,19	32,93	55,30	47,72	43,12	40,90	13,55	
ALL	4,70	3,81	3,22	2,25	2,74	2,69	1,14	
NO.	9752	7926	1135	804	3114	3140	2390	

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	2,90	2,22	7,81	4,85	32,20	28,78	13,54	
1-4	0,22	0,28	0,90	0,69	5,32	5,45	2,46	
5-24	0,05	0,06	0,17	0,11	0,21	0,23	0,18	
25-44	0,20	0,12	0,37	0,33	0,94	0,72	0,66	
45-64	1,46	0,92	3,33	1,85	4,88	2,14	2,75	
65+	11,52	7,89	16,51	13,42	20,07	10,49	9,32	
ALL	1,12	0,97	1,22	0,79	2,87	2,22	1,37	
NO.	2336	2019	430	282	3270	2588	2858	

by 1970, this figure had decreased to 15,7%, indicating that the whites had improved disproportionately to the 'coloureds'. Similarly, for children 1 to 4 years of age, during the period 1941 to 1970, the white mortality experience as a percentage of the 'coloureds' had decreased from 15,2% to 7,1%. It should be noted that the 0 year age specific death rates are higher than the corresponding IMRs. This is because the denominator for the former is the number of live births whilst for the latter it is the mid-year populations under one year of age.

Fig. 4 provides an indication of the proportional contribution of selected causes of death to the overall mortality experience of the white, 'coloured' and African communities.

During the period 1929 to 1970, the whites have shown a changing spectrum of mortality which is classically associated with an improving health status. Infectious diseases have become less important and the major causes of death are increasingly related to Cardiovascular and Neoplastic diseases. The 'coloureds' and Africans, however, have a persistently high proportion of deaths caused by infectious diseases. The Africans exhibit a spectrum of mortality which is characteristically associated with developing communities, whilst the 'coloureds' appear to occupy an intermediate position between the whites and Africans, although it is clearly much more similar to the Africans than it is to the whites.

What is of particular concern about the 'intermediate' position of the 'coloureds' is that it would appear to incorporate the worst of both the developed and the developing experiences. This becomes apparent from Table II which provides a more detailed analysis of the different diseases contributing to the overall mortality of the whites and 'coloureds' in the form of cause specific mortality rates for defined age groups. Thus, although cardiovascular diseases are consistently responsible for a fairly small proportion of the overall mortality of the 'coloureds', Table I indicates that the actual rates for cardiovascular diseases have been fairly similar for both whites and 'coloureds' since 1941.

Clearly, the broad diagnostic categories used in this analysis conceal a certain amount of information. However, because of the changes in disease classification which have taken place since 1929, it is not possible to examine the temporal changes of mortality rates in greater detail. Disease categories with rates greater than 5/1 000 appear in italics in Table II. It will be noted that the mortality experiences of the 'coloureds'

- (iv) Proportional Mortality, accounted for by specific conditions.  
 (v) Expectation of Life. This was calculated both at birth ( $e_0$ ) and at 45 years of age ( $e_{45}$ ) for both males and females. It expresses the average number of additional years an individual would be expected to live beyond birth and 45 years.

For Africans, the proportional mortality was the only index calculated.

#### RESULTS

The infant mortality rates (IMR) and standardised mortality rates (SMR) for 'coloureds' are provided in Fig. 2 and Fig. 3. Whilst these indices

## Polling areas to be redrawn

By HELEN ZILLE  
 Political Correspondent

THE Minister of the Interior, Mr Alwyn Schibusch, yesterday announced the appointment of a delimitation commission to redraw South Africa's polling districts — wiping out the possibility of a general election in the first half of next year.

The three-man judicial commission will begin work on April 1, and the redrawing of constituencies is expected to take at least six months.

The delimitation commission will commence work after the new voters' roll has been drawn up — an exercise that will have to be completed by March 31 next year.

The three judges who will sit on the commission are Mr Justice P M Cillie, Judge President of the Transvaal, Mr Justice C Broeksma, a judge from the Cape Bench, and Mr Justice J Hefer, from Natal.

Professor Willem Kleynhans, an expert on electoral politics,

said last night a delimitation commission would take a minimum of six months to complete its work.

He believed it would not complete its task before December next year.

However, there was a strong possibility that a general election would be called very soon after the new delimitation had been put into effect, he said.

The last delimitation commission sat in 1973, and the new constituency boundaries became effective in 1974.

Mr Schibusch said yesterday a new delimitation had become necessary because of

- Large-scale movement of people from city centres to suburbs
- The change in electoral divisions brought about by the independence of homelands
- The policy of decentralising economic centres which had resulted in migration of voters to areas such as Richards Bay and Secunda

The imbalance between the age specific mortality rates of whites and 'coloureds' has improved or remained constant for persons between the ages of 5 and 64. However, for children less than 5 years of age, the gap between whites and 'coloureds' is widening. In 1941, white children under one year old experienced 28,0% of the mortality of 'coloured' children;

processes is essential; and the division will have to be more fine the more discriminating public decisions can be.

The results of programme budgeting may be valuable in themselves, although the mere procedure does not necessarily ensure that better decisions will be made. Their potential is realised only if there follows an assessment of the value of expenditure in each programme.

2.2 Programme Evaluation

Methods of evaluation range from simple procedures for looking at costs, where the conclusions are left largely to intuition, to highly complicated processes which present more or less clear-cut solutions. For these more precise methods, most in advance. Some have been analysed below.

2.3 Looking at Expenditure

Basically, one is looking at expenditure in terms of a logical axiom, basically the same value of social benefit from that on another, one programme and increasing expenditure on the first. By simply looking at a breakdown of the expenditure may be compared with on these things. fits of expenditure analysis seeks to that expenditure expenditure on health of provision war

Unfortunately, such intuitions are congruities which are recognised by all, whatever criteria of 'value' are used. The optimum level of expenditure on a particular objective is, from the point of view of intuitive judgement, highly uncertain, because of the wide variation in benefits attributable to a particular type of spend-

ing. This is partly due to a deficiency in information on the results of the programmes which can be resolved by recourse to appropriate data. Nevertheless, there will also be differences of judgement which cannot be resolved without prior agreement on the relative valuation of different benefits which have to be fed into the analysis; and in the intuitive process, these two factors may not be differentiated.

A very large proportion of decisions are now taken with no further analysis than this. Any further steps involve a way of systematically valuing the benefits of different programmes to render them comparable to one another

2.4 An Informal Method for Setting Objectives

The following method for guiding the choice of priorities has been

plan to play off blacks foreseen

By AMEEN AKHALWAYA Political Reporter

A STELLENBOSCH academic yesterday predicted the Government would try to play off the black middle class and workers against each other in an attempt to contain a potentially explosive united force

Dr Hermann Gihomee, senior lecturer in the history department at the University of Stellenbosch, also said the Prime Minister, Mr P W Botha was "creating a bourgeois party and government" which was presently indifferent to, and even hostile to the demands of white workers

In a lunch-hour lecture at the University of the Witwatersrand, Dr Gihomee outlined the mood and structure of white politics since he co-authored a book 'The Rise and Crisis of Afrikaner Power', a year ago

He said that over the past year bannings had declined in number. The "loosening-up" would lead to blacks increasingly experimenting with previously banned organisations. The longer the Government held back on the use of the 'repressive apparatus', the more groups would emerge

"In addition, the further this Government goes with its policy of differentiation of the black community and the creation of a black middle class, the harder it is to respond to black challenges in a 1976 Soweto-type action to protest"

He predicted in the next couple of years both Inkatha and the Soweto Committee of 10 would try to become mass political organisations involved in consumer action and consumer boycotts, moving on to civil rights and political issues

If the Government insists on keeping the black bourgeoisie and the black proletarian army together it will create an enormously explosive force

Dr Gihomee said it would probably try to play them off against each other thus trying to contain the situation as happened in the American case," Dr Gihomee said

He also said "At the mo-

Table with columns: Problem, Prevalence, Severity, Community concern, Vulnerability to management, Total. Rows include V.D., Dental problems, TB, Common cold, Yaws.

\* Added to test scoring method

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,17	0,13	0,00	0,21	0,06	0,16	0,04	0,06
1-4	0,03	0,07	0,07	0,00	0,07	0,05	0,03	0,04
5-24	0,09	0,05	0,07	0,05	0,06	0,04	0,03	0,04

MORTALITY RATES FOR THE 17 MAJOR DIVISIONS OF THE ICD (8th REVISION)  
(Note: There are no tables for divisions V, XI, XII, XIII because of the small number of cases.)

TABLE I

# Commission aims at efficiency

(250) Stan 13.11.79

## Pretoria Bureau

Thirty-six State departments, about 1000 agencies and commissions, 1950 laws and 16 000 proclamations stand to be pruned as the Public Service Commission examines ways and means of streamlining the country's administration.

Dr P S Rautenbach, the commission's chairman, said in Pretoria yesterday that progress had already been made in the rationalisation of the organisation, legislation and personnel system after the decision of the Prime Minister, Mr P W Botha, to make the public service more efficient.

However, the 21-man team to investigate the organisational rationalisation project had been appointed only on October 1 and it would be some time before the commission could make recommendations to the Prime Minister.

Dr Rautenbach said that a reduction in the number of government departments would eliminate duplication and overlapping of effort.

The policy to be followed included recognition that changes in the administrative system should be seen as part of an evolutionary process, that there should be minimum disruption of the system, and that the position of officials should be protected as long as this was compatible with the interests of the country.

Among the many benefits foreseen in rationalising the public service, Dr Rautenbach listed the elimination of duplication and overlapping activities, the faster handling of affairs and the creation of a government machine that would be more easily manageable in crises.

It would lighten the load of political officials in the task of administration.



## Pretoria Bureau

The principle of supply and demand would influence future salary recommendations for the Civil Service, said the chairman of the Public Service Commission, Dr P S Rautenbach, in Pretoria yesterday.

The commission recognised that if the Public Service was to compete with the private sector in recruiting personnel — English-speaking school-teachers and nurses were specified — it would have to offer competitive conditions of employment.

He said the commission had not yet made any recommendations about the next round of salary increases. It was still negotiating with the Treasury and the Department of Finance on the matter.

ive co-ordination and would provide better co-ordinated activities by the authorities.

Available manpower, particularly scarce high level personnel, would be better exploited and an improved upper structure would mean better career prospects for government officials and promote the status of high quality personnel.

Consultation between government institutions would be made more efficient.

No.	114	173	43	63	316	307	455	530
65+	0,39	0,59	0,39	0,88	0,28	0,42	0,24	0,61
ALL	0,05	0,08	0,12	0,18	0,28	0,26	0,22	0,33

B	F
27,05	3,42
0,22	0,45
1,27	2,93
1,61	1,61
2593	

# Civil service slashed

250

ET 7/12/79

Own Correspondent

**JOHANNESBURG.** — In keeping with his promise to rationalize the country's bureaucracy, the Prime Minister, Mr P W Botha, yesterday announced that the number of government departments would be reduced from 39 to 22.

The 22 departments will fall under 18 ministries Mr Botha said the government was determined that the change would be implemented as quickly as possible, the changeover could be 'completed' within the next 12 months. The necessary cabinet changes and adjustments would have to stand over at least till the end of next year's parliamentary session.

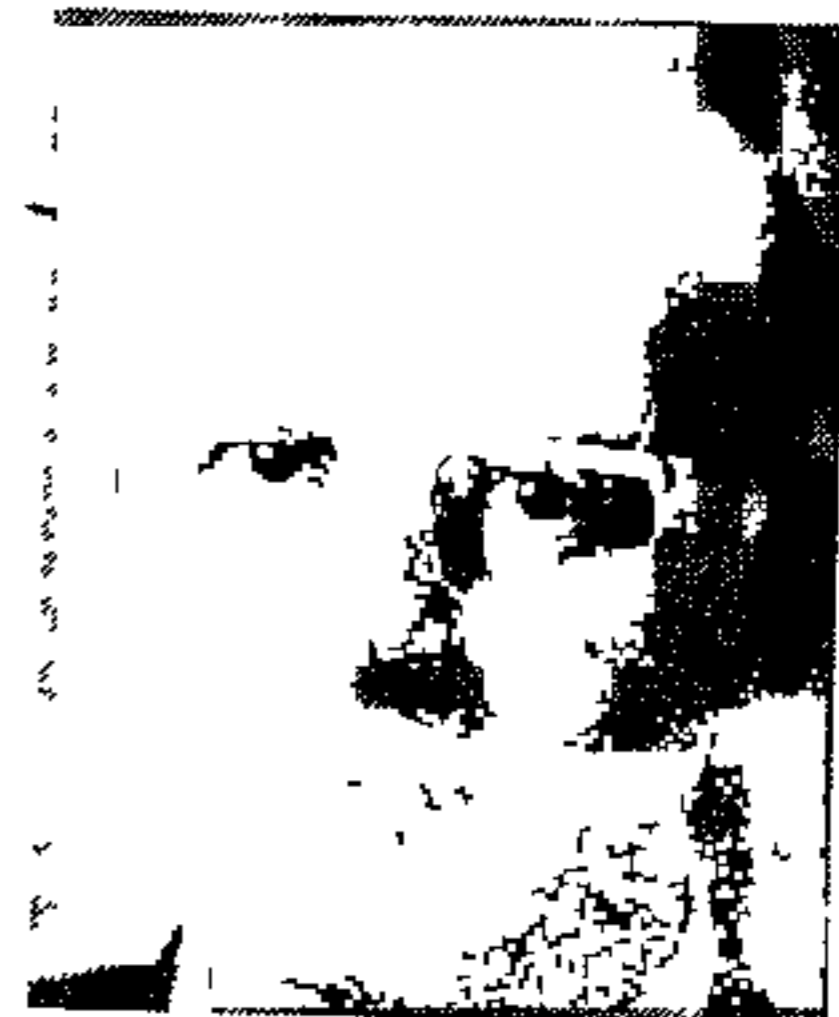
With 12 000 vacancies in the civil service, said Mr Botha, no one would lose his or her job. The posts of heads of departments would probably be upgraded.

Among the major changes are the relinking of the Department of Education and Training with the Department of Co-operation and Development. Before the previous separation of the two portfolios, the old Department of Bantu Education and the Department of Bantu Administration and Development fell under the same minister.

The present functions of the departments of Coloured Relations and Indian Affairs will be absorbed without change, together with the Department of the Interior, into the proposed Department of Internal and Constitutional Affairs.

The Department of National Education will include the promotion of sport, previously a separate department. Both departments are presently under the same minister.

Energy will come under the Department of Mineral and Energy Affairs. Mr Botha said this was aimed at ensuring that the authorities would give attention on a co-ordinated basis to the country's energy requirements and problems. Energy-producing semi-government institutions would also be linked to the planned department.



Mr P W Botha



Prisons, which at present fall under the Department of Prisons, will be included in the Department of Justice

"The planned Office of the Prime Minister will be equipped to supply the need for a long-term development plan for the country," Mr Botha said "It will play an important role in the co-ordination of activities in all sectors"

The primary functions of the present departments of Statistics and Environmental Planning and Energy would be absorbed into the Prime Minister's Office. The Public Service, at present under the Department of the Interior, will be part of the Office of the Commission for Administration

The Department of Finance and the Office of the Auditor-General will both fall under the Ministry of Finance

The South African Railways and Harbours and the Department of Transport will fall under the Ministry of Transport Affairs. Public Works will come under the Department of Community Development and Government Auxiliary Services

Health, Welfare and Pensions will be in one department, and Consumer Affairs will fall under the Department of Industries, Trade and Tourism. Agriculture and Fisheries will be served by one department. Water Affairs, Forestry and Environmental Conservation will also be under one department ● See page 2

250  
C.T 7/12/79

(250)

## DEPARTMENT OF FINANCE

No 2765

7 December 1979

Statement of Revenue collected during the period 1 April 1979 to 31 October 1979

Treasury, Pretoria

## DEPARTEMENT VAN FINANSIES

No. 2765

7 Desember 1979

Staat van Inkomste ingevorder gedurende die tydperk 1 April 1979 tot 31 Oktober 1979.

Tesourie, Pretoria.

Head of Revenue	Inkomstehoof	Estimates Begroting 1979/80	Collections for year ended 31 March 1979 Ingevorder vir die jaar geëindig 31 Maart 1979	Month of October Maand Oktober		Total 1 April to 31 October Totaal 1 April tot 31 Oktober	
				1979	1978	1979	1978
		R	R	R	R	R	R
<i>State Revenue Account</i>	<i>Staatsinkomsterekening</i>						
Customs and Excise—	Doeane en Aksyns—						
Customs Duty	Invoerreg	445 700 000	370 685 468	43 018 944	34 615 487	256 706 353	216 463 456
Excise Duty	Aksynsreg	1 009 427 000	963 717 929	86 631 596	83 142 593	520 827 412	500 928 621
Sales Duty	Verkoopreg	1 000 000	121 011 337	121 011 337	1 390 842	754 258	119 945 307
Surcharge	Boebelasting	235 500 000	359 406 757	23 968 574	31 959 915	145 409 105	211 042 490
Miscellaneous	Diverse	14 000 000	19 262 921	3 388 244	3 569 061	10 059 562	20 501 136
	R	1 705 627 000	1 834 084 412	157 156 043	154 677 898	933 756 690	1 068 881 010
Transfer to S W A Account Payments in terms of Customs Union Agreements	Oordrag na S W A -rekening Betalings ingevolge Doeane- Unie-Ooreenkomste (b)	Dr 43 493 000 Dr 380 000 000	Dr 47 621 333 Dr 296 158 109	Dr 3 000 000 Dr 100 614 750	Dr 3 500 000 Dr 74 038 750	Dr 23 000 000 Dr 301 851 142	Dr 25 000 000 Dr 222 119 359
	R	Dr 423 493 000	Dr 343 779 442	Dr 103 614 750	Dr 77 538 750	Dr 324 851 142	Dr 247 119 359
	R	1 282 134 000	1 490 304 970	53 541 293	77 139 148	608 905 548	821 761 651
Inland Revenue— Tax on Income Other Taxes and Receipts—	Binnelandse Inkomste— Belasting op Inkomste Ander Belastingen en Ont- vangste—	4 297 000 000	4 323 881 895	308 716 356	248 823 801	2 697 331 106	2 224 501 457
Gold mining leases	Goudmynuurkontrakte	209 000 000	195 862 100	65 118	4 653	110 873 838	62 623 218
Other mining leases	Ander mynuurkontrakte	10 000 000	8 633 621	210 300	87 280	143 349	269 051
State Ownership Revenue on diamond mines	Staatseerendomsreinkom- ste op diamantmyne	42 000 000	44 183 815	62 751	8	187 209	269 501
Export duty on diamonds	Uitvoerregte op diamante	17 500 000	21 999 103	2 530 304	1 649 204	19 189 179	9 446 004
Non-Resident shareholders' tax	Belasting op buitelandse aandehouers	110 000 000	110 701 596	15 705 476	9 838 453	90 358 840	62 025 865
Non-Resident's tax on in- terest	Rentebelasting op buite- landers	13 000 000	13 866 902	981 137	1 328 536	8 734 546	7 493 297
Undistributed profits tax	Belasting op onuitgekeerde winste	4 000 000	4 520 378	344 459	333 282	2 986 363	2 415 020
Donations tax	Belasting op geskenke	2 000 000	1 843 859	209 516	128 208	753 020	1 387 685
Stamp duties and fees	Seëlregte en gelde	95 000 000	94 199 347	9 132 586	6 411 158	65 705 786	50 037 087
Transfer duties	Hereregte	52 000 000	53 188 265	8 357 537	4 466 223	44 263 883	29 850 899
Estate duties	Boedelbelasting	44 500 000	45 484 348	3 591 411	5 541 979	34 220 239	28 332 788
Tax on marketable securities	Belasting op bemerkbare sekuriteite	11 000 000	15 407 112	1 702 222	1 477 445	9 559 971	8 434 930
Licences	Lisensies	2 000 000	2 578 682	210 333	134 330	612 491	587 141
Cinematograph films tax	Kinematograaffilmsbelas- ting	1 000 000	968 185	107 747	82 031	554 702	566 596
Other	Ander	1 063 000	1 386 479	356 395	140 051	746 512	1 593 363
Departmental and Miscella- neous Receipts—	Departementele en Diverse Ontvangste—						
State Diamond Diggings	Staatsdiamantdelwerye	30 000 000	34 597 028	2 764 358	2 750 419	16 206 472	16 631 155
Forest revenue	Bosinkomste	22 000 000	24 732 382	2 661 886	2 385 785	16 819 938	12 749 574
Water revenue	Waterinkomste (c)	34 000 000	37 677 717	4 383 151	2 093 171	27 963 854	20 635 774
Fines and forfeitures	Boetes en verbeurdverl- dings	12 000 000	12 168 775	894 683	982 462	6 758 212	6 912 350
Recoveries of advances	Verhalings van voorskotte	1 375 000	2 905 448	1 026 046	187 401	2 717 464	1 525 094
Sale of state land	Verkoop van staatgrond	3 200 000	3 415 357	Dr 397 688	119 823	70 329	883 955
Rental from state property	Verhuur van staatseiend- om	12 608 000	12 898 533	1 117 009	1 037 208	6 194 060	4 767 699
General	Algemeen	164 462 000	210 716 903	11 753 582	18 285 573	87 701 495	115 374 935
Interest and Dividends	Rente en Dividende	738 478 000	649 189 510	88 712 680	67 023 165	430 623 406	383 205 842
Repayment of Loans	Terugbetaling van Lenings	55 245 000	66 432 041	1 926 148	2 326 257	43 577 100	19 358 481
General Sales Tax	Algemene Verkoopbelasting	1 150 000 000	654 641 330	106 231 670	80 213 189	687 661 082	209 023 704
	R	7 134 431 000	6 648 080 711	573 357 173	457 851 095	4 412 514 446	3 279 902 495
	R	8 416 565 000	8 138 385 681	626 898 466	534 990 243	5 021 419 994	4 101 664 146
State Oil Fund	Staatsoliefonds (d)	274 800 000	278 464 118	19 000 000	21 343 899	147 482 253	156 723 817
National Road Fund	Nasionale Padfonds (e)	139 100 000	153 593 127	9 005 571	11 498 668	72 823 460	85 660 847
South African Development Trust Fund	Suid-Afrikaanse Ontwikkelings- trustfonds (f)	7 663 000	13 026 056	3 068 242	2 976 786	6 770 979	5 341 677
Account for Black Transport Services	Rekening vir Swart Vervoer- dienste (g)	12 000 000	10 477 519	1 127 164	1 203 154	6 083 020	5 959 891
Sorghum Beer Research Fund	Fonds vir Sorghumbiervor- sing (h)	515 000	817 034	276 111	148 952	1 118 520	338 251
South-West Africa Territorial Revenue Fund	Suidwes-Afrika Gebiedsinkom- stefonds (i)	25 000	3 202 486	—	358 918	25 488	3 092 854
	R	434 103 000	459 580 340	32 477 088	37 530 377	234 303 720	257 117 337
	R	8 850 668 000	8 597 966 021	659 375 554	572 520 620	5 255 723 714	4 358 781 483
<i>South-West Africa Account</i>	<i>Suidwes-Afrika-rekening</i>						
Customs and Excise	Doeane en Aksyns	48 500 000	47 621 333	3 000 000	3 500 000	23 000 000	25 000 000
Inland Revenue	Binnelandse Inkomste	280 439 000	280 934 580	10 252 108	8 913 059	159 678 922	140 755 256
Loan Levy	Leningsheffing	2 719 000	1 756 599	—	—	14 000 000	—
	R	356 658 000	346 102 512	13 252 108	12 413 059	196 678 922	165 755 256
S W A Territorial Revenue Fund	S W A Gebiedsinkomstefonds (j)	3 409 000	4 069 673	—	—	1 250 000	900 000
South-West Finance Corpora- tion Ltd	South-West Finance Corpora- tion Ltd (k)	19 000 000	18 582 237	—	—	—	—
	R	379 067 000	368 754 422	13 252 108	12 413 059	197 928 922	166 655 256
<b>Total</b>	<b>Totaal</b>	<b>R 9 229 735 000</b>	<b>8 966 720 443</b>	<b>672 627 662</b>	<b>584 933 679</b>	<b>5 453 652 636</b>	<b>4 523 436 739</b>

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Head of Revenue	Inkomstehoof	Estimates Begroting 1979/80	Collections for year ended 31 March 1979 Ingevorder vir die jaar geëindig 31 Maart 1979	Month of October Maand Oktober		Total 1 April to 31 October Totaal 1 April tot 31 Oktober	
				1979	1978	1979	1978
Reconciliation with statement published by Government Notice 2534 in Government Gazette of 16 November 1979	Rekonsiliasie met opgaaf gepubliseer by Goewermentskennisgewing 2534 in Staatskoerant van 16 November 1979	R	R	R	R	R	R
In Transit, 31 March 1979	In Transit, 31 Maart 1979	---	---	7 296 190	---	36 381 683	---
Overremitted 30 September 1979	Te veel oorgedra 30 September 1979	---	---	672 627 662	---	5 453 652 637	---
Collections, as above	Invoorderings soos hierbo	---	---	665 331 472	---	5 490 034 320	---
Overremitted 31 October 1979	Te veel oorgedra 31 Oktober 1979	---	---	5 303 485	---	5 303 485	---
Received into Exchequer Account	In Skatkisrekening ontvang	R	R	670 634 957	---	5 495 337 805	---

(a) Section 22 (1) (d) of Act 25 of 1969  
 (b) Section 1 (2) of Act 12 of 1977  
 (c) Previously included under "General"  
 (d) Section 1 of Act 38 of 1977  
 (e) Section 2 (1) (a) of Act 54 of 1971  
 (f) Section 8 of Act 18 of 1936  
 (g) Section 5 of Act 53 of 1957  
 (h) Section 19bis (1) (a) of Act 63 of 1962  
 (i) Section 22 (4) (a) of Act 25 of 1969  
 (j) Section 22 (2) (c) of Act 25 of 1969  
 (k) Section 5 of Ordinance 21 of 1953

(a) Artikel 22 (1) (d) van Wet 25 van 1969  
 (b) Artikel 1 (2) van Wet 12 van 1977  
 (c) Voorheen ingedeel onder "Algemeen"  
 (d) Artikel 1 van Wet 38 van 1977  
 (e) Artikel 2 (1) (a) van Wet 54 van 1971  
 (f) Artikel 8 van Wet 18 van 1936  
 (g) Artikel 5 van Wet 53 van 1957  
 (h) Artikel 19bis (1) (a) van Wet 63 van 1962  
 (i) Artikel 22 (4) (a) van Wet 25 van 1969  
 (j) Artikel 22 (2) (c) van Wet 25 van 1969  
 (k) Artikel 5 van Ordonnansie 21 van 1953

DEPARTMENT OF FOREIGN AFFAIRS

No. 2768 7 December 1979

It is hereby notified that the following persons are registered in terms of section 4 of the Diplomatic Privileges Act, 1951 (Act 71 of 1951), as being entitled to diplomatic immunity under the said Act

- Austria*  
 His Excellency  
 Dr M. H. Fitz  
 Mrs N. H. Fitz
- Venda*  
 His Excellency  
 Mr S. R. Ramabulana  
 Mr R. Ramabulana
- Australia*  
 Mr K. E. Scott  
 Miss B. J. Huch
- France*  
 Mr B. Thoor  
 Mrs A. F. Thoor  
 Miss V. Thoor  
 Miss C. Thoor  
 Master J.-F. Thoor  
 Miss D. Marchal
- Italy*  
 Mr A. Chiarelli  
 Mr G. Sabbieti  
 Mrs V. Sabbieti  
 Master G. Sabbieti
- Israel*  
 Mr Y. Yona  
 Mrs T. Sever  
 Mr I. Sever  
 Miss T. Sever  
 Miss M. Sever
- Sweden*  
 Mr P. H. Lindstrom  
 Mrs A. Lindstrom  
 Mr M. P. Lindstrom  
 Master N. S. Lindstrom  
 Miss V. A. Lindstrom.

DEPARTEMENT VAN BUITELANDSE SAKE

No 2768 7 Desember 1979

Hierby word bekendgemaak dat ondergenoemde persone ingevolge artikel 4 van die Wet op Diplomatieke Voorregte, 1951 (Wet 71 van 1951), geregistreer is as geregtig op diplomatieke immunitet kragtens genoemde Wet

- Oostenryk*  
 Sy Eksellensie  
 Dr M. H. Fitz.  
 Mev N. H. Fitz.
- Venda*  
 Sy Eksellensie.  
 Mnr S. R. Ramabulana  
 Mnr. R. Ramabulana
- Australie*  
 Mnr K. E. Scott.  
 Mej B. J. Huch
- Frankryk*  
 Mnr. B. Thoor  
 Mev. A. F. Thoor  
 Mej V. Thoor.  
 Jongejuf C. Thoor.  
 Jongeheer J.-F. Thoor  
 Mej. D. Marchal.
- Italie*  
 Mnr. A. Chiarelli.  
 Mnr G. Sabbieti.  
 Mev. V. Sabbieti  
 Jongeheer G. Sabbieti
- Israel*  
 Mnr. Y. Yona  
 Mev T. Sever.  
 Mnr I. Sever.  
 Jongejuf. T. Sever.  
 Jongejuf M. Sever
- Swede*  
 Mnr P. H. Lindstrom  
 Mev A. Lindstrom.  
 Mnr M. P. Lindstrom.  
 Jongeheer N. S. Lindstrom  
 Jongejuf V. A. Lindstrom.

250 Post 2/12/79

# Government departments re-shuffle

**A FAR-REACHING** reduction of Government departments from 39 to 22 by re-grouping public service functions was announced by the Prime Minister, Mr P W Botha, yesterday.

In the first big step in the rationalisation of the public service the Prime Minister cut the number of departments by 17 and took more functions under the wing of his Department of the Prime Minister.

The move means a redistribution of functions and not an axeing of departments with consequent loss of jobs.

There will still be 18 Cabinet Ministers, but the reorganisation will mean a major Cabinet reshuffle in the new year.

The main points emerging from the Prime Minister's statements at a Press conference are:

The Office of the Prime Minister will be re-equipped to provide long-term planning for the country. It will play an important role in co-ordination between sectors. The primary functions of the existing Departments of Statistics and Environmental Planning and Energy will be absorbed into the department.

The existing Departments of Coloured Relations and Indian Affairs will be absorbed into a new Department of Internal and Constitutional Affairs which will also do the work of the present Department of the Interior.

A new department, the Office of the Commission for Administration, will take over the functions of the Public Service Commission.

Services, of Economics and Marketing, the Agricultural Credit Function of Agricultural Credit and Land Tenure, and the Sea Fisheries division of the Department of Trade.

The land tenure function of the Department of Agricultural Credit and Land Tenure goes to the Department of Community Development.

The Department of Education and Training is absorbed into the Department of Co-operation and Development.

The Departments of Water Affairs and of Forestry have added to them the environmental conservation function of the Department of Planning and the Environment in one department.

The Department of National Education swallows the Department of Sport by getting the sports promotion function.

The Departments of Health and Welfare and Pensions are amalgamated into one Department of Health, Welfare and Pensions.

The Department of Mines and of Environmental Planning and Energy becomes the Department of Minerals and Energy Affairs, taking the energy planning function of the old Department of Environmental Planning.

## DETERMINE

The Prime Minister said the Government was determined to implement the change as fast as possible. But as the reorganisation had far-reaching implications it would have to

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The Department of Finance will include the functions of the Departments of Inland Revenue and of Customs and Excise.

**DISAPPEARS**

The Department of Foreign Affairs becomes the Department of Foreign Affairs and Information.

The Department of Justice takes on responsibility for administering prisons and the Department of Prisons disappears.

The Department of Community Development and the Department of Public Works amalgamate to become the Department of Community Development and Government Auxiliary Services.

The Department of Tourism is swallowed by the Department of Industries, Trade and Tourism.

A new Department of Agriculture and Fisheries absorbs the Departments of Agricultural Technical

be carried out at a rate reconcilable with a minimum of disruption.

The reduction in departments would result in improved co-ordination, better use of manpower and a better service to the public.

To ensure efficient management of the rationalised departments a new management level would be introduced into the public service, which would also have the effect of improving career prospects.

The names of some of the departments were somewhat lengthy and shorter names would be considered later. At this stage it was necessary to have lengthy names in some cases to indicate where certain functions had been accommodated.

In due course attention would also be given to the relationship between the public service and semi-government institutions.

Post  
7/12/79

No 114 173 43 63 316 307 455 530  
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By AMEEN AKHALWAYA  
Political Reporter

IN KEEPING with his promise to rationalise the country's bureaucracy, the Prime Minister, Mr P W Botha, yesterday announced that the number of Government departments would be reduced from 39 to 22

Speaking at a Press conference in Pretoria, Mr Botha also announced the establishment of an Office of the Prime Minister which will be "equipped to supply the need for a long-term development plan" for the country

"The planned Office of the Prime Minister will play an important role in the co-ordination of activities in all sectors, Mr Botha said

He also announced the establishment of an Office of the Commission for Administration The Public Service, presently under the Department of the Interior, will be part of this office

The 22 departments will fall under 18 Ministries Mr Botha said the Government was determined that the change would be implemented as quickly as possible The changeover could be completed within the next 12 months

The necessary Cabinet changes and adjustments would have to stand over at least until the end of next year's parliamentary session

With 12 000 vacancies in the civil service, no one would lose his or her job, Mr Botha said The posts of heads of departments would probably be upgraded. Some of the existing departmental secretaries would retire and their positions would fall away

Others would be incorporated into the proposed new departments No official would suffer as a result of the changes.

Among the major changes are the relinking of the Department of Education, and Training with the Department of Co-operation and Development

Before the previous separation of the two portfolios, the old Department of Bantu Education and the Department of Bantu Administration and Develop-

# PW keeps promise to streamline structure of SA Govt

*RDM 7/12/79*  
*250*

ment fell under the same Minister

The present functions of the Departments of Coloured Relations and Indian Affairs will be absorbed without change, together with the Department of the Interior, into the proposed Department of Internal and Constitutional Affairs.

The final allocation of the functions of the Coloured and Indian departments will be determined after a decision on the future constitutional dispensation

At present, the two departments, together with the Department of Community Development, fall under the same Minister.

The Department of National Education (white) will also include the promotion of sport, which was previously a separate department Both departments are presently under the same Minister.

Energy will now come under the Department of Mineral and Energy Affairs

Mr Botha said this was aimed at ensuring the authorities would give attention on a co-ordinated basis to the country's energy requirements and problems

Energy-producing semi-

Government institutions will also be linked to the planned department

Prisons, which at present fall under the Police and Prisons Ministry, will be included in the Department of Justice.

The Department of Finance and the Office of the Auditor-General will both fall under the Ministry of Finance

SA Railways and Harbours and the Department of Transport will both fall under the Ministry of Transport Affairs

Public Works will come under the Department of Community Development and Government Auxiliary Services

Health, Welfare and Pensions will be in one department. Consumer affairs will fall under the Department of Industries, Trade and Tourism

Agriculture and Fisheries will be served by one department as will Water Affairs, Forestry and Environmental Conservation

The primary functions of the present Departments of Statistics and Environmental Planning and Energy will be absorbed into the Prime Minister's Office

● See Page 2

	M	F
	9,36	27,05
	3,56	3,42
	0,20	0,22
	0,36	0,45
	2,15	1,27
	5,45	2,93
	1,66	1,61
	3472	2593

(8th REVISION)  
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egories).

# There's lots of room still for State enterprise

① 49  
② 250  
③ 74

South Africa is reaping the benefit of heavy State expenditure in the mid-70s. There is a danger that in the scramble to give more scope to private enterprise the need for public spending on preparing the ground will be overlooked.

By HAROLD FRIDJHON

IN THIS heady, euphoric atmosphere of up the free enterprise system, slash all Government spending and keep the State's fingers out of the capital pot, there is a grave danger of the mood being overplayed.

In many sectors of the economy the less State interference in the private sector the better. And Dr S W van der Merwe's easing of the import control restrictions is a big step in the right direction.

From a balance of payments point of view there was neither rhyme nor reason why import control should have been persisted with for the past year or more. If South African industries needed to be protected the correct course was to raise tariff barriers of the right kind, Gatt permitting.

But protection by import control is immoral and inequitable, quite apart from the enormity of delegating to public servants who have no idea of trade and commerce is all about, the right to decide who should import specific goods and who should not. It was a system which lent itself to abuse — and at times during its long

history, import control was abused.

People who import goods should be at risk, the normal business risk, they should not be protected by arbitrary decisions on the issuing of permits.

Hopefully — if the gold price holds and our other merchandise exports continue to flourish — we have seen, or we are seeing, the end of import control and with it the return of free trade in business. And if someone overimports he has to answer to himself for his folly.

But in the rush to "dank die Minister", for heaven's sake let us not discourage capital expenditure by the State. We need it. The right sort of spending, of course. Not palatial town halls, or white elephant opera houses. These we can do well without, even if their loss diminishes the status of the city, town or dorp concerned.

What is needed is real honest-to-goodness infrastructural capital expenditure so that the soil is prepared for the private sector to do the ploughing, the fertilising and the seed-sowing for the industrial crops of the future.

I would like the Railways,

for instance, be given the capital to develop more mineral lines and more port facilities for the export of our primary products.

Why stop at 44-million tons of coal for the export markets? In the mid-80s the world demand for steam coal will burgeon and South Africa should be right out there in the market place offering this product. Colliery owners can find the capital and can develop their facilities, but they are entirely dependent on the State to have laid the foundations in the first place.

And it's not just a question of coal, this applies with equal emphasis to all mineral and agricultural exports.

Then, if the rural and homeland areas are to be developed and opened up as they should be, again, the soil must be prepared by the laying down of roads and the provision of power — not that Escom is lag-gardly. On the contrary, of all the State and quasi-State bodies, Escom is the most forward looking. It plans well ahead which is what other State departments should do.

As Mr Mike Rosholt, chairman of Barlows, said in his recent annual statement. "The public sector must continue to lead in investing in labour-intensive projects, such as urban housing, infrastructural development and agricultural schemes in the rural areas. For its part private enterprise can assist by providing finance and marketing experience."

The national accounts show that the big jump in State spending on fixed investment, particularly in 1975 and 1976, prepared the ground for the prosperity which we are just beginning to enjoy.

In the succeeding years there has been a levelling off of expenditure which really means a physical decline in the provision of resources because of the effects of inflation.

When Senator Horwood frames his Budget, he should certainly use his scalpel on some of the wasteful current expenditure in many departments, but when it comes to capital expenditure, I say more, not less, money for development is needed. While the balance of payments can stand the strain, let him spend on capital necessities. If needs be, let's borrow while our credit is good.

This will lead to more employment, bigger demand and faster growth which has to be South Africa's watchword.

# State receipts outrun spending

RDM  
28/12/79

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By HAROLD FRIDJHON

**GOVERNMENT** expenditure at the end of November was running at a rate 19% above the comparable figure for the fiscal year to March 1979, but offsetting this is the 19,6% rise in Treasury receipts during the same period

Total expenditure during the eight months of the current fiscal year amounted to R7 568-million while revenue collections built up to R5 825-million. The comparable figures for the last fiscal year were R6 355-million expenditure and R4 868-million revenue.

The 19% growth in total Government spending is not a frightening increase when the effect of inflation is taken into account. It reveals that the Minister of Finance, Senator Owen Horwood, is managing to apply the restraints which he promised to do when he introduced his last Budget.

This is noticeable when the eight months' expenditure is annualised, it works out at R11 352-million against R11 219-million which was originally budgetted for. In point of fact a higher degree of over-run can be expected because of some of the hand-outs which were announced by the Minister at the last National Party congress in Pretoria.

But it is on the revenue side where Senator Horwood will find a big flow of extra cash

when he balances his books next year. On an annualised basis the eight months' revenue is running at a rate of R8 783-million, compared with a budgetted estimate of R8 417-million — and this before he has collected his take from the gold mines and the other bonanzas which will come his way this year.

At the end of this month, the gold mines will be making their contribution to the fiscus on profits which will be swollen by a gold price that very few people foresaw for 1979. In addition, the overall business environment this year has been far better than even the optimistic minister might have envisaged last March. This suggests that collections will be higher than he had might have hoped for from income tax on individuals and on companies.

A revenue source which should yield a bounty far beyond the Senator's expectations is the general sales tax. At the end of October GST had brought in R688-million. On an annualised basis this indicates that total collections should be of the order of R1 182-million against a Budget estimate of R1 150-million. The reports of bumper Christmas shopping from all parts of the country, with turnovers orbiting in the R3 000-million altitude, suggest that GST from the retail trade alone should bring in R120-million in December.

General sales tax was esti-

mated to bring in an average of R96-million a month from all sources, of which the retail trade is only one. The incidence of the tax includes most goods and services and with the improved state of business in most sectors of the economy collections are most likely to exceed, the Minister's expectations.

At the end of November with expenditure running at R7 186-million and with revenue at R5 381-million the Exchequer account was showing a deficit of R1 805-million. This was partly financed by net borrowing of about R1 795-million, according to the Treasury's monthly statement. But these figures do not include the many millions which were raised by the 183-day special Treasury bills. It would seem that the Treasury's position should be very comfortable without the authorities having to make any calls on the banking sector.

During November, R13 802 610 was raised in Defence Bonus Bonds, bringing total receipts from the lottery bonds to just under R92-million during the eight-month period.

The Treasury also issued as a "tap" R102-million of its 9,25% loan dated 2004. Presumably this went to the Public Debt Commissioners.

And during November foreign export credit facilities amounting to R34-million were repaid.