URBAN AFRICANS - GENERAL

1989
Blacks granted leasehold rights

Johannesburg. — The granting of full leasehold rights to urban blacks was an attempt to sort out an historical anomaly, a legal expert said yesterday.

The Conversion of Certain Rights to Leasehold Act (Act 81 of 1980) which was gazetted on Friday meant home-owners would also have leasehold rights on their ground. The act came into effect on January 1.

Blacks have formerly only had occupation rights on the property on which their houses stood. The act provides for the further promotion of black house ownership and the repeal of a set of comprehensive regulations over black urban homes, the Department of Development Planning said.

"It is expected that the act will cause an upsurge in the property market in black cities and towns because both residents and business sites are involved," it said.

Until 1978, when the 99-year leasehold system was introduced, blacks could not have leasehold rights, but occupied homes and businesses through permit ownership.

Leasehold owners had the opportunity of applying for building society loans, selling the house or business without permission from the local authority and were granted permanent registered title.

The full leasehold act means permit-holders can convert to leasehold rights without the cost suffered by those who converted to the 99-year leasehold system, the expert said.

The act allowed the government to get rid of the abnormal permit system. "It is an anomaly in common law for people to own the structure, and not the land," he said.
converted to full ownership at the wish of the holder, as soon as township registers are opened, Tager adds. She estimates that about 300 000 people will then be able to acquire registered title. This is important because to date only some 50 000 have registered 99-year leasehold titles under existing law.

A leasehold title, explains Tager, “is a statutory form of tenure which confers on leaseholders the right to improve and occupy their lots, to mortgage, dispose of, let and bequeath their rights. When 99-year leasehold is transferred to another person the 99 years commence to run afresh. Leasehold title is registered in the Deeds Registry office. Buyers of leasehold title do not pay transfer duty or stamp duty.”

“In 1968, by an amendment to the Black Communities Development Act of 1964, the restrictions against a black person’s right to own property were removed. Today any black SA citizen, including black persons who are citizens of the so-called independent States and the six self-governing territories, may acquire (lease or own) property in any urban area which is set aside for occupation by blacks.”

The new legislation also makes it possible for private sector developers to develop new townships. Prior to 1986 the provision of serviced land and housing was exclusively in the hands of the State. This process can be compared to Margaret Thatcher’s privatisation of council houses.

Regulations for establishing new townships in black areas have been streamlined and it make possible to establish one in less than a year.
New business legislation 'falls short'

By Stan Hoppe

New legislation which allowed white businessmen to own up to 49 per cent of businesses in black urban areas, while freeing black businessmen from crippling regulations, was yesterday described as falling far short of addressing the fundamental trading restrictions faced by black entrepreneurs.

Black businessmen interviewed by The Star were unanimous that the legislation, gazetted last Friday, which eases restrictions on whites owning shares in black businesses, was detrimental to the growth of black trade and against the free enterprise system.

They maintained that as long as the Government still retained statutory laws such as the Group Areas Act, Separate Amenities Act and the Population Registration Act, the black entrepreneur would be outclassed by his white counterpart.

The new Act, the conversion of certain rights to leasehold Act (Act 81 of 1988), repeals restrictions on economic growth in black urban areas and came into effect on January 1, according to a University of the Witwatersrand law professor, Mrs Louis Tajer.

PROSECUTED

The Act replaced Regulation 1836 of 1963, which permitted 'Blacks' to build and occupy existing business premises in the black urban areas. No 'non-black' child owned shares.

Mr Hélèl Khosa, chairman of Shareworld and managing director of Co-ordinated Mariting, said whatever the Government did was still short of addressing the fundamental issue faced by the black entrepreneur in particular and blacks in general.

'Until the Government does away with these apartheid laws, whatever it does will not ameliorate things. Giving white businessmen 49 per cent ownership of the black trade is tantamount to making pains more unbearablr.

'The 49 percent-51 percent ownership gives whites more advantage because they have more expertise and capital, and the difference means nothing as white, will eventually have more influence,' he said.
Retail sector excitement over new urban areas law
Merger may provide negotiation platform

By Peter Fabricius, Political Correspondent

The merger of the two major black municipal bodies — the United Municipalities of SA (Umsa) and the Urban Councils’ Association of SA (Ucosa) — to form a new national negotiating forum could provide the platform for negotiating with urban blacks.

Sources in both camps said today that the two bodies were likely to merge soon to establish a body to represent urban blacks at national level and to participate in Government negotiations for a new national constitution.

This body will probably become the institution which provides urban blacks with a platform for participating in the Government’s proposed National Council.

The decision to create the new national forum was taken yesterday at a meeting between the Government and about 65 black council leaders from around the country.

For Umsa the decision indicates an important shift in tactics.

It had previously refused to join in negotiations with the Government until all black leaders were free to participate.

Minister of Constitutional Development and Planning Mr Chris Heunis, who convened the meeting, said that the initiative was very important and underscored the point that the evolutionary movement was “gaining tremendous momentum against the radicals”.
Mayors in talks

ABOUT 200 mayors and councillors from black local authorities councils nationwide yesterday agreed to participate in talks with the Government aimed at including a delegate of blacks to represent urban residents in parliament.

The decision was taken at the end of a five-hour meeting hosted by the Minister of Constitutional Development and Planning, Mr Chris Heunis, at the Helderkruin Centre in Bryanston, Johannesburg.

Meanwhile two major black municipal bodies, Umva and Ucasu — have joined forces to establish a new forum to represent urban blacks at national level and to participate in Government negotiations for a new national constitution.

They agreed yesterday to create a body which would become the platform for non-homeland urban blacks to participate in the Government's proposed national council for Umsa.
PRETORIA — A national forum or organisation to represent blacks outside the self-governing territories is to be created.

This was decided at a meeting in Johannesburg yesterday between a top-level government team headed by Constitutional Development and Planning Minister Chris Heunis and representatives of black local authorities.

Heunis said after the meeting the forum could eventually take part, with other components, in the broad national process of negotiations.

A steering committee would draft its constitution and report back to the meeting before the end of March.

The meeting subscribed to evolutionary reform as opposed to revolutionary change, and this should be achieved through negotiations.

The absence of a suitable organisation for black communities outside the self-governing states was an obvious and unacceptable omission.

A spokesman for Heunis said 69 black community leaders had attended the meeting, most of them councillors representing the United Municipalities' Association (Umasa) and the Urban Councils' Association (Ucas).
Families for Leasehold

Legislation qualified

The acs attacks only those people who have occupation rights to help
their leasehold rights to the land as if you were to pay to extract
the extent of the land over the years and to have
in respect of their property. It does not affect leasehold
which the houses stood

The houses and buildings for which they hold.

About 360,000 black families.
Merger may provide negotiation platform

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US sanctions not helping to end apartheid, says Baker

The Argus Foreign Service
WASHINGTON. — Mr James A. Baker, who is to serve as US Secretary of State under President George Bush, has appealed to Americans to consider carefully their actions on South Africa since sanctions were not helping to end apartheid.

In testimony before the US Senate's foreign relations committee, Mr Baker said: "The stresses and strains that accompany the inevitable end of apartheid will provide a severe test for all involved.

"We must think long and hard about the effects of our actions — not on our own self-esteem but on the people we want to help."

Mr Baker also promised an immediate investigation into allegations that the Cubans were storing poison gas in Angola at the 15th parallel — to which they must withdraw by July 1.

In reply to questions by Republican Senator Jesse Helms, Mr Baker said he had not been aware of the Cuban action.

"Clearly, that's something that would be of major concern to me. All I can promise you to do is to look into it immediately," he said.

Senator Helms told the committee the Cubans had used poison gas against Unita in three battles last year and that this had been documented.

"Now my representatives have brought back reports, documented, that tons of poison gas have arrived in Angola in Soviet transports within the past few months and have been stored on the 15th parallel," the senator said.

Mr Baker said he had not yet had a chance to develop policy proposals towards South Africa and would have to discuss the issue with Mr Bush.

But, he added: "The core problem of apartheid persists down there. I suppose it's fair to say the detention laws, if anything, have got worse rather than better.

"I really don't see the possibility for the United States normalising relations with South Africa without there being real progress toward dismantling that system."

"I think our sanctions have amplified that message, but I think we ought to all be candid enough to recognise that the sanctions we've imposed haven't produced the desired result and by themselves they probably cannot produce the desired result."
SA cities face serious obstacles | Urban Foundation

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Funding by 2/11/08

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Kgame gets back into Ucasa fold

By MOJALEFA MOSEKI

FORMER president of the Urban Councils Association of South Africa, Mr Steve Kgame, stormed back into the leadership of the organisation at the weekend when he was elected to a newly-created position of "director."

The resolution to appoint Mr Kgame a director of Ucasa was taken during a meeting attended by 700 delegates on Sunday, according to a Ucasa press release.

Mr Kgame, a founder member of Ucasa, was disgraced during the October municipal elections last year in which he lost to an unknown in his ward. A former mayor of Dobsonville, Mr Kgame helped found Ucasa some years ago to liaise and co-ordinate the activities of councillors in dealing with community issues and government directives. The loss of his seat in the Dobsonville council also cost him the presidency of Ucasa — a position he had held onto since the inception of the body.

On a merger with the United Municipalities of South Africa (Umusa), Ucasa resolved: "We deny any suggestions of mergers, splinter or breakaway groupings but would consider applications from such groups for membership on Ucasa's terms."

The organisation is, however, prepared to work together with others in forming a national forum for negotiations. But, this will only be on the basis of "Ucasa's own identity."

Other resolutions were that Mhluzi township mayor, Mr Philip Nhlapo, be appointed president until a further decision.
New agenda needed for SA cities

By Adele Baleta

A new national agenda for South African cities was necessary if the country was to have an effective urban policy, says The Urban Foundation’s policy director, Ms Anne Bernstein.

She was addressing the University of Cape Town’s summer school on the topic “Focus On The Cities — Towards a New National Agenda”.

Ms Bernstein said South Africa faced three major challenges — increased economic growth and massive job creation, rapid urbanisation and the political challenge of building an inclusive non-racial democracy.

These challenges “all come together at the fulcrum of the nation, in the cities”, she said.

The Government should focus on the cities, their place in the social structure, how they should be managed and the inter-relationship of urban growth with rural and regional development.

Ms Bernstein regarded South Africa’s cities, which would lead the country to the future, as the key mechanism for coping effectively with urbanisation.

This was because they provided the core environment in which economic growth had to occur, expand and provide jobs and in which the benefits of urbanisation, such as modern sewage systems and big department stores, had to become available to an expanding population.

But she said two serious obstacles faced our cities. These were the negative consequences of apartheid and racial segregation and the belated recognition of black urbanisation.

Attitudes and policies had to change so that cities of exclusion — restriction and control — could become cities of opportunity where there was expansion and growth for all.

**Issues**

To achieve this a number of key inter-related issues needed to be dealt with.

These included the necessity of concentrating on managing cities — job provision, services and facilities — that would double in population by the year 2000, and to stop wasting time debating whether black and white South Africans could live next to each other.

“South Africa’s racially — as opposed to functionally — divided cities caused serious economic, political, financial and administrative consequences”, Ms Bernstein said.

“National and local leadership must seek to develop popularly accepted and effective processes and institutions that will develop and then communicate a shared vision of the future.”

This vision had to be inclusive of all citizens, built on democratic decision-making and focused on economic growth and on opening opportunities for the poor.
Morobe tells meeting of detentions

HARARE — The third meeting of the Committee of Commonwealth Foreign Ministers on Southern Africa yesterday heard testimonies of two former detainees who hid in a US consulate after escaping last year.

Mr Murphy Morobe and Mr Mohammed Valli, senior officials of the restricted United Democratic Front, told journalists they gave the ministers an overview of the situation in South African jails.

Mr Morobe said they told the meeting of the need for the Commonwealth to increase pressure on South Africa.

— Sapa
GOVERNMENT was unlikely to achieve long-term stability in the townships unless it was willing to alter the local government system significantly, the SAIRR said.

In Fragile Figures? — The 1988 PWV Township Elections, an analysis of last year's municipal elections, author Harry Mashabela said polling figures by no means indicated endorsement of the constitutional system.

He said: "Government will have to begin dealing with all township groups, including those who oppose the system, to frame an alternative which enjoys wider support."

Mashabela's analysis covered the Pretoria/Witwatersrand/Vereeniging townships, where percentage polls were lower than the national average (17.3%) opposed to a national figure of 25%.

This is the country's most populous and economically important urban region, and a failure to win credibility for official local government here could have serious implications for long-term stability.

The analysis said: "Polls appear to show that, even in the absence of a boycott campaign, township residents remain at best indifferent to the official local authorities."

In spite of sustained voter-registration campaigning, few areas showed polls approximating the total eligible population. — Sapa.
Townships 'indifferent' to official local gov't

Political Staff

Township residents are "at best indifferent to the official local authorities", according to a study of last year's municipal elections released yesterday by the South African Institute of Race Relations.

Fragile Figures? — The 1968 PWV Township Elections, written by Mr. Harry Mashabela, says the government is unlikely to achieve long-term stability in the townships unless it is willing to alter the present local government system significantly.

Mr. Mashabela says the 17.3% PWV poll "appears to show that, even in the absence of a boycott campaign, township residents remain at best indifferent to the official local authorities".

Another indication of this indifference was low registration. In Botleng near Delmas, a 43% poll was recorded but only 34.4% of its adults were registered. In KwaThema near Springs, the poll was 23% but only 42.2% of adults were registered.

Mr. Mashabela said the fact that many residents did not register reflected a widespread reluctance. Even were it established that most residents failed to vote or register because they were afraid to do so, "this would show that two years of sustained security action had failed to persuade residents that they could take part in official political structures without fear of reprisal".
Call for Policy to Provide ‘Shelters’

In the absence of a bold state-financed housing initiative, it had become necessary to address the accommodation shortage in terms of forms of shelter rather than proper housing, the Labour and Economics Research Centre’s Taffy Adler said yesterday.

He said the FSA Contact 1969, industrial relations seminar, that there was a shortage of 1.6 million housing units, in a situation where only 25% of blacks could afford even the cheapest available formal housing. Without the first-time homeowners state subsidy, that figure fell to 11%.

The figures made it clear private sector projects could do little more than provide housing for the small numbers of high-income earners.

Adler, a consultant to the trade union movement on housing and related matters, said several steps had to be taken before even the most elementary forms of shelter could be brought within the reach of most people.

Firstly, to counter land shortages, what was required was the abolition of all restrictions on land purchase by blacks.

Employer groups should lobby government, perhaps together with the labour movement, for the release of land at reasonable prices.

Another requirement was the need for cheap finance and subsidies for people wishing to build shelters.
Houses up for grabs.

ABOUT 69 percent of State-owned houses offered at discounts of up to 40 percent are still up for grabs, according to a survey conducted by the Department of Community Services.

Mr Alex Weiss, assistant director of housing of the Department of Community Services, said 102,000 or 31 percent of the 332,727 houses which were put on the Government's "Big Sale" in 1983 had already been sold countrywide.

He said the number of houses which were still up for sale were more than 230,000. The total is made up of 156,923 houses in the Transvaal, 39,308 in the Eastern Cape, 17,387 in the Western Cape, 59,611 in the Northern Cape, 5,661 in Natal and 12,427 in the Free State.

He said the "Big Sale" was a great success in the Northern Transvaal where all 1,499 State-owned houses were bought under the scheme by the registered tenants.

He added the campaign achieved a 54 percent success in the Central Transvaal where 7,379 of the 13,637 houses were sold.

Mr Weiss expressed optimism that more houses would be sold during the course of this year.
Black housing: R2bn is needed annually

INVESTMENT of R2bn annually for 22 years was needed in the urban black housing market to overcome housing backlogs and meet demand, Urban Foundation residential development and construction division MD Matthew Nel said.

Nel told a capital expenditure conference last week this would provide about 125 000 housing units a year.

He said he had arrived at the projection by basing an assessment of financial investment requirements on the determination of current and future effective housing demand as indicated by the buying power in the black urban housing market.

It was apparent most of those in need of housing could afford only those products substantially below the R35 000 cut-off point. This was below the level at which most private homeowners operated.

Investment in housing generally had resulted in the overhousing of a fairly small segment of black urban dwellers while the rest remained underhoused.

Nel said there would be a conservative annual demand for about 200 primary schools and 67 secondary schools. A primary school now cost R1.6bn to build and a secondary school R3bn.

It was essential to optimise the manner in which housing resources were deployed.
Black housing: challenge or tragedy?

Several factors had distorted normal market mechanisms for the delivery of home loan finance. Negative interest rates had resulted in low savings while, until recently, government had influenced a lower rate of interest for the smaller loans which were administratively more expensive.

This meant that while institutions were charging high rates for big bonds, home-buyers with smaller funding requirements were receiving little or no financial assistance.

GERALD REILLY reports from Pretoria the the Central Statistical Service said the black population was growing at a rate of nearly 500 000 a year.

Tucker advised home-loan financiers to try to convince pension funds, which invested little in housing, of the benefit of fully paid homes to their clients.

Secondly, he recommended a viable securitisation system to mobilise the savings resources of life offices, pension funds and major corporations.

Thirdly, investment instruments would have to be developed in retail and wholesale markets to bring about a better correlation between increased earnings and rates of return. This would enable homeowners to pay bigger bond and pension instalments.

AN EXPECTED 75% increase in the black urban population by the year 2000 would present the greatest challenge, or the greatest potential tragedy, for housing, SA Perm MD Bob Tucker said yesterday.

He told the Wits Business School there would be a shortfall of three-million black housing units by 2000 if housing trends continued.

Based on estimated demand for housing finance and the capacity of financial institutions to satisfy that demand, Tucker said after 2000, building societies would need an additional R20bn and banks an additional R30bn.

To address this backlog in housing,
MORE houses were built for blacks than whites last year, although in money terms white housing is still ahead, according to Riley Schachat, chairman of the National Association of Home Builders (NAHB).

Speaking at the annual general meeting of the NAHB yesterday, Schachat pointed out that black housing only accounted for some 24% of money spent on housing, while 56.4% of homes built were for blacks.

"However, high volumes were necessary to make the black sector viable bearing in mind the low margins and high risk factor.

"But with innovative design, construction and financing packages this market could be considerably increased," said Schachat.

Another interesting development within the industry last year was the increased usage of the informal sector for construction activities. Development, he points out, which has contributed materially to curtailling cost increases.

A trend for the future, Schachat told the ACM, was the setting up of joint ventures between black entrepreneurs and white building companies. "This is an essential ingredient in order to spread involvement within a private enterprise economy," he said.

Schachat, however, believes that arresting the declining trend in the value of building plans passed is a top priority. "By June 1984 the figure showed a 30% improvement against the comparable period in 1987. But in December 1988 this improvement had decreased to 20% against 1987.

"Housing needs demand that this tempo of improvement should, at least be maintained, if not bettered," he said.
FINANCE Minister Barend du Plessis has presented Parliament with a R65.5-billion budget pushing up Government spending by 13.4 percent despite widespread calls for it to be kept below 10 percent.

The 12.4 percent is based on the revised government figure of government spending for last year, taking into account the R2691-million by which the Government overspent on its own estimates of last year.

Compared with its original estimated spending for last year, the new estimates are 18 percent higher.

Protection services — which include the police and Defence Force — have absorbed 23 percent of the budget with social services being allocated 37 percent.

Education as an individual item, although divided among five different education authorities, at R11.8-billion is the single biggest amount representing 18.6 percent of the budget. The amount has increased R1.9-billion (19.2 percent) on last year.

Mr du Plessis said it was difficult for the Government to cut back on expenditure.

"We have to expand with all speed the First World segment of our society so as to accommodate the Third World component.

"This will mean opening the doors of opportunity on the one hand and equipping people to enter them on the other."

Saying the people had to be set free in the realm of mobility, both spatial and occupational, he cited housing as an example of essential spending.

The allocation for housing has gone up by 8.9 percent to R977.1-million for this year.

The main contributors to increased spending over last year's estimates in cash terms are:

Defence, which is to spend R9.9-billion (up by R1.7-billion). The jump has been mainly attributed to the peace agreements in Namibia and Angola;

The Department of Finance, which increases its spending by R1.8-billion to R10.7-billion, mainly to service State debt, with R9.9-billion required for the year;

Constitutional Development and Planning, mainly as a result of increases in the budgets of the provinces as well as an R50-million increase in urban development and housing aid for blacks with R280.2-million budgeted.

In percentage terms, the SA Police (with a R2.4-billion budget) and Foreign Affairs (with a R3.2-billion budget) have gone up the most.
FHA challenge on low-cost homes

In a new bid to encourage low-cost housing, FHA Housing has challenged inventors and the construction industry to come forward with home building plans affordable to dwellers earning R500 a month. FHA was originally established by the Urban Foundation.

Turnover grew from R2m in 1984/85 to a projected R103m in 1988/89 and the company is currently involved in the development of 29 000 homes.

FHA said in a statement released yesterday that it would allow respon-

dents to display their skills and wares in show houses and might also offer them franchise agreements.

The construction industry, hampered by unrealistic specifications to conform to lending institutions' and local authorities' norms, had not fulfilled the need for low-cost housing, FHA said.

More than 50% of the black population could not afford houses costing more than R16 000.
Most urban blacks oppose sanctions poll

LONDON — Most urban black South Africans opposed the use of sanctions and violence to end apartheid, a new survey has found.

The Markinor poll, commissioned by ITV and The Independent, also showed that Nelson Mandela would be the most popular choice to lead the country.

Of the 550 urban blacks polled, 54.7% were opposed to sanctions, 39.9% favoured them and 5.5% did not have a position. 3c/346c

The poll showed that more than 61% were opposed to the use of violence.

Questioned about the most serious problem facing black South Africans today, 57.7% said it was jobs, wages and unemployment. Only 1.1% said it was the question of voting rights.

On the national leadership issue, 41% supported Mandela. The second choice was President P. W. Botha with 18%.

Archbishop Desmond Tutu received 8.7% support, Mangosuthu Buthelezi 6.8% and NP leader F. W. de Klerk 4.8%. — Sapa.
Technology challenged

FHA Homes, a utility company of the Urban Foundation, has challenged South African technology to provide a building system to make it possible for families earning R500 a month to own basic, but durable, homes.

The challenge was made by Mr Alan Kitchin, research and development manager of the company, who said his company's mission was to take housing to the down-market.

"In fact, the challenge is to see how far we can reach. Our aim for 1989 must be to make housing available to families earning as little as R500 a month," Mr Kitchin said.

He said houses costing in the region of R16000 were affordable to less than 50 percent of the black population, while the top end of the market — houses for R40000 and more — was becoming saturated.

Low-cost housing

The construction industry, he said, was unable to meet the need for low-cost housing because of "unrealistic specifications" laid down by financial institutions.

Mr Kitchin said his company was now taking the initiative to induce inventors to come forward with new building systems and materials.

"Systems most likely to succeed are those that allow the owners themselves to extend their houses as and when they have funds at their disposal," he said.

To encourage entrepreneurs to develop and market viable low-cost building systems, the company has set aside a number of stands in a newly established township for the erection of showhouses.

Urban Foundation

"Systems that merit consideration, but do not progress beyond drawing boards of their inventors or are unable to gain initial acceptance, can now be tested in the market sector for which they are intended," Mr Kitchin said.

The company originally established by the Urban Foundation under the name Family Housing Association. For the past five years, the company has been supplying serviced stands and a variety of housing options in the PWV area.

It is currently involved in the development of more than 29 000 stands. Turnover has increased from a modest R2 million in 1984/85 to a projected R103 million in 1988/89.
Solving critical housing shortage

A housing utility company has challenged South African technology to come forward with ideas which will contribute towards making housing affordable to families earning as little as R500 per month. Systems most likely to succeed are those that allow the owners themselves to extend their houses as and when they have funds at their disposal.

Cost effective construction

A South African company has developed a unique and cost-effective construction system in an effort to solve the critical shortage of housing in the country.

Mr. T. D. Berney, marketing manager of Ultraplan Systems Limited, said the newly invented system was based on a dry stacking interlocking system with numerous features, making it the most economical system available to date.

He said the system was designed in such a way that no cement was required for adhesion, thereby eliminating the need for a team of labourers to mix and supply dagga to the bricklayer.

Dagga mix

The Ultraplan blocks are delivered on site as a package and put together as a kit. By eliminating cement and the dagga mixing team, costs of materials and labour are considerably reduced.

“The blocks are designed in such a way that they fit into one another. This feature eliminates the need for skilled labour. Once the initial layer of blocks has been laid, the rest are stacked easily and quickly.

Conventional

“Since the size of the Ultraplan block is the equivalent of about eight conventional bricks and is much lighter, the construction of a house requires much less time than a conventional brick house,” Mr. Berney said.

He said the design of the blocks was of such a nature that no skilled labour was required. He said the blocks could actually be assembled by the owner himself.
PROCLAMATION
by the Acting
State President of the Republic of South Africa
No. R. 34, 1989

HEALTH MATTERS.—BLACK AREAS.

Under the powers vested in me by section 25 (1) of the Black Administration Act, 1927 (Act 38 of 1927), read with section 21 (1) of the Development Trust and Land Act, 1936 (Act 18 of 1936), I hereby declare as follows:

1. In this Proclamation, unless the context otherwise indicates—

"Black area" means any area consisting of land referred to in section 21 (1) of the Development Trust and Land Act, 1936 (Act 18 of 1936), or any scheduled Black area as defined in that Act, but excluding the self-governing territories referred to in section 26 of the National States Constitution Act, 1971 (Act 21 of 1971);

"Minister" means the Minister of Education and Development Aid; and

"the Act" means the Health Act, 1977 (Act 63 of 1977).

2. Notwithstanding the provisions of any law but subject to the provisions of this Proclamation, all powers, functions and duties affecting health matters in respect of Blacks in any Black area shall be under the control of the Minister.

3. The provisions of any ordinance of a provincial council or any other law relating to the establishment, maintenance and management of hospitals shall, in so far as they relate to any hospital in a Black area, continue to be of force and effect in respect of that hospital; Provided that any power, function or duty conferred or imposed by any such provision upon an Administrator of a province or an officer or employee of a provincial administration shall be exercised or performed by the Minister or by an officer or employee of the Public Service or provincial administration acting under the authority and instructions of the Minister.
Homeowners affect wage talks

The increase in the number of black homeowners and rising mortgage rates was causing pressure on management during wage negotiations, consultant Stuart Pennington said yesterday.

Pennington, publisher of the SA Township Annual which is to be released this week, said in almost every set of negotiations in which he had been involved in the past six months, demands for wage increases had been related to increases in bond repayments.

The SA Township Annual found that 85% to 40% of homes in black townships were now privately owned.

Pennington said many employers had encouraged and facilitated home ownership. They were now saying they should have been more careful in terms of examining employees' eligibility and circumstances.

He said financial institutions which granted bonds in terms of company housing schemes had made "inappropriate assumptions about financing". For example, financing was often based on remuneration calculations which included overtime.

"This means that when mortgage rates rise, as is happening now, new homeowners have little leeway. The possibility of eviction means that employers are pressured to make up shortfalls."

Urbanisation

He said housing development had generally grown dramatically in 1986 in line with the state's policy of shifting some responsibility for housing provision to the private sector.

Pennington said the growing momentum of urbanisation had created further housing needs and pressure to upgrade existing homes, along with a mushrooming of squatter development.

Informal activity in townships had also increased dramatically -- the result of the removal of restrictive legislation, he said.

However, he added, there was evidence of this contributing to the housing shortage as entrepreneurs converted living quarters to work quarters.

The annual contains extensive information on living and social conditions in 22 townships and contributions on the economy and various aspects of industrial relations.

It was designed, said Pennington, to narrow the information gap between parties to negotiations. Very often, he said, neither party had an idea of the other's circumstances so negotiations took place on the basis of threats and a destructive power play.

The survey found the average monthly budget for a five-person family was R670.66 -- a 7.5% increase on the previous year's figure. At R276, he said, the monthly food budget had increased by only 7%, a decline in real terms.
CAPE TOWN — Government was not considering making more land available for black housing, commercial or industrial development in the western Cape, Constitutional Development and Planning Minister Chris Heunis said in the House of Assembly yesterday.

He said, however, should any applications be submitted to him in terms of the Black Communities Development Act for the provision of more land for black development in the western Cape, he would consider them on their merits. Heunis was asked whether he was considering declaring any land available for blacks for informal housing or other development, but he replied: "No."
Foundation will put emphasis on low-cost housing

PORT ELIZABETH — The Urban Foundation, South Africa's largest private provider of housing, says its mission is to move down-market and enter the arena of informal settlements.

A spokesman said 200 000 homes needed to be built each year, but only 35 000 a year were being built.

The answer to this problem was to become involved in housing at the bottom of the scale.

The spokesman said the Foundation, as the leading private sector housing policy analyst, had to prove to industry that it was not only possible, but profitable to become involved in low-cost housing.

A study commissioned by the Port Elizabeth Northern Areas Management Committee, based on the upgrading of an impoverished "coloured" area, Beavercle, proved that people's expectations were not as high as was expected.

The Port Elizabeth municipality also commissioned the Urban Foundation to do a study of greater Algoa Bay for the municipality's guide plan.

The study involved planning on a rational and "cost-effective" basis of recreational, residential and commercial land usage.

It proved it was more economical to link black urbanisation with the existing infrastructure. The conclusion was that to place "black out of sight" was an expensive ideological policy. - Sapa...
THE Urban Councils Association of South Africa has insisted that a statutory negotiating forum be established as soon as possible, the Minister of Constitutional Development and Planning, Mr Chris Heunis, said yesterday.

In a statement he said the president of Ucasa, Mr Philip Nhlapo, also urged him to have the various regions demarcated in terms of the Act to enable black local authorities to elect their representatives to represent them on the statutory negotiating forum.

Mr Nhlapo also asked Mr Heunis to urgently proceed with the Bill to enable black people to be appointed to central government.

Mr Heunis confirmed he had agreed to initiate the process to have the regions of the electoral colleges demarcated in consultation with interested parties.

Ucasa had decided to establish a joint committee to deliberate with the minister and his department regularly.
Private sector aids town development

CAPE TOWN — The private sector was actively engaged in the provision of services and erection of houses in towns, the Department of Development Aid said yesterday.

It said in a report from April 1 1987 to December 31 1988: "No less than 54 town developers from the private sector were involved in the development services and/or the erection of dwellings on 13 557 sites."

The development of towns to establish stable communities and raise living standards remained a priority.

"After deliberation with the respective governments, land within and outside the self-governing territories was identified as urbanisation areas."

"The most significant development in this field is the involvement of the private sector in the whole urbanisation process."

The department said R144m had been made available for town development in the SA Development Trust.

Land purchased by the trust was also used for the development of towns to anticipate urbanisation.

"The policy is to help the greatest number of people to acquire a home of their own choice and to give the individual a greater share and responsibility in providing his own housing."
CAPE TOWN — A serious problem beginning to impact on private sector township development is the growing uncertainty of how financing will be done and when the installation of bulk services to these developments will occur.

The main reason is that most black local authorities are now clearly not in a position to meet their obligations in this regard and are, in a sense, technically bankrupt. This emerges from the Public Works and Land Affairs Department's annual report, tabled in Parliament this week. It states that if the financing of bulk services is undertaken by private sector developers, the cost will be passed on to the buyers of stands at a level most of them will not be able to afford.

Representations

The situation has seriously dampened private sector involvement in needy black township development. It has also led to representations from the private sector that developers should be permitted to establish towns for blacks outside existing black local authority areas, and for them to be vested with the responsibility for the short-term financing of relevant servicing.

Government's five-year capital works programme makes provision for new services with an estimated cost of R4.6bn, the report adds.

An estimated R2.5bn is expected to be spent in the current year. Main projects on which these funds are to be spent include: a new complex near George to house the Forestry Research Institute; the financing of the new mission headquarters for the Foreign Affairs Department in Maputo and the restoration of the Union Buildings in Pretoria.
Govt's housing sale not too successful

Political Staff

CAPE TOWN — Government's housing sale to black people did not have much success last year — only 150 people, all in the Transvaal, bought property under freehold title last year.

However, Constitutional Development and Planning Minister Chris Heunis said in Parliament last week that 34 888 applications for 99-year leases were approved last year.

He said 145 properties in Johannesburg and five in Witbank were sold under freehold title to black people in 1988.

Properties leased

In the Cape, 9 067 properties were leased under 99-year title, 6 031 of which were in the eastern Cape, 2 605 in the western Cape and 1 230 in the northern Cape.

In the Transvaal, 18 888 properties were leased under 99-year title, including 4 405 in Johannesburg, 9 373 on the East Rand, 2 574 in Potchefstroom, 1 369 in Witbank, 1 194 in Pretoria and 333 in Pietersburg.

Heunis said 4 949 applications for 99-year leases were approved in the Free State, as were 964 in Natal.

He also said 89 509 plots were surveyed in SA with a view to the 99-year leasehold scheme, 46 663 of which were in the Transvaal, 35 581 in the Cape, 2 625 in Natal and 14 640 in the Free State.
R4bn invested in home improvements

NEW research conducted in the building industry contradicted recent home improvement figures supplied by Central Statistical Service, suggesting the official figures "severely underestimated" the industry.

Business Marketing Intelligence (BMI), a member of the Information Transfer Group, SA's largest marketing research group, reported that in 1988, more than R4bn was invested in home additions and extensions, representing 50% of the total investment in housing during 1988.

CSS reports show that while R2.0bn was budgeted for additions and alterations, only R1bn was spent on completed alterations during the same period. This compared with the total R2.5bn spent on completed residential buildings.

BMI conducted its study among 2,000 manufacturers, builders' merchants, specifiers, contractors and local authorities. It covered 150 building products and reflected short- and long-term prospects of the industry.

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EDWARD WEST

BMI building studies director Jan Strauss said the CSS's under-estimation of the home improvements market had led building material suppliers to under-estimate the demand for home improvements.

The CSS only reflected home improvements for which municipal approval had been requested, he said.

The CSS ignored the increase in home improvements undertaken on the owner/builder basis where plans were usually not submitted.

Approved plans

Official CSS statistics showed non-residential building activity had a much higher proportion of additions than residential building activity.

This did not reflect the real situation, as non-residential alterations were usually executed with approved plans and were therefore more likely to be included in official statistics, Strauss said.
Great Indaba, possible 39
Black Form may not form Cape Town - the urban
'Forum' gets cold shoulder.

By Mosheshwa Moseki

The formation of an organisation at Crown Mines, Johannesburg, at the weekend, calling itself the National Forum, is already embroiled in controversy as "moderate leaders" distanced themselves from it.

Surprisingly, those who have unequivocally rejected the move are people known to believe in the Government's reform process and its new political dispensation.

Those who immediately refused to be associated with the new organisation were Mr John Gogotya, the controversial president of the Federal Independent Democratic Alliance (Fida), and Mr Tom Boya, president of the United Municipalities of South Africa (Umsa).

The central figures in convening the meeting and in the formation of the National Forum are Mr John Mavuso, of the Transvaal Provincial Administration and Mr B Nhlapo, president of the Urban Councils Association of South Africa.
DENYING blacks access to fixed property was the most comprehensive and effective policy in keeping them down, Anglo American and De Beers Chairman's Fund chairman Michael O'Dowd said yesterday.

He told an SA Property Owners' Association seminar that making property available in suitable and accessible forms was the most important area in promoting the economic progress of blacks.

Granting that not all the necessary changes had been made to the laws, O'Dowd said: "But some have and others are in the pipeline, so there is now a particular task and opportunity for the property developers, who are the producers and retailers of immovable property in the sense not only of erecting buildings but of sub-dividing land and making it available."

Job Creation MD Ian Hetherington said to be successful, the start-up black entrepreneur had to learn to do without justice, premises and cash.

He said: "For most of our population, the law has nothing to do with justice. It is a vehicle for harassment, corruption and exploitation. But, technically, to break the law is to be a criminal."
New National
Forum causes misgivings

By Montshiwa Moroke

Serious splits are looming within the Urban Councils Association of South Africa (Ucasas) and the United Municipalities of South Africa (Umsas) following formation of the Government-created National Forum at the weekend.

Members of both Ucasas and Umsas attended the meeting in Johannesburg. Umsas had decided not to attend, but some members went as individuals. Ucasas's national executive is split between those for and those against the forum.

Mr Steve Nkatio, Dobsonville mayor and public relations officer for Ucasas, walked out of the meeting. He said the forum was not representative of the people.

Leader of the new body is Mr Phillip Nhalo, president of Ucasas.

Umsas's president, Mr Tom Boya, said yesterday there was "a lot of unhappiness" in the body among members who attended the forum. There is open revolt against the Minister of Constitutional Affairs and Planning, Mr Chris Heunis, and the three black Cape, Free State and Transvaal provincial administration officials who introduced the idea to black mayors in Cape Town in December.

Mr Nkatio said the new body stood for the aspirations of the Government, whereas the first National Forum — formed by members of the Black Consciousness Movement — stood for the aspirations of the people.

See Page 4M
Blacks fear business Act change

BLACK businessmen fear that the Government's deregulation policy could lead to the penetration of their businesses by whites.

According to the president of the National African Federated Chamber of Commerce and Industry, Mr Sam Motsuenyane, black businessmen were concerned that the Conversion of Certain Rights to Leasehold Act might increase white penetration rather than free black business of legal restraints.

The Act, which became effective in January, abolished controls on township businesses and allows whites to operate businesses in black areas provided that they form partnerships with blacks.

The Act further allowed the occupants of at least 300 000 township properties to acquire leasehold titles free of charge.

Details of problems facing black business are contained in the latest issue of the social and economic update, published by the Institute of Race Relations.

In terms of the Conversion of Certain Rights to Leasehold Act, whites may own a maximum of 49 percent in business ventures with blacks.
Group areas here to stay, housing conference is told

Pretoria Correspondent

Group areas will exist in the future, but the Government is endeavouring to allow for upward mobility out of these segregated areas into grey areas.

This is according to Dr Dries Oosthuizen in his address at the two-day National Association of Home Builders housing conference, which started in Pretoria yesterday.

Eight people delivered papers at the conference yesterday on the housing market and its future development.

Deputy chairman of Barlow Rand Group and director of the South African Housing Trust, Mr D E Cooper, said South Africa's need for capital would not be solved until inflation had been brought down and there were positive interest rates.

He said the national shortage of low-cost housing was in the region of 800,000 units. In the PWV area between 1,6 million and 2,4 million people were living in shacks, and 7 million people lived in shacks in the homeland areas.

These people could not be helped overnight and the country would have to accept informal housing as part of its policy.

Mr John Mayuso, member of the executive committee of the Transvaal Provincial Administration, said the Government was no longer responsible for the provision of housing for blacks.

Land holding costs were cited by Mr Neville Berkowitz, a consulting property economist, as being one of the biggest reasons for some home builders not showing a profit.

He felt that by using a land inventory data bank, builders could increase profits by up to 33 percent because it would allow them to have details of available stands at their fingertips.

Managing director of the National Building and Investment Corporation of South West Africa/Namibia, Mr G J Merrington, said the housing problems in his country were moderate compared with other developing African countries.

"Existing local expertise, experience and institutions are capable of handling the housing problems, given adequate political support and resources by the incoming government, and provided internationally accepted low-income housing policies are adopted; foreign advisers with extreme views are kept at bay; and adequate foreign aid is directed towards low-income housing."
Private property the way to democracy, says Minister

Pretoria Correspondent

The Government saw home ownership as the most important way to implement democracy, and the private sector as the way to decrease the backlog in housing and to provide for future needs, the Deputy Minister of Finance, Dr Org Marais, said today.

Opening the National Association of Home Builders' (NAHB) housing conference in Pretoria, Dr Marais said in attempting to increase democracy, the Government was faced with increased spending on one side and the need to increase economic growth on the other.

The possibility was that in future the Government would encourage people to buy property and erect "sinkhuisies" and when funds were available build more permanent structures.

He pointed out that at present the average white South African was subsidised by the Government for infrastructure by R1 580 and members of other communities by R600. Although these coming into the democracy process wanted equal infrastructure and subsidies, he said, this was not financially possible.

Dr Marais said the private sector should become more involved in the provision of housing and in particular sub-economic housing.

"He said the Government must shift its development role from the economic to the sub-economic field, with the emphasis on the creation of infrastructure."
Huge low-cost housing shortfall

PRETORIA — The shortfall of low-cost and sub-economic housing nationwide is about 600 000 units, Harlow Rand deputy chairman DE Cooper said here yesterday.

Speaking at the National Association of Home Builders conference, he said about 120 000 units a year were needed to meet the demand and eliminate the shortfall by 2010.

In 1980 this required spending upward of R2bn a year on house-building, let alone development of land and township infrastructures.

"At the present rate we will never even get close to this scale of delivery, and the more we fall behind the worse things get."

Disregarding massive overcrowding in formal and informal housing, seven-million people were living in shacks, he said. Two or three families sharing a two-roomed house was "typical."

"We don't have the luxury of wishing those people away."

Controlled informal housing, possible on a site-and-service basis, must become part of overall strategy, Cooper said.

Opening the conference, Deputy Finance Minister Org Marnis said government had given a high priority to the provision of appropriate housing as part of urban and rural development.

If SA was not hit by more sanctions "or any other unforeseen disaster, it might just be possible to allocate an increasing proportion of the budget to housing over the next five years — a rise perhaps of 1 percentage point."

Marnis stressed if government was to spend on housing on a lock, stock, and barrel basis of the past, eliminating backlogs and meeting growing demands would be gravely prejudiced.

Choice

Urbanisation had developed an unstoppable momentum.

"The sooner we realise the choice facing policy makers is between the planned growth of informal settlements in a policy framework, or unplanned spontaneous growth, the more informed our thinking will be."

"We don't have the luxury of wishing those people away."

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Fewer blacks require any housing subsidy

The proportion of blacks able to afford housing without subsidies had increased from 16 percent to 18 percent over the past two years.

SARIR researcher Elaine Cosser said that over the same period the number of blacks able to contribute to their own housing costs had more than doubled — having risen from 25 percent to 55 percent between 1987 and 1989.

Calculations by the National Building Research Institute indicated that about 71 percent of blacks now needed a subsidy to afford any housing at all (as against 84 percent in 1987), and 45 percent of the total black population could not afford to make any contribution to housing.

Despite the improved situation, finance remained the greatest obstacle to housing provision and almost half the black population still had to rely on informal dwellings. Land shortages in some areas, exacerbated by the Group Areas Act, were also a constraint on housing provision.

As a result speculators had been able to take advantage of artificially scarce land and had driven prices beyond the reach of many potential buyers. In Zuurbekom, west of Soweto, speculation increased prices by 75 percent after the Government announced that it was to be developed as a black area.

"The availability of land, and the authorities' willingness to countenance informal settlements, will have a crucial bearing on most people's access to shelter," the report says.
Tom Boya in row over
participation in forum

Funeral of D M Mathew

Tom Boya in row over participation in forum

They are not in the NRTR. They have been advised to go to the NRTR.

by J. C. Martell

by J. C. Martell

by J. C. Martell

by J. C. Martell

by J. C. Martell

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by J. C. Martell
Ceiling cost of a home ‘should be higher’

Housing subsidy limit is now ‘uneconomical’

THE ceiling cost of a home set by government for its first-time buyer’s subsidy has become uneconomical, according to National Association of Home Builders’ (NAHB) chairman Llewellyn Lewis.

Speaking at the NAHB housing conference this week, Lewis said the association had made representations for a revision of the housing subsidy scheme to Ministers of Housing in all houses of Parliament.

The ceiling on the cost of dwellings liable for the subsidy was raised to R6 000 in August 1988 from the original R4 000.

However, an inflation-linked ceiling should by now have been more than R6 200. Taking into account land costs and special concessions, the total package should stand at R129 500, rather than the current maximum of R75 000, Lewis told NAHB members.

The NAHB proposed that the scheme be simplified by the introduction of a single ceiling of R109 000.

Concessions for land conditions should be increased to R6 000, and the ceiling and rate at which subsidies were calculated should be revised half-yearly.

‘Retrogressive’

The association also proposed that state assistance in buying existing homes should be divorced from the present subsidy scheme from July.

Lewis said housing ministers realised the amendments to housing subsidies were retrogressive, and that hardships in the building industry and difficulties faced by the prospective first-time home-owner could largely be attributed to the rules of the subsidy scheme.

Minister A A Venter of the House of Assembly said his subsidy scheme budget of R28m was barely enough to service existing bonds, let alone assist with new bonds.

Deputy-Minister of Finance Org Marais said at the conference an amount equaling 40% of last year’s budget would have to be spent to solve SA’s housing shortage by the year 2000.

Given the tight fiscal situation in the country, progress would be made if government encouraged larger private involvement in the housing sector.
Negotiation is ‘a must’ to solve crisis

ADELE BAleta

GOVERNMENT must negotiate meeting black housing needs with trade unions and community organisations to resolve the financial and political problems bedevilling its housing policy, says author Paul Hendler.

Hendler researched government’s urbanisation policy in the PWV area.

In a publication, Politics on the Home Front, released today by the SA Institute of Race Relations, Hendler examined the state’s orderly urbanisation and housing policies, and the role of black local authorities.

He found government would not be able to provide housing for all urban residents who required it, and it would have to choose priorities.

While negotiation was a “definite option” to the housing crisis, it was unlikely government would follow this path because of the view that dealing with unofficial groups “threatened” state security goals.

Strategy

His research showed that despite the expansion of home-ownership, political conflict over housing had escalated. He predicted township instability would continue.

Hendler said material improvements were unlikely to meet the goals of government’s “security strategy.”

Government had planned to implement its “inward industrialisation” policy – the reliance on local markets as opposed to export markets to create employment – mainly through privatisation and deregulation.

This involved the provision of loan finance to black builders, businessmen and homeowners, the promotion of self-help housing schemes, the sale of existing housing stock, and the allocation of more land for black housing.

All these strategies faced huge obstacles.
GOVERNMENT might not be able to solve problems in its African homeownership drive unless it involved blacks in choosing priorities and setting targets, SA Institute of Race Relations (SAIRR) research has found.

In a publication, Politics on the Home Front, author Paul Hendler said government, in trying to promote African home-ownership, was caught up in a vicious circle of financial and apartheid-based problems.

In spite of the expansion of homeownership, political conflict over housing had increased. "Material improvements are unlikely to be widespread enough to meet the goals of the 'security strategy' of government."

The research into the urbanisation policy in the PWV area, showed that government's home-ownership drive was prompted not only by a desire for stability, but was meant to also stimulate growth and employment. "Government aims to implement this 'inward industrialisation' policy by means of privatisation and deregulation."

Inability

"The policy also involves the provision of loan finance to black builders, businessmen and home-owners; the promotion of self-help housing schemes; the sale of existing housing stock and the allocation of more land for black housing."

Hendler said government's unwillingness or inability to finance housing on a large scale had prompted its stress on privatisation; black entrepreneurs could not compete financially with established white developers and white developers were constrained by the inability of most residents to afford privatised housing.

He concluded government would not be able to provide housing for all urban residents and would have to choose priorities. "These are only likely to enjoy residents' support, and so contribute to stability, if they are negotiated."
Forum men disciplined

THE United Municipalities of South Africa yesterday suspended all its members taking part in the newly formed National Forum.

This was announced by Umsa president, Mr Tom Boya, after a meeting of the organisation in Khutson, Carletonville.

The decision to suspend all Umsa members who are participating in the NF was a "unanimous" one by the members present.

They were suspended with immediate effect and given a chance to appear before the executive committee in a special meeting to be convened within 21 days.

Those failing to attend the disciplinary meeting stand to forfeit their Umsa membership.
Township boomtime is going to spread

BY JOSHUA

So when the new city guidelines were released, the business owners in the area were relieved. They knew that the changes would help them to stay competitive in a rapidly changing marketplace. The new regulations would allow for more creative and diverse business models. The township is planning to invest in infrastructure to support the growing business community. This is good news for all who call this place home.
Rent arrears are R550-m

MORE than R550 million was owed by blacks in rent arrears from rent boycotts, the Minister of Constitutional Development and Planning, Mr. Chris Heunis, said yesterday. Heunis said his department had neither authorised nor approved the write-off of these rent arrears.

As at March 31, 1989, the total arrears in Natal was R3,105 million and town committees were constantly encouraged to take active steps to recover outstanding rentals. Where justified, legal action was taken.

In the Orange Free State, the total arrears — as at March 31, 1989 — was R27045 million. — Sapa.
DEPARTMENT OF DEVELOPMENT AID

No. 1014

HEALTH MATTERS — BLACK AREAS. — DECLARATION OF LOCAL AUTHORITIES

Under the powers vested in me by Section 4 (2) of Proclamation No. R. 34 of 1989, I, Gerrit van Niekerk Viljoen, Minister of Education and Development Aid, hereby declare that for the purposes of the application of the Health Act, 1977 (Act No. 63 of 1977), in Black areas that —

(a) the Director-General of the Department of National Health and Population Development shall be the local authority in respect of environmental health and dental care; and

DEPARTEMENT VAN ONTWIKKELINGS-HULP

No. 1014

GESONDHEIDSBEAANGELENTHEDE — SWART GEBIEDE. — VERKLARING VAN PLAASLIKE BESTURE

Kragtens die bevoegdheid my verleen by artikel 4 (2) van Proklamasiie No. R. 34 van 1989 verklaar ek, Gerrit van Niekerk Viljoen, Minister van Onderwys en Ontwikkelingshulp, hiermee dat die doeleinde van die toepassing van die Wet op Gesondheid, 1977 (Wet No. 63 van 1977), in Swart gebiede dat —

(a) die Direkteur-generaal van die Departement van Nasionale Gesondheid en Bevolkingsontwikkeling die plaaslike bestuur is ten opsigte van omgewingshigiene en tandheelkunde; en
Why no Township malls?

Black capital at a disadvantage because of apartheid laws
Black housing funds for cities slashed 30%

Political Staff
GOVERNMENT funding to the nine major South African local authorities for black housing development from the National Housing Fund dropped by R23,8 million, or 31.4%, over the past two financial years, the Minister of Constitutional Development and Planning, Mr Chris Heunis, said yesterday.

During the 1987/8 financial year, R75,6 million was allocated by the National Housing Fund for the provision of infrastructure and material loans for black housing development in the nine cities.

However, in the 1988/9 financial year, this dropped to R51,9 million.

Mr Heunis was asked in a question tabled in Parliament by Mr Jasper Walsh (DP Fynelands) how many houses the government had built during the two financial years in Cape Town, Durban, Maritzburg, Pretoria, Port Elizabeth, Kimberley, East London, Bloemfontein and Johannesburg.

He replied: "The state does not build homes in black local authority areas.

"Funds, however, are made available to black local authorities via the National Housing Fund as loans mainly for the development of infrastructure and for material loans to promote self-build schemes."

In the 1987/8 financial year, R69,1 million was made available for infrastructure and R6,5 million for material loans.

However, in the following financial year R44,4 million was made available for infrastructure and R7,5 million for material loans.

Mr Heunis added: "Reliable statistics regarding the construction of houses by the private sector are not readily available."
Minister hails black local government ‘success’

By BARRY STREET
Political Staff

SUCCESSES achieved in black local government were important because they were building democracy, the Minister of Information, Dr Stoffel van der Merwe, claimed yesterday.

“Success” had been made possible because peace had been brought to black areas and intimidation had been restricted to a large degree, he said, at a press conference yesterday.

“The visible result of the government’s efforts on these two levels is being used as an instrument to build,” he said.

“The opportunities offered by black local government are important, whether people agree with the philosophy of the government or not, because the experience gained will stand them in good stead in the future.”

In March this year, there were 239 black local authorities functioning in South Africa outside the homelands and only 10 (or 4%) of these were under the control of administrators.

In last year’s municipal elections, the average poll for black areas was 28%, and 397,475 people participated in the elections.

Though there had been an exceptionally high voter turn-out in the white municipal elections last year because of the involvement of political parties, the results in black areas were similar to those in white areas in the previous elections.

In Mamelodi near Pretoria there was a 27.3% poll, compared to the 28.6% poll in Pretoria in 1982, while in Khayelitsha there was a 43.3% poll compared to the 35.2% poll in Cape Town in 1982.

Sanctions: AG ruled
Housing Policy needs negotiation

[Diagram or visual aid]

The current government is working towards a new policy that addresses the needs of low-income families. The policy aims to increase affordable housing options and improve living conditions in urban areas. The government is seeking input from various stakeholders to ensure that the policy is effective and sustainable. The public is encouraged to participate in the consultation process to help shape the future of housing policy.
Government is caught in a vicious circle regarding homeownership

I

n trying to promote African homeownership — after decades of doing the opposite — the Government is caught in a vicious circle of financial and apartheid-based problems. And it may not be able to solve any of these problems unless African communities are involved in choosing priorities and setting targets.

This emerges from research into the Government’s urbanisation policy in the Pretoria/Witwatersrand/Vereniging area, released by the South African Institute of Race Relations.

In a publication entitled Politics on the Frontline, author Paul Hendler says that despite the expansion of homeownership, political conflict over housing has increased.

He predicts that the potential for instability in the townships in the foreseeable future will continue. Material improvements are unlikely to be widespread enough to meet the goals of “the security strategy” of the Government.

Stress

The research shows the Government’s stress on African homeownership is prompted not only by a desire to achieve stability, but is also due to stimulate growth and employment.

The Government aims to implement this “forward industrialisation” policy mostly by means of relocation and de-regulation.

The policy also involves the provision of new finance to black builders, businessmen and homeowners, the promotion of self-help housing schemes, the sale of existing housing stock, and the allocation of more land for black housing.

These strategies face severe obstacles:

- The private market has had little impact on the housing shortage because most township dwellers cannot afford loan finance. For privatization to succeed, State subsidies would have to be vastly increased.

- “But it is precisely the Government’s inability or unwillingness to finance housing on this scale that has prompted its stress on privatization,” Hendler writes.

- De-regulation — the removal of controls over the development of African builders and other entrepreneurs — is being advocated to solve the problem.

While it might generate wealth for some small businessmen and workers, the removal of minimum wage regulations could depress wages and reduce black consumer power, including people’s ability to buy houses.

- Black entrepreneurs — a key factor in the “inward industrialisation” strategy — don’t have sufficient capital to enable them to compete with established white developers.

And while developers are constrained by the inability of most residents to afford protected housing.

- Self-help schemes, backed by low interest loans, are hampered by affordability problems. Hendler found that black local authorities are inclined to resist implementing these schemes because they stand to accumulate more money by selling sites to established developers.

Strategy

- Attempts to release suitable land for black housing run up against political constraints all along the line.

Because of white resistance, as well as the State’s de-centralisation strategy, land has been allocated too far away from the region’s economic centers, thus increasing transport and service costs on those who can least afford them — and cancelling out the attempt to place housing within the reach of those who need it most.

- Despite “give-away” prices and a concerted selling drive, the sale of Government housing stock has encountered consumer resistance.

Hendler reports that many tenants are suspicious of the motives behind the sale and the regulations that support it — and people were unaware of their ability to honour long-term repayments.

- Homeowners will continue to pay substantial service charges, which are likely to remain a source of conflict. Hendler argues that raising (Regional) Services Council fees to help provide better services might create further financial and political problems.

Hendler concludes that the Government will not be able to provide housing for all urban residents who require it, and it will have to choose priorities.

- “There are only likely to enjoy residents’ support, and to contribute to stability, if they are negotiated,” he says.

He acknowledges that significant constraints still confront negotiation. “They include the view that dealing with groups operating outside official structures would threaten State security goals.”

But other State officials who Hendler interviewed acknowledged the Government cannot achieve its long-term goals. “But we have to negotiate with ex-landscape community groups.”

According to a senior official of the Department of Development Planning, the department has already negotiated with what he called “the so-called community groups or the organisations of the local authority system.”

Another official acknowledged that the black local authorities “are not acceptable to all people” and said the Department would not hesitate to consult “important other groups who are specifically geared to promote housing and homeownership.”

Unlike the previous strategy, negotiations with representatives of organisations held out the distinct possibility of more stability in the townships,” Hendler says.

Politics on the home front is available from the Publications Department of the South African Institute of Race Relations, PO Box 31044, 2017 Braamfontein, at R10,15 inclusive, R8,75, plus R2 postage and packing.
Improving quality of urban life

Environmental guidelines were presented to delegates to the annual meeting of the Institute of Town Clerks of South Africa in Kempton Park last week.

The guidelines, drawn up by the Council for the Environment (CE), are designed to help local authorities conserve and improve the urban environmental quality in their structure planning.

According to Mr Brian Egan of the CE, introducing publications on these concepts to urban administrators could contribute towards a higher quality of life.

Urban structure plans should also provide for environmental impact assessments in respect of water, air, noise and visual pollution, and the socio-economic consequences of development plans, according to the guidelines.

To promote participation from residents and businesses, incentive packages such as tax rebates and the easing of building regulations have been suggested. Copies are obtainable from Mr Egan at Private Bag X447, Pretoria.
ed within the six-week time-
with some refugees who arrived
and privacy now," a camp su-

vervisor said — Reuters.

Blacks ‘positive’ about owning homes
By Eusebe van der Merwe, Political Reporter

The Government’s socio-economic reform pro-
gramme has progressed well under the “security
umbrella” provided by the state of emergency,
says Information Minister Stoffel van der Merwe.

At a press briefing in Pretoria yesterday, he
revealed details of the Government’s housing
scheme for low-income blacks and the State’s
efforts to promote black home-ownership.

Dr van der Merwe said the improvement of
living conditions was an important aspect of a
balanced reform package.

By accepting the permanence of black citizens

in all parts of South Africa, the Government had
reversed the policy of previous governments.

Over the past two years, more than 24,600 South
African black civil servants, including teachers
and other categories of civil servants who quali-
fied for government housing subsidies, had bought
their homes in urban areas.

The sale of government houses to blacks in the
lower-income group of the private sector now
exceeded the R15,500 mark.

“These facts not only indicate the important
role blacks play in the civil service but also pro-
vide an insight into a new social order that is
developing, in which home-ownership and full
property rights occupy a prominent position.”

Dr van der Merwe said the positive approach to
private home-ownership among blacks demon-
strated that “socialism is not all that attractive”.

A recent Bureau of Information opinion poll
found 85.1 percent of blacks on the Reef favoured
private home-ownership. Only 8.1 percent op-
posed it, while 6.8 percent held no opinion.

Among the higher-income group earning more
than R1,500 a month, support was the highest.

Black civil servants were the owners of 80 per-
cent of all middle-class homes erected in black
residential areas since 1985.

The number of black home-owners outside the
homelands had more than trebled since 1985.

Dr van der Merwe said that despite sanctions
and boycott actions, the State had paid out more
than R322 million for further housing develop-
ment during the financial year to March.

Strydom’s bid to obtain
leave to appeal postponed
Pretoria Bureau

The bid by mass murderer Barend Hendrik Stry-
dom to obtain leave to appeal against eight death
sentences has been postponed by a day.

Strydom (23) was to have applied to the Pre-
toria Supreme Court today but the date has been
changed until tomorrow.

Strydom was found guilty in the Pretoria Su-
preme Court by Mr Justice Louis Harms of mur-
dering eight people and of the attempted murder
of a further 16 during an orgy of violence in cen-
tral Pretoria and at the Weiler’s Farm squatter
camp near De Deur in November last year.
A system that guarantees development of people

The economic and political empowerment of black South Africans demanded a proper analysis of long-term structural change which was vitally necessary in the formulation of appropriate responses to crises, says Mr Jan Steyn, chairman of the Urban Foundation.

He told the Carnegie Council on Ethics and International Affairs in New York yesterday that while political participation was an integral and essential part of the package of change elements, it could not be achieved successfully in an economic vacuum or operate with justice in an economic wasteland.

Mr Steyn gave an analysis into a number of economic factors manifesting the current background against which structural changes would occur.

Figures by the Bureau of Market Research at Unisa showed that the black share of disposable income would increase from 45 percent in 1965 to between 55 and 60 percent in the year 2000. This meant that the higher the growth rate in South Africa, the more black people would benefit in relation to white people.

The black people best able to take advantage of a growing economy were the better educated and the urbanised. By 1990, urbanisation was virtually complete for South Africans of European and Asian extraction, with over 80 percent of both groups living in cities and towns. Eighty percent of coloured South Africans were urbanised on that date. The figure for black South Africans was much lower at 43 percent.

But the situation is changing rapidly, said Mr Steyn. In 1988, 8.7 million black people lived in cities and a further 25.7 million in towns. By the year 2000, these figures were expected to increase to 18.6 million and 4.3 million respectively, reflecting 62 percent urbanisation.

The white population was heavily concentrated in the PWV area, Durban and Cape Town. Only 27 percent of the total population in these areas was white in 1989. By the year 2000, this proportion would have dropped to 15 percent.

With urbanisation came a general enrichment in the skill structure of employment outside agriculture, domestic service and the informal sector.

In 1985, 47 percent of white South Africans were in middle class occupations. The corresponding figure for Asians and coloureds was 34 percent and 17 percent respectively. It was 3 percent for black South Africans. Small as the black proportion was, the number of black people in middle class occupations tripled between 1971 and 1983.

"Unless the economy collapses", said Mr Steyn, "the gap will close and the rate at which it closes will increase with the economic growth rate. The movement of educated people into more and more economically strategic positions was bound to increase black influence and authority."

It did so by obliterating employers to decentralise their employment practices. It put pressure on existing racial patterns of residential location and the legislative instruments which regulated these, notably legislation providing for the racial zoning of land. It created a class of people with the talent and the capacity to make structured political inputs.

Another important development was the modernisation of South Africa's industrial relations system. Black trade unionism dated from the 1920s, but it was very fragile until the efforts at re-organisation which started in the early 1970s. State recognition of black trade unions in 1979 was a turning point, and in the 1980s trade union membership had grown by leaps and bounds.

"Black trade unions have been much more stable than political organisation in the last five years and the biggest unions are now very powerful", said Mr Steyn.

In a capitalist society, another major source of power was the ownership of productive assets. The picture here was not encouraging. The black share of productive assets was pitifully small.

But urbanisation was rapidly creating a much bigger and more concentrated market. Small black entrepreneurship was growing rapidly and becoming much more visible. Both government and business were beginning to contract out various activities to small businesses which would ever-increasingly include black entrepreneurs.

Mr Steyn said that the principal constraints to further progress were the lack of technical and management skills and the difficulties of financing. At all levels (apart from university training in business and engineering skills), the South African educational system was grossly deficient in technical and management training.

Financing black entrepreneurial development was equally difficult, he said. It was not beyond the economic capability of South Africa to offer secure tenure in the urban areas to all but the poorest 10 percent of black households, and the Urban Foundation was pressing for the public-policy changes necessary to realise this potential.

The Foundation's experience was that, as the Government zoned more land to be available principally for black residential development, finance emerged as the major constraint on the delivery of housing to black families. The problem lay in making small loans of up to R5 000.

The difficulties were two-fold: firstly, how to grant and collect repayments on the loan without incurring administrative expenses which are high in relation to the loan size; secondly, how to make loans against assets which are not conventionally regarded as collateral or against no assets at all.

These factors all showed how changing patterns of urbanisation and the income distribution had empowered black people. And this process would continue.

Economic empowerment however, was no substitute for political empowerment. It was not designed to prevent the concentration of power in the state.

"We need to be flexible in our approach to the future", said Mr Steyn. "No single-strand strategy can succeed in resolving the complex issues that face us. What is certain is that economic ruin would inevitably follow the construction of a new authoritarian political system, with no guarantee of real development of people.

"We should plan for a growth rate of 4 percent per annum sustained for a generation," he added.
Sales of houses to blacks rising steadily, says Stoffel

ADELE BAleta

"During this time, sales took a back seat in order to utilise more personnel for the administration of local authorities," Van der Merwe said.

He added that — despite the dampening influence of sanctions and boycotts on SA’s economic growth rate — the state had paid more than R32.3m for further housing development during the past financial year up to the end of March 1989.

Civil servants

Disinvestment had also left its mark on the housing market as home-owners and potential home-owners who had been dismissed were left without an income.

Over the past two years more than 24 600 black civil servants, including teachers, had bought their own homes.

Van der Merwe said the increase in black home ownership was "spectacular" in the light of economic sanctions and "sluggishness" affecting the economy, and was indicative of a new social order developing.

THE sale of houses in black urban areas to the low income group had exceeded the 105 000 mark and sales were climbing steadily, Information Minister Stoffel van der Merwe said in Pretoria yesterday.

Bureau for Information statistics showed the number of black home-owners had more than trebled over the past four years, he said.

Of the 332 919 houses available for purchase by blacks, about 32% (106 665) of them had already been sold by April this year.

This compared well with June 1988, where of the 344 677 houses available only 13% (45 922) had been sold.

On the Witwatersrand the figure for April was 28.5%.

In the far northern Transvaal nearly all government houses offered for sale were bought by blacks.

In the northern Transvaal the sale figure was 44.3%; in the Northern Cape 33.25%; and in Natal 44.6%.

The average sales of about 2 000 houses a month began declining in June 1989. This was because of the municipal elections in October.
The sick truth of apartheid society
Students to design affordable homes

Contest to promote

low-income houses

By Kaizer Nyatumba

The South African Housing Trust (SAHT) has come up with a plan to help ease the country’s housing problem: a country-wide affordable housing design competition for university and technikon students.

Unveiled at a press conference in Randburg last week, the competition was aimed at helping the homeless and focusing the thinking of architectural students on “the most fundamental problem facing the country’s architectural profession and the building industry — how to provide affordable homes”, according to SAHT managing director Mr Walle Conradie.

Prize

Mr Conradie said the competition was aimed at senior university and technikon students doing architecture and building science.

A prize of R10 000 would be given to the student who came up with the best new design for affordable housing. The runner-up would receive R2 500. The home should not cost more than R15 000 to build.

Individual as well as team entries would be allowed, but a team would be permitted a maximum of three members who would be required to nominate a leader.

Mr Conradie said the need to keep building costs low to enable as many people as possible to benefit from the plan meant participating students would be required to waive any copyright to their designs.

“The competition has a dual purpose,” said Mr Conradie.

“The first is to elicit new solutions to the problem of providing mass housing for poor people when cost escalations threaten to keep them permanently homeless.

“The second is to get young architects and designers thinking creatively and urgently about low-cost solutions. This is a national priority. The days are long gone when we could afford the luxury of thinking solely in terms of the biggest, the finest, the best.”

Impossible

He said South Africa had reached a point where provision of affordable homes for the poorest sections of the community had “ceased to be difficult and has started to become impossible”.

The SAHT’s assessment, he said, was that by the end of this decade it would no longer be feasible to provide housing for the lowest target group “if only traditional clay brick materials and traditional assumptions and standards are employed”.

The competition closes on September 15. The winner will be announced at a function in Johannesburg on October 6.
New building laws too restrictive, says Boya

BLACK local authorities had to play a pivotal role in addressing the housing shortage crisis because an effective system of local government was the prerequisite of any community development, the president of the United Municipalities of South Africa, Mr Tom Boya, said yesterday.

Launching the Rabie Homes in Spruitview Gardens, he said black local authorities would have to streamline procedures to escalate private sector involvement in housing developments.

He said the new building regulations promulgated last year still did not go far enough.

Black local authorities had to insist on being exempted from certain aspects of these regulations, which failed to take into account the peculiar circumstances of their communities.

"We must allow people to provide their own shelter using the best materials and methods they can find without being unduly restricted by building regulations designed for more affluent people."

To address the backlog of applications for housing units, black local authorities had to persuade the Government to move away from planning based on ideology and make more land available.

He said it was necessary to revise prevailing attitudes towards the provisions of housing for lower income groups. — Sapa.
Employers must help fund housing

DEDICATED to the creation of a stable population of homeowners, Urban Foundation subsidiary FHA Homes is to build 2,500 houses this year, but CE Brian Longley said this is a mere 2.5% of the number needed to meet demand in the Transvaal.

"SA needs to build 2,000 low-cost houses a year between now and the turn of the century to catch up on the existing backlog and keep pace with expected black population growth. The need in the Transvaal alone stands at 100,000 houses," he said. However, he pointed out that only an estimated 25% of the need figure can in fact afford formal housing. A drop in interest rates to 12.5% would increase the size of the market by between 15% and 20%, while, he said, large numbers would never be able to afford to own homes under existing conditions.

"These are the people at present living in shacks. For the foreseeable future they will have to continue to do so — the Urban Foundation simply tries to give them security of tenure of a serviced stand where they can erect the best home they are able to afford."

What Longley would like to see is increased involvement in the provision of housing on the part of employers. At the same time, he hoped to see FHA move increasingly into the "site and service" market.

But he stressed that entry into this market could be undertaken only on a commercially viable basis.

"In the Transvaal, the cost of providing water, waterborne sewage systems and graded roads amounts to about R5,500 a stand. Raw land prices average about R2,000 per 250m² stand — a total of 7,500.

"This is still far too high for an enormous number of people. We need to halve our costs — or gain the financial support of corporations that take their commitment to SA's future seriously."
GOVERNMENT NOTICE

DEPARTMENT OF DEVELOPMENT AID

No. R. 1414 30 June 1989

REGULATIONS FOR LOCAL AUTHORITIES


G. VAN N. VILJOEN
Minister of Education and Development Aid.

SCHEDULE

CHAPTER I

1. Insert after the definition of “Act” the following definitions:
   - “polling officer” means any person appointed by the returning officer for the purpose of performing the functions of a polling officer under these regulations;
   - “regional representative” means an officer in the Department of Development Aid having the official designation of regional representative;
   - “returning officer” means the regional representative or any person appointed by him for the purpose of performing the functions of a returning officer under these regulations.

CHAPTER II

2. Regulation 3 is hereby amended by adding the following subregulations:
   - (3) The Minister may by notice in the Government Gazette establish a town council for a town.
   - (4) A town council shall consist of one elected member for each ward, who shall be elected separately by the voters of the ward concerned.

454—A

GOEWERMENTSKENNISGEWING

DEPARTEMENT VAN ONTWIKKELINGSHULP

No. R. 1414 30 Junie 1989

REGULASIES VIR PLAASLIKE OWERHEDE

Ek, Gerrit van Niekerk Viljoen, Minister van Onderwys en Ontwikkelingshulp, kragtens die bevoegdheid my verleen by artikel 30 (2) van die Swart Administrasiewet, 1927 (Wet No. 38 van 1927), gelees met artikel 2 (2) van die Wysigingswet op Wetgewing op Samewerking en Ontwikkeling, 1984 (Wet No. 83 van 1984), wysig hierby die Bylde tot Goewermenskennisgewing No. R. 405 van 9 Maart 1988 in die mate uieengesit in die Bylde hiervan.

G. VAN N. VILJOEN,
Minister van Onderwys en Ontwikkelingshulp.

BYLAE

HOOFSTUK I

1. Voeg na die woordomskrywing van “Wet” die volgende woordomskrywings by:
   - “kiesbeampte” die streekverteenwoordiger of iemand deur die streekverteenwoordiger benoem om die werkzaamhede van ’n kiesbeampte kragtens hierdie regulasies te verrig;
   - “stembampte” iemand wat deur die kiesbeampte aangestel is om die werkzaamhede van ’n stembampte kragtens hierdie regulasies te verrig;
   - “streekverteenwoordiger” ’n beampte in die Departement van Ontwikkelingshulp met die amptsbetrekking streekverteenwoordiger.

HOOFSTUK II

2. Regulasie 3 word gewysig deur die volgende subregulasies by te voeg:
   - (3)Die Minister kan by kennisgewing in die Staatskoerant ’n dorpsraad vir ’n dorps instel.
   - (4) ’n Dorpsraad bestaan uit een verkose lid vir elke wyk wat afsonderlik verkies word deur die kiesers van die betrokke wyk.
Exodus from National Forum denied

MONTSHIWA MOROKA

THE general-secretary of the Government-created National Forum and Deputy Mayor of Kagiso, Mr David Modiba, yesterday dismissed as "false" reports of a mass exodus from the body and has threatened to lodge a complaint with the Media Council.

Mr Modiba denied his council had withdrawn from the United Municipalities of South Africa (Umsa).

A report in Thursday's Sometan said 62 councils in the eastern, western and northern Cape had pulled out of the NF at a meeting attended by more than 50 councils in De Aar at the weekend.

The report said this brought to 122 the number of councils which had rejected the body. It said the other 60 were affiliated to Umsa, which did not take part in the formation of the NF on May 6.

It said the 62 councils were all affiliated to Umsa whose president, Mr Phillip Nhlapo, is also chairman of the National Forum.

"I am lodging a complaint with the Media Council against the report which stated that 122 councils have withdrawn from the NF, and that 60 Umsa councils have withdrawn from the NF, because that statement is false. There aren't even 122 councils in the Cape.

"Umsa does not have 60 affiliated councils. I challenge them to prove that they have 60 councils affiliated to Umsa."

"I, as Deputy Mayor of Kagiso, am not aware of any motion which was adopted by my council withdrawing from Umsa.

"I dismissed the report with the contempt it deserves. Furthermore my council is taking steps with the Media Council."

Instead, he said, he had received positive responses from local authorities in the Cape in response to the NF constitution, copies of which were sent to all councils in the Cape for adoption or rejection.
MUNICIPAL COPS FALL UNDER SAP

THE control of the municipal police force throughout the country is to be taken over by the South African Police on October 1 this year.

This was announced by a senior officer of the SAP responsible for the take-over, Brigadier I Coetzee.

Coetzee was addressing the 21st annual conference of the Urban Council's Association of South Africa (Ueasa) in Durban at the weekend.

The aim of the take-over was to render a better service to the community, he said.

It was envisaged that a unified force would ultimately be formed.

His department, he said, was planning to retrain all the existing municipal police to upgrade their standard of work. About 10000 municipal police would have been trained by the year 1990.

Benefits

The police would not be transferred from where they were stationed at the moment and would enjoy all the benefits received by the members of the SAP.

He said all the various black local authorities were expected to submit recommendations regarding the regulations which would govern the municipal police after the take-over.

These were expected to reach his office in Pretoria by July 7 this year.
4 Umsa officials are given the boot

THE United Municipalities of South Africa expelled four of its executive members for joining the Government-created National Forum.

They are: vice-president Mr David Modiba, public relations officer Mr Edwin Motebang, chairman of the United Municipalities of the Transvaal, Mr Fanyana Mahlangu and executive member of the United Municipalities of the Orange Free State Mr Elias Mpholo.

Modiba is general-secretary of the NF and Motebang is its public relations officer.

They were sacked at a meeting of all Umsa affiliates held at Agiansang township near Sanieshof on Sunday.

Umsa president Mr Tom Boya said the four were dismissed because they refused to cut ties with the NF. His organisation had decided that none of its members should serve in the NF.

Boya said the four can rejoin Umsa if they first resigned from the NF.
Ousted Modiba may challenge Boya

The decision to expel Mr. Modiba, Umsa public relations officer Mr. Edwin Motebang, Umsa chairman Mr. Fanyana Mahlangu, and executive member Mr. Elias Mphelo, was taken at a meeting of all Umsa affiliates in Agisanang township, near Santehof, at the weekend, because the four men had joined the Government-created National Forum.

Mr. Modiba is the general secretary of the National Forum and deputy mayor of Kagiso. Mr. Motebang is the National Forum's public relations officer.

Mr. Boya has said the four could apply to re-join Umsa if they dissociated themselves from the National Forum.

The former vice-president of the United Municipalities of South Africa, Mr. David Modiba, said yesterday he would seek legal advice about the status of the Umsa leader who expelled him.

"Now that the Daveyton Council has distanced itself from Umsa, I am going to seek legal advice on the legitimacy of its president, who has no constituency," said Mr. Modiba.

"Umsa is the organisation of councillors not of the councillors. Therefore the implication of disaffiliation by the Daveyton Council creates a legal problem in terms of the constitution."
Black's need funding for commercial sites for community - as defined in the Black Community.
Move to improve housing subsidy

The acute shortage of housing in the townships could improve if the South African Government reviewed its housing subsidy scheme offered to black families, the chief executive officer of the FHA Homes, Mr Brian E Longley, said this week.

The subsidy is offered to first time home buyers whose houses are valued between R40 000 and R65 000. The Government pays the subsidy, an average of R147 a month, for seven years only.

Longley said his organisation, formerly known as the Family Housing Association, a subsidiary company of the Urban Foundation, had set up a commission of inquiry to investigate ways of improving the subsidy scheme.

He said the findings of the commission would be sent to the Government for its recommendations. The FHA hopes to complete the investigations within the next 12 months.

"In the past two years housing sales had dropped because of the ever escalating prices of new houses and the mortgage bonds. If the country's economic situation does not improve in the near future, the purchasing of houses would drop further," said Longley.

He said the FHA was in favour of the families being granted a capital subsidy which could be used to help them purchase their stands. "By doing so, the Government would be helping thousands of homeseekers to buy houses," said Longley.

He said since the subsidy was paid out according to the purchase price of a house, while families always got better subsidies because they bought houses costing more than R60 000.

Longley said the majority of homeless families were in the lower-income group. "These are the people who are most stranded and need help. At least those in the upper and middle-income groups can manage to buy houses in the lower-income group if the going gets tough up there," said Longley.

Problem

"But what about those families in the lower-income class. Where do they turn to?" he asked.

It said the squatting problem in the country will not be eradicated in the many years to come but could be reduced if the FHA recommendations were accepted by the Government.

The FHA was established six years ago to provide housing for the low and middle-income groups in the Transvaal's black townships.

"We buy land from farmers, service it by providing infrastructure, including water, sewerage and electricity facilities," said Longley.

Brian E Longley, chief FHA executive officer of Homes.

We later sell the stands to other private building construction companies who will put up houses," said Longley.

FHA also builds houses for the lower-income group.

Since its formation, FHA has built 8 000 houses and serviced 28 000 stands in most of the black townships in the Transvaal. Longley said most of their building projects were mainly in the Pretoria-Witwatersrand-Vaal Triangle area.

He said their stands were priced at R6 000 and R12 000 and their houses were valued at between R15 000 and R34 000.

Longley was appointed to his new position last August. He took over from Mr Matthew Nel, who has been promoted as the managing director of the Urban Foundation's construction division.
Need for informal dwellings

Higher residential densities will have to be more readily accepted as well as informal dwellings in towns as part of the transitional phase in the urbanisation process.

This was said at the Sapoа convention by Mr E G de Beer, director general of the Department of Development Planning.

"Land for township development in our country is in short supply and higher residential density in the form of multi-storey family units — already in limited use — will have to gain still greater acceptance," he told delegates.

Mr De Beer emphasised that the Government's policy of orderly urbanisation did not relate just to existing metropolitan areas but at rural towns and cities which have the potential to develop into alternative mini-metropolises.

About 70 percent of the black population of southern Africa will have to be housed in informal shelters, he said.

"In this regard the Government has taken the initiative and since 1986, it has identified about 66 000 ha of additional land for black urbanisation."
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BUSINESS

WHEN government officials talk about urbanization, it is clear that they have absorbed at least some of the essence of the hole-in-the-wall idea about managing the cities and attempting to reduce the housing crisis. But a lot of people seem to have accepted that black urbanization is inevitable — and that, like the Fountains of Bourbon Street, planners can do little or nothing for those who are left behind.

Government officials are still committed to a "democratization" policy which assumes that the growth of the major cities in the country is inevitable and that the government should spend billions of dollars in an attempt to manage it.

The euphoria was high last week when the government announced that 130,000 of the 500 members of the city council support the unity of the country's police force. The President of Development Planning, Edgar De Beer, outlined to a conference of city councilors and their officials the "two basic policy instruments" of urbanization and the democratization of industry, which he said were essential to resolving the country's vast development problems and achieving the potential.

De Beer emphasized that government policy on urbanization must be coordinated and that the problem of inner-city housing is being viewed for the first time in the context of the urbanization policy.

The strategy of urbanization and the democratization of industry have been outlined in the new policy, which has been received with mixed reactions by the country's business community.

The National Union of Metalworkers, under Jeff Schroeder, also opposes the new policy, saying that the government's failure to plan for urbanization has caused the country to be "a micromachinist of society".

Workers are not aware of the problem, and they are only discussing urbanization as a means of escape, according to the view of Jeromy Dutton, from Commercial Catering and Allied Workers Union, who describes the situation as "a case of the nail biting on its head".

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Better homes for black middle class

Building better homes for a rising black middle class has been given top priority by a new housing construction project team engaged in a major community development.

The Quantum group and quantity surveyors, Reid Kippen & Associates, are to concentrate their resources in helping FHA Homes, part of the Urban Foundation, in its efforts to ease the black housing shortage.

Quantum, through its specialised housing subsidiary, Quest Construction, and Reid Kippen are currently engaged in a R30 million FHA Homes project to build hundreds of "new-generation" houses for expanding communities in the Springs area.

"The total annual housing requirement to meet the current backlog and natural population growth in South Africa, the TBVC countries and self-governing states to the year 2000 is estimated at around 400 000 units," says Rodd Kippen, of Reid Kippen & Associates, which is project managing the extensions to Kwa-Thema and Tsakane.

Des Meyer, chairman of Quantum, says: "We have already built thousands of houses for blacks.

"Our decision now to dedicate all our resources in this vital area is evidence of Quantum's corporate commitment to do all it can to reduce the enormous deficit in black housing."

In a first phase, 592 homes ranging in price from R25 000 to R45 000, are being built in the next 15 months by Quest Construction.
Enjoy the benefits of owning your home

What is the best time to buy a house?

When you rent a house, you are at the mercy of your landlord’s decisions. Renting a house often requires a security deposit, which may not be returned in full if the property is not properly maintained. Renting also involves paying a fixed amount every month, which can be less predictable than owning a home.

Buying a house, on the other hand, gives you the freedom to invest in your own property. You have full control over the decisions related to your home, and you can enjoy the benefits of owning a property without worrying about rent increases.

In our next two articles, we will look at how to go about buying your own home. We’ll explain the terminology and procedures, as well as how to determine what sort of a house you could afford.

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New loans scheme for low income borrowers

By Jabulani Sibhikhu

The Urban Foundation is to launch an innovative scheme, the Group Credit Company, to give small loans of up to R5,000 and make loan finance more accessible to low-income households.

Such loans could be used for the purchase of serviced sites, building materials, the hire of sub-contractors, a deposit on a house or to meet legal fees.

A spokesman for the Urban Foundation has confirmed the formation of the Group Credit Company.

A pilot project, which will last for about two years, will be initiated shortly to assess the concept under market conditions, and its commercial viability.

Estimates are that the pilot scheme will need a capital base of about R1.5 million which will be borrowed "from the Development Bank of SA."

In order for loan finance to be made available to the Group Credit Company, commercial rates will have to be paid, a source said.

The company will charge interest rates high enough to offer commercial returns to the providers of the capital.

The Group Credit Company will target households which would normally not qualify for loan finance from the conventional financial institutions.

Households will be encouraged to organise into stokvel groups, credit unions or other informal savings institutions acting as "building societies" to their members.

The Credit Company will loan funds to the "building societies" who will then administer the loans to their members. In this way the whole group will be held responsible for the repayment of the loan funds.

Peer pressure

As the products to be financed by the scheme will not be "mortgageable", the scheme will have a very strong reliance on the "peer pressure system" which is a central feature of the informal savings institutions.

Further extension of credit to the group will depend on its repayment record.

The Group Credit Company will develop its own infrastructure, identify potential participating savings clubs and access their eligibility.

It will process loan applications, collect pledges of deposits from participating savings clubs, lend funds, collect interest and capital repayments.

The concept of using stokvels or other informal savings clubs as a vehicle to administer small loan amounts to the poor has been put into practice by the Pretoria-based community organisation, Get Ahead Foundation.

During the year to February 1989 Get Ahead created more than 2,300 jobs — a large proportion of them in Mamelodi and Atteridgeville — through its stokvel and business loan schemes.

The recovery rate in the stokvel programme was 100 percent, although bad debts in the business loan programme were 28 percent higher from R16,670 to R14,919.

"We believe we are the pace-setters in the country, showing banks and lending institutions that they can lend money to backyard operators who play an important part in our economy," the annual report said.

"Unlike the banks, Get Ahead does not call for collateral when advancing loans to these business people. We rely on peer pressure and character references."
1989 backlog will quadruple by 2000

How will houses for our millions be built?

The lack of shelter for the underprivileged is one of the most pressing problems facing South Africa today. Millions have become backyard and shack dwellers as urbanisation continues. In the urgency to come to grips with the problem, urban planners are proposing new and unexplored strategies. HELEN ORANGE reports.

With urbanisation in South Africa growing by nearly 5 percent every year, the State and private sector are faced with the increasingly urgent need to find long-term solutions to the low-cost housing crisis.

Reliable estimates of the housing shortage show that by the year 2000 there will be a shortage of 2,400,000 houses for people of all races.

Blacks alone will require 2,000,000. Last year, there was a backlog of 850,000 houses in the country.

In an effort to meet the enormous challenge of housing provision, the State is re-examining its housing subvention policy and innovative financing formulae.

The question of long-term continuous interest versus a one time capital subsidy is being considered as an alternative for low-income families.

According to Mr Selwyn Myers, chairman of the Federation of SA Housing Associations and a director of National Housing Society, the State's present policy that the individual, employer and private sector is responsible for the provision of housing has left the greater need for informal housing largely unattended.

Affordable

"The housing policy is altered to allow for a capital subsidy of a serviced site, then access to shelter would be available to a considerably wider section of the underprivileged. If the policy remained unaltered, only 5 percent of black families would be able to afford a conventional house. 31 percent could afford a starter or "core" house, 33 percent a serviced plot only and 11 percent could not afford housing in any form.

Given the scale of shelter needed and the limited funds, there was no doubt that appropriate affordable housing for the masses would have to be a serviced site on which to build a shack or core house, Mr Myers said.

The implementation of vast programmes of informal shelter at an effective rate necessitated a lowering of building and servicing standards, and a relaxation of "our sophisticated First World bureaucratic to cope with a Third World housing crisis".

Mr Myers added that another means of addressing the crisis was to form a "specialist all-embracing housing agency."

This would mobilise resources of the public and private sectors so that development of low cost shelter could proceed on a co-ordinated, businesslike basis where maximum use was made of private consultants, builders, contractors and various sub-contractors.

Although many local authorities - provincial administrations, the SA Housing Trust, the Urban Foundation and various non-profit housing associations - were involved in informal housing, none of them operated on a mass scale. Time and time again, the private sector had failed to achieve such an organisation, stating that it was clear that the most important key to this issue was the ability to co-ordinate and integrate the efforts of the public and private sector.

Mr Myers added that such a housing agency would offer the community access to shelter options ranging from a basic serviced site to a completed house.

It would comprise individuals whose sole purpose was to improve social conditions, and would be perceived by the community as being a non-political organisation operating on grass roots level.

Being an "on-going body", the agency would be able to plan ahead and co-ordinate its development programme, thus minimising premature use of capital.

Another advantage would be the ability of an agency to negotiate on behalf of employees with their employers for assistance, and to implement and control housing projects on their behalf.

As a "private company" it would be free of red tape and bureaucratic procedures, and could establish its own financial, development and planning goals, taking into account the specific needs of the region it serviced.

Mr Myers said: "The agency would have to provide a facility for granting and administering small building loans to individuals, as the future housing effort will focus on basic self help and incremental housing.""South Africa has the resources and the expertise. If purpose-driven agencies can co-ordinate these to expedite a solution to the housing crisis, should they not be given the chance?"
SA ‘urgently needs national housing policy’

By Jacqueline Myburgh

South Africa is in desperate need of a national housing policy, Mr Keith Nurcombe of Toncoro — holding company for Corobrick — said yesterday. He called on housing and building associations throughout South Africa, and the Ministers responsible for housing in all three Houses of Parliament, to combine their efforts to produce a national policy and a clear action-plan to implement agreed strategies.

He said the housing backlog in SA was out of control, with the number of homes needed now exceeding 1,25 million. "Efforts made so far by the South African Housing Trust with its involvement in projects valued at R865 million are a drop in the ocean," he said.

Estimates indicated that 3.7 million squatters existed in and around the major cities and towns, and by the year 2000 this figure could increase to 54 million.

Mr Nurcombe said 56.4 percent of blacks in South Africa could not afford a housing loan, and it was therefore up to both the public and private sectors to co-operate in providing affordable housing for these people.
Proclamation red tape a big obstacle

**Bold joint venture to boost housing**

By Norman Chandler, Pretoria Bureau

A bold new plan to cut through the red tape which is strangling efforts to beat South Africa’s housing crisis is being developed by the Transvaal Provincial Administration.

The Southern African Development Bank, the private sector, regional services councils and economic development boards are working with the TPA to put together an urban development support programme (UDSP).

Mr Andre Cornelissen, director-general of the TPA, told a black township development conference at Broederstroom yesterday that the UDSP was "equal to the best such programmes in the world".

More details on how it would operate would be released later, he said. The UDSP would cover every aspect of the provision of housing, from land to finance.

In some areas, Mr Cornelissen said, TPA officials had "broken world records" with laying out townships and providing services to speed up the provision of housing.

The meeting heard earlier from working groups which have been studying housing problems that there would by the year 2016 be 16 million people living in the PWV area.

Delays in developing land for housing would result in a massive bottleneck, so urgent action was necessary.

It was said that the proclamation of land for township use took "ages", and provision had to be made for the elimination of red tape.

The establishment of a "land bank" was also mooted. This would involve buying up tens of thousands of hectares at current prices and releasing it to developers as the need arises. At present, land in the PWV area costs R15 600 to R38 000 a hectare.

**Key element**

Provision of land was pinpointed as a key element in the findings of all working groups. They reported on land, finance, sources of income for black townships, infrastructure, and educational and recreational services.

It was recommended that the Government — "preferably a Cabinet Minister" — be asked to make direct representations to mining houses for the release of land owned by them in the PWV.

Mining houses would also be approached to assist with the financing of schools and other facilities. A bid would be made to obtain tax relief for mines which offered such assistance.

The meeting heard that the provincial and State authorities were unable to pay for new schools or to buy the land required for educational purposes.

There were already moves to allow private-sector organizations to provide schools and hospitals "which could be taken over at a later date by the relevant authorities".

The meeting heard that people living in existing townships were not enthusiastic about moving to areas which did not have schools, shopping facilities, or medical services.

The possibility of designating township shopping areas as free trade areas was also urged.

In terms of existing legislation, these shopping areas could be open to all races.

SA ‘urgently needs national housing policy’

By Jacqueline Myburgh

South Africa is in desperate need of a national housing policy, Mr Keith Nurcombe of Toncoro — holding company for Coralark — said yesterday.

He called on housing and building associations throughout South Africa, and the Ministers responsible for housing in all three houses of Parliament, to combine their efforts to produce a national policy and a clear action-plan to implement agreed strategies.

He said the housing backlog in SA was out of control, with the number of homes needed now exceeding 1.65 million.

"Efforts made so far by the South African Housing Trust with its involvement in projects valued at R650 million are a drop in the ocean," he said.

Estimates indicated that 3.7 million squatters existed in and around the major cities and towns, and by the year 2000 this figure could increase to 4 million.

Mr Nurcombe said 80 percent of blacks in South Africa could not afford a housing loan, and it was therefore up to both the public and private sectors to co-operate in providing affordable housing for these people.
Private sector unlocks R3bn for housing

IN THE first R1bn tranche of a R3bn mobilisation of local capital for low-cost housing, 40,000 heads of households will get new homes and access to tens of millions of rand of government mortgage bond subsidies.

This will help cut the current 800,000 unit black housing backlog.

With seed money from three foreign governments — Britain, West Germany and Switzerland — the Urban Foundation (UF) has announced a revolutionary Loan Guarantee Fund. An initial R2bn will be invested into the fund by Western governments, international companies and SA corporations.

The British and German governments have put up about R2bn each, and the Swiss about R4bn.

The low-cost housing package meant a new homeowner would have to put down only 5% cash of the purchase price.

The announcements in London and Johannesburg yesterday unlocked a potential R3bn from financial institutions for low-cost housing mortgage bonds.

About R1bn worth of new mortgage bonds were expected to be placed in the next few years, financing 40,000 new homes, and housing 250,000 people. Financial institutions have committed themselves to investing a further R2bn if the fund proved viable.

In London yesterday, UF president Barry Oppenheimer said the initiative had been developed jointly with the Mortgage Lenders Association and the short-term insurance industry.

And in Johannesburg yesterday, Mortgage Lenders Association president Bob Tucker said the effect of the fund would be that financial institutions’ risks on bonds could be reduced to as little as 50%.

He said there was a perception low-cost housing bonds were expensive to administer and high risk. The new initiative would substantially reduce risks from the normal 80%-90% seen in conventional housing.

The UF’s Matthew Nell said besides a prospective homeowner needing to put down as little as 5% of the purchase price in cash, insurance premiums, reinsured by the fund, could be capitalised so that there was no further initial outlay of cash.

There was a further benefit in that it was likely the homeowner would qualify for the first-time homeowner’s government subsidy.

Nell said the formula was complex, but on average, the reduction in the monthly repayment was about a third.

Ntsepe president Sam Motsenenyane said the removal of the GAA.

A Caltex Oil SA spokesman said the company was contributing R500,000 interest-free to the fund during the first quarter of next year. Caltex committed these funds because of its view that low-cost housing was one of the most important priorities as far as the needs of the black communities were concerned.

BP SA declined to comment.

Toyota SA Charitable Fund trustee Elizabeth Bradley said R600,000 had been pledged as part of the Japanese contribution towards the “uplifting of black people in SA”.

Anglo American Corporation/De Beers refused to disclose their financial contribution.
financial institutions, must be welcomed.

For the first time it puts formal housing within the reach of those of modest resources by unlocking a potential R2bn for financing mortgages in the R12.500-R35.000 range.

Financial institutions have, traditionally, been reluctant to invest in the lower end of the black housing market because of the perception — largely untested — that risks would be higher.

Initial take-up in the scheme is likely to be slow. Prevaling high interest rates, expected to remain around the 20% mark at least in the short term, and high inflation will keep the prospect of home ownership beyond the reach of many for whom the funds are intended.

The consensus is it's likely to take off only once interest rates fall substantially or revisions to the State system of housing subsidies are adjusted to favour the lower rather than the middle end of the market.

Lower risk

In addition, according to Bob Tucker, of the Mortgage Lenders' Association, differentiated mortgages, which will offer preferential bond rates to lower risk buyers, are likely to be phased in slowly by lenders as overall interest rates fall.

"The rate will be worked out by reference to the risk profile of the loan, which is unrelated to the colour of the borrower or the amount of the loan."

He says lower-income group borrowers are largely more reliable borrowers than their better-off counterparts. "This is largely because financing a bond tends to be a family affair in these households. Several wage earners pool resources to meet repayments. If one loses his job it makes paying instalments more difficult but not impossible."

Further up the ladder, he says, bonds are typically serviced by individual earners who cannot meet repayments if they are out of work.

He also believes the negative impact of high interest rates could be cancelled out because many companies put a high priority on making decent housing a reality for employees.

Another aspect, which will have a dramatic impact on the success of the project, will be home ownership education. Standard Bank GM home loans Terry Power says: "This is key to the whole issue. All the participants in the project must tell the new owners what they are getting, what they must pay and why they have to pay. Many of the buyers will be moving out of very low quality shelters and will, for the first time, have to do some very basic financial planning."

The Urban Foundation initiative should, as it takes effect early next year, make a significant dent in 1988's 800 000 housing backlog.

According to Urban Foundation residential and development division MD Matthew Nell only 10% of blacks can now afford conventional homes. It would require the construction of 127 000 homes a year until 2010 to eradicate the deficit and meet the additional demand of 2m dwellings which will be needed during that period. Only 45 000 dwellings were built last year.

Foundation CE Sam van Collier says implementation of the scheme will be gradual.

"This initiative creates a mechanism which will eventually enable the provision of a further 40 000 to 50 000 homes a year to the total housing pool. However, we hope the first 40 000 units will be provided over three years. It will start slowly and gather momentum."

The scheme has two facets. The first, involving Britain, Switzerland, West Germany and international business along with the private sector in SA, provides a R20m loan guarantee fund. This will provide cover which effectively reduces the risk exposure of the home-loan institutions from the traditional 80%-90% of the property value to 60% for bonds of less than R35 000.

The second entails a commitment of a further R2bn to finance bonds of less than R35 000. The rate at which this capital will be absorbed depends on how quickly the private home building industry can provide the required lower-cost houses. "This is a new market, the insurance industry and home builders will have to develop experience, and the materials supply industry will have to gear up to meet demand," says Nell.
Supreme Court Reporter

THE Town Committee of Mbekweni was yesterday interdicted and restrained in the Supreme Court from cutting off the electricity supply to the homes of two residents or requiring them to pay increased site rental, sanitation and refuse removal and water and electricity charges.

Mr Acting-Justice I Farlam granted the order after Mr Pinkapal Jackson Letwell and Mr Holiday Sikota brought an application against the town committee and the Administrator of the Cape.

The provisions of the order will operate as an interim order pending the return day of the interdict application on October 27.

In an affidavit, Mr Letwell, who lives at U Block, Mbekweni, said that from the time the town committee assumed local government responsibility for the township he had been paying charges relating to his occupation of the house.

He had since then been issued with three separate accounts each month — one for electricity, one for water and one for house rental. He did not know how the rental charge was made up but it appeared that a portion of the amount related to service charges.

His lawyer had told him he had been informed by the town committee secretary that the committee did not have and never had the right to increase rental for Mbekweni houses because none of the houses were constructed with funds provided by the Mbekweni Town Committee.

On August 18 Mr Letwell had received his three accounts as usual and was alarmed to see that many of the charges and tariffs were considerably higher than the previous month.

He had received no prior warning and had learnt that the increases had been implemented only when he received his accounts, Mr Letwell said. When he was unable to pay the new, higher electricity account in full, the committee cut off his electricity.

He was unable to afford the increased charges and tariffs and there was no prospect that he would be able to do so in future, Mr Letwell said. He added that he feared the town committee would cut off his electricity again.
Government policies 'still fail to meet housing crisis'

AT LEAST 14 government commissions and committees have investigated housing issues since 1970, yet the housing crisis continues unabated, says Robin Lee of the Wits Centre for Policy Studies.

In a keynote address to the Affordable Housing Conference at Halfway House last week, Lee said the continuing crisis was a serious indictment of successive public sector housing policies and posed further challenges to policy change.

Government

Echoing the World Bank's slogan that no good projects can be developed in a bad policy environment, Lee said: "No single developmental project, however massive in scope and however technically sophisticated, has the power, initiative or funds to succeed in its project aims if the framework of law, regulation and custom in which it must operate is hostile to these aims."

Lee said government had begun to see the crisis could only be solved if the private sector started to play a dominant role in the housing of low-income households. Government's role should be one of facilitator to the private sector and it should only become directly involved in housing the needy.

Lee said two key issues had still to be confronted: "Firstly, the rate and scale of the supply of housing has been nowhere near the order of magnitude of the requirement, and secondly, the housing that has been delivered has not been targeted at the poor, but rather at the upper-income sector."

Lee said land availability was an absolute constraint on housing production, but a relative constraint in producing homes for poor people.

Timely identification and setting aside of land for development was one of the key necessities for housing development in low-income communities. "In S.A. at present that process is operating in a way that makes it one of the overall constraints."

Lee said that the racial zoning of land, the guide plan system and the deconcentration policy created an inflexible framework for the private sector's development activities.

The private sector was constrained by the present policy and the procedure of township development.
<table>
<thead>
<tr>
<th>LETTERS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Specification of Property</strong></td>
</tr>
<tr>
<td><strong>New Guarantee Code</strong></td>
</tr>
</tbody>
</table>

**1. Letters**

- The letters are in the form of a document.
- They contain a list of specifications and details related to the property.

**2. Guarantee Code**

- The guarantee code is related to the property's inventory and maintenance.
- It includes a sample of the code for reference.

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**Barry Sergeant**

For Privatisation
Securitised Open Door
Housing: Private

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**Labour Letter**

- The labour letter discusses the importance of proper documentation and the need for efficient communication.
- It highlights the need for clear and concise instructions to ensure effective implementation of the policy.

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**Diagram**

- The diagram illustrates the flow of information and actions required for the process.
- It includes a visual representation of the steps involved in the documentation process.

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**Table**

- The table contains a list of specifications and details related to the property.
- It includes columns for description, code, and other relevant information.

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**Note**

- Additional notes and comments are provided within the document for further clarification.
- These notes may include specific instructions or reminders for the implementation team.
Repossession rate not yet alarming, says Perm man

HOME loan foreclosures had increased significantly since last year, but repossessions by institutions had not yet reached alarming proportions, SA Perm senior finance and accounting GM Peter Hibbit said yesterday.

He said that in May, sales in execution came to 550 homes excluding banks. In June the figure was 677 homes, including bank sales in execution.

The July figure jumped to 801 homes while in August the figure was 850 homes.

The rapidity of the increase in foreclosures is revealed when these figures were compared to only 475 sales in execution in November 1988, said Hibbit.

Property economist Neville Berkowitz said people seeking home loans should seek professional advice on family affordability levels, preferably from an independent attorney, before committing themselves to a home loan agreement.

Berkowitz was reacting to newspaper reports about on the substantial increase in home loan foreclosures compared with last year.

He said most foreclosures were on buyers who had taken out home loans when interest rates were low at 12.5%.

Rising interest rates and relatively fixed incomes had killed affordable bond repayments for many.

Loans had often been made without the prospect of rising interest rates being taken into account.

Berkowitz also stressed social implications which was not reflected in home loan foreclosure figures. Each foreclosure represented a family which no longer had its own home.

The Urban Foundation's FHA Housing CEO Brian Longely said foreclosure was a trauma for the dispossessed white homeowner.

Black homeowners faced with home loan foreclosures usually returned to shared or shack housing, which often was not new to the black, but still represented a trauma.

Analysts said home loan foreclosures were a last resort by financial institutions caused by the administration costs of maintaining a property portfolio.

The institution rarely retrieved the full value of its initial capital outlay.

Hibbit said each case of bond repayments in arrears was looked at on its merits and discussed with the client.
Upsetting the planners

Officials in the Department of Development Planning are slowly having to come to grips with the consequences of scrapping influx control four years ago.

Experts have, of course, always argued that the process of urbanisation is unstoppable. They will not be surprised by the Urban Foundation's recent figures showing just how rapidly SA's rural population is urbanising.

For government planners, on the other hand, the statistics are a rude awakening from the delusion that you could scrap influx control yet still, somehow, deflect migration to the cities by offering "attractions" in alternative rural development centres.

Research done by the foundation's urbanisation director Ann Bernstein and her team, reveals that by the year 2010, SA's population will be around 60m, compared to 34m in 1980. Blacks would comprise 80% of the total, up from 72% in 1980. Moreover, whereas in 1985 SA's metropolitan areas had a total black population of 9.3m, this is expected to rise by 300% to 26.8m by 2010.

That's not all. By the year 2000, SA will have at least four major centres with populations the size of the Witwatersrand today (4m), while the PWV alone will have some 12m by then.

These figures have jolted the bureaucrats in Pretoria. For years urbanisation was seen as an undesirable process that had to be curbed at all costs. Now they're beginning to concede that their previous policy of pouring money into decentralised growth points might have been ill-advised. The lesson of the uneconomic cost of job-creation in far-flung decentralised industries, rather than concentrating on existing metropolitan areas, is getting through. Some estimates are that as much as R700m/year was pumped into incentive schemes in a vain attempt to keep blacks out of the cities.

An estimated 300 000 job seekers enter the labour market each year. The Decentralisation Board's 1986/1987 annual report says 126 366 jobs were directly created by its initiatives in the previous five years. At a cost of R2,054bn, that's about R15 852 a job.

Government's own research highlights the weaknesses in the system. The Nkelsa report, a critical analysis of current decentralisation policy by the Development Bank of Southern Africa (DBSA), found that the majority of industries established in these areas were unsustainable. In 1986/1987, 25% of them were technically insolvent, while 33% had not made a profit. Between 52% and 74% would not have been profitable but for subsidies. Profits in 1986/1987 were lower than in 1982/1983. Average profit — taking the subsidies into account — was 2% on assets.

The DBSA's report (not yet officially released and due to be discussed by the Cabinet and the TVBC States in the new year), concludes that the existing industrial development points are not generating enough momentum to become self-sustaining. It also questions whether the cost of the programme justifies its results.

It broadly recommends that the costs of the programme should be scaled down and that assistance should be confined to two types of incentive packages (details yet to be defined). Also, that sectors other than manufacturing (such as agriculture, small business and tourism) should also qualify for some form of aid. In short, a multi-sectoral approach based on comparative cost advantages, urban industrial integration and people participation.

DBSA officials confirm a major shift in decentralisation policy is in the offing, but say the situation is "extremely sensitive" as the proposed changes do not yet have government's blessing. DBSA director of policy analysis Stefa Coetzee admits there are "structural weaknesses" in the present scheme and there is to be closer integration between urban and regional development policy in future. He stresses, however, that "even if there are serious shortcomings, there are aspects of the current policy that have worked well. You can't just discard the whole policy. What we are dealing with is a process of structural economic reform."

So despite overwhelming international and SA evidence that decentralisation policies have failed, government planners seem reluctant to jettison the old policy entirely.

Emphasis is at least likely to shift to a larger number of deconcentration points located between the homelands and the cities. There's also growing recognition of the importance of cities as such and a realisation that planners ignore them at their peril. In short, there has been progress, but we're still likely to be saddled with pretty contradictory and inappropriate legislation.

Bernstein believes that approaches like the ones likely to emerge no longer have any relevance. Government, she says, has to acknowledge the reality of urbanisation and stop trying to stand in its way. She points to foundation research which revealed that "of the 2.4m people living in informal settlements in the PWV area, 67% had been resident in the area for between five and 10 years. That means two-thirds were living there before the abolition of influx control."

Research shows that the major trend in urbanisation in SA is to the important urban centres. The reality, says Bernstein, is that "cities have coped better than people thought they would in improving the quality of life of individuals and as centres of economic activity. The decentralisation policy seeks to create self-sustaining urban centres to offer a choice to people. That's not happening. In fact, the evidence is to the contrary. The number of people who can be induced to live in these areas is demographically insignificant."

The evidence clearly suggests that government must abandon its decentralisation policy and concentrate, instead, on what Bernstein calls managed urban growth. Here the focus should be on managing the real problems of urban development, such as the massive growth of informal housing on city peripheries and the effective "greying" of inner city areas.

The tragedy, says Bernstein, is that decentralisation has distracted policy makers from their primary goal of planning a democratic, non-racial metropolitan future.

"To compound the problem, we waste time by debating whether a black South African can live next to a white South African."

She adds: "This is not the key issue facing our city managers. The priority for investment shouldn't be Bronkhorstpruit or the capital of Venda."

"The key issues should be how we should be managing our cities that will more than double in population between 1980 and the year 2000 — a decade away."

FINANCIAL MAIL NOVEMBER 3 1989

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How the population mushrooms

- White
- Black
- Mixed

1980: 72%
1990: 60%
2010: 72%
1985: 9.3m
2010: 26.8m

FINANCIAL MAIL NOVEMBER 3 1989
Homes plan could cut backlog by 33 percent

By Michael Chester

The Urban Foundation estimates that no fewer than 264,000 black families would now have their first chance to buy homes of their own as a result of its new R1 billion black housing drive.

This represents about 33 percent of a current black housing backlog of 800,000 that had threatened to grow to 2 million homes by the year 2010.

Banks and building societies have intimated that they are prepared to boost the R1 billion package of new home loans to as high as R3 billion as the scheme gathers momentum.

But the Urban Foundation (UF) and associates behind the scheme have underscored that government action to remove the Group Areas Act will be crucial to the ultimate success of the housing drive.

ENOUGH LAND

Mr. Matthew Nell, managing director of the UF residential development and construction division, calculated that there was enough land available for new building operations in the metropolitan areas to meet the scheme’s needs for the next three to four years.

Beyond that, he said, it was vital that all inhibitions and restrictions, such as the Group Areas Act, were dismantled.

At the launch of the scheme, Dr. Nthato Mollana, chairman of the Soweto Civic Association, said that overseas backers of the initiative, including the British, German and Swiss governments, should insist on the scrapping of the Group Areas Act as a strict condition of their cash contributions.

British Ambassador Sir Robin Renwick also launched an oblique attack on group areas legislation. Britain had launched a number of projects to help black South Africans that were all aimed at trying to undo the effects of such legislation as the Group Areas Act, the Bantu education laws and land laws in general, he said.

See Page 6.
On Black Advancement

Wk to Spend R50-M on education

Sponsorship

By Michael Geyer
NEW MASS HOUSING PACKAGES

ANNUAL DEMAND FOR HOMES

BY BLACK FAMILIES (1989-2010)

NEED FOR HOMES BY BLACK FAMILIES

1989 - 2010

Current enrollment: 1987/88

45,000 homes

1988 - 2010

Projected new family formation

172,000 homes

Current backlog (1988): 80,000 homes

BY MELVIN CLAYTON

Make money conditional.

339

5/26/1989

THE FIRST LINE
 OF HOMEOWNERSHIP
 FOR THE FIRST TIME
 to consider low-income families
 to expand on their housing
 range of options. The challenge
 for policy makers is to ensure
 that homeownership programs
 and policies are developed
 to meet the needs of
certain segments of the
community. The
problem is not
merely one of
affordability,
but also one of
accessibility.

FINANCIAL

In the next 20 years,

in an effort to generate

800,000 homes and

20,000 jobs.

The problem of the poor

is a complex one that

will require a coordinated

effort by the public and

private sectors. It will

not be easy to replace the

mileage of homes and building

corridors that have

been lost or diminished.

By MELVIN CLAYTON

339

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accessibility.
Building the Right Structure to Support Political Change

JAN STEVAN of the Urban Foundation

The无力的 or uncoordinated political cooperation of the South's civil rights organizations failed to provide the leadership needed to create the new structure. The forces of black power and the white power must be united to create a new social, economic, and political structure that is capable of supporting political change.
June 16 should be a holiday — Steyn

CHARLOTTE MATHEWS

JUNE 16 should be made a public holiday to acknowledge the struggle of black communities for better housing, education and urban conditions, Urban Foundation chairman Jan Steyn said at the AGM in Johannesburg yesterday.

He urged white South Africans and the major institutions in the country to become aware of the justifiable expectations being raised among the black population by the current intentions of government, the private sector and others.

He said SA had been run as if it were a white society, with a black component.

“Our perceived subordinate component is and always has been a majority with a deep and pervasive sense of having been displaced and alienated in their own continent and society.”

Steyn said it was imperative that government’s words be followed by concrete actions.

Picture: ROBERT BOTHA

Urban Foundation chairman Jan Steyn, left, and CE Sam van Coller at the AGM in Johannesburg yesterday.

See Page 8
Show the poor the way ahead

THE real development challenge for SA was to provide opportunity for those at the very bottom of the income spectrum, and this is where the Urban Foundation was increasingly focusing its attention, CE Sam van Coller said at the AGM in Johannesburg yesterday.

"It seems to me the role of the Urban Foundation in a new and non-racial SA will increasingly be to open and signpost the road out of poverty."

In the past year the organisation's housing utility companies around the country sold 5 677 houses and 5 505 serviced stands with a total value of R245m — a 60% increase over the previous year.

The organisation now faced the challenge of addressing the needs of those unable to finance the minimum loan available in the conventional market, Van Coller said.

To provide access to "end-user" finance in the lower end of the market, the Urban Foundation recently established a pilot project, the Group Credit Company, to develop a new loan mechanism linked to group savings clubs to provide loans below the R5 000 level.

The foundation was also involved in developing proposals for a new urbanisation strategy in SA.

"Our research suggests that, because of its skills and infrastructure, SA is better placed than many other developing countries to turn to advantage the increasing concentration of its citizens in metropolitan areas."

Another area of activity in the past year had been the consolidation of the foundation's education programme.

"It is to be regretted that the state is neither able to provide meaningful financial support to this key area nor does it, through tax incentives, encourage the private sector to give support to early childhood education."
Only 10% of SA's blacks qualify for housing loans

TANIA LEVY

MORE than 90% of SA's black population earned less than R690 a month, TPA housing director Jan Breytenbach said in Pretoria yesterday.

At a conference for representatives of self-governing states, Breytenbach said this meant only 10% of blacks could be served with housing loans by building societies. He was quoting figures in a survey accepted by the Committee of Housing Ministers.

Breytenbach said building societies were not keen to grant housing loans for less than R20 000 — an amount way beyond the reach of the lower income group.

According to the Urban Foundation and Society of Financial Institutions, individual loans could be granted to suitable applicants for amounts as low as R12 590, representing monthly instalments of R210 at 9% interest over a 30-year repayment period.

However, it was generally accepted that individuals could afford to spend up to 25% of their monthly income on housing. A loan of R12 590 would only be affordable to applicants with a minimum income of R450 a month, he said.

The SA Housing Trust required a minimum monthly income of R690 before considering an application, Breytenbach said.

It was safe to say the backlog in black housing in SA amounted to between R1tn and R2tn. A provincial survey in March disclosed that about 1.25-million families lived in temporary structures.

It would cost R2.2tn to provide each family with a site and rudimentary services. To erect a low-cost house on each site would cost a further R1.1tn (R7 000 a house).

Lack of funds would force government to supply only affordable rudimentary services such as water provision.

No more money would be available for loans for self-build houses. Local authorities and the private sector would have to play a role in provision of housing.

Involvement of private sector finances had still to be exploited.
A good year for property

By Neville Berkowitz of the Property Economist

Most people will look back on 1989 as a good year for property. The tail end of the 1987/88 economic upswing wagged for the better part of the year.

The white homes market saw schizophrenia reign. In the lower end of the market, under R100,000, hundreds of homes were being repossessed monthly by major mortgage lenders as high interest rates crippled limited family budgets.

At the top end of the scale the R1 million home barrier was crossed numerous times and the R3 million barrier breached on a few occasions.

The security driven townhouse and especially cluster home market at R300,000 to R1 million saw much increased demand and rising prices.

Most of the activity taking place in the construction of homes for blacks, coloureds and Asians was in the cheaper end of the market where builders' profits are paper thin. The losses by many major homebuilders show that this is not "the promised land" for the homebuilding industry.

The Urban Foundation's loan guarantee scheme, initially injecting R1 billion in homes under R25,000, was, in my opinion, the most important property news of the year. Now we must all make it work for the ultimate benefit of all South Africans.

Prospects for the residential market in 1990 are for initially high interest rates with the possibility of a 17%-18% bond rate by next Christmas.

Demand for new homes will continue to slow due to the weak economy and high interest rates. Demand for existing homes over R150,000 will continue, initially at a slower rate. However I expect the second half of 1990 to see the tentative beginnings of the next upswing in the residential market.

The office market was substantially more active in the first half of 1989. Tenant demand dropped off noticeably in the second half as the 1990 downturn became a reality.

Some office markets currently have limited supply of good A grade space. However buildings currently under construction will come on-stream during 1990/1991 and a tenants market will re-appear once more.

Old Mutual continued their buying sprees of Johannesburg CBD properties as well as completing their Menlyn office park in Pretoria. While Sunlam were active, announcing inter alia, three R100 million office developments in Parktown, Arcadia in Pretoria and in Durban.

I foresee 1990 being used to plan new office building for the possible 1992 upswing.

The retail market saw the expansion of Westgate to become the third largest shopping centre in the country. The start of Southgate, near Uncle Charlie's and the recent announcement of Northgate in Randburg will add yet more retail space to a near saturated market place.

Black shopping in the Johannesburg CBD is as popular as ever and rentals for relatively small retail space have broken through the R100 sq/m a month barrier.

The industrial market was dominated by the mini factory market with rentals in high demand areas such as Strydom Park, Amaqam, Selby, and Sebenza ranging from R7-R10 sq/m.

Large industrial space users are also looking to position themselves for the 1990s and there are a number of large enquires for space in excess of 5,000 sq m in the market at present.

Overall 1990 is likely to be remembered for a slowing economy, relatively high interest rates averaging 16% during the year, increased political reform, possibly softening prices and rentals in areas of increased supply with reduced demand - in general an unexciting year.

A year to keep the costs down and an eye open for opportunities for the potential upswing starting during 1991.
URBAN AFRICANS - GENERAL

1990

JANUARY — JULY
Govt funding continues

DIRECT government spending on infrastructure in black areas is still more than 10 times the amount spent by Regional Services Councils (RSC), the SA Institute of Race Relations (SAIRR) said in its latest newsletter.

The newsletter said government officials had acknowledged RSC funding alone could not eliminate existing backlogs in the townships and more state and para-statutory funds would be spent on black infrastructure in the future.

Despite continued state funding, black local authorities are unable to maintain, let alone develop, township infrastructure.

Black local authorities would have to increase their total income by 40% to be financially independent, the SAIRR said.

The authorities seem to be looking to the Development Bank of SA to shoulder an increasing amount of the burden of development in black areas, the SAIRR said.
Black Housing

A nip in the bud

Concern is growing that unscrupulous operators could permanently damage the emerging black private housing market. Many developers admit that the pot of gold which was supposed to be at the end of the black housing rainbow is extremely elusive.

There's no doubt that many have lost money. Others, perhaps in order not to do so, have exploited the fact that home ownership is a new concept to most blacks for making a fast buck by using what can, most politely, only be described as sharp practice.

Some people believe that if these practices get out of hand they could cripple the black housing market. Others maintain that, with hire purchase, the market will quickly normalise and it will become far more difficult to pull the wool over unsuspecting black buyers' eyes.

SA Housing Trust MD Wallie Conradie believes the key to the successful implementation of the home ownership programme involves creating a feeling of confidence in the market among buyers. “We've seen a period, and it is probably still happening, where promises have been made and money taken for deposits and then the developer disappears. There have also been instances of developers walking away from half-completed homes.”

“It is terribly sad, but these things are so destructive to the establishment of the trust and confidence needed for this sort of programme to work. The client in the end must be satisfied that he is being given fair value for money — in short, a fair deal.”

While the scams mentioned by Conradie may be the most common, there are others, right down to ones that, though legal, are shortsighted in that they offer special financial packages which the promoters know buyers won't be able to meet in the long run.

These financial incentive schemes vary in nature, but, generally, tempt buyers with fixed-period subsidies, over and above the first-time buyer subsidy, on home loans. In fact, they often defer repayment. The buyer ends up paying more — if he can — on expiry of this so-called subsidy.

Between these extremes are those who, for example, try to hide all the additional costs of buying a house until it is too late for a customer to back out. While the white market is familiar with add-ons, like transfer costs and connection fees for a new house, they are often a complete surprise to black buyers. There are also those who induce customers to sign release forms for the construction when the contract to buy is signed, even though the house has not been built. This robs the owner of control over the withdrawal of funds from the institution.

Clearly, there are causes which have created the climate for such exploitation. As Matthew Nell of the Urban Foundation says, the fundamental problem is that black communities were excluded from private-sector homebuilding and financing mechanisms until the mid-Eighties. This has made them vulnerable to exploitation because they are inexperienced as a result of having been barred from the market mechanism.

He adds that the distorted market, where blacks' demand for homes far exceeds supply, makes it an ideal hunting ground for the unscrupulous.

Nevertheless, middle- and upper-income blacks have been buying houses for several years. Organisations that monitor the situation, like the Urban Foundation, notice increasing buyer awareness of the rules of the game. Certainly, Conradie believes fewer people are being taken in by the conmen.

Someone extremely critical of misleading subsidy schemes is Perm GM Dennis Creighton: “I don’t support any of the incentives offered by developers. In some cases, the buyer may be at risk and in most cases is prejudiced on net interest.”

The Perm has consistently refused involvement in such schemes.

Just as important as identifying the problem is finding solutions. Many share Nell’s view that it would be counterproductive to try to increase protection through more legislation. He maintains that the most effective weapon against exploitation is a combination of keener competition among developers, providing a greater choice of products and investment in consumer awareness.
Employers: The housing funds EMPLOYEES ARE SAVING.

BLACKS LOOK TO

LOUISE BOTAHA
Urban inevitability

Accepting the irreversibility of black urbanisation

The old apartheid belief that blacks were temporary sojourners in urban areas has had a fundamental impact on the nature of cities and towns, says Ann Bernstein, head of the Urban Foundation’s Urbanisation Unit. “It influenced the way in which the urban areas are structured, administered, financed, governed and perceived,” she adds.

The late Seventies saw the start of a shift in the official philosophy. With it came a tentative exploration of the legal, practical, social, economic and political ramifications of recognising the permanence of some blacks in urban areas.

“Over the past 10 years or so, the reality of burgeoning black urbanisation became more visible throughout the country, and the incompatibility of present policy, structures and attitudes to deal with this situation increasingly apparent,” she says.

Bernstein says government’s White Paper on Urbanisation, published in 1986, can be seen as a watershed document. “It contained the first official and formal recognition of the inevitability and irreversibility of urbanisation for the black population as a whole. The significance of the White Paper should not be underestimated but neither should it be exaggerated,” she says.

With the abolition of influx control, the national debate on the implications and significance of the official recognition of black permanence in the cities was further opened.

“But the White Paper did not provide SA with an urbanisation strategy, nor with an urban policy. In essence it is an inherently ambiguous document and, as events in the short period since 1986 have already shown, a transitory one as well,” notes Bernstein.

The White Paper is “a document that has, in a relatively short time, been overtaken by events,” she adds.

“The full implications of accepting black urbanisation entail far more than a mere shift in the rhetoric of apartheid, or a belated acceptance of black population growth and migration to the cities. The practical consequences of accepting black urbanisation entail a fundamental reassessment of cities and the policies that affect them.”

Bernstein says some broad demographic trends need to be considered:

☐ By 2010 the total population will be very near 60m people, compared with nearly 34m

in 1980;

☐ Population growth is most rapid among blacks who will comprise about 80% of the total population by 2010 compared with 72% in 1980;

☐ The major expected geographic shift in the population to the metropolitan areas means that the urban black population of 9.3m in 1985 could grow to 26.8m in 2010; and

☐ By the year 2000 SA will have at least four major centres with populations similar in size to the Witwatersrand today — more than 4m people. If the PWV is conceived of as a single metropolitan complex, which it will functionally be, the total population of this region by the year 2000 will be close to 12m people, and by the year 2010 more than 16m people,” says Bernstein.

To think of the PWV as a metropolitan area of over 12m people in just over 10 years’ time requires “a quantum leap in how we think about this urban region and its future. A decade is a short time horizon by metropolitan planning standards. What these figures indicate is that we should already be dealing with planning for a scale of urbanisation which makes existing institutions and approaches look parochial.”

“Accepting the inevitability and irreversibility of black urbanisation implies an acceptance of the ascendant role of the cities in the development of the country. SA’s cities are today at the crossroads. They must respond to the challenge of dealing with the country’s future.” These challenges include:

☐ Unprecedented numbers (Bernstein says our cities will more than double in population in the period 1980-2000);

☐ Limited resources, taking SA’s high population growth rate into account;

☐ New issues like informal housing, job-creation and urban poverty;

☐ New relationships as blacks are incorporated into the urban environment, with new roles for private and public sectors; and

☐ New methods like privatisation, community involvement in planning, shelter provision and job-creation.

“In SA, as elsewhere, the cities must play their historic role as the vehicles for modernity. The urban areas are the arenas in which economic growth must take place to increase and maximise job-creation; the benefits of urban agglomeration must become available to an expanding population; and blacks and whites must learn to live together on an equal basis.”

Obviously, the future of the PWV region is central to the whole issue.
Housing subsidy scheme proposed

A CAPITAL housing subsidy scheme offering one-off capital subsidies to low income black families may be the solution to SA's present housing shortage, a survey by the CSIR's Division of Building Technology (Boutek) says.

The Department of Public Works and Land Affairs-sponsored evaluation of the effects of housing subsidies said such a scheme was currently being mooted as a solution to the problems of low income blacks, who could otherwise be tied to repayment obligations they would find difficult to meet.

A suitable scheme was currently being discussed by the South African Housing Advisory Council (Sahac) and the relevant state departments, a Boutek newsletter carrying the results of the survey said.

If such a scheme could be introduced, it would address a wide spectrum of families across SA in need of housing aid. The newsletter said this was because funds would be applied more effectively across a wider field of participants than was now possible.

The newsletter said the scheme would release a large portion of the state machinery, currently involved in administering housing on a national scale, to tackle other fields of the housing problem in need of attention.

Discussions came about as a result of government's wish to dispel the previously held belief that housing for the low income portion of the population was the sole responsibility of government.

However, government's recent policy concerning the enhancement of the private sector emphasised the concept of individual responsibility, as well as encouraging home ownership with all its advantages of a more stable community.

The scheme was under discussion as it was felt it could compensate for some of the inadequacies of schemes such as the first-time home-buyer scheme which, although it had gained momentum since its implementation, was now leading to an increase in demand on available funds.

Since 1985 a large number of blacks had subscribed to the scheme.

The newsletter said this placed an increasing demand on available funds, resulting in a state-commissioned inquiry into its viability.
Urbanisation
to be reform's
'testing ground'

TANIA LEVY

The high rate of urbanisation and deep-rooted politicisation of SA's urban communities would make the urban question the testing ground and central focus for reform, Education and Development Aid Deputy Minister Fiel Marais said in Pretoria yesterday.

Opening a symposium on Developing Urban Environments, Marais said urbanisation was the most dominant force shaping the social, economic and political structure of SA.

He said the urban population was expected to increase to 38-million by the year 2000. In 1985 it was about 18-million. Marais said about 85% of the increase would be the urbanisation of black people.

President F W de Klerk's recent political initiatives added a new dimension to the concept of positive urbanisation, he said. New urbanisation strategies would be based upon a participating, planning process unimpeded by a wide-ranging debate about challenges facing urban communities.

Marais said national negotiations about a new constitution could not be divorced from underlying developmental realities.

Areas which would have to be addressed would be:

☐ Allocation and ownership of land and funds for housing and infrastructure;
☐ Establishment of structures for participation in the planning and development of urban areas;
☐ Promotion of private sector involvement; and
☐ The resolution of conflict, which had become endemic among sectors of urban communities.

On the local level, debate would centre around access to social amenities and facilities such as schools and clinics, provision of land and financing for development and sharing of human, physical and financial resources, Marais said.

He said SA was still dealing with the consequences of the decision in the late 1970s to allow blacks to own land outside the self-governing territories.

The decision represented a turning point in government's approach to urban development but also its approach to shaping the country's socio-economic and political future.

Marais said SA's urban structure was already established and most urbanisation would take place in the metropolitan areas. In 1985, SA's four metropolitan areas already housed 70% of the black urban population.
Steyn: involve the poor in self-help projects

MICHAEL ACOTT

URBAN Foundation chairman Jan Steyn said yesterday that the only way SA would be able to help its very poor communities would be to involve them in new programmes focused on solving their own needs.

Steyn told a Port Elizabeth seminar on change that government and the private sector would have to be involved, but that experience here and abroad showed the success of development programmes depended on obtaining the co-operation and participation of the communities concerned.

"We must take our poor people seriously enough to involve them, together with government, the private and the voluntary sectors, in development which is both efficient, flexible and focused on the real needs."

There was a danger that the problems of SA's marginal poor would not be adequately addressed under the present or any future government unless the voicelessness of very poor communities was addressed.

"The huge inequalities in SA and the depth of need and deprivation in our large but economically marginal communities make it essential that we should think much further than the standard approaches to development in both capitalist and socialist systems."

Steyn said collaborative effort was the key to two recent projects in which the Urban Foundation had been involved; joint plans to rebuild black schools in the eastern Cape and upgrade the Soweto-by-the-sea squatter community.

More than 600 eastern Cape classrooms had been damaged or destroyed in the 1985-87 disturbances. After discussions with government and community organisations, the Urban Foundation and the National Education Co-ordinating Council would launch a joint initiative this year to rebuild destroyed schools.

Parents and community leaders would be involved in deciding how the money would be used, which schools would be rebuilt and how they would be protected.

Similar discussions at Soweto-by-the-sea had led to the appointment of engineering consultants to undertake an upgrading project which, if it succeeded, could be replicated with local modifications elsewhere.
Improvement

Budget for your future

YOU probably sat down and planned your financial future before you actually decided how much money you could afford when buying a house. But let us look at the building you need to do for the time when you have moved into your beautiful new home, and the regular payments which you must plan to make.

There are the four main expenses which you must budget for each month. These are: bond payments, water and electricity bills, and insurance.

Let us take a closer look at each one of them:

Stop order

If you have purchased a house, you will have a stop order placed on your bank account to prevent you from using any money. This means that you have to visit the bank to pay any bills or make any withdrawals. This is important to keep track of your house payments.

Life cover

When you get a loan to buy a house, you should arrange for life insurance that will cover the outstanding amount in case of your death. The insurance company will probably insist on this as part of the conditions of the loan. This means that in the event of your death, the amount still outstanding on your loan will be paid by the insurance company, and your family will be able to continue making the bond payments.

Life insurance

This type of insurance is called a home mortgage indemnity policy and is calculated on the individual's age and marital status.

Remember, to draw up a will and leave a copy with your financial institution to make things easier for your family.

Unemployment and disability insurance

Your house is your property and will be registered in your name. This system cannot be expected to support you in case of unemployment or disability.

Remember, to look after your home and maintain it regularly, and to protect your greatest investment and asset. In case of a fire or other disaster, you will need to act quickly and for a higher price than one that is run-down.

For any additional information contact one of the representatives at any of the large, reputable building societies such as Standard Bank, or visit one of their showrooms.

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Housing boost in April

BY MICHAEL SWENSON

Home Improvement

SUNDAY, February 22, 1999
R20m fund boost for black housing

PRETORIA — The significance of the R20m loan guaranteed fund to the home building industry and the informal sector was vast and would revive black housing. Planning and Provincial Affairs Minister Hernus Kriel said here yesterday.

Speaking at an SA Housing Advisory Council seminar at the CSIR, he said employment would be created and the private sector would be able to acquire between R4bn and R8bn worth of business. The development would have a positive influence on the economy.

Kriel said there would be renewed pressure on developers to lower housing costs.

Manipulate

He emphasised developing countries could not afford high building and services standards.

Housing of a lower affordable standard was preferable to serious housing shortages and building costs had to be looked at urgently.

"There are unfortunately economic concentrations which manipulate the prices of building materials. Costs of specific materials are out of proportion to production costs and reasonable profit levels."

This issue would also get priority attention.

GERALD REILLY

Kriel emphasised the loan guarantee initiative had made revival in the black housing market possible.

By limiting the risk involved in granting loans of under R35 000, banks and building societies would be able to extend mortgage finance to 40% more black households which could afford housing in the R12 400 to R35 000 bracket.

While efforts had been made to make metropolitan land available since 1985 and developers had built urgently needed housing, the costs were too high and hardly a third of the black population could afford these homes.

The loan scheme was an example of an efficient use of funds.

However, financial institutions' risks would have to be limited before they would become involved in providing housing.

Interest rate increases had made the acquisition of enough land even more remote and ground availability was a major issue.

It was an economic fact that land in and around large urban areas was costly, he said.

"It is a priority that we identify land where people can live." His department was treating this issue urgently.
Black home ownership gets boost

GOVERNMENT'S loan guarantee scheme for housing loans under R350 000 has boosted black home ownership, says the Minister of Planning and Provincial Affairs.

Speaking at a seminar in Pretoria yesterday, Mr. Herman Kriel said affordable housing was crucial for the lower-income groups. 

An R120 million loan guarantee scheme had led to a revival in the black housing market.

Since 1983, he said, efforts had been made to make land available in the metropolitan area and developers had built urgently needed houses. However, there were too expensive, and

No finance had been available to these people before.

The significance of the loan guarantee fund to the home building industry was paramount.
Is this man a killer?

He saw victim hacked with pangas but refused to die
ALLEGATIONS have for years been doing the rounds that Sonnyboy "Bra-Sanza" Ngobeni is involved in ritual or muti murders.

Many people have openly accused him of dealing in "private parts" and as a result there have been frequent police raids on his house and business premises. He was once even summoned to Mmabatho by President Lucas Mangope to answer the allegations.

In our exclusive interview – the first Ngobeni has given to the Press on the issue – he refuted the allegations as unfounded and "nonsense".

He was speaking from his spacious mansion in Boekenhout, near Pretoria, a huge house in a big yard cluttered with expensive cars.

Although these rumours might be expected to adversely affect Ngobeni and his family, he said the allegations had

Sonnyboy Ngobeni (above), co-director of Orlando Pirates Football Club, and wealthy businessman with shops in Boekenhout and Soshanguve and a thriving rubbish removal enterprise in Mabopane, talks about allegations of ritual killings which surround him. He admits being involved in an attempted murder, but "only watched". Yet the rumours have only done him good, he says, because "people are scared of me". This is the first part of this serialised interview. Story and pictures by ELIAS MALULEKA.

Next week: We reveal how Ngobeni, the "man who loves to
Starboard! Ahoy there, landlubbers!

CAROLINE MBOKANE from Katlehong looks naughtily nautical as she pulls on a string or two. For 23-year-old Caroline it's still all plain sailing as she's not yet tied the knot. She works as a dental nurse when she's not enjoying her favourite pastimes – tennis and the movies.

PHOTO RONGANI MGUMI
Mr Tom Boya

THE mayor of the East Rand black township of Daveyton and president of the United Municipalities of South Africa (UMSA), Mr Tom Boya, on Saturday strongly rejected the notion that councillors serving in black local government represent a stumbling block to non-racial local government.

Boya told an UMSA meeting at Daveyton: the organization had always rejected racialism and domination.

He contended that the Government had created black local government structures “to curtail the inefficient and arrogant Development Boards.”

Black participation in local government had become a potent weapon for bargaining and negotiating for blacks’ rightful place in the governing of this country, he said. - Sapa
Council groups may unite

PLANS are afoot to unite the United Municipalities of South Africa and the Urban Councils Association of South Africa.

The decision to merge the two organisations was taken at an Umsha meeting attended by about 200 councillors in Daveyton, said his organisation was prepared to merge with Ucasu.

The president of Ucasu, Mr Phillip Nhlapo, had earlier written to Umsha requesting a meeting to discuss the merger.

The president of Umsha, Mr Tom Boya, was charged with the task of looking into the possibility of a merger.
To ease shortage R20 000 houses

A VILLAGE OF 1000 LOW-COST HOUSES

By Chairman, TRMDC

MARKETING
HOUSING is one of the major issues being put forward by trade unions at the negotiating table.

The huge backlog in SA and surrounding territories, estimated at about 1.26-million units, has made it essential that employers become actively involved in funding housing projects.

SA Housing Trust managing director Wallie Conradie believes much of employer reluctance to finance such projects is based on the abandoning of long-term planning by many companies because they are uncertain about SA's economic and political stability.

Mr Conradie says: "Employers cannot see the benefits of assisting employees in housing because the spin-offs are long term, and will not directly impact on the bottom line in a short span of time."

"The benefits of a housing programme are improved labour relations, less industrial strife, lower staff turnover and reduced absenteeism. The consequences of not embarking on such a programme could be huge social disruption and confrontation."

Industrial relations consultancy FSA-Contact is preparing a survey on housing policies in order to provide companies with the necessary background to the issue.

FSA-Contact senior consultant Kiria Schaffler says housing schemes tend to take the form of loans, subsidies or the benefit of free or cheap residential accommodation.

"The aim of the FSA survey is to provide information about all the main issues which face organisations regarding housing assistance for employees in the 1990s."

Mrs Schaffler says it will not only focus on black housing, but will look at the benefits executives receive.
She's dynamite on the field...

Two missions and a threat

Floods and stench

Teneants battle with

PHILIPPE (photo bottom) - was a tough opponent. Our opponents were definitely not just for show. It was a tough game. We had to work hard to get the win. But we did it. Our teamwork was key.

WINTER (photo above) - it was a close match. We were forced to defend our position. But we were able to hold on. It was a great win.

Factors that contributed to their success included:...

These players have shown great potential and could be key to our future successes.
as a child labourer, a bouncer, a gambler, a man since he ran away from home at the age of
KE reports:

sides, more educated peo-

He is also a "Mr Fix It".

Born in 1937, the man who "loves to cheat" left his parents and went away from school in Lady Selborne near Silverton, Pretoria.

"I live in a house near the station." He said, "I live in a small house on the outskirts of the city." He also works there as a labourer.

"The man who cheats has a lot of luck," he said. "I have a lot of friends and I cheat a lot of people."

"I cheat on my own, and I cheat on others."

"I cheat on my brother, and I cheat on my sister."

"I cheat on my parents, and I cheat on my friends."

"I cheat on my wife, and I cheat on my children."

"I cheat on my employer, and I cheat on my landlord."

"I cheat on my government, and I cheat on my fellow countrymen."

"I cheat on my church, and I cheat on my fellow church members."

"I cheat on my school, and I cheat on my fellow students."

"I cheat on my university, and I cheat on my fellow students."

"I cheat on my country, and I cheat on my fellow countrymen."

"I cheat on my world, and I cheat on my fellow humans."

"I cheat on my mother, and I cheat on my father."

"I cheat on my ancestors, and I cheat on my fellow ancestors."

"I cheat on my God, and I cheat on my fellow humans."

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But he continued to cheat and went out with different women. His winning streak also improved once he had learned the tricks. To make sure he won, Ngobeni marked playing cards on the back with fine ink, visible only to himself, and used fake bank notes at these gambling sessions.

Then came the incident in 1958 which was to change his life. He was called back home when his father's former employer ran away with one of the witchdoctor's 14 wives and threatened to kill his former boss. The culprit was found and his genitals cut off on his father's instructions. Although Ngobeni did not take part and was found not guilty, he became a changed man.

"After the case I realized you only live once and wanted to go straight."

But he returned to Marabastad and his old ways, although this time he saved the spoils. In 1962 he bought a 1939 Chevrolet car and started to operate a taxi.

His first break into big business came in 1967 when, with only R1 500 to his credit, "Mr Fix It" Ngobeni tendered for a prime site earmarked for a butchery in Boekenhout

NEXT WEEK: In the final article on Ngobeni, we reveal how he acquired his businesses, acted as a consultant without going to school and contributed to the community.
I cheated my way to the top!

Two mansions and a meal

CRABEACH, c/o 1969

Floods and stench

Tenants battle with -

whirlpool...wait a coffee moment.
As a child, he was a labourer, a bouncer, a gambler, a man since he ran away from home at the age of 8.

KE REPORTS:

Cheating and gambling are not uncommon among young people, but they can lead to serious consequences if not controlled. It is important for individuals to seek help and guidance to overcome these habits and focus on positive activities.

NEX WEEK: In the final article on Ngobeni, we reveal how he acquired his businesses, acted as a consultant without going to school and contributed to the community.
Housing scheme would need ‘another R55.7m’

GOVERNMENT needs to provide an extra R55.7m to the first time home-ownership subsidy scheme once the Urban Foundation’s housing initiative — expected to mobilise an initial R1bn in home loans — gets off the ground.

That projection was made by Llewellyn Lewis of Business Marketing Intelligence (BMI) building research strategy consulting unit.

The housing initiative was developed jointly by the Urban Foundation, the Mortgage Lenders Association and the short-term insurance industry last year to unlock institutional finance to alleviate SA’s housing shortage.

Affordability was a major problem facing blacks and the initiative could only succeed if funds available for the subsidy scheme were increased, said Lewis.

He said the increased subsidy scheme would be the key for the initiative to provide an additional 40,000 homes at an average price of R20,000 a home and unlock an initial R34.5m in home loans from financial institutions.

The initiative was expected to provide loans of between R12,000 and R35,000. With every R1m invested into housing, 106 jobs would be created, said Llewellyn.

SA Housing Trust MD Wallie Condie agreed the scheme would need to be increased as the initiative would allow more people to own homes. However, he had not seen projections of how much government would have to increase funds.

Mortgage Lenders’ Association chairman Bob Tucker said the initiative was on target for April 1, but he could not comment on increases for the scheme as it was under extensive revision by government.

A senior Planning and Provincial Affairs Department spokesman last night dismissed the BMI figures as speculation, but added the department had only been responsible for housing policy since March 1. He said he was not yet familiar with all relevant issues.

Meanwhile, Bilta said in its Building Review, released yesterday, that business conditions in the housing market remained unsatisfactory in 1989 due to high mortgage rates and the deceleration in personal disposable income.

Central Statistical Service said the value of building plans passed during the first 11 months of 1989 increased 10.8% to R2.9bn, while the value of buildings completed during the same period increased by 23.8% to R4.8bn.

Non-residential and alteration building plan values increased, but those for homes decreased by 8.1%, while plans for flats and townhouses decreased by 2.3% compared with 1988.

Of 38,668 homes built in the first 11 months of 1989, 39.1% were built for whites, 39.4% for blacks, 22.0% for coloureds and 8.5% for Asians, the CSS said.

Lewis said the CSS statistics reflected changing housing trends in SA. In 1982 to 1985, only 3% of all houses built were for blacks. In 1988, 37% of the houses built were for whites and 40% were built for blacks.

BMI forecast that in 1990, 28% of all houses built would be for whites and 48% for blacks.

Bilta’s review forecast a real negative growth rate of 8% in the residential building market during 1990.
CAPE TOWN — A R4.5bn campaign to eliminate “backlogs” among black communities in SA — including a special R4bn fund and R150m for schools — was disclosed in yesterday’s Budget.

The campaign will also include R1.5bn for housing, R116m for unemployment training and job creation, R218m for the Development Bank and R160m for development corporations and the Small Business Development Corporation.

Finance Minister Barend du Plessis said yesterday that the Budget sought, “within the maximum affordable level of expenditure, to contribute to the relief of hardship and to equip as many people as possible to grasp, on an equal basis, the opportunities the economy offers”.

Few details were provided in the Budget speech about the special fund, and President F W de Klerk was expected to make a more detailed announcement on it soon.

But Du Plessis did say that by way of a transfer from the 1989/90 surplus, the new fund would be specifically dedicated to the reduction of socio-economic backlogs in SA.

It was intended that this fund be augmented as and when circumstances permitted.

It could reasonably be expected that the full amount would not be spent in the first year.

“The current expenditure implications which the application of these funds may eventually have for the Budget will be accommodated within the confines of fiscal discipline,” Du Plessis said.

He added that government, acknowledging the importance of education in SA, wished to catch up on education-related backlogs as fast as possible.

The additional non-recurrent amount of R150m would be used mainly for capital expenditure and training in areas where backlogs were most severe.

The Budget Review, which was released yesterday, said the increase in expenditure on housing was a reflection of government’s commitment to “addressing as far as possible the large housing backlog still existing in certain areas, thereby improving the quality of life and enabling people to participate productively in the economy.”
Steyn vows: Racial laws will go

Political Correspondent

The application of the new R2-billion trust fund for black upliftment will go hand in hand with the lifting of laws that block equal opportunities, says fund chairman Jan Steyn.

Mr Steyn, also chairman of the Urban Foundation, said he had sought an assurance from the Government that racially discriminatory legislation still on the statute book — which could inhibit the initiative — would be scrapped.

Mr Steyn said he had been assured this would be done "with all deliberate speed".

Commenting on his approach to his new task, Mr Steyn said his priority would be to consult with leadership groups from all sectors of the communities involved and with the business sector.

Resource

"Without their involvement our task will be even more onerous than it already is."

He described the trust's task as addressing "the unacceptable heritage of unequal opportunities".

The trust, he said, should not be seen as a fund giving handouts to the needy but a resource that would open the way to economic and other opportunities.

Existing organisations would not be supplanted by the trust. The Urban Foundation, he said, would now have "many more opportunities" to contribute to the advancement of urban communities.
Experts warn on use of R2-bn fund

By Esmaré van der Merwe
Political Reporter

The government’s new R2-billion special fund for alleviating social backlogs has been widely welcomed as an important initiative to address the political wrongs of the past.

But community organisations, politicians and development organisations have warned that projects would have to be selected carefully to ensure that the money was channelled effectively.

Commented Mr Sonny Tarr, general manager, development services at the Small Business Development Corporation: “You’ve got to make the money work. It should not be once-off donations.”

And, said Mr George Pappas of World Vision, an organisation which has been involved in community projects for 25 years: “It is easy for that kind of money to go down the drain. It should be channelled through organisations with a track record of acceptability, credibility and experience.”

Mr Cassim Saloojee, president of the Transvaal Indian Congress and a director of the Johannesburg Institute of Social Services, said there was a vast network of community organisations as well as subsidised development organisations which could be utilised.

“The crucial point is that all these organisations should be approached collectively to ensure community participation in the projects. Without them this could become a massive exercise in futility. People should become actively involved in the decision-making on how resources should be utilised.”

Mr Mark Swilling at the Centre for Policy Studies at Wits agreed that community organisations should be directly involved in negotiations with the state on how the money should be allocated.

He gave examples of community projects which could not have been implemented before because of a lack of funds.

- The Soweto People’s Delegation (SPD) has for over a year negotiated with the Development Bank of Southern Africa, Escom and the Transvaal Provincial Administration on ways in which the Soweto rent boycott could be solved.

- Sophisticated proposals have been drawn up on how Johannesburg and Soweto can be integrated into one, non-racial city.

- The Port Elizabeth Black Civic Association has proposed a scheme for the electrification of townships in the area. Currently only 25 percent of township households have electricity.

- The Uitenhage Residents’ Civic Association has suggested that Langa township, from where people were forcibly removed some years ago to kwaNobuhle, be developed as a free settlement area.

- The Alexandra Residents’ Organisation has been negotiating with the Sandton Town Council, the Transvaal Provincial Administration and the Development Bank on a design plan to address the township’s socio-economic problems.

Mr Swilling said: “R2-billion can go far if spent wisely. What counts is not how much money is available, but how the cents are used.

“The historic trap which has to be avoided is that the money be channelled through big white business without the consultation of the communities for which the projects are designed.”

This may be an opportunity to negotiate with communities — development funds which are locally specific and shaped by local interests and aspirations.”

The experts emphasised that a system should be established whereby the Government could effectively monitor projects.
Govt adds R1 billion for black backlogs

By BARRY STREEK
Political Staff

THE government yesterday boosted the R2-billion fund to remove backlogs in the black community by another R1 billion.

President F W de Klerk said yesterday that R1 billion of the money would be administered directly by the government "to eliminate backlogs of a capital nature in education" and to acquire land for black urbanisation.

The other R2 billion is to form the basis for a trust fund, to be managed by a former Cape Town judge and honorary chairman of the Urban Foundation, Mr Jan Steyn.

The trust fund is to be administered outside the direct ambit of the government so the private sector and other institutions, both local and foreign, can contribute to it.

Mr Steyn said at a press conference that he had already held discussions with business leaders, the UDF and the ANC about the new trust fund and he felt they should be members of the trust, but it was up to them to decide.

Mr De Klerk said the government's contribution of R3 billion would be used to uplift disadvantaged South Africans.

"It is my earnest hope that this initiative will receive the widest possible support from every quarter in South Africa as well as from abroad," Mr De Klerk said.

Mr Steyn said yesterday that before accepting his appointment as head of the new trust he had received the reassurance from the government that it was committed to removing racially discriminatory legislation.

He said he had a real concern that racially discriminatory legislation still on the statute book could inhibit the dynamism of the new initiative.

© Top fashions for Nederburg auction
Outfoxing my rich rivals

in the third and final part of our series on controversial Mabopane tycoon “Pikini”! Ngobeni, he reveals how without sufficient capital and know-how he outfoxed two wealthy and experienced business rivals to get hold of a butchery in Boekenhout. He has been a child labourer, a bouncer, a gambler, a thug and a businessman since he ran away from home at the age of 10. ELIAS MALULEKE reports.

NOTHING seems to stop Sonnyboy Ngobeni from getting what he wants. He has proved this since his days in Marabastad.

With no experience of business, unable to read or write, and with only R1000 in his bank account, Ngobeni was one of three applicants for a butchery in Boekenhout in 1967. He beat his wealthy and experienced rivals to it.

“I had no chance of getting hold of the butchery because I did not have enough money and experience. I knew nothing about running such a business.

“I went to the municipal offices and spoke to a white official. I was given the business.”

Ngobeni said he built a good relationship with the white official and obtained a loan from the then Bantu Investment Corporation to start the butchery. He sold it for a good profit a year later.

“A white friend once told me to beware of friends. ‘Make use of your friends and when you no longer need them forget about them’, he said, and since then I am very careful about who my friends are.”

Despite his immense wealth, Ngobeni has no qualms about calling a white person “baas.” To him it’s all in a day’s work. It pays dividends, he says.

“Baas,” he told a white official in Soshanguve, “wil julle nie ‘n swart Harry Oppenheimer sien nie?” (Don’t you want to see a black Oppenheimer?)

When the official asked what he meant, Ngobeni said: “Harry Oppenheimer is a South African citizen but he has businessess all over the world. When I want a business in Soshanguve I am told that I’m a Bo-phuthatswana citizen. Why is that happening with blacks?”

The official asked Ngobeni what types of businesses he had in mind in Soshanguve and he told him. Ngobeni is now the proud owner of a shopping complex and a double-storey mansion in Soshanguve.

He said he went through several ‘traumatic’ experiences as a result of allegations of ritual killings but he managed to present a brave face despite the hurt he suffered.

He is a director of Orlando Pirates Football Club and is known to have pumped in a fortune to pull the club out of the difficulties which have dogged it for years.

Ngobeni said his old friend, Ingleth Singh of Pretoria City Football Club, asked him to join the board of directors of the NSL rookies but he turned the offer down.

“I will not leave Pirates for anything,” he said.

Work-hard-ed Ngobeni has visited many European countries on business.

Ngobeni is an easy man to get along with. He will fly anything for anybody and many people come to him with their problems. It has all paid handsomely in terms of goodwill, he says.

Ngobeni can sit back and relax without worrying about money. His garbage removal business alone will see him well-off in his retirement.

As a company director he manages to read balance sheets when he can’t read, he said: “I do not read a balance sheet; my wife does that for me. I can only count money.

“I am also surrounded by educated people. All my older children have university education and my wife is a former nursing sister.”

Ngobeni met his wife, Joan in Marabastad. They have five children.

An eldor child who was a lawyer died in a car accident.

Ngobeni is described by many people as a man with a heart of gold. He is the benefactor of charitable and cultural organisations in the region.

He has adopted a child who was born with deformed legs. He is said to have paid thousands in medical expenses for the child walks today.

Wealthy Ngobeni happy to call all white people ‘baas’

Girl gang-raped twice in six months

By SOPHIE TEMBA

THE SECOND gang rape of the same Soweto girl within six months has shocked and angered Soweto residents.

Residents who took part in the recent march against rape have appealed to all leaders and members of the community to help stem the menace in the townships.

The girl was raped by three men in September last year and a charge was laid against her assailants.

The case is still pending because only one of her attackers was arrested. A court granted him bail this week.

The day after her assailant was released on bail six armed men raided her home looking for her and dragged her to a waiting vehicle.

After blindfolding her, the men drove to a lonely spot where they gang-raped her and left her.

She said five of those who had raped her insisted that she be shot but the sixth man pleaded with them to spare her life.

She found her way home in the dark.

She has been called to give evidence in court tomorrow.

Maggie Nkwe, one of the residents who took part in the recent march against rape said: “Motherhood is being destroyed in young girls who go through this traumatic experience.

“We know of some girls who chose to die after going through such an ordeal rather than live with the memory of such an experience.

“We call upon every member of the community and all leaders to help in the fight against the menace that is ruining our society.”
Housing could improve vastly

Steyn to steer new trust

By DESMOND BLOW

R2 BILLION of the R3 billion of a new trust fund set up by State President FW de Klerk could vastly improve housing for South Africa’s poor.

The money could among others be used to fund deposits for houses for the poor – which would then be paid off by themselves.

R20 million donated by the United States could be used to provide housing loans for up to R200 million, said former Judge Jan Steyn, chairman of the Urban Foundation, who is to head the trust.

The other R1 billion will be administered directly by the government and will be used to eliminate backlogs of a capital nature in education, such as for schools and equipment.

A portion of this money would be spent to acquire land for black urbanisation.

State President FW de Klerk said when funds were used for a new residential area, provision would have to be made for clinics and schools.

However, none of the funds would be used for the normal running of services such as education and health. The budget had made provision for the administration of these services.

Steyn told City Press: “I have spoken to many people during the past 24 hours, including Terror Lekota and Popo Molefe of the UDF and Eric Molobe of the NECC and they are as excited as I am.”

He said he would not like to speculate about how the issues of poverty and deprivation should be addressed through the trust until he had first canvassed “priorities, strategies and opportunities” with leadership groups of all sectors of the communities involved as well as the private sector.

These groups would include political parties such as the ANC.

“Without their involvement our task will be even more onerous than it already is.”

He said the trust would seek to ensure the involvement of the private sector and especially financial institutions.

Steyn said Walter Sisulu had said in an address to the Business School at Wits University last week “let’s do it together” and he hoped that the trust would be a bridge to do so.

He had a real concern that racially discriminatory legislation still on the statute books could inhibit the initiative, so he had obtained an assurance from the government that all discriminatory legislation would be removed with “deliberate speed”, he said.
R52-m a month changes hands in blacks' urban buying groups

By Jahanazi Siddikahene

An estimated R52 million for stokvels (communal buying groups) is changing hands every month in the black metropolitan areas, according to a study by Marknor.

The study found that about 680,000 black adults, or one quarter of the black metropolitan population, are members of stokvels.

Peter Scott-Wilson, director of Marknor research group, says the outcome of the study indicates that buying groups are popular institutions which can exert powerful buying muscle.

Marknor found that of the estimated 24,000 black stokvels in the metropolitan area, 41 percent are savings clubs and 31 percent are burial societies.

Burial societies have an average of 80 members contributing R39 a month, while other types have an average of 16 members, making a contribution of R106.

But since burial societies have more members they have the highest monthly income and contribute 43 percent of the total R52 million.

An estimated R17.5 million is contributed by savings clubs, with other stokvels collecting about R12 million.

The stokvels movement has developed a significant presence with the formation of the National Stokvel Association of South Africa (Nasasa), comprising 7,000 stokvels groups with an average of 12 members to a group.
Blacks critical of SA Foundation's role

Political Reporter

Blacks attending the 90th annual meeting of the South Africa Foundation (SAF) yesterday expressed reservations about it.

The independent private sector organisation was formed 30 years ago to promote South Africa abroad.

The president of the United Municipalities of South Africa, Mr Tom Boya, asked what the SAF was doing to uplift blacks, and why its council was still "illy white".

Mr Sam Kongwa, a researcher at the Africa Institute, criticised the SAF for neglecting relations with African countries.

Mr Justice Moloto of the Black Lawyers Association reflected upon the SAF's analysis of dismal conditions in socialist eastern European countries, saying black South Africans were just as deprived under capitalism.

Replying to the criticism, SAF president Mr Warren Clewlow said the organisation had in the past approached blacks to serve on the council. However, they had felt it would not be in their interest to be openly associated.

"If in one year's time the council is still as white as today, we would not have kept track with time."

Mr Clewlow said the SAF had played a vital role in political reform, and would continue to.

Contact with African countries was generally greater than revealed. It was played down because of the sensitive nature.

The director of the SAF in Bonn, Dr Rudolf Gruber, who sketched a dismal picture of conditions in the Soviet Union, said the task of bridging the gap between the "have and have-nots" in South Africa had just begun.
Estate Agents
Board to Train
Soweto Business
Economic growth key to SA's prosperity

You will be familiar with the assistance Britain has given through the Urban Foundation's scheme for low-cost housing. We are looking at ways of expanding our effort in that area too.

I saw the squatter settlements in KTC and Crossroads. They are the squatter face of apartheid. We must not wait for the end of apartheid before we start alleviating the misery it has caused.

Solving tomorrow's problems means starting solving them today. It is not good enough, indeed totally dishonest, for those far away from this region's difficulties to create the impression that 'ending apartheid' will be a magic wand bringing rapid prosperity and freedom.

Attention has to be given now to building up black education and black community infrastructure so that tomorrow's post-apartheid South Africa can have the best chance to become a decent, prosperous modern society.

South Africa's prosperity is crucial for the whole of this region.

Today, there are 500 million people living in Africa south of the Sahara. In 20 years time there will be another 500 million. Hardly any economies in Africa are growing at a rate sufficient to keep pace with that increase in population, let alone outstrip it.

Yet, unless economic growth is able to outstrip the population increase, the prospect throughout Africa is one of increasing impoverishment.

Last year's World Bank report suggests that sustainable growth is not attainable without good government, a respect for the rule of law and human rights, a free press and democratic institutions.

The requirement in South Africa is both for political reform and to find means in a post-apartheid society of creating and distributing wealth.

It is not surprising that, like other liberation movements, the ANC pays homage to the idea of nationalisation.

Nationalisation is seen by them as the way to redress the gross economic inequalities which characterise apartheid just as surely as political domination.

**Fallacies**

The problem is that so much interventionism to post-independence Africa has been misconceived, resulting, as the World Bank report says, in a range of ills from mass-making public enterprises to poor investment choices and inefficient resource allocation.

In pointing out the obvious fallacies in the doctrine of nationalisation as a means of redistributing wealth, it will be very important that the business community in this country should not appear to be adopting an essentially defensive or negative position ("what we have, we hold") vs. its black aspirations.

For the fact is that the question of the distribution of wealth in South Africa will have to be addressed if an equitable system is to be developed here.

**Land Acts**

We welcome the Government's decision to set up a large independently administered fund to be used in consultation with black leaders to help redress the distribution of resources.

The aim must be to preserve and promote economic growth - otherwise there will be only increasing poverty to redistribute.

I have mentioned the case of the Land Acts, which we hope will be repeated. That itself will not suffice to make more land available to black South Africans: that is likely to require the sort of effort to help black farmers which has been made so successfully through the Land Bank to help Afrikaner farmers get established.

In the industrial sector, you are better able than I am to devise ways in which black South Africans can be given a much greater and a greater vested interest in the working of a free economy. For otherwise it will be hard to preserve the free economy on which the future prosperity of all South Africans is going to depend.

Politically, it is easier to make these adjustments if the economy is growing. South Africa can never generate sufficient capital to provide new jobs for the millions of blacks coming on to the labour market. So foreign investment is essential.

**Contrary to the belief which seems to exist in some circles, the world is not queuing up to invest in South Africa.**

**Competition is fierce.**

The opening of Eastern Europe to the West means that it will be even fiercer in future.

Post-apartheid South Africa will have to convince potential investors that the black story of the last 25 years in so much of the sub-Saharan Africa will not be repeated here.

South Africa will have to create a climate which is attractive to the investor.

You will have noted that I have succeeded in getting this far in my speech without any mention of sanctions and that, I can assure you, is deliberate.

For in my views that whole issue is yesterday's debate.

**Reform**

I know how much some of the members of this audience have contributed to the process of reform which is now underway here.

I believe that you can make an equally major contribution to the greater economic debate which is now going to take place here. It is, not possible to debate the economy with leaders in prison. Now that they are no longer in prison, that debate must be engaged.

It can and will go hand in hand with the debate about the future constitution and on the outcome of those two great debates, the future of this country, and in large measure also of the neighbouring countries, will depend.

**Crumbling**

"New thinking" is sweeping the world. Dictatorships are crumbling everywhere. It is no coincidence that Marxism and apartheid are coming to a dead end in tandem - both are unrealistic creeds now shot to bits by the incessant popular demand for the freedom of choice that modern economic and political life demands.

I can assure you that, so far as the people in my country are concerned, there is no hostility towards South Africa. There is absolute hostility towards apartheid.

We want to see things work out here in a way which will confound all the doomsday predictions.

Your Government has already taken irrevocable steps towards radical reform because it has faced up to political and economic reality. The possibility of negotiations had been opened up. Those involved on all sides will have to make the hard decisions.

We shall encourage them, press them, to do so. Our encouragement will take practical form. At the end of the process the results will be judged by the people of South Africa.

If they are acceptable to the majority, the international community will rejoice with them. But the real prize will lie not in world approbation but in the judgment which people will make thereafter on whether South Africa has become the sort of country they want to visit, to do business with and - most of all - to invest in.

South Africa will be no exception, I believe, that political liberty and economic performance go hand in hand.
Apartheid under fire

Violence in the townships had its roots in the frustrations of people living in shacks, lack of serviced land, and proximity of their workplaces to the places of their living. "The fact that it's black people who are living in these shacks, lack of services, lack of sanitation, lack of education, lack of employment, lack of services, lack of services, lack of services," Boye said.

"People who were Calling for the right to work for the right to have a job, don't have a job, and they start feeling angry," Boye added.

The president of the South African Federation of Trade Unions questioned the government's decision to close down the townships, saying it was a "direct violation of the right to freedom of association and the right to collective bargaining."
R2-bn fund with R30-bn potential

The R2-billion the government has allocated to a trust fund for development in black areas could be turned into more than R30-billion if it were routed through private sector financial institutions.

It is, however, highly unlikely that the "multiplier" effect will be this high. The new trust, headed by Urban Foundation honorary chairman Jan Steyn, could choose to route some of the money through banks and building societies but presumably would do so only a portion of it.

Banks and building societies have to meet a "capital co-efficient" requirement of five percent — so that if they have capital of R5-billion, for example, they can lend out over R90-billion.

The government has allocated R2-billion for capital (investment) spending aimed at tackling socio-economic backlogs in black areas. This is to be overseen by the independent trust headed by Steyn. In addition, the government will spend R1-billion to address backlogs in black education and buy land for black urbanisation.

R3-billion will not go very far in addressing backlogs — as State President P W de Klerk acknowledged week. He said he was fully aware the money allocated would not "eliminate all of South Africa's socio-economic problems".

The Urban Foundation has calculated, for example, that R1,98-billion a year would be required to the year 2010 to overcome the housing backlog just in black urban areas.

Stellenbosch University economist Servaes van der Berg estimated last year that to introduce parity at white benefit levels, social spending on housing, health, social pensions and education would have to increase from the present 10,7 percent of gross domestic product to between 27 and 35 percent. The 1986 figure of R13,6-billion for government social spending in these three areas would have had to increase to between R35-billion and R44-billion.

Private sector management of the government's recently announced development fund could make the money go a lot further, reports HILARY JOFFE

Even the R3-billion the government has allocated will take time to spend. Although the fund has the potential to improve conditions for thousands of black people in the short term, it may be more important politically than socio-economically, providing a platform for negotiation with opposition movements.

But the government is hoping that the money will be supplemented from other sources — it has put the R2-billion in an independent trust because this is a way of drawing in private sector contributions, and possibly funds from overseas. It has emphasised private sector involvement in the spending of the money. And De Klerk has stressed it will not be a "hand-out".

In turn, Steyn has spoken of "leveraging up" the money by bringing in financial institutions.

The Perm's Bob Tucker is one who argues that more can be done with the R2-billion if the private sector is brought in and the funds are multiplied, or "leveraged". The multiplier effect via financial institutions is significant, although Tucker is not suggesting all the funds go this route. He believes the spending should not, as far as possible, be routed through the state or parastatals because this is paternalistic and would result in ineffective use of the funds.

Steyn has made it clear he will consult a range of community leaders, including the United Democratic Front, African National Congress and Inkatha, as well as business people on how the money is to be spent.

He has also linked his acceptance of the chairmanship to a call on the government to remove racially discriminatory legislation which could hamper the fund's effectiveness. He has said the government has assured him it will address this. Steyn identifies housing, squatter settlements, education, job creation and health as spending priorities but this week was avoiding further comment on how the trust would work or where the money would be spent.

What the government has said is that existing agencies such as the Development Bank, Urban Foundation and Small Business Development Corporation will be responsible for administering the funds.

Of the additional R1-billion the government will spend itself, as much as 80 percent may go on buildings and equipment for black education. Education and Training Minister Stoffel van der Merwe has said R800m of this might be spent on education, buying 3,000 to 7,000 classrooms, which is about half the backlog.

While the first R2-billion fund announced in last week's budget comes out of surplus government borrowing last year, the extra R1-billion is to come out of the proceeds of privatisation. Foskor and the sorghum industry are possible candidates for privatisation this year.

The government has thus some might say deliberately made social upliftment, which black opposition movements support, conditional on privatisation, which they tend to reject.
Stokvels are big business.

About 680,000 black adults—that is, a quarter of the black metropolitan population—belong to a stokvel, or communal buying group, a Markinor survey has found.

Altogether, the estimated 24,000 stokvels in the major metropolitan areas attract contributions of some R52 million a month, which is set aside for buying goods and services.

Markinor research group director Peter Scott-Wilson says the survey, the first definitive study of stokvels, "indicates clearly that communal buying groups are popular institutions which can exert powerful buying muscle".

Some 41 percent of stokvels are savings clubs and 20 percent are burial societies. An average of 80 people belong to a burial society, and an average 16 to other types of stokvels.

Nearly 60 percent of stokvel members are female and 40 percent male. Most members are employed and in the higher income bracket.
Black housing industry loses R100 million

By Jabulani Sikhakhane

Property developers who made huge investments in landholdings in expectation of a continued boom in the black housing market, lost an estimated R100 million last year.

Franz Pretorius, general manager, project finance department of the Urban Foundation told a seminar on low-cost housing in Sandton on Friday the industry still faced a major decline.

He said large landholdings were financed by expensive borrowings and, at current mortgage rates, very little reduction in stockholding was contemplated.

The Urban Foundation, which controls about 40 percent of all land for housing development in black areas, bought large tracts of land four years ago in expectation of a boom.

When interest rates were around 12.5 percent, it was feasible to develop the land, but the sharp increase in interest rates to 21 percent (23 percent in real terms) has made housing unaffordable to most people, he said.

The general manager of African Life Homes, Guy Leitch, said the homebuilding industry had over the past two years experienced a cyclical downturn caused by rapid increases in interest rates.

Margins and affordability came under pressure from higher building material costs.

Mr Pretorius said the Urban Foundation was concerned that negative prospects facing developers and the homebuilding industry would constrain major developers from bringing suitably serviced land on stream to meet demand for housing.

He said investment by fund managers could help inject much needed cash flow into the hands of major developers.

This would help reduce their cost of borrowing, improve gearing and facilitate the delivery of housing.

Debenture funding could be one mechanism to make investment in residential landholding attractive for fund managers, he said.

Using debenture funding, for instance, in an unlisted property-owning company, debentures could offer a fixed margin pitched slightly above a comparable term gilts or semi-gilt rate.

"The debenture capital and interest rates will be indirectly guaranteed by a commercial bank or other recognised financial institution."

He said the intention of the Urban Foundation was to promote the development and establishment of an appropriate landholding investment vehicle and solicit investor support.
THE Urban Foundation is soon to introduce a new debenture in an unlisted property owning company to fund the acquisition of land for low income housing.

This was one of the new developments in the field disclosed at the Southern Life seminar in Johannesburg last week on how to mobilise the millions needed for low cost housing.

Giving details on the debenture, Urban Foundation project finance division GM Franz Pretorius said it was expected that the debenture holder (for instance, a pension or provident fund) would represent a large workforce and be able to offer employees access to serviced sites at an affordable price.

Features of the debenture would be:
- A variable rate of interest pegged at a fixed margin over a comparable term gilt or semi-gilt yield to maturity fixed and on a quarterly basis;
- The capital would be compulsorily redeemed as and when the underlying security in the form of serviced residential sites is paid for by qualifying buyers, but within five years;
- Interest would be cumulative and paid on a pro rata basis with capital redemptions within this period.

The acquisitions, Pretorius said, would be in parcels of about R50m.

The Old Mutual, together with the Urban Foundation, is having talks with the authorities on the integration of housing as a specific benefit in employee benefit arrangements so that retirement fund credits and contributions can be used as deposits and for mortgage repayments.

Wits Actuarial Science department head Prof Anthony Asher said the authorities were also looking into the possibility of permitting the capitalisation of interest by retirement funds to assist in low income housing provision.

The Urban Foundation has also launched a pilot project company, a Group Credit Company, which uses the system of rotational credit, or stockvlei, as a means of issuing loans.

Company MD Christine Glover said the aim was to test the feasibility of releasing money in loans of between R500 and R5 000 to individu- uals. Loans from the Development Bank and the Urban Foundation are funding the pilot stage.

A further initiative in the lower end of the market is being undertaken by South National Finance which, with the SA Perm, has mobilised retirement funds for the development of site and service stands for Natal fund members. Retirement funds are invested in the Perm, which lends them at normal rates of interest to South National against security of mortgage bonds for the land to be developed.

Peter Goede of the Department of Planning said a shake-up of state subsidy schemes was on the cards to assist purchasers of a serviced site.

What was envisaged, he said, was a capital subsidy on the selling price of a serviced site purchased by a first-time owner where the site is being sold for the first time. The subsidy was aimed at those breadwinners who have a monthly income of R1 000 or less and who are purchasing such a site for the first time.

Subsidies will probably become increasingly important, African Life Homes GM Guy Leitch said.
Govt ‘could lead opinion against Group Areas Act

By Esmaré van der Merwe
Political Reporter

The majority of South Africans would accept the abolition of the Group Areas Act if the Government took the lead in repealing this cornerstone of apartheid, according to the Urban Foundation.

In a report released today, the foundation concluded that discriminatory laws were the key obstacle to negotiations of a new political dispensation and the development of prosperous and harmonious cities and towns.

The document, the first in a series based on research conducted over four years, included detailed proposals for effective urban growth and development.

Key findings included:

- The de facto integration of neighbourhoods was not simply caused by housing shortages, but was largely a market-oriented response to the inefficiencies of an urban system governed by the Group Areas Act.
- White resistance to racial integration was much smaller than generally believed and was largely due to a fear of neighbourhood decline and uncertainty about the legal status of areas.
- The Group Areas Act had failed to ensure segregated residential living, while international evidence suggested that laws were not necessary to ensure broadly homogeneous neighbourhoods.
- The introduction of free settlement areas was a dangerous experiment which would create urban ghettos.
- Current Government policy on group areas lacked, overall direction. In spite of minor adjustments, the Government would probably continue to “muddle through” the existing legal framework based on the retention of legally enforced residential and racial segregation.

See Page 19.
THE idea of a Free Settlement Area is unworkable, harmful for economic development, stalls growth and is simply a bad idea, the Urban Foundation said yesterday.

The proposal for a Free Settlement area - which stretches from Oaklands north of Johannesburg, south through Houghton to Berea then east across Yeoville, south to Judi's Paarl and ultimately to Doornfontein - excludes

To page 2
You'd better hurry if you want that subsidy

BUILDING costs are rising rapidly and would-be home owners should act quickly before they pass the magic subsidy level, says Mr Russell Glyn-Curtburt, marketing director of Gough Cooper Homes.

Homes costing up to R45 000 qualify for a R12 000 free subsidy under the Government's scheme to assist first-time home buyers. But after that, buyers are on their own, having passed out of the subsidy bracket.

Further assistance for buyers struggling to save a deposit comes in the form of a Bonus Discount of R2 400 offered by Gough Cooper to be used as part of their deposit. This offer is valid until the end of April.

Says Glyn-Curtburt: "Gough Cooper are still the inflation beaters in the supply of affordable housing. We use innovative skills and the financial muscle that comes from being part of the huge Group Five empire to offer exceptional value for money, well below the inflation rate.

"We believe that everyone deserves to have a home of his own, and we do our best to make that dream come true. Our easy deposit scheme, and numerous financial packages which can be set up with employers who wish to assist their staff's housing needs, offer an outstanding opportunity for buyers."

But they must hurry, he says. If they wait much longer, the cost would have crept past the R45 000 barrier, and their hopes of a subsidy would have vanished.

Gough Cooper are already busy in Port Elizabeth, Pinetown, Pietermaritzburg, Durban, Soweto, Tembisa, Mamelodi and Soshangwe.

For further information contact Mr Kevin Dan at (011) 789-2060.
SOWETAN BUSINESS

Looking for ways to ease housing shortage in SA

IT is up to trustees of retirement funds to balance the need to provide adequate retirement benefits with more immediate need for shelter, says Southern Life general manager, Mr Roy Lennon.

Responding to criticism that life offices have not unlocked, on a grand scale, the large funds they hold to provide much-needed black housing, Lennon said pointed out that life offices mobilise and provide funds only on behalf of policy-holders, employers and members who expect these institutions to maximise returns.

We noted the housing crisis in South Africa was acknowledged as a problem that needed to be addressed, but the question was who would bear the cost and how.

Southern Life, recognising its responsibility to society, has allocated funds to help ease the problem.

However, while it was true that life offices held large amounts of money, these were managed to provide a return and accordingly accepted the losses.

Therefore, accepting the losses from a housing project does not mean the company is not committed to finding solutions to the housing crisis.

Benefits

"Some unions are against the use of retirement funds to subsidise housing needs," he said.

"They argue that the objective of such funds is to provide benefits to members and that the state and employers be responsible for housing assistance." But, Lennon said, some retirement funds did use their resources to provide housing, too.

Southern Life, in particular, had established various mechanisms to enable retirement funds to grant members housing loans.

Such loans, granted in terms of the Pension Funds Act, could be granted for amounts below the normal building society lending criteria, in terms of a minimum as bonds do not have to have such limits.

"It is important if unions decide to use funds to grant housing loans that they should set criteria for eligibility."

"Clearly, some limitation is required to ensure that a reasonable portion of the assets of the retirement fund are directed towards growth securities such as equities and properties."

"Retiree retirement benefits are likely to result if an excessive amount of the assets are held in the form of direct interest housing."

"Hopefully the initiatives taken by various organisations, together with a broad variety of measures, will make a significant contribution towards solving the serious housing shortage."
Recipe for inter-group conflict

From MONO BADELA
JOHANNESBURG - THE abolition of the Group Areas Act is a necessary first step in building cities that can serve South Africa in the 1990s.

This is one of the conclusions contained in a 56-page study undertaken by the Urban Foundation into future urban politics.

The report suggests that a desire by the government to repeal the act should be taken as a "matter of urgency." The report notes that the Group Areas Act is a fundamental structure of South Africa's society.

It is one of the key "building blocks" of the present constitutional, administrative, social and political system.

The report suggests there would be little doubt that the State President's search for a new, negotiated constitution for the country places the Group Areas Act firmly on the national agenda.

The report, which was drawn up by a four-year research project by the Private Sector Council on Urbanization, finds that the conclusion that racial integration is impossible, and in particular the Group Areas Act were the key elements to effective urban planning and development.

The report says access to South Africa's cities is a "moral and constitutional obligation," and the national search for a new and equitable constitution is the abolition of the Group Areas Act.

The report states the Group Areas Act was a "necessary first step," toward a new constitutional order that would undermine the Act.

The report says the Group Areas Act has been rejected by a majority of South Africans.

The report says there are three main risks attached to the experimental Four-Sectors option and the increased politicization of urban areas which "undermine the chances of their realization.

The report proposes that the government should commit itself to the principles of residential freedom, the enshrining of a free property base in the country's urban areas, the preservation of neighborhood quality and environmental upgrading.

It calls for a prudential urban policy at national and local level to protect, preserve and extend public and private investment in South Africa's inner cities.

To prevent any unnecessary speed up, the role of the Prudential Authority for the urban sector needs to be strengthened.

The Act creates an inevitability, group-oriented consciousness which in turn is one of the bases for cross-border political mobilization and intergroup conflict, the report says.

OUTRAGED: Mr Wilbooi demonstrates how a municipal official grabbed his daughter Yvonne, 18 months, before tossing her into the sand. His wife Katrina holds her.

MISERY: Mrs Minnie Meets in her plastic and cardboard shack at Bloemfontein.
Low income housing a must

BY SY MAKARINGE

THE government must make home ownership accessible to the lowest income group, chairman of the finance committee of the SA Advisory Council Peter Goede said last week.

Addressing a low income housing seminar at the Sandton Sun, Goede said fine housing policy; the availability of funding at market rates; excellent housing delivery systems and the availability of land and infrastructure with services would not satisfy people in the lowest income group without financial assistance from the government.

Taxation system

"It is a function of the State to redistribute wealth and income through the taxation system and its appropriation.

"When referring to housing subsidies, it is one of mechanisms to provide basic facilities worthy of a civilised and caring community.

"I believe that it is now, after years of debate, generally accepted, that the State has a prominent role to play to facilitate the provision of housing and to provide assistance, particularly to those who have a serious affordability problem," he said.
De Klerk's handout is not enough, says Arnott

The shortage of low-income housing has become a major sociological, economic and logistical nightmare, Mr Adrian Arnott, executive director of Southern Life, said at the low-income housing seminar.

Arnott said an enormous challenge existed in mobilising finance for home ownership.

He said President F W de Klerk's recent announcement that about R3-billion had been allocated to the provision of housing, health and education must be seen as a bold step in the right direction.

He said, however, that the amount required was far in excess of the sum.

Arnott said his company was concerned at the shortage of low-cost housing, and added that it had already experimented with shareholders' funds in that direction.

ADRIAN ARNOTT

"We have put our toes in the water and have not been scalded," he said.

He said there was a popular perception in the minds of the public that life assureds were awash with money.

"This is true in part, but only in part, since it does not acknowledge the competitive forces in the marketplace which demand that we give the best returns for policyholders and provident fund members," he said.
Workers, especially those organised into strong trade unions, will not accept a political settlement which does not make significant strides towards solving the housing crisis, says a leading unionist. See story below.

Housing is a right - unionist

By SY MAKARINGE

The vast majority of the South African population will not be able to afford decent housing as long as it continues to be governed by profit margins rather than by the premise that housing is a right of all citizens.

This was said last week by Mr Geoff Schreiner, national organiser of the National Union of Metalworkers of South Africa, at the Standard life-income housing seminar.

Schreiner pointed out at the outset that the views he expressed were not necessarily those of NUM or of the Congress of South African Trade Unions.

Theme

Speaking under the theme: "The Trade Union Perspective", Schreiner said unless the problem was addressed there would be a situation where few would live in relative affluence while the vast majority lived in abject poverty.

The returns in Thatcherean economics are there for all to see and the "nibble-down" clip-up of free marketeers must be halted once and for all," he said.

By SY MAKARINGE

The warm, pink rug for your ceiling

Winter's on the way and with it the need to keep homes warm - so why not do it the easy and inexpensive way by installing Aerolite?

This well-known pink product has been on the market for a number of years and has received the South African Bureau of Standards (SABS) mark of approval. It helps protect many South African homes from the winter chills which tend to sweep in.

Ceilings

Aerolite is fitted into ceilings and insulating it is so simple that many homeowners do it themselves. When it is fitted, it forms a barrier, preventing cold entering through the roof and also keeping the heat generated within the home from escaping out.

And a lot of heat is transferred from the inside of a home, which means a great deal of money and energy is wasted trying to keep a house warm.

As much as 50 percent of this heat is lost through the roof.

Looking like a big pink blanket, Aerolite acts like one too. It is a safe way to keep a house insulated: it does not conduct electricity and so poses no danger; it is fire-proof, and it does not dry out the air like most other heating systems.
HOME IMPROVEMENTS

Housing Trust is making progress

The South African Housing Trust, which was formed about three years ago to address the acute housing shortage in South Africa’s deprived communities, is making phenomenal progress.

The trust has committed itself to over R900-million of approved projects which will eventually result in 49,000 housing units and 33,000 serviced sites throughout the country.

According to the Council for Scientific and Industrial Research’s Housing Research Review, it has already built more than 6,200 homes with the aid of loans granted by its financing company, the Khayalethu Home Loans.

"The mandate given to the company by then State President P W Botha was that it should provide affordable mass housing to people who earned between R300 and R800 a month. This would stimulate the economy through the creation of employment opportunities."

After intensive discussions with existing financial institutions, the company concluded agreements with local authorities and small developers for the erection of houses on available serviced sites.

Development was, however, constrained by lack of suitable serviced sites and the unwillingness of financial institutions to provide long-term loans to the low-income group.

"The company is, however, doing all it can to make as significant a contribution as possible towards removing constraints through simplifying existing systems and procedures..." the Review said.
Government plans raising subsidies for black housing

The government has been spending far more to subsidise white home buyers than black, via the first-time home buyers subsidy, although the racial balance is beginning to shift.

And the government is looking at introducing a new scheme in which it will subsidise the cost of a serviced site purchased by a first-time owner, aimed at the majority of black families, who cannot afford formal houses but can buy serviced sites and build their own dwellings.

Between November 1985 and September 1989, white first-time home buyers were subsidised to the tune of R79-million (53 percent of the total), while black (African) home buyers in urban and rural areas received only R22-million (14 percent). However, in the period July to September 1989, R9.9-million was spent on the subsidy for whites (39 percent of the total) while R6.9-million (27 percent) was spent on urban and rural black (African) home buyers. For all black people, the total subsidy in this period was R15.6-million (61 percent).

The figures were presented to the Southern Life low-income housing conference last week by P Goede, of the South African Housing Advisory Council, which comprises government and private sector representatives and advises the government on housing policy matters.

The first-time home buyers subsidy, in terms of which the government pays one third of the interest on a bond for a house costing up to R60,000, was initially aimed only at newly built houses but for white people now applies to all houses. The scheme for whites has recently been amended so that only those earning R3,500 a month or less are eligible — a response to criticism that the subsidy was not restricted to low-income families.

The scheme is, however, limited by budget constraints and the effect of rising costs, according to Goede, who noted that the direction of South Africa’s constitutional development and political realities dictated a “fundamental shake-up” of the subsidy policy.

The new proposal is for a capital subsidy on land to complement the first-time home buyers subsidy. Urban Foundation housing policy director Jill Sretitz told the conference if a capital subsidy on sites was introduced, 43 percent of urban black people would be able “incremental” or “informal” homes, and a further 41 percent would have access to “starter” homes. This would leave only five percent unable to afford to buy — compared to over 60 percent at present.

Policy on housing subsidies will undergo a major review in the light of constitutional and political changes, reports HILARY JOFFE

High demand ... a rethink on subsidies can help alleviate shortages

The new capital subsidy proposed by SAHAC would be on the selling price of a new serviced site at a site-and-service or settlement upgrading scheme, developed by the public or private sector. It would be available to those with a monthly income of R1,000 or less.

The maximum subsidy would be R6,000. This is based on the typical selling price of about R7,720 for a site provided with waterborne sewage, metered water, tarred roads, graded roads, stormwater drainage and public lighting. Electricity will not be covered by the scheme. The subsidy paid would be less in rural areas because the “raw land” cost is lower, Goede said.

Site and service schemes were one of the key issues at the conference. Until now these have generally been provided by the public sector, and in very limited numbers. The South African Housing Trust now plans to move into this area. And a new black-owned company, South Finance Corporation, will sign contracts this year to service 10,000. Its funding will come from pension and provident funds, via the Perm.

The conference focused on ways of using retirement (pension and provident) fund money to meet housing needs.

Professor Anthony Asher, head of Wits University’s Department of Actuarial Science and a consultant to trade unions, argued housing was a legitimate investment for pension and provident funds if fund members did not have housing, because this would increase members’ financial security.

“There are already avenues for retirement funds to invest in housing. Pension funds can make loans to their members for housing, or a member’s stake can be used as collateral for a bank or building society bond. New investment rules for pension and provident fund have made it feasible for them to direct a greater proportion of their investments towards residential property than previously. Southern Life is recommending up to 25 percent of a fund’s money could be invested in housing although in theory the possible figure is greater than this.”

The conference also looked at some new investment vehicles, which would make it easier for funds to make secure investments in housing which would earn market-related returns.
Stokvel loans bring money to the poor

By HILARY JOFFE

A NEW company is using the stokvel concept to grant very small loans for housing, which will allow poor people to upgrade their shacks or houses or buy serviced sites.

The Group Credit Company lends to groups of between 10 and 25 people, rather than to individuals. In turn, the group decides the amount of the loan to which each of its members is entitled, and peer pressure ensures members make their repayments on time. Individuals stand surety for each other and the group stands surety for them all.

The company, an Urban Foundation subsidiary, was set up with R1.5 million loan capital from the Development Bank and start-up funding from the UF. It is running a two-year pilot project for the scheme, during which it expects to sign up about 40 groups. It advanced its first loan in November and already 12 groups (174 individuals) are participating, according to Group Credit Company manager Christine Glover, who outlined the new scheme at a conference on Low Income Housing in Johannesburg last week.

Loans to individuals range from R500 to R5,000, with an expected average of R3,500. The loans are for up to five years, with fixed monthly repayments. Each group has to put down a 10 percent deposit, at any bank or building society, to secure the loan. The Group Credit Company grants each loan group a credit limit, raising it at four-month intervals if the group’s repayment performance proves good.

Glover says in the three repayment months since the scheme began, monthly payments have been received in full and on time.
Scrapping Group Areas Act ‘not enough’

By HILARY JOFFE

THE Urban Foundation has finally concluded that the Group Areas Act is a bad idea and should go. It would have been more than a little disconcerting if the liberal foundation had come to any other conclusion.

After all, the private sector interests it represents have expressed their opposition to the legislation often enough. And the UF itself has been calling for a new approach to South Africa’s cities for some time.

But what is probably more important about this week’s statement on Group Areas by the UF is its contention that abolishing the Act is not enough.

What the UF and the Private Sector Council on Urbanisation want to see is “more efficient, equitable and compact cities better able to provide jobs, services and shelter for an expanding population.” This in a context in which the population of South Africa’s cities will more than double in the next 15 to 20 years.

In the first of its reports on “Policies for a new urban future”, the UF and the Private Sector Council note the Act is the core policy and legal obstacle to “effective urban management for the 1990s”. But, they add, “The abolition of racial laws is essential but cannot alone guarantee a healthy, vibrant urban environment with improved neighbourhood quality and amenities”.

The UF’s argument is that only a well-managed urban policy designed to encourage investment in the cities and enhance the quality of the environment can protect city dwellers of all races. Changing demographic and political realities (with, for example, hardly a suburb in Johannesburg which does not have black residents) make it unlikely that retaining the Act will protect white interests.

The UF calls on the government to commit itself to residential freedom and a free property market. It calls for neighbourhood upgrading programmes and the enforcement of democratically formulated “rules” to prevent the decline of urban neighbourhoods.
Scrap Group Areas as First Step

Toward new SA, says Foundation

By David Jackson
SA Trust provides R1,2bn for homes

SINCE its inception three years ago, the SA Housing Trust (SAHT) has contracted for R1.2bn which it estimates will provide about 50,000 houses and 40,000 serviced stands over the next few years.

Trust market development manager Mike Fowlds said in an interview that at the end of December the trust had built 18,941 houses and was able to provide 23,208 serviced stands.

Through bond financing division Khaya-thutha Home Loans, which acted as a lender of last resort, the trust had led the huge financial institutions to the point where commitment had now been given to granting loans in this market as low as R12,500.

"We welcome this move as that is where the greatest accommodation need is," Fowlds said.

Assists

He said the encouragement of black construction companies by the trust and the Urban Foundation was one of several routes the organisations were following to address SA's critical housing shortage.

The trust assists with training and bulk buying for entrepreneurs and one of its protegés in the Western Cape has won his first contract for 59 houses.

Through the Contractor Development Agency, a new project for the Urban Foundation, black construction entrepreneurs are helped with advice and to raise the finance to make them able to handle bigger projects.

Only about 700,000 houses are owned by the black community in SA at present and there is demand for another 800,000.

It is estimated that to eliminate the backlog and provide for growing demand, about 300,000 accommodation units a year need to be built for the next 10 years.

"The possession of a home gives a man dignity within his own community," Fowlds said.

"A man who owns a home becomes a part of the economy. He has an asset as security for getting HP and other credit financing. It creates a middle band of economically viable people."

The trust has embarked on a pilot project north of Evaton where it can provide a serviced stand, but without electricity, and an incremental house for R8,600.

"The trust's thought at this stage is that as the home-owner earns more money over time he can add to the house. We could register an initial bond of R20,000 so that he does not have to re-register each time he wants additional capital."

"We are also investigating other financial packages," he said.

An Urban Foundation spokesman said, until recently only 10% of blacks who needed housing had been able to afford what was available, namely loans of R35,000 or more from building societies.

The Loan Guarantee Fund, an initiative by the Urban Foundation and the Mortgage Lenders Association of SA, would be launched soon. It was an insurance fund to enable building societies to give low loans.

The foundation was urging government to move away from the present policy of subsidising the interest rate on home loans by providing a once-off capital subsidy up front for serviced sites.

Barlow Rand chairman Mike Reid is to succeed Jan Steyn as chairman of the Urban Foundation's board of directors.
KEY PLAYERS IN SA REFORM
Soweto community leader Dr Nithato Motlana has vehemently denied telling an American audience last week that blacks would not touch the Government's new R3 billion fund for socioeconomic upliftment.

Dr Motlana was quoted in The Star as saying: "We are going to say to President de Klerk 'Go to hell, man.' This is a question of principle, we are not going to touch that money."

His statement has caused an outcry among blacks and has drawn criticism from organisations such as the United Democratic Front and the Azanian People's Organisation (Azapo).

The Star's correspondent in Washington, David Braun, insisted that he had accurately reported Dr Motlana's speech. Two tape recordings had been made of the meeting.

Dr Motlana, a former chairman of the Soweto Civic Association, said yesterday he had said that anti-apartheid groups in South Africa were reluctant to touch money made available by governments who were friendly to South Africa.

"I never said 'Go to hell' to the State President. I would never use such language. But I certainly said the money was too little," he said.
Cracks show in Council's ranks

VAN ETTER: MEET EXAMINES THE COMPARISON OF O'CROHaIL'S AND CRAWFORD'S ESSAY

About 10 percent of the Transcendental block candidates have dropped in

despite Senate and city leaders they certainly are not.

Crawford's end at the same time. The city

lege and others, but the community is very

examine the Transcendental block candidates were dropped.

The city's end at the same time. The city
government's end at the same time. The city
‘Poverty, joblessness behind rural violence’

BLOEMFONTEIN — The degree of violence that had spread to the rural areas was a violence caused by the frustration of poverty and unemployment, Professor Francis Wilson of the department of economics at the University of Cape Town told the 54th conference of the National Council of Women of South Africa in Bloemfontein yesterday.

The sheer degree of armed robbery, assault, rape, wife and child-battering and incest were part of the product of an intolerable position.

Sickness in society

What was being witnessed at present was the depth to which this violence was manifesting itself in the rural areas of South Africa.

Professor Wilson said one could not point to cultural differences in this respect. This was the visible manifestation of a deep and underlying sickness in South African society. These were the realities with which black South Africans were faced, particularly if they were poor.

Poverty could not be reduced to a single number or statistic. The consequences of the migrant labour system also had the effect of impoverishing the rural areas. There had not always been terrible poverty in the rural areas.

The anti-black urbanisation policy had had two consequences. It had the effect of freezing housing in the urban areas when the natural population growth required more houses. The other, more serious, consequence was that those who were pushed off the farms by improved technology were not allowed into the cities. They only places they could go to were the reserves, which were already overpopulated.

Professor Wilson said poverty was not only a South African problem. However, the rate at which people were coming on to the labour market was greater than that at which jobs were being created. This was a new phenomenon in SA.

Since 1975, South Africa had, as a result of population growth, lost its capacity to generate sufficient jobs.

There was a need for economic growth, but SA did not have the type of political stability that the rest of the world required for investment.

Professor Wilson said the new motto should be “Growth through redistribution”.

It was a process that required political legitimacy. If South Africans were concerned about poverty, then a necessary condition to deal with it was a redistribution of political power. — Sapa.
Improve existing services, says doctor

By Shirley Woodgate

No further money is available to employ more nurses and it is necessary to make optimum use of available manpower, says Dr J H O Pretorius, a spokesman for the Chief Directorate of Health Care Services in the Department of National Health.

Speaking at Baragwanath Hospital yesterday at the launch of a sponsored book: "Learn About Pregnancy, Labour and Early Baby Care" by Val Thomas and Jenny Pringley, he said his department was looking at new ways of making available manpower more effective.

Dr James McIntyre, consultant in obstetrics at Baragwanath, said that although black infant mortality rates were falling in South Africa, the latest figures of 75 per 1,000 indicated that the situation remained unacceptable in view of the World Health Organisation target of less than 50 per 1,000 births.

A disparity existed between whites and blacks, with the rate for whites down to about nine per 1,000 and blacks registering about 61.

Highlighting the problem in rural areas, he said infant child mortality was as high as 190 compared with Soweto's 25 per 1,000 births.

Since 80 percent (or 40,000) of the infant deaths were attributed in 1986 to pre-natal, respiratory or intestinal infections, investigation should be directed in that direction.

The ultimate answer lay not in building more hospitals, but in improved primary health care services and health education, Dr McIntyre said.

Thokoza, Eskom probe supply problems

By Montshiwa Molefe

Members of the Thokoza Civic Association (TCA) yesterday met officials of Eskom's southern Transvaal region regarding problems related to electricity in the East Rand township.

At the end of the meeting, both parties resolved to form a joint investigation committee, whose task would be to identify the problems and look at ways in which they could be solved.

The meeting was chaired by the regional manager of Eskom, Mr D L van Wyk, while the 18-man Thokoza delegation was led by Mr Sam Ntuli, president of the TCA.

The issues discussed at the meeting included the inaccuracy of meters, inaccuracy of bills, maintenance of the supply network, the possibility of a direct supply from Eskom and the question of a masterplan.

Problems experienced by residents in the township over the electricity issue led to a rent boycott, now three months old. Complaints of high electricity accounts and faulty meter readings have been a source of discontent.

Another complaint by residents is that some of the old sections of the township have not yet been electrified.

At present, electricity to the township is supplied by the Alberton municipality, which is the nearest town, while Alberton gets its power directly from Eskom.

In a statement afterwards the two parties said the joint working committee would be looking at ways in which the problems could be "resolved with the co-operation of other parties involved".

The other parties in this case apparently refer to the Alberton municipality and the administrator of Thokoza, following the resignation of the majority of councillors in the township this year.
Mandela
Massive fund set up for upliftment

A LEADING insurance house has established a multi-million rand fund for the social development and upliftment of disadvantaged urban and rural South Africans.

The fund was his company's contribution towards what he called "the dream of a great new democratic South Africa".

He said the fund would over the next five years go to the provision of improved educational facilities, housing, the alleviation of poverty and the preparation for economic leadership of talented black entrepreneurs and other community leaders.

"We hope that Liberty Life's example will act as a catalyst and that other companies will follow our lead in encouraging the courageous initiatives of our political leadership - both black and white - with a full understanding of the horrific consequences to be faced if they fail us."

"If our social investment of R100m can help create an environment conducive to a peaceful and stable transition to a democratic and equitable society we shall be delighted. No sacrifice is too great if it facilitates our achieving this, but all of business must play its part," Gordon said.

The fund will be called the Liberty Life Foundation and will be established immediately, funded by an amount of R65 million to be provided by the company's shareholders' reserves and a further R2 million allocated by the Donald Gordon Foundation.

The Foundation will initially be guided by a board of trustees representing interested parties drawn from various sectors of the South African community who will establish an appropriate programme of action "in consultation with the relevant leaders."
Liberty defends motive for R100m 'gesture'

The decision by local insurance giant Liberty Life to spend R100 million on the "social upliftment of disadvantaged South Africans" was an investment and not intended to counter the threat of nationalisation.

Liberty chairman Donald Gordon said this week: "The formation of The Liberty Life Foundation has nothing to do with our stance on nationalisation. If, however, our work on upliftment and the process of preparation for economic leadership exposes nationalisation as the negative force it is, we would have partially, albeit coincidentally, succeeded in one of our objectives which is the creation of a more stable and prosperous economy."

He said the new Liberty Life Foundation initiative was a strong gesture of the company's support of "the dream of a great new democratic South Africa and we regard this R100 million as the best investment we could make in our investment portfolio to secure the future."

Five-year plan

According to Mr Gordon the foundation would spend in excess of R100 million on urban and rural upliftment of not only black but all disadvantaged communities in South Africa including improved educational facilities, housing, the alleviation of poverty and the preparation for economic leadership by talented black entrepreneurs and other community leaders.

"We hope that our example will act as a catalyst and that other companies will follow our lead in encouraging the courageous initiatives of our political leadership — both black and white — with a full understanding of the benefit.
More options open for home buyers likely this year

THE recent positive steps in the South African political arena have been welcomed by business leaders and should result in a significant long term improvement in the economy's performance.

This was said by the chairman of Time Hold-

ings Limited, Mr Colin Hibbet, in his annual report.

However, he says, the current slow-down in the economy is expected to continue through most of 1990 and interest rates are not expected to fall significantly before the third quarter of the year.

He says the group, which comprises three major operating divisions focusing on the areas of financial services, and insurance, housing and commercial property management and investment, is nevertheless strongly positioned in its three key areas of activity, and is targeting a turnover budget approaching R350 million.

The report says in October Urban Foundation announced details of a scheme to provide bond finance for homes costing less than R35 000.

Until recently, developers were faced with a financing gap as few building societies would grant bonds of below R35 000 while the South African Housing Trust had a R20 000 lending ceiling.

Time can now enter the market for homes costing between R20 000 and R35 000 - a market which is estimated to exceed 250 000 units - thanks to the Urban Foundation, the report adds.

"Several statutory and practical issues remain to be resolved before the initiative comes into effect but we expect to benefit increasingly from the scheme from mid-1990."

Unique chance for exhibitors

By JOSHUA RABOROKO

THOUSANDS of people are likely to attend this year's Matchmakers Exhibition at Nasrec from May 16 to 18.

While industrialists will once more come in their numbers hoping to identify black undertakings they can do business with.

Matchmaker director, Mr Zuko Tofile, said ordinary people will be exposed to a number of products and services which are available right on their doorstep the townships.

Exhibitors will thus be provided with a unique, efficient and powerful platform from which to market their products and services.

Attracting the public to this event (and attracting their buying power) will be a programme of events the likes of which has never before been experienced, he said.

By JOSHUA RABOROKO

Soweto Window
Distributors
616 Mlambo St, Dlamini 1, Soweto Tel: 982-1169

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AND MANY MORE
WE ALSO CARRY:
WINDOW SEALS, DOOR FRAMES, LINTELS, GLASS-PUTTY, AIR BRICKS, DOORS AND AIR VENTS

S4850 CEMENT..............6,99 per bag

STARTING: 1st MAY 1990 NO DELIVERY
60 black councillors quit

PRETORIA. — Sixty out of 692 black councillors have resigned following "unrest and intimidation" over the past few months, the Transvaal MEC in charge of local government, Mr Olaus van Zyl, said here yesterday.
Informal settlements need urgent upgrading, says Mr Tony Gilson, regional director of the Urban Foundation. After a tour of projects at Besters settlement, he said the population of Durban was expected to rise from 3.5 million to 6.5 million by the year 2000, with 75 percent of the people living in informal settlements.

"At least 40 percent of them would not have jobs," says Mr Gilson. "Improved water supply, refuse collection, sanitation and access to permanent tenure are the greatest needs in these settlements."

"The Urban Foundation does not pretend to have all the answers and we know our efforts to upgrade must involve participation of the community in every phase."

Mr Gilson believes the urbanisation process is irreversible and that services in the Natal Provincial Administration, says housing developments in Imanda and other areas of Natal-KwaZulu should be linked to job creation.

"We need to address the entire problem," he says. "And if we concentrate only on housing, we will simply be pushing back the tide."
Obed Kunene dies in car crash

Obed Kunene, former editor of the Ilanga Zulu-language newspaper, was killed when his car was involved in an accident with a van near Ngizobeni, KwaZulu-Natal, on Sunday.

Kunene (52), was travelling from his home at Umhlanga, south of Durban, to his business in Upper Umhlanga, KwaZulu-Natal, when the accident happened.

Kunene joined Ilanga newspaper as a cub reporter in 1957 and ended up as its editor. In 1986 he left the newspaper and was appointed an executive director of the Umno Foundation. In addition to being a former executive of the Umno Foundation, Durban-born and raised Kunene was the foundation's regional director. He was the chairman of the Natal Regional Board at the time of his death.

He is survived by his wife, Phumilele, four children and one grandchild. Sapa.
SAM van Coller, chief executive of the Urban Foundation, paid tribute on Monday to Olief Kuester's "wise guidance and warm personality."

In a statement on Monday on Kuester's death in a car accident at the weekend, Van Coller said Kuester had made an indelible contribution to the Foundation both as a director and as chairman of the National Regional Board.

"He was one of those special South Africans able to rise above the conflicts within our society and to show that reconciliation can be achieved," Van Coller said.
HOUSE OF ASSOCIATE

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Advice for black home buyers

By Joe Openshaw

Incompetent contractors, unethical credit brokers and dishonest developers may soon prey on the millions of homeless people desperate for proper housing as the black population becomes rapidly urbanised.

This warning was given in Johannesburg yesterday by Mr Keith Sandile Kunene, executive member of the Black Lawyers' Association, at the launch of a Housing Advice Centre.

The centre is being set up by the Legal Aid Bureau (LAB), assisted by the South African Housing Trust (SAHT), to give guidance and assistance to people new to property ownership and who could fall victim to exploitation by unscrupulous operators.

The SAHT presented a cheque of R50,000 to Mrs Pauline Lipson, director of the LAB, for the initiation of the first advice centre.

"The SAHT believes the housing shortage in the whole country could top 2 million units by 1992.

"By the end of this century two in every three black South African will be city or town dwellers. Today's population of 38 million is expected to have grown to 48 million by then.

Deepening despair

"These statistics spell just one thing for millions of homeless people — deepening despair.

"Unsophisticated people not acquainted with private ownership, the savings ethic, with capital and interest or mortgages and repayments are obviously going to be confused when moving into the affordable housing market for the first time," he said.

Mr Kunene said unscrupulous exploitation of the desperate and ignorant could derail or seriously hamper the whole national housing effort.

The first Housing Advice Centre will be run from York House, Johannesburg and it is hoped, eventually, to have a network of advice centres at townships throughout the PWV area.
Looking past the profits

Generating economic justice for democracy

Ways must be found to look past profit at wealth generation and distribution, writes BOB TUCKER, managing director of The Perm division of NedPerm Bank.

"wealth" is generated and fairly distributed in the process or not.

Regrettably, in my view, the attention of the fiscus has likewise been diverted away from the "mix", of wealth-generating activities towards the quantification of bottom line profits and the application of the fiscus' share of those profits on public expenditure.

In fact, since the mid-1970s there has been a consistent trend away from tax incentives which influence the nature and direction of economic activity, even though such incentives have the advantage of only being accessible by businesses which are profitable in the first place.

Consequently, no one who has the power to do so is prepared to influence the mix and distribution of wealth, and yet large sections of the population are sorely deprived. It is hardly surprising, therefore, that their spokesmen should stake an immediate claim to the asset which would give them capacity both to exert that influence and to appropriate the profit flow which they have been induced, by our behaviour, to believe is the only component of any real value.

The potential tragedy of nationalisation (primarily because it severely inhibits individual freedom and the freedom to be enterprising) is obvious from recent history. But then another mechanism for "redistributing wealth" or, in my terms, generating a different "mix" of wealth, and distribution of wealth outputs, must be offered.

Merely running a string of expenditure side programmes and projects would amount to "paternalistic fish feeding" and would be unlikely to do much towards equipping the people with the knowledge to use them.

If an appeal to the "social conscience" of managers is anathema to our business ethic, if government is not prepared to influence the wealth and distribution mix by way of tax incentives; and if expenditure side programmes amount to paternalistic "fish feeding", it would seem that the only real option is to apply the money which the government and others are now making available in a catalytic way to mobilise the very considerable wealth-generating potential which does exist.

A recent visit to a squatter camp, for example, revealed the ability of 5 000 families to establish that many homes in a matter of weeks. What would happen if that resource could be matched with the capacity of their employers, pension funds, the building material suppliers, small contractors and the financial institutions, all of whom are looking for an opportunity to do good business?

And what catalytic action is necessary to bring about the effective interaction of those resources? There are many similar examples
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**Note:**
- The total quantity is 180 items.
- The unit of measurement is units.

700 Putco workers at 2 depots out of jobs

By LEN MASEKO

ABOUT 700 Putco employees have either been fired or retrenched at two of the company's Reef depots over the past four weeks, a spokesman for the Transport and General Workers' Union said yesterday.

TGWU official Ms Kelly Forrest said about 450 workers at Putco's Wynberg depot, who demanded that an official be transferred, were dismissed after taking part in a work stoppage.

Dispute

Forrest said the stoppage had not yet been resolved because management was prepared to reinstate only some of the strikers.

In addition, the TGWU members wanted to be paid for the period they were on strike. The management had rejected this.

Putco spokesman Mr Isaac Tait confirmed the dispute, saying the transfer of the divisional manager was no longer the issue "because he has agreed not to go back to the depot".

Court

He said, however, the two parties were still locked in negotiations over the issue of reinstating the entire workforce.

Putco and the TGWU are involved in another dispute in Springs - this time over the retrenchment of about 250 workers and the closure of a local depot last weekend.

The union is to challenge the closure in the Industrial Court.
Local authorities owed R763m in rents

Political Staff

The financial crisis facing black local authorities was underlined yesterday when it was disclosed that they were owed R763.3 million in rent arrears and service fees — and had borrowed R1 554.3 million in loans and bridging finance.

These figures were disclosed by the Minister of Planning and Provincial Affairs, Mr Hernus Kriel, when he replied to questions tabled by Mr Peter Soal (DP, Jhb North) and Dr Pieter Gous (CP, Park).

In the Cape, the local authorities were owed R84.1 million, including R59.4 million for services and R13.3 million for other services.

This included R5.7 million which was owed to the Ikapa council in Cape Town, R3.8 million to the Lingenlewu West council in Cape Town, R5.1 million to the Galeshewe council in Kimberley, R19.9 million to the Ibhayi council in Port Elizabeth, R6.4 million to the Motherwell council in PE, R3.8 million to the Gampo council in East London and R5 million to KwaNobuhle council in Uitenhage.
ANC shouts foul after PAC tops agency survey of Soweto views

By SANDILE MEMELE

As the ANC sat down this week for talks with the government, a popularity stakes contest broke out between the movement and its ideological rival, the PAC.

The heated contest was sparked when a survey by a leading advertising agency found the PAC enjoyed greater support among Soweto youngsters.

It was also found the ANC was perceived as being "promoted" by the government.

Research director Sue Lerena said: "Little doubt exists that the PAC is a force to be reckoned with, especially among the youngsters in Soweto."

"But it would not be correct to say it was more popular than the ANC."

The survey has been slated by social scientists, who said the sample of 50 youths interviewed was much too small for any conclusions.

"It has no scientific base. It is completely meaningless, it has no validity whatsoever," said Janine Gagiano of the department of politics at the University of Stellenbosch.

ANC spokesman Patrick "Terror" Lekota was quick to enter the fray on Wednesday when he denied his organisation was losing support in Soweto and on the Rand to other organisations.

"In the past eight months or so the ANC has hosted public rallies in the region the size of which the PAC has not come anywhere near equaling at any place in this country."

"Even Jeff Masemola's funeral attracted a humble 5,000 mourners."

Lerena said the PAC/ANC popularity research was commissioned by her/agency in the light of measures announced by President FW De Klerk on February 2 designed to create a climate for negotiations.

Qualitative research conducted from February 14 to 22 was geared to explore these issues and assess the mood in Soweto.

Adults of middle income were interviewed together with high school and university students aged 18 to 24.

The views and feelings of respondents were explored in five group discussions made up of 10 members each. Only 10 Soweto youths were interviewed at length.

According to Lerena, this technique differs from quantitative studies where emphasis is placed on numbers.

The research found the ideological differences between the PAC and ANC were a potential source of conflict. Suspicions that the ANC was backed by the government had also resulted in credibility problems for the organisation, said Lerena.

The PAC/ANC popularity stakes war comes in the wake of a shadowy ideological war between the PAC and the Azanian People's Organisation (Azapo).

Sapa reports the political battle between the two groups is not high profile, but is being waged at grassroots level and involves painstaking door-to-door politicking by both groups.

This week the PAC sent teams to Hillbrow in Johannesburg, making it the first political grouping to publicly canvas the more than 40,000 black people in the area.

The PAC has also opened offices in several "coloured" townships - including the sprawling Emerald area south-west of Johannesburg as well as in Bosmont and Riverlea.

This is a clear indication it is muscling in on areas that have large Azapo support.

Internal general secretary for the PAC, Benny Alexander, commented: "We are not trying to score points off the black consciousness organisations. They have their programme and we have ours."

"We differ ideologically, but I would not say it is an ideological war," Azapo deputy-president Aubrey Mokoape said they too were strengthening their structures at grassroots level.

"We don't think there is a real threat from the PAC. We might lose some supporters from our ranks, but it will be insignificant."
Get your act together, building industry told

By Claire Robertson, Pretoria Bureau

The home building industry must improve productivity and quality in order to correct its "abysmal track record," according to Dr J H Visser, executive director of the National Productivity Institute.

Addressing a housing conference in Pretoria yesterday, he said the industry had become known for its "poor workmanship and costly re-work".

"Given the Government's recent positive action in making considerable funds available for housing, and the Urban Foundation's initiative in master-minding the easing of financial restrictions on the funding of low-cost housing, builders and developers have never had so great an opportunity to show initiative."

Critical factors

"The industry has the potential to make this happen, but to do so it will have to take notice of a number of critical factors," he said.

These were cost, quality and productivity.

It had been calculated, he said, that the cost of "doing things wrong" could be as high as 20 percent of a building's cost.

Expense involved in ensuring that "things come right" usually amounted to three or four percent of the cost of sales of a well-run company.

"It never happens that the correct quality leads to higher costs. The contrary is true."

"Management has to become involved in improving productivity," he said.

The biggest single factor hampering this on the building site was lack of planning.

"Activity sampling studies, which could be done by any building contractor, would show whether people are working or not. If they don't work, a simple measure would indicate why this is the case, for example waiting for materials, instructions, equipment, or idleness etc.

"From these measures a picture will soon emerge which would shock most managers."

"Many people tell me that the labour unions are killing all efforts to improve productivity and quality. I must agree that at times I fail to understand their reasoning, but one thing I do know is that when participative management methods are actually practised, most of the union problems disappear."

Structural problems in the industry mitigating against higher productivity and quality included an inadequate supply of trained workers.

"The industry badly neglected training over the years," he said, pointing out that the number of apprentices dropped from 6 444 in 1972 to only 214 at the beginning of last year.

Only 230 a year passed tests from 1989 to 1993 — in an industry which employed more than 400 000 people in 1983.

"I believe it is time for the industry to take a good look at itself and decide where it is heading. The track record is abysmal... It is up to the management in the industry to take steps."
Faith Homes spots a gap in black market

The black housing market does not as yet cater for buyers looking for houses bigger than two rooms and a garage, priced from R22,000 to R27,000—"but costing less than those developers can produce for about R40,000."

Faith Homes MD David Paterson said in an interview: "About 60% of black buyers could probably afford a house costing up to R25,000, but the private developer could not enter that market because he could not produce a house for that price at current interest rates."

"The land is too expensive," he said. "A serviced stand costs around R18,000 so it is impossible to sell a house for about R25,000."

"There is plenty of land available and plenty of developers sitting on land which they cannot develop because they cannot sell it at that price at current interest rate levels."

"Two things must happen before we see any big developments. Firstly, there must be a drop in the interest rate, possibly down to 15%, and secondly an increase in buying power, which clearly depends on a drop in inflation."

"There are literally millions of black people wanting a home and they are prepared to make almost any sacrifice."

Faith Homes began building houses for the black market in 1987. Because of the volume of business Paterson and his partner decided to split the firm into a building company and a company handling selling and administration.

Paterson said he had identified an opening for a proper estate agency in the black market.

The company has a turnover of about R2m a month, which represents about 40 units sold.

Faith Homes sells building contracts for new houses and also re-sells existing houses.

Re-selling

"Here you can get into that gap between R25,000 and R40,000 because older houses can be sold for that price," Paterson said.

The problem with re-selling existing houses was that it had never been done before, and the necessary administration at local authorities and building societies did not exist.

Black buyers could not get housing subsidies for an existing house, even if they were first-time buyers.

Another problem Faith Homes had encountered was that an applicant who was self-employed had difficulty proving his income to building societies when applying for a loan.

Paterson was optimistic about the future of the black housing market.

"There was a vast leap forward at the beginning but this is now dropping back and the market is finding some stability. The initial leap was also caused by the fact that interest rates at that time were lower. Now rates are higher, fewer people qualify."

Even so, the number of buyers was increasing and there was considerable potential in the market, he said.
Burnings not planned,
say Ikageng leaders

By Montshiwa Moroke

Six leading members of the Ikageng Civic Association (ICA) and other progressive organisations at Ikageng near Potchefstroom, who were detained in the township on Monday in terms of emergency regulations, were still being held last night.

Those in detention are Zakes Molekane, William Maposa, Mdleleni Moses Duma, Phillip Mosiane, Lorenti “Ryder” Sebiti and Sephiri Ignatius Dipico.

They are also members of either the UDF, Zakhleni Education Centre or Thusanong Advice Office.

A spokesman for the ICA said yesterday the civic body had applied to Potchefstroom's chief magistrate for permission to hold a mass report-back meeting in the township at 5 pm today.

Local community leaders from the ICA, Federation of Transvaal Women and Ikageng Youth Congress were expected to address the meeting.

Return to normal

A spokesman for the ICA said yesterday they hoped the situation would return to normal in the township.

However, the continued detention of civic leaders would delay this.

"We are worried by the burning of homes on Tuesday, the day we had called on the community to stay home and support the march to the administration offices, where a memorandum containing our grievances and demands was presented to authorities," the spokesman said.

"All we had called for was for a stayaway and not for people to attack anybody's property. That is not the policy of the Civic Association nor of our mother organisations," the spokesman said.

On Tuesday between 300 and 400 people were rounded up at the Ikageng Methodist Church where about 800 people were attending a meeting after police dispersed a large crowd preparing to stage a protest march. Most of the people were later released without being charged.
Black airline dream takes shape at last

By PATRICK MAFATO

The dream of a black-controlled international airline could soon become a reality.

Liberty Airlines, formed two years ago with a 55 percent black shareholding, is expected to take the lead.

Company chairman Steve Ramatlo, 39, said landing rights have been secured in the Far East and parts of Europe, and negotiations are at an advanced stage with Australian authorities for landing rights.

However, a bid made last November to the National Transport Commission for permission to fly direct to the US is being opposed by South African Airways and Safair.

SAA is the only South African carrier licensed to fly directly to the US, but its landing rights were cancelled in 1986 as a result of sanctions.

Meanwhile, Ramatlo’s company has split into two divisions, Liberty International and Liberty Charter (LC).

LC has reached an agreement with the Saudi Arabian national airline, Saudi Air, to lease three Boeing 747 jumbo jets to carry South African Muslims on pilgrimage to Mecca.

The first trip to Mecca will be in 30 days, while other flights will cover Mauritius and other Arab states.

Ramatlo said Saudi Arabians have agreed to inject R250-million into his company to improve cash flow.

Liberty plans to buy 12 second-hand 747s. Delivery is expected this month. According to manufacturers Boeing, a new 747 costs $150 million dollars.

Ramatlo, an accountant and director of insurance company Gaby Melnick, said his interest in the airline industry began in March last year when he bought shares in Lesotho-based Freight Intertrans.

He said that LC has a network of 56 branches in major capitals of the world. He also promised 20 percent of profits will go into training blacks in various technological fields.

In a related development, Privatisation and Public Enterprises Minister Dr Dawie de Villiers announced this week the government was keen to create more competition in air transport services.

Barriers to entry into the air transport industry would be removed, he said.

A consultant was investigating the most suitable structure for SAA in a deregulated market before a final decision was made to privatise.
A showcase for black business

By PATRICK MAPAFU

BLACK businessmen will exhibit more than 30 different categories of industrial goods and services at the fifth Matchmaker show at Nasrec near Johannesburg from May 16 to 18.

The show aims to help small black-owned firms establish contacts and increase business with American subsidiaries and other large companies in South Africa.

The event is sponsored by the US Foreign Commercial Service with support from a working group comprising the Anglovaal Business Trust, the Get Ahead Foundation, the Small Business Development Corporation, Sullivan Signatories Association and the Urban Foundation.

Since it started in 1986, the event has drawn company buyers and contacts and this has led to important business for small black-owned companies.

According to Matchmaker Services executive director, Zuko Tofile: "From 50 stands in 1986, the event has grown to include more than 100 exhibitors. Many of them are regulars. Others have grown too big for the event."
Rent boycott group teargassed on East Rand

Tear gas was fired — allegedly by policemen — into a crowd gathered yesterday at the Tokoza stadium on the East Rand where civic association leaders reaffirmed their commitment to a rent boycott in the township.

A police spokesman, Colonel Jac de Vries, said last night police knew nothing about this incident.

The tear gas was fired from outside the stadium.

No reports of injury following the attack were received. The meeting continued.

Several thousand Tokoza residents gathered illegally for a report-back meeting on the rent boycott, and to hear about the latest developments on a commission of inquiry into alleged maladministration and corruption in the Tokoza Town Council.

Boycott continues

Tokoza Civic Association executive member Cassel Khanyile said:

"Tokoza residents want to know what has happened to the money — about R1,6 million — that has been misappropriated. The boycott continues until we get answers."

The approximately 4 000 people who gathered at the stadium were told that negotiations were under way for Tokoza to be able to buy electricity directly from Eskom, as opposed to the Alberton municipality.

The ANC's internal leader for the Vaal Triangle, Greg Malebo, said the ANC had become involved in talks about talks in response to President de Klerk's meeting of some of the organisation's demands.

"He (De Klerk) is struggling some-where in the Rubicon. The ANC in turn has to do something and move the situation on to a moral high ground and we will continue to do so with or without the PAC," he said.

The Democratic Party's Dr Etienne le Roux from nearby Alberton received overwhelming applause when he told the gathering:

"I am here to tell you that even in Alberton there are non-racial democrats who are on your side. Let us build a new country we can all be proud of."

Tokoza Civic Association leaders warned at the meeting that the "talks about talks" between Government and the ANC could be jeopardised unless the Government ordered the Transvaal Provincial Administration to disband "illegitimate" town councils.

Speaking at the meeting, TCA executive member Sam Ntuli said community leaders wanted Government and local government officials to know talks would not continue unless the TPA-appointed administrators of the township resigned.

Government officials

"We are not prepared to talk to you (government officials) unless you tell the TPA and those people it supports to resign," Mr Ntuli said.

He called on residents to join and support the ANC, which he described as the political party of the TCA.

The crowd was told that a TCA delegation had been involved in talks with the newly appointed administrator of Tokoza, Gert Muller, who runs the township with a number of former Tokoza councillors after the recent collapse of the town council. — Sapa.
Township residents to end Delmas stayaway

By Esmaré van der Merwe, Political Reporter

Boitlang residents and police, involved in several clashes over several weeks in the troubled Delmas township, reached a compromise last night after talks between a delegation of community leaders and police officers.

Residents agreed to end a two-day stayaway which had led to several clashes, with police firing teargas at residents gathered in the streets.

Police told the delegation that 12 people had been detained, all of whom would either be released or charged soon. A major grievance — the presence of a police riot unit in the township — was resolved when the unit was withdrawn yesterday.

A member of the mediating delegation said it had been agreed at a residents' meeting yesterday that talks would be organised to discuss with the local council the five-week consumer boycott of Delmas businesses.

The boycott was sparked by appalling conditions in the township, particularly the lack of services, as well as overcrowding in a shantytown on the border of the township, where an estimated 3,000 people live in about 300 shacks.

Lutheran minister the Rev. Frank Muller said police had confirmed that a Boitlang resident was shot dead on Tuesday.

Yesterday's police unrest report stated that a man was wounded when a policeman "surprised a man on his property" and fired at him before he could throw a petrol bomb at the policeman's house.

Rumours

However, Mr Muller said the man was fatally wounded while fleeing the property.

The minister denied earlier claims that a resident had been shot dead by a man wearing an Afrikaner Weerstandsbeweging uniform. He said rumours were rife in Boitlang, where political tension had reached a climax.

A youth was wounded on Friday when an armed AWB member entered the township and was attacked by residents, Mr Muller added.

Yesterday's police report confirmed several incidents of looting, arson and stone-throwing as well as incidents of teargassing to disperse crowds. A policeman was injured when struck by a bottle, the report said.
Business Day

SURVEY

The new South Africa will not be born wealthy. It will have all the problems of the old — poor growth, unemployment, poverty, inadequate medical facilities and lack of education and skills. In spite of political progress the private sector will have to bear the brunt of social and economic upliftment. ALAN FINE AND ADELE BALETA report.

CSR an outdated term, says FNB

MANAGER of FNB's R1m social responsibility budget Allen Miller says he has set his sights on turning expenditure towards projects with developmental goals. His priorities are the creation of a more stable society, which will be a better environment in which to conduct the bank's business.

"The term CSR is outdated. It implies a need to placate communities, to buy time, to buy off a future black government — in other words, guilt money.

Uplift

"For FNB, it is not guilt money. We are attempting to uplift communities and to create a more stable society."

As with most CSR programmes, Miller channels 50% to 60% of his budget to education. But the focus is changing.

"Historically, the tendency has been to support tertiary education institutions. Today we are trying to divert larger proportions to technos, which have been the poor cousins where corporate spending is concerned. We want to try help remedy the vacuum of technical skills," he says.

Even FNB's attitude towards its university bursary support programme is changing. "It, too, is increasingly development-based, with a greater emphasis on agricultural and medical degrees, for example."

In line with the developmental emphasis, he says his department examines project proposals to ensure they will have a long-term spin-off for the communities at which they are directed.

FNB, like most major corporations, attempts to draw a clear line between expenditure designed to benefit the bank and spending on community upliftment.

"It is not the intention of our social responsibility programme to support educational programmes to directly benefit our business, although a small proportion does work out that way. Generally, we try to divorce ourselves from the direct needs of the bank, we aim to benefit the community," he says.

This approach is not without its critics. Those naturally opposed to CSR spending want to know what return the bank is getting on its investment.

"You can't use CSR as a marketing tool. You will sometimes get acknowledgment, but you do not go looking for it," says Miller.

On the other hand, he says: "We also do not do this for the purpose of warming our hearts. We are bankers by profession, not social workers."

While he says he is not influenced by memories of the so-called Chris Ball affair, it is also necessary to steer clear of projects with "political" agendas.

Because FNB is a broad-based business, it tries to avoid supporting sectional interests and projects which could be confrontational.

Is it not true that R1m is little more than a drop in the ocean given the extent of SA's ills?"

"Yes," says Miller. "The R1m is a drop in the ocean. But we are investing it as wisely as possible. In the end you have to ask questions like: how many degrees did you make possible, how many people did you feed, did you make a difference?"

He uses FNB participation in the Valley Trust — along with the Urban Foundation and Operation Hunger a major recipient of FNB CSR funds — as an example.

Community

The Valley Trust is a community school in Natal designed to help the community become self-sufficient.

Says Miller: "The community has been largely untouched by the unrest — we like to think at least part of the reason for this is that this project has helped transform it into a stable community."
Private sector is set to play crucial role in new South Africa

IN THE last three months, SA has been set firmly on the road towards resolving its political crisis.

But one thing on which all contending parties agree is that a political settlement will not, in itself, remedy the economic malaise which manifests itself in low growth, skills shortages, unemployment and poverty.

The “new South Africa” will not be born wealthy.

While macroeconomic decisions will play a major role in determining whether theseills are alleviated, the private sector’s corporate social responsibility (CSR) — in whatever form — remains crucial.

The Urban Foundation is the largest organisation through which CSR is conducted.

CEO Sam van Coller says the foundation’s work will have to concentrate increasingly on making an impact on the most disadvantaged 50% of SA’s society.

Van Coller says there are three basic approaches to CSR which have developed in SA.

Firstly, for some companies, CSR spending is carried out purely for corporate image or marketing reasons — to earn headlines in the eyes of the public or staff.

Secondly, there are those who believe CSR should have a social welfare function, acknowledging that SA’s social welfare system is wholly inadequate. It is appropriate, they say, for those who make profits to spend part of them on social welfare.

Relief

This can take the form of ad hoc relief where crises arise — flood relief or, for example, relief for the Natal refugees.

Or it involves assisting welfare agencies take care of society’s casualties.

Thirdly, the more sophisticated approach sees CSR in developmental terms.

In this respect, the work can be carried out at different levels, says Van Coller.

There are local development projects which involve upgrading individual and community skills and capacities.

Then there are regional and national development programmes and, at the top of the CSR ladder, working for changes to government policies seen as obstructing the development of a stable and prosperous society.

The Urban Foundation is involved in development work at all of these levels.

Van Coller says local development programmes tend to receive fewer resources from the foundation because these can be conducted by individual companies.

The main Urban Foundation focus is on regional and national development and on working for policy changes.

The foundation has set out to create institutions with the capacity to conduct development programmes. Examples are its housing companies in different parts of the country.

In the area of education there is the Teacher Opportunity Programme (Topas) — jointly established by Mobil and the Urban Foundation — which this year aims at upgrading the skills of 10 000 teachers.

The task of working for policy change on behalf of business, Van Coller says, falls to organisations like the foundation, the SA Institute of Race Relations and Wits University’s Centre for Policy Studies.

It is not a role which can be taken on by individual companies.

Key tasks

Van Coller says political progress will not lighten the load of organisations such as his own and he sees key tasks ahead.

Firstly, it will continue to work for the successful removal of racial structures — for example, the Group Areas Act, the Land Acts and racially structured local government.

“We do not assume racial laws will simply disappear. We will continue to do this work throughout research, testing our research, observing international experience and promoting constructive proposals,” he says.

It is essential for the foundation to interact with black political groups on those issues where there will be change over the next few years.

Secondly, even when all racial structures are gone, SA will be left with a society with seriously disadvantaged people.

“We will need to create ways of giving them access to skills and resources,” he says.

Thirdly, he says, it is vital for the foundation’s programmes and policies "to impact more on poverty."
‘Social investment’ is a better term

Social responsibility is in danger of becoming devalued as a concept, says SA Housing Trust (SAHT) MD Wallie Conradie.

But the more descriptive term “social investment” gives the idea of long-term benefit to the company while still recognising the positive impact on the wider community.

Conradie says the “investment” aspect of the term deserves particular emphasis when a company is considering housing assistance for its workers.

However, the cost side of the equation appears more tangible than the gains which will accrue. Altruism is therefore assumed when the company concerned can be drawing major benefits.

"Unfortunately, the question of long-term ‘dividends’ from this type of investment is still unexplored," he says.

Conradie says the benefits are substantial, but no one has yet put a figure to them.

He says: "Accountants find it easy to work out the cost when it comes to housing assistance for workers. But how do you cost the benefits?"

It is possible to itemise the advantages, but there is as yet no scientific RAND and CENTS measure to go with the checklist.

To begin with, there is a productivity gain. A well-housed workforce is healthier, better rested and motivated.

There is less absenteeism, less sick leave and an improvement in the industrial relations climate.

Model

"Staff turnover is reduced, resulting in a saving in training costs and the saving implicit in having long-serving workers on the job rather than newcomers with a low work rate and proneness to error," he says.

Conradie says he can provide a computer model or an accounting procedure that will deliver instant RAND and CENTS figures to set against the cost side of the exercise.

SAHT liaises with employers countrywide, often helping them set up worker housing schemes and granting access to its own development projects.

The trust rarely comes across indifference to the housing needs of workers. There is often an eagerness to do something, although the costs are assumed to be prohibitive.

The housing question is beset by assumptions or ignorance, he says: "We research the potential demand for all projects and approach major employers in the specific catchment area. Our researchers often report some employers with little or no knowledge of the housing needs of their workforce."

Basic questions such as where workers live, how far from the factory and in what conditions remain unanswered.

"Meanwhile, there is the assumption that housing assistance implies major and instant injections of capital, which is not the case," he says.

Conradie says an employee education effort on the disciplines and benefits of home ownership can be launched at little or no cost.

"Employers can utilise one of our schemes which call for guarantees rather than cash up front. We usually recommend an incremental approach that allows parties to proceed up the affordable housing learning curve together," he says.

Once the SAHT has established a relationship with an employer the information gathering process becomes an information-exchanging process.
Foundation sees housing as top priority

IF THE Urban Foundation is going to succeed in making an impact on the poverty of SA's poorest 50% — a key aspect of its strategy for the '90s — its most vital area will be in housing.

CEO Sam van Collier says the needs of the top 10% of the (black) housing market are being met.

The needs of the next 35% to 40% — whose difficulty was acquiring home loans in the R12 500 to R35 000 range — will be remedied in the near future by the recently announced scheme jointly promoted by the home loan institutions and the Urban Foundation.

**Action**

When this scheme comes into action, says Van Collier, formal housing will become a real prospect for this group.

Therefore, the foundation has reached the stage where the needs of the remaining 50% is the main challenge.

Van Collier says it is necessary to first ensure the needs of the better-off 50%, otherwise these would take advantage of facilities designed for the poorer group.

The key to this stage of SA's housing development is acceptance of informal housing, allowed to improve over time, on serviced sites.

He says there are two main issues that have to be resolved if such a system is to prove feasible.

- Firstly, government will need to change its policy away from subsidising middle-income housing towards a subsidy to give lower-income families access to serviced land which they can own.

**Tarred**

This will include a pegged out site, a toilet, access to water, drainage, access roads and tarred bus routes.

"We are working on government to get it to agree to this," he says.

The second is the creation of loan facilities in the less than R12 500 market.

"We have a pilot project involving the formation of savings clubs into which we make additional loans.

"If we can demonstrate this is a viable scheme we can promote this form of lending in the financial world," Van Collier says.
Spending now to secure a stable society

SPENDING on CSR is like a mining house’s investment in prospecting, says Gold Fields Foundation (GFF) spokesman Michael de Kock.

“If we want to exist in 40 years’ time, we have to do something about it now,” he says.

CSR spending (now at R10m a year) is a business decision. The intention is to help stabilise a society plagued by unemployment, illiteracy and other ills.

“We do not approach it with a bleeding heart attitude and it is not a marketing tool.”

For GFF, prior consultation with the community is a key.

“We never tackle a project without consulting the community, and community representatives administer the projects,” he says.

As with most other CSR programmes, more than 50% of the GFF budget is devoted to education.

However, two projects GFF values are health care centres in Swaziland and Lesotho.

The Sitobela rural health clinic, located in an almost inaccessible area of Swaziland, serves a community of 20,000 to 25,000. The clinic, opened in 1980, provides a service to people who, until then, were completely cut off from health services.

It provides pre and postnatal care and nutritional programmes among others.

GFF provides funding for capital expenditure and infrastructure, while the Swazi health authorities finance the day-to-day running of the clinic.

“This is vital, as it gives the authorities an interest in its successful operation,” says De Kock.

GFF provided the buildings, staff housing and water, and each year finances the upgrading of the facility through, among other things, supplying new medical equipment.

The second medical project, the Scott Hospital, at Mohija, Lesotho, is the top hospital in the country.

A Christian mission runs the facility.
1% of profits for the benefit of community

IN 1989, the AECI board decided to divert 1% of pre-tax profits to improving the quality of life of South Africans. Quality of Life (QoL) budget manager Sandy Vandevey has been in charge of this fund for the last three-and-a-half years. This year he is investing R5.5m.

AECI has devised a detailed and sophisticated set of criteria for determining the use of these funds — one which clearly delineates points which elsewhere have become rather grey areas.

“We differentiate between what we do in the direct and short-term interests versus the long-term interests of the company. QoL spending is aimed strictly at the community outside AECI,” Vandevey says.

The R5.5m, therefore, is separate from the R25m set aside to fund scholarships in fields that relate to AECI’s short and long-term manning needs. It does not cover employee benefits and excludes the annual donation to the Urban Foundation, which was R1m this year.

“Our overriding criterion, since we cannot eliminate all the ills of SA, is to use the funds in those areas where our employees reside.”

Upgrading

More than 50% of the education funding is used for upgrading the education system — including facilities, teachers’ skills and English in schools and colleges. Emphasis is also put on scientific and technical education.

QoL projects should:
- Be targeted at identified disadvantaged communities within AECI’s recruitment catchment areas;
- Have permanent or long-term impact on SA society and should be aimed at removing the causes of social or educational problems as opposed to treating the symptoms;
- Preferably be initiated by AECI and should enjoy the linkage and support of the relevant company or centre;
- Adopt a “hand-in-hand” approach as opposed to a “hand-out” approach. Hence liaison, consultation and extensive investigation with the users and recipients of the resources is necessary. Community legitimacy is the central issue;
- Not support an institution which promotes apartheid in any form or does not open its doors to all race groups at all levels. Projects should aim at narrowing the apartheid divide;
- Take cognisance of relevant social, political and economic issues in the wider society;
- Be aimed at developing skills and transferring knowledge to empower communities and institutions to become self-sufficient;
- Not be initiated or funded merely to serve the business interest of any independently operating AECI company.

Relevant

- Not absolve the state from its responsibilities;
- Contain a self-evaluation component in order to test whether it is relevant and acceptable to the community and whether it achieves its objectives;
- Guarantee security of tenure where land and buildings are involved;
- Be efficiently and effectively managed. This entails, inter alia, producing evidence of tight budgetary control, financial and progress reports, ensuring the future funding of the project, showing it is responding to a critical area of community need, showing it is significant and innovative, involving a multiplier effect, building on and using available community resources and showing a willingness or potential for holistic, and co-operative approach.
Where the desperate living move in with the dead

By Tim McEwan
New black towns ‘must be near jobs’

By MICHAEL MORRIS, Political Correspondent

SOUTH AFRICA could no longer afford or justify the "luxury and inconvenience to others" of placing new black towns as far as possible from existing residential areas, the Minister of Planning and Provincial Affairs, Mr Hernus Kriel, has warned parliament.

But he also warned that unless the country’s 900 000 squatters co-operated with the government’s aim of achieving "orderly urbanisation", action would be taken against them in terms of the Squatter Act.

On the question of creating new black towns, Mr Kriel said existing property rights would be taken into account, but the time for locating them far from other residential areas had passed.

Introducing the debate on his department's budget, Mr Kriel said urban planners would have to find space to house about 11-million more black people in towns and cities in the next 10 years.

Must be found

"South Africans will have to accept that living areas for newcomers must be found. Such land will have to be found as close as possible to the areas where job opportunities exist in order to save the taxpayer and commuters unnecessary commuting expenses.

"In our planning, existing rights will have to be taken into consideration, but the time has passed when a black town was erected as far as possible from existing residential areas. We cannot afford or justify such outdated luxuries and inconvenience to others."

The State was responsible for about 70 percent of the demand for black housing. He expressed appreciation for the private sector's increasing involvement in black housing development.

The government had accepted the challenge of providing housing and since 1986 had earmarked enough land to house about nine million newcomers in the urbanisation process.

He said a sum of R69-million had been set aside this year for buying land for black housing development in the four provinces. Furthermore, if parliament approved the R1-billion for development announced by President De Klerk, not less than R200-million of it would go towards buying and developing land to help "catch up on the enormous existing backlog".

Mr Kriel also announced that his department was working out ways to cut red tape and save time and money in the process of creating new black towns.

Solving the growing problem of squatting required balancing the needs and feelings of the squatters with the rights and frustrations of property owners.

Mr Kriel warned that if squatters sought confrontation, they would be acted against in terms of the Squatter Act. The government could not allow orderly urbanisation to be replaced by anarchy.
Call for MEC to resign

The United Municipalities of South Africa has called for the resignation of Mr. Outie van Zyl, Transvaal MEC in charge of local government.

The president of the Umsa, Mr. Tony Boye, made the request in a letter to the Administrator, Mr. Danie Hough.

Boye alleged that Van Zyl "has no interest in black local government." He said that the letter was in response to what he said was the high-handed manner in which Van Zyl dissolved the Lekoa town council on the grounds of financial mismanagement.

Boye said in the letter it was difficult for black councils to take strong action against rent and service charge defaults.

"We feel strongly that there should have been more consultation and perhaps Lekoa's problems could have been solved without having to dissolve the council," he said.
GOVT HINTS AT END OF LOCAL AUTHORITIES

CAPE TOWN — It was time to admit black local authorities lacked credibility because they had no sound financial base, Planning and Provincial Affairs Minister Hernus Kriel said yesterday.

Introducing his budget vote in Parliament, he said the Coordinating Council for Local Authorities was due to consider a report on alternative models for local government on May 23.

The proposals, drawn up by a council committee, would then be forwarded to government for consideration.

Kriel said it had been clear for some time that there was little enthusiasm for separate local authorities based solely on colour.

The NP believed the structures which would bring about stable local government would have to be acceptable to all population groups.

"Therefore we are ready to move away from a system based solely on colour," he said. "We believe, however, that on this level too the policy of power sharing must be applicable.

"We believe further in the non-domination of minorities," said Kriel. "We also believe that in our unique situation, with unique settlement patterns, it is necessary for everyone to share in tax and income benefits created by the selling and rendering of services in industrial areas and central business districts." Kriel said SA would have to seriously consider the possibility of various local authorities being served by a single administration.

The minister said there were too few people who realised the urgency of the identification of land for black townships, and too many who put their own interests first.

He said there were indications that black urbanisation had reached the 56 to 57% level, which meant a population of about 15 million people.

When urbanisation reached the 75% level at the turn of the century it would mean 25 to 26 million black people would live in and around the large cities. "We shall therefore have to find living space for about 11 million new arrivals during the next 10 year period.

South Africans would have to accept that living areas for newcomers had to be found. Such land would have to be as close as possible to the areas where jobs existed to save the taxpayer and commuters unnecessary expenses.

Something would have to be done about escalation in land prices once an area had been identified for development, he said.

A classic example of this was the area west of Soweto, where prices escalated from R5 000 to R30 000 a hectare when it became known it had been earmarked for development.

One solution could be the establishment of a land bank to make land available for low-cost housing.

Sapa.
R3.6m donation for home loans

TANIA LEVY

The German Federal Republic's Hanns Seidel Foundation last night gave R3.6m to the Urban Foundation for home loans for low-income families.

The Urban Foundation's R3.6m Loan Guarantee Fund is to mobilise an initial R1bn in home loan finance from building societies and banks to provide about 40,000 new houses for 250,000 low-income families.

The Loan Guarantee Fund is aimed at overcoming past reluctance by lending institutions to grant home loans of less than R35,000.
Abolish black councils - MP

BLACK local authorities should be abolished or at least suspended as soon as possible because they are undermining the climate necessary for successful negotiations, Democratic Party MP for Claremont, Mr Jan van Eck, has told Parliament.

He said that in the case of the Old Crossroads council, he believed Minister of Planning and Provincial Affairs Mr. Hernus Kriel was compelled to act in terms of the Black Local Authorities Act of 1982.

Referring to what he called "large-scale fraud committed by a person or persons involved in the town committee," Van Eck said during the planning and provincial affairs debate on Monday that it was common cause the mayor, Mr Johnson Nkwebongwana, had instructed the town committee to collect R4 a month from households at Crossroads over a period of four years.

The total sum was between R500 000 and R2 million. In terms of the Act, this was unlawful.

He said residents felt compelled to pay the money to remain in favour with the mayor. This was also unlawful.

Van Eck said it was also common cause that this money, "collected illegally, was then fraudulently spent by those persons who had signing power over the Boland Bank account."

"In view of the shock announcement by the Attorney-General last week that nobody was to be prosecuted for the alleged fraud in Old Crossroads and the dis-
R1·m for E Rand fire stations

The Erit-Rand Regional Services Council (ERRSC) has set aside R1 million for the erection of satellite fire stations especially in the black towns, during the current financial year.

The ERRSC said, however, they did not at this stage wish to take over the fire brigade and ambulance services.

According to the council, fire brigade services have not been identified as a regional function.

The council was therefore not empowered to execute the scheme of satellite fire brigade stations and it would have to first obtain the approval of the Administrator and the Minister of Finance.

"It should be noted that development aid by the council in respect of this scheme will be restricted to the creation of infrastructures and not towards the financing of operating costs or the provision of equipment and vehicles," the council said.

The council should not enter into any financial commitments before proper agreements had been drafted and concluded."—Erit Rand Bureau.
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"In view of the shock announcement by the Attorney-General last week that nobody was to be prosecuted for the alleged fraud in Old Crossroads and the dis-

may with which this announcement has been received by the community, it is crucial that the Minister takes action in terms of the Act."

Proof of the contempt in which the mayor was held was the fact that the last time he had been seen at Crossroads was about September last year.

The Minister should establish whether, in terms of the Act, Ngobobongwa had attended the required minimum number of town committee meetings.

MINISTER of Constitutional Development Dr Gerrit Viljoen has appealed to black communities to support their local councils to ensure sound local government during the transition to a new dispensation.

The call comes in a statement after talks on Monday between Viljoen and Deputy Minister Mr Reelt Meyer and a delegation from the Urban Councils Association of South Africa, led by its
Actstop plans meeting with Vlok on attacks

**By Abel Musho**

In a bid to counter alleged police and Inkatha attacks on its members, Actstop announced last week that it was planning to meet with the Minister of Law and Order Adrian Vlok to discuss the issue.

Cas Coevadia, Actstop's publicity secretary said that the organisation had already spoken to the Democratic Party to arrange a meeting with the Commissioner of Police.

Actstop claims that on January 11 this year, the landlord of Goldway Mansions in Johannesburg had ordered an "impi" of Inkatha men to assault tenants after he had had disputes with them about rent and the condition of the building.

On April 26, the organisation claims, the chairman of the West Rand branch of the Inkatha Youth Brigade, Themba Khoza, led about 50 Inkatha youths who broke down doors, damaged furniture and assaulted tenants of Claridge Court in Joubert Park.

Tenants were told by the police to go back and stay in Soweto when they reported the matter and charges were only accepted when an attorney intervened.

It is also alleged that plain-clothes policemen from John Vorster Square raided Heathgate Court in Joubert Park on May 15 and broke down the door of an Actstop official Nathaniel Kgarai.

The police arrested the naked Mr Kgaria on suspicion that he was an immigrant. Mr Kgaria, who pleaded not guilty, was released on bail.

An Inkatha spokesman said the organisation did not condone any acts of violence from their members.

He told The Star that the organisation would contact Mr Themba Khoza to get an account of what happened.

Stressing that the police acted only within the boundaries of the law, an SAP spokesman said a policeman guilty of such misconduct would have to explain his actions in a court of law or to his superiors in terms of the Police Act.

He denied claims that the police had harassed Actstop members in particular.
Govt loans for 5,000 homes

GOVERNMENT loans for the purchase of building materials helped black people to build more than 5,000 new homes in the 1989/90 financial year, according to the Department of Planning and Provincial Affairs.

Loans for buying building materials are among a number of Government subsidy schemes for low-cost black housing. However, the Government has acknowledged that existing schemes are inadequate and is considering new ones.

The department has budgeted R322 million for "urban development and housing aid for blacks" this year.

This is a 14 percent increase. But once allowance is made for inflation, it is roughly the same amount as was allocated last year.

In its contribution to a review published with the Budget, the department says it provided about 8,000 serviced stands and upgraded about the same number in the previous financial year.

It says it envisages establishing informal towns "in which individuals will be permitted to erect their own structures with their own means".

This is a restatement of the existing policy, although officials say efforts to accommodate "controlled" informal housing in the cities are being increased.
Rising to the challenge of affordable housing

THE South African Housing Trust, provided with seed capital in the form of an initial interest-free loan of R400 million by the Government in 1987, has made remarkable progress since its inception.

More than 14 000 low-cost housing units have been built and 232 000 stands serviced throughout the country in an attempt to alleviate the critical shortage of housing in the black communities.

In the three years that it has been in existence, the Board of the SAHT has approved housing projects worth more than R1 billion. This will result in the building of more than 50 800 housing units and the development of 46 000 stands.

Educational

The SAHT, in its facilitative role, orchestrates and co-operates with many other parties in the industry to provide affordable housing, mainly in the range of about R20 000.

The Trust has, in addition to its facilitation work as a job provider and home builder, an educational role. This encompasses the education of prospective homebuyers in making sure they fully understand the process and obligations, building awareness among employers and improving general understanding of the nature and extent of the affordable housing challenge.

Standards

For instance, the SAHT launched the Affordable Housing Design Competition last year to improve low-cost housing awareness among students of architecture.

Its current national contest, the Small Builder of the Year Competition, provides recognition for the new generation of home builders while focusing attention on the challenges of the accommodation backlog.

Another facet of the SAHT’s educational work involves the fostering of high professional and technical standards in the low-cost housing sector.

This professional stance has been underlined by its cooperation with the Legal Aid Bureau in the launch of the Housing Advice Project.
Low-cost housing for exiles who return home

By PATRICK MAFAGO

A new "village type" low-cost housing scheme is on the drawing board. The aim is to provide homes for returning political exiles and the scheme can also be used to upgrade squatter camps.

In the scheme, six-three bedroomed units are accommodated on a 400-square metre site. Each unit will cost R14 000.

The scheme will qualify for the Urban Foundation loan guarantee initiative which was officially launched this month. Through this initiative building society finance is available to borrowers who seek loans from as little as R12 500.

A property development company specialising in black areas is handling the sale of sites for the units. The company owns sites in all provinces.

Heinz Hachler and Peter Fellows, designers of the concept, hope to draw finance for the project from the R3 billion fund set aside for socio-economic development and the R100 million Liberty Life Fund.

Hachler, an architect, and Fellows, a structural engineer, are both involved in a pilot scheme to provide recreation and non-formal education in black townships. These proposals, which they say are at an advanced stage, will also be put to the R3 billion fund and the Liberty Fund.

Fellows runs companies in Johannesburg and Lesotho. Projects he has worked on include the Royal Place for Lesotho's King Moshoeshoe II and flats for the Lesotho Housing Corporation. He has won numerous awards for outstanding design.

Hachler, a Swede with permanent residence in South Africa, has worked in Sweden and Saudi Arabia. He specialises in housing, civic centres, hotels, theatres, offices and shopping malls.

Fellows and Hachler plan to meet the consultation group set up to deal with returning exiles. The group was established at a three-day meeting at Koinonia attended by 23 service organisations. These included the ANC, PAC, BCM, Muslim Judicial Council, Jews for Social Justice, Southern African Catholic Bishops' Conference and the SA Hindu Maha Sabha. The meeting was hosted by the SA Council of Churches.
JAPHTA “Mr Clean” Lekgetho is a revolutionary who is fighting to save the earth. And on Tuesday he will lend a demonstration in Soweto to highlight “the plight of our people who are homeless, starving and lack recreational facilities because of bad planning”.

The revolution Lekgetho talks about so passionately is “the green revolution”, launched in Soweto four days after the internationally-observed Earth Day on April 22, when an international weekly news magazine warned most nations of the world that “the clock is ticking and the hour is late”.

Lekgetho is president of the National Environmental Awareness Campaign, which at the launch of its green revolution said in a statement: “For years we have emphasised the damage taking place to the land. We have also known that many industrialists have not behaved responsibly and that, as a result, our rivers and the air we breathe have become progressively more polluted.”

The “green revolution” has been spreading in many black communities across the country lately, says Lekgetho.

It is part of a monumental effort to warn township communities of the depletion of resources on earth, emphasises Lekgetho, who is well aware that the threat to the environment knows no boundaries and favours no ideology.

“Several organisations, including student movements, are showing interest by attending our meetings and seminars and have given us support,” he says.

“We feel that once people are aware of their rights they will talk for themselves. And one of these rights is a clean environment. It is a civic right.”

At a Women’s Bureau of South Africa seminar in Johannesburg on Tuesday Lekgetho will share the platform with well-known environmentalists such as journalist James Clarke and business executive Clem Sunter.

He says the message he will take there is that black townships and squatter settlements bear the brunt of mining’s environmental ills, such as contaminated water and polluted air.

“We don’t want to inherit a poisoned country,” he says.
Development of PWV area

By Peter Fabricius,
Political Correspondent

The Government has decided to revise its development plan for the PWV area.

Planning and Provincial Affairs
Minister Herus Kriel yesterday invited suggestions from the public.

He said in a statement that the “Spatial Development Strategy for the PWV complex” published in 1981 had become obsolete.

Stressed

The guidelines for the provision of land for urbanisation and industrial development, transportation systems and the environment needed changing in the light of developments since 1981.

These included the Government’s 1986 White Paper on urbanisation, which had stressed the positive role which metropolitan areas could play in urbanisation.

As a result of the White Paper, the Government had identified land for black urbanisation in the PWV area in 1988.

Mr Kriel said a steering committee consisting of key Government agencies had been appointed to revise the development strategy and had met for the first time in April this year.

He envisaged that the private sector would be invited to contribute.

Written contributions by the public should be submitted within 30 days from May 21, 1990, to the Director-General, Department of Planning and Provincial Affairs, PB X644, Pretoria, 0001.

The Government’s identification of land for black urbanisation in 1988 caused some controversy, as much of the land was found to be unsuitable geologically.

It could not be established yesterday whether this had anything to do with the Government’s decision to revise its PWV development plan.
Urban future 'more like Rio than Dallas'

WHITES would have to stop deluding themselves that they could still affiliate cities that looked like Frankfurt or Dallas when SA had a per capita GNP closer to that of Mexico or Brazil, Independent Development Trust chairman Jan Steyn said yesterday.

Speaking at a City Futures conference arranged by Wits University's Centre for Policy Studies, Steyn said whites had far too long used legal devices such as the black urban areas legislation and group areas to hide our realities.

"This means we have to become accustomed to adapting our lifestyles to urban complexity... a situation far closer to that of Rio than to our delusive image of an unrealistic local management."

To avoid this, it was essential that a form of local federalism or dual level structures be frankly debated as soon as possible.

Transvaal MEC Olaus van Zyl told the conference local authorities in the province were being urged to negotiate with their people's delegations and civic associations on local issues, including rent boycotts.

Negotiation on local issues could not be delayed until a decision on future municipal structures was reached at national level, he said.

He said national negotiations on future municipal structures would have to be accompanied by negotiations "on the ground".

'Port' of Pretoria means saving for container shippers

GOVERNMENT has declared the Pretoria container depot (Precon) an inland port, which will have an impact on the Pretoria shipping community through significant savings in direct and indirect costs.

Safmarine spokesman Peter Kemp said yesterday the May 1 declaration by the Customs and Excise Department meant shippers could manifest shipments to and from Pretoria instead of to coastal ports.

Initial indications at Precon showed shippers were saving up to R200 on container shipments by saving on high delivery charges to the Johannesburg shipping terminal at City Deep, the spokesman said.

Two shipping companies, Safmarine and Mediterranean, had offices at Pretoria which were able to handle container shipments.

The declaration of the Pretoria depot as an inland port represented the first major change to container shipping infrastructure since the introduction of containerisation in 1977.

Safmarine, having anticipated the move, opened a Pretoria branch in 1984 with its agents, Freighter Marine and Safmarine, opening offices in 1985 and 1989 respectively.

These offices were electronically linked to one another and to Safmarine's Cape Town mainframe. They would enable Pretoria and northern Transvaal shippers to use a more effective through-transport service.
Acts amended to minimise risks

R3,5bn boost for housing on the cards

CAPE TOWN — Funds of up to R3,5bn for the provision of low cost housing will be released once legal amendments, currently before Parliament, are implemented.

The funds were committed last year by South African banks and building societies to the Urban Foundation’s loan guarantee fund for the supply of low cost homes. But they were committed on condition that certain provisions were introduced to limit the risk and improve the return on the administration of smaller home loans.

These provisions are included in two amendment Bills currently being debated in Parliament. The Usury Amendment Bill proposes changes which will make the administration of smaller loans financially more attractive to mortgage lenders, while the Re-insurance of Material Damage and Losses Amendment Bill aims to minimise risk by including re-insurance in the cover of the low cost homes.

The funds are earmarked for the provision of mortgage loans for homes in the R12500 to R35 000 price range, over a three year period. Up to now few lending institutions, with the notable exception of the SA F arm, have been prepared to ventured into this end of the market because of the relative cost and high risk.

But the new legislation will remove the obstacles. The Usury Amendment Bill proposes changes which will enable financial institutions to recover the fixed cost of small loans on low cost homes which are as expensive to administer as large loans.

One of the proposed changes enables them to charge the same interest rate on all home loans in the same risk category. Another clarifies the calculation and recovery of interest on payments in arrears.

It allows them to charge compounded interest on the previous months’ arrear interest with immediate effect and retroactively.

By allowing this, the amendment will not only put an end to previous battles between banks, building societies and the Registrar of Financial Institutions over the correct manner of calculating the interest on arrears. It will also allow institutions to apply accounting measures which will limit the recovery of arrear interest to the defaulters rather than spreading it in a manner which leaves regular payers subsidising defaulters.

The Re-insurance of Material Damage and Losses Amendment Bill addresses the problem of risk. It proposes the extension of insurance on the homes to include protection against political inspired damage or loss. Up to now the risk of unrest-related damage not covered in ordinary insurance policies has been a major obstacle to the provision of funds for homes in the townships. The inclusion of cover by the SA Special Risks Insurance Association (Sasria) is aimed at reducing this form of risk to acceptable proportions.

The compounding effect of the amendment on arrear interest has been criticised by people who have mistakenly interpreted it as interest on interest, rather than arrear interest on arrear interest.

But Deputy Finance Minister Org Marais, who introduced the Bills in Parliament yesterday, warned that “no consumer protection arrangement should make it possible for the consumer to pay less than the actual damage which he has caused.”

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Housing

However, the said joint committee on finance had submitted a proposal to lower the maximum interest rates applied in terms of the Usury Act by one percentage point to compensate for amounts which had been over-recovered in the past.

While the Bills were not easy to accept, it would also give lower income groups access to the neces-

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sary capital to obtain suitable housing, Marais said.

He said that while all existing legislation affecting credit, including the Usury Act, was presently being investigated by the South African Law Commission, with a preliminary report expected early next year, it had become necessary to address certain stumbling blocks immediately.
Social defects in towns need to be tackled with creativity

EXTRACTS from an address by Mr. J H Steyn, chairman of the Independent Development Trust, in Johannesburg this week.

LIKE so many South Africans, I have been hugely encouraged by the recent change in the political climate. There certainly appears to be an irreversible series of shifts towards a free, participative and more open society.

Again along with many South Africans, I have become increasingly concerned about the enormous socio-economic problems any new political dispensation will have to address.

I have had to ask myself whether compromises, understandings between political leaders, and indeed democracy itself could hope to satisfy the explosion of expectations and fears that will accompany the emergence of a new constitution of South Africa.

New flexibility

I think it is obvious that a need exists — simultaneous with constitutional negotiations — to identify and exploit parallel opportunities for policy negotiations and some of the critical issues of development, socio-economic inequality, and economic justice. Here again I have been gratified that there has been similar thinking in both the government and opposition political actors and parties.

The announcement last week in Parliament by the responsible minister that five models for constitutional reform at local government level will be put to the Cabinet indicates a new flexibility. It is also important to note his undertaking that the future constitutional dispensation in each area would have to be negotiated in local “indabas” involving all political interests.

Nationwide, 61% of black households and nearly 40% of coloured households cannot contribute financially towards housing.

They would, therefore, in the absence of some form of intervention, be excluded. Calculations for the major cities are less depressing in the sense that proportions unable to afford housing are almost halved, but with 30% to 40% excluded from the housing market by virtue of levels of poverty, the inevitable effect on our cities is obvious.

The closest we can come to solutions is a very careful combination of policies which still have to be formulated, often with the clear knowledge that the consequences are not clearly predictable.

Undesirability

Whether anyone likes it or not, part of the “solution” in virtually all cities with high levels of poverty lies precisely in features which we tend to regard as failures, such as shacks. This sounds like an awful thing to say and I do not say it lightly.

These settlements do, however, serve a purpose insurmountably. Understandings that the future constitutional dispensation in each area would have to be negotiated in local “indabas” involving all political interests.

Rentals in such settlements are far below the interest and redemption costs which would be required to replace them. Squatters on buffer strips around townships and cities the world over are occupying land with theoretical market value and theoretical full servicing costs which the squatters could not remotely afford.

Part of the solution to urban problems is to cope creatively with social defects and not to adopt an absolute or perfectionist attitude, thus throwing the baby out with the bathwater.

Urban poor

If one accepts that there are no single element solutions, that there will always be a shortage of money and that there are no heroic agencies or policies which can overcome constraints which have never been overcome before, broad principles on urban policy for South Africa suggest themselves:

- All sectors must contribute towards improvement opportunity: the public sector, the private sector, organised labour and the urban poor themselves;
- We cannot afford the artificial structures of divided urban tax bases when even the collective tax base of central and local government will be insufficient to address the problems in our cities;
- We, and here I refer particularly to whites, must stop regarding ourselves as we can afford cities that look like Frankfurt, Dallas or Zurich when we have a per capita GNP closer to that of Mexico, Brazil and Turkey. We have for too long used legal devices like the black urban areas legislation and Group Areas to hide our realities;
- This means that we have to become accustomed to adapting our lifestyles to urban complexity, inter-cultural and inter-class juxtaposition; a situation far closer to that of Rio than to our delusional image of an unrealistic, hyper-privileged, past incapable of being sustained save through oppressive and unjust measures;
- Finally, because all segments of our urban population are going to have to compromise on what they have had in the past or what they think they are entitled to, we need general political legitimacy. We need to involve the leaders of all classes and interests in working towards a solution.

More affluent

Here we should face two realities. The first is that continuing urban instability, while it may have had its place in the past in heightening awareness of the high levels of deprivalisation, is bound to undermine ‘our urban economies.

The second is that unless the more affluent South Africans are seriously involved in the design of solutions they will do what many of their counterparts in the United States have done — take the local taxes they pay and the jobs they create beyond the city limits or, in our case perhaps, even out of the country.

These principles clearly indicate the need for comprehensive metropolitan negotiations, re-integrated cities with a single tax base, general participation in local government, judiciously targeted central state assistance in addressing backlogs in infrastructure and housing, special projects for the development of bulk servicing of land for site-and-service housing and a number of other policy initiatives.
State intervention ‘necessary’ to reorganise finance network

RESTRICTING private sector investment would require direct state intervention, Wits senior economics lecturer Mark Addison said yesterday.

Speaking at a seminar on wage bargaining in Johannesburg yesterday, Addison said the restructuring of financial networks comprising the conglomerates would not be accomplished by nationalisation.

"This would be best carried out by the use of anti-trust policy, specifically the dissolution of the holding companies which are the critical feature of SA’s conglomerate structure," Addison said.

"The controlled sale of the holding companies’ shareholdings in operating companies would achieve a more equitable ownership distribution, especially if affirmative action was used to promote black business ownership at the same time."

Also speaking at the seminar, industrial relations consultant Stuart Pennington said it would appear that the central reality for many workers was that the current wage was a quest for survival. Employers should give this issue priority attention as the pressures for nationalisation and distribution mounted, Pennington said.

Addressing SA’s housing problem, SPT Housing Consultants director Mike Morkel said the crisis was forcing the homeless and the underhoused to resort to squatting.

Morkel said the current housing backlog in black, coloured and Indian communities in the urban areas was acknowledged to be in excess of 1 million units.

"To meet these backlog requirements, plus to cope with the demand for additional homes from a growing population, requires that about 200,000 formal units be constructed annually for all groups till the turn of the century or beyond."

"The sad reality is that the construction sector is only delivering one-fifth of the required units annually," Morkel said.

"Access to land and housing underpins the very foundation of the economic power in SA," Morkel said.

SA Institute of Race Relations official John Kane-Berman said the state had to change its attitude to squatting.

"Squatting is now a solution to housing backlogs," he said.
THE MINISTER OF DEVELOPMENT AND
AID

(1) in respect of any matter about which the Minister of Development and
Aid has been provided with information or advice, and

(2) the report from the Auditor General:
Crisis in urban areas may derail political solution

The high-level political settlement on which most people are pinning their hopes could be seriously undermined by the crisis in urban areas, Jan Steyn, chairman of the Independent Development Trust, has warned.

Speaking for the first time in his capacity as head of the trust set up by the Government to administer R2 billion set aside for social upliftment, Mr Steyn said that the rate of growth of urban areas was double that of the overall population, it was in these areas that "strong links in the chain of our emerging national structures will be forged or broken".

Addressing a "City Futures" conference this week organised by the Wits Graduate School of Business Administration, he said increasing rent boycotts, black local authority debt and protests about local grievances were in part a reflection of generalised restlessness and expectations. However, urban conditions for the mass of poor people remained very negative.

Difficult

He said he was gravely concerned that the high-level political settlement on which most people were pinning their hopes would be seriously undermined by the crisis in towns and cities. Urban problems were among the more difficult challenges facing humankind.

In the provision of housing, market forces were powerful impellers of development, but only at levels at which demand could operate. It had been suggested that 61 percent of black households and nearly 40 percent of coloured households could not contribute financially towards housing. State provision and subsidies - unless the government was inordinately wealthy or the population slow-growing - was usually accompanied by severe housing shortages.

"For 'third world' cities like ours, there are no solutions; only carefully assessed and monitored compromises..."

Con negotiations for new local government structures be contemplated before national negotiations? This was one the questions put by Jan Steyn in the first speech delivered in his new capacity as chairman of the R2-billion Independent Development Trust. KAREN STANDER reports.

Homeless... South Africa's poor people have suffered enough, says Jan Steyn. The time has come to build.

"The closest we can come to solutions is a very careful combination of policies which still have to be formulated, often with the clear knowledge that the consequences are not clearly predictable," said Mr Steyn.

"Whether anyone likes it or not, part of the 'solution' is virtually all cities with high levels of poverty, lies precisely in features which we tend to regard as failures, such as shack settlements.

"This sounds like an awful thing to say and I do not say it lightly. These settlements do, however, serve a purpose as social undesirability depresses the market values and the costs of services to within reach of the poor..."

"Part of the solution is to cope creatively with social defects and not to adopt an absolute or perfectionist attitude."

South Africans, particularly whites, needed to stop deluding themselves that South Africa could afford cities that looked like Frankfurt, Dallas or Zurich, when the country had a per capita Gross National Product closer to that of Mexico, Brazil and Turkey. "We have for too long used legal devices like the black urban areas legislation and Group Areas to hide our realities."

"This means that we have to become accustomed to adapting our lifestyles to urban complexity, inter-cultural and inter-class juxtaposition; a situation far closer to that of Rio than to our delusive image of an unrealistic hyper-privileged past incapable of being sustained save through oppressive and unjust measures."

"We are going to need innovation and expertise in urban planning and administration at a level which makes it absurd to divide our professional and administrative experience between politically separated parts of our cities."

"And finally, because all segments of our urban population are going to have to compromise on what they have had in the past or what they think they are entitled to, we need general political legitimacy."

"We need to involve the leaders of all classes and interests in working towards a solution."

Continuing urban instability "while it may have had its place in the past in heightening awareness of the high levels of deprivation", was bound to undermine local economies.

"Also, unless the more affluent South Africans were politically involved in the design of solutions, they would take their local taxes and the jobs they created beyond the city limits, or even out of the country."

Mr Steyn questioned whether the metropolitan negotiating process could be contemplated before national negotiations "which, hopefully, will soon be underway in Cape Town and Pretoria".

Suffering

He said the future constitution and development pattern of the cities was complex, requiring high-level consideration, particularly by representatives of the majority.

"The key question, therefore, is whether or not the negotiations about future constitutional options and development strategies for the cities should not perhaps be centrally organised and launched as an adjunct of national negotiations."

"There are obvious benefits as well as disadvantages."

He pleaded for the poor to be given a better deal: "Poor people in South Africa have suffered enough. Don't let us compound the injustices perpetrated through the apartheid system by the continued destruction of our urban infrastructure - both human and physical."

"The time has come to build together. Let us begin by developing productive and constructive approaches towards the challenges and opportunities offered by our cities."

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Scheme for returning exiles rejected

THE Returnees' Task Force, established by church and political groups to handle returning exiles, has rejected a low-cost housing scheme designed by a Swiss-born architect for the returnees.

The scheme was drawn up by West Rand-based architect Heinz Hächler, who looked at backyard shacks in black townships and decided that little or no new land would be needed to put it into operation.

Hächler said in townships, where the most rudimentary services — water and toilets — were available, structures which were somewhere between shacks and ordinary houses could be put up and sold at about R14 000.

"In a 400m² space six 5mx5m units each with a sitting room, a kitchenette, toilet and shower, and a bedroom could have a short stairway to an upper floor with another two bedrooms," Hächler said this week.

Unions and political organisations could buy units for returning exiles for accommodation while they were settling down to look for more formal housing.

Hächler said he would like to meet the group set up to deal with returning exiles.

SA Council of Churches director of information Saki Macozoma, who is a member of the returnees task force, said yesterday the scheme was "totally unacceptable as it is within the context of existing apartheid laws."

Macozoma added: "Housing must be free of apartheid legislation. People must have places of their own. We need low-cost housing, but we wouldn't be happy if our horizons were limited by the amount of land provided.

"We have identified the issue of the discriminatory Land Act as a major obstacle in the provision of housing. We want to embark on a campaign to get the Land Act and the Group Areas Act repealed. So we won't look at the provision of housing for returning exiles in the context of existing apartheid laws. We won't adjust."

But he said the concept was "interesting" in so far as it dealt with homelessness in general. "Since he wants to have discussions with us, we will talk to him and see if the idea could be used," Macozoma said.
Call for overhaul of housing design

THEO RAWANA

HOUSING should be designed to accommodate the development of home industries through small-scale ‘entrepreneurship’, a top architect told the SA Housing Trust in Johannesburg yesterday. Addressing the launch of the SA Housing Trust Affordable Housing Design Competition, Prof Dieter Holm, head of the architectural department at Pretoria University, said: “SA’s Soweto-style model is based on the outdated concept of suburban dormitory towns… a style that needs to be drastically updated.”

This way of planning is a reaction to the industrial revolution of the 19th century in Europe and was aimed to separate housing from the then polluting factories. The housing was, in turn, separated from the commercial and recreational areas.

Pollution

Holm said this type of model also involved the doubling and tripling of services such as lights, water, sewerage, roads and refuse removal, “which are also grossly underused.”

“Moreover, these so-called residential areas often end up generating more pollution than in the industrial areas.”

SA’s acute housing and squatter crisis, which currently reflected an accommodation backlog of 1.260 million units, would never be overcome unless it was perceived as an opportunity rather than a crisis, Holm said.

He said SA was now entering a “post-industrial age”, where urban design and architecture of the future demanded drastic changes.

“The cottage industry, or informal sector, is growing rapidly and is currently producing in excess of R16bn a year.”

He said housing should therefore be designed to enable the development of home industries through small-scale entrepreneurship.
‘Urban crisis’ could scuttle hopes of peace

JOHANNESBURG. — The high-level political settlement on which most people were "pinning their hopes" could be seriously undermined by the crisis in urban areas, Mr Jan Steyn, chairman of the Independent Development Trust, has warned.

As the rate of growth of South Africa’s urban areas was double that of the overall population, it was in these areas that "strong links in the chain of our emerging national structures will be forged or broken", he said.

Mr Steyn this month took up his new position as head of the trust set up by the government to administer R2-billion set aside for social upliftment.

Addressing a "City Futures" conference this week organised by the Centre for Policy Studies of Wit University’s Graduate School of Business Administration, he said increasing rent boycotts, black local authority debt and protests about local grievances were in part a reflection of generalised restlessness and expectations.

However, urban conditions for the mass of poor people remained very negative.

He was gravely concerned that the high-level political settlement on which most people were pinning their hopes would be seriously undermined by the crisis in towns and cities.

Urban problems were among the more difficult challenges facing mankind.

Severe housing shortages

In the provision of housing, market forces were powerful impellers of development, but only at levels at which demand could operate.

It had been suggested that in South Africa 61 percent of black households and nearly 40 percent of coloured households could not contribute financially towards housing. State provision and subsidies, unless the government was inordinately wealthy or the population slow-growing, was usually accompanied by severe housing shortages.

"For third world cities like ours, there are no solutions, only carefully assessed and monitored compromises — hopefully rapidly ameliorating human deprivation. The closest we can come to solutions is a very careful combination of policies which still have to be formulated, often with the clear knowledge that the consequences are not clearly predictable.

"Whether anyone likes it or not, part of the ‘solution’ in virtually all cities with high levels of poverty, lies precisely in features which we tend to regard as failures, such as shack settlements."

Con metropolitan negotiations for new local government structures be contemplated before national negotiations? This was one of the questions put by Jan Steyn, chairman of the R2-billion Independent Development Trust, in the first speech delivered in his new capacity. KAREN STANDER reports.

“This sounds like an awful thing to say and I do not say it lightly. These settlements do, however, serve a purpose as social undesirable depresses market values and the costs of services to within reach of the poor.

"Part of the solution is to cope creatively with social defeats and not to adopt an absolute or perfectionist attitude.

"Adapt our lifestyles" South Africans, and particularly whites, needed to stop deluding themselves that South Africa could afford cities that looked like Frankfurt, Dallas or Zurich, when the country had a per capita gross national product closer to that of Mexico, Brazil and Turkey.

"This means that we have to become accustomed to adapting our lifestyles to urban complexity, inter-cultural and inter-class juxtaposition, a situation far closer to that of Rio than to our delusive image of an unrealistic hyper-privileged past incapable of being sustained save through oppressive and unjust measures.

"And finally, because all segments of our urban population are going to have to compromise on what they have had in the past or what they think they are entitled to, we need general political legitimacy.

"We need to involve the leaders of all classes and interests in working towards a solution."

Mr Steyn questioned whether the metropolitan negotiating process could be contemplated before national negotiations. The future constitution and development pattern of the cities was complex, requiring high level consideration, particularly by representatives of the majority.

He pleaded for the poor to be given a better deal: "Poor people in South Africa have suffered enough. Don’t let us compound the injustices perpetrated through the apartheid system by the continued destruction of our urban infrastructure — both human and physical."
Time Housing joins loan guarantee plan

Time Housing is taking part in the Urban Foundation loan guarantee scheme launched recently.

Through this initiative building society finance will be widely available to borrowers seeking loans for as little as R12 500.

The foundation's scheme addresses the problems of building society reluctance to lend money for homes under the R35 000 mark.

Restricted loans from R12 500 upwards can, in this way, be granted, providing finance in areas where it was previously available only through the SA Housing Trust.

Mike Graham, managing director of Time Housing, says: "We have encountered many potential clients but due to a shortage of finance we have been unable to assist them.

"Fortunately, we have records of all inquiries and with the introduction of the Urban Foundation Initiative, we hope to be in a position to aid a large proportion of these people."
DET protesters to refuse meals

The eight Soweto parents who are staging a sit-in at the Braamfontein offices of the Department of Education and Training decided yesterday to refuse meals and take only dried fruit and liquids.

The Soweto Education Co-ordinating Committee (SECC) has warned that this could build up to a full-scale hunger strike.

This morning members of the ANC internal leadership were due to meet the parents in support of their demand for much-needed textbooks.

A spokesman for the parents said they had still not received any feedback to their demand from the regional director, Peet Struwig.

The ANC said in a statement that if the demand for textbooks was not met, the ANC, with students, parents and teachers, would decide on appropriate action to address the issue.

The parents began the sit-in at lunchtime on Monday and plan to remain there until a definite date has been set for the delivery of textbooks to schools.

The parents have undertaken not to speak to the press during their stay in the conference room on the 16th floor of the DET building.

Responding to the action by parents, the director-general of Education and Training, Dr Bernhard Louw, said in order to seek ways to eliminate the shortage, DET officials must have access to schools, and principals and department heads must be permitted to carry out their duties without interference.

For the past two months teachers have prevented inspectors from visiting schools in protest against the failure of the DET to respond to their demands last week, the Congress of South African Students (Cosas) called on principals not to return to school until textbooks had been delivered.
7 education hunger
strikers 'weakening
By Thabo Leshilo
The seven members of the Soweto Education Co-
ordinating Committee on
hunger strike at the re-
gional offices of the De-
partment of Education
and Training in Johan-
nesburg have become
weak and have been told
to conserve energy, their
doctor said yesterday.
Dr Refik Bismilla, of
the South African Health
Workers Congress (Sahw-
co), said the protesters
remained committed to
continuing the fast de-
spite their condition.
The seven embarked
on a sit-in at the offices
last Monday in protest
against shortages of
books in some schools in
Soweto. They resolved
got to leave the building
until the DET gave a
written undertaking to
deliver the books.
The eighth protestor,
Silas Ntshabalaza, left the
building on Thursday be-
cause of ill health.
Dr Bismilla said the
protesters had been
drinking fruit juice since
they started their fast at
Thursday, but had taken
only water at the week-
end.
The protesters have ig-
nored an ultimatum is-
sued on Friday by the
Minister of Education
and Development, Joa-
van der Merwe, to vacate the building.
Disruption
The Minister told the
delegation that its con-
tinued occupation of the
premises was illegal. He
said he would obtain an
urgent Supreme Court
order to have them re-
moved.
Delegation spokesman
David Maspa told report-
ers they would ignore the
ultimatum.
The Director-General
of Education and Train-
ing, Bernhard Louw, ad-
mitted in a statement
there was a shortage of
books, but blamed the sit-
uation on the "prolonged
disruption of schooling"
in Soweto.
Dr Louw said: "Efforts
to collect a stock of books
from the available
souvenirs in order to dis-
tribute them in the best
possible way have al-
ready been resumed."
R3,5-m boost for black housing

The British government yesterday handed over nearly R3.5 million to the Urban Foundation's scheme to provide low-cost housing to the country's disadvantaged people. The money was handed to former chairman of the foundation, Jan Steyn, by the British Ambassador at a ceremony held in Cape Town.

Mr Steyn said the R3.7 million received from West Germany, Switzerland and the United Kingdom was a large contribution to the success of the scheme.
July 1 launch for R3,5bn home scheme

THE Urban Foundation's R3,5bn low-cost housing scheme will be launched on July 1, former Urban Foundation chairman Jan Steyn said yesterday.

The scheme, first announced in October last year at a joint Press conference in London and Johannesburg, will see about 140,000 low-cost homes built.

Steyn said the fund had received R88m in grants from West Germany, Switzerland and the UK. With this cash about R133m was raised from SA's private sector.

"This enabled us to generate R550m worth of insurance. This in turn has encouraged the lending institutions to commit in excess of R500m to this segment of the market."

Steyn, now chairman of the Independent Development Trust, will be a board member of the new Home Loan Guarantee Company, which will administer the funds.

He said the Home Loan Guarantee Company was incorporated on March 30 and had a tax exempt status. It would become operational on July 1 and the necessary legislation had been enacted in order to make the processes viable.

"We also anticipate a self-regulatory agreement will be signed by financial institutions on June 26, setting the initiative in motion," Steyn said.

He said this after accepting a cheque for R550m from British Ambassador Sir Robin Renwick at a Cape Town function yesterday.

Steyn said the money would provide lending institutions with "encouragement and some protection" for the purchase of homes below R350,000 in value.

"It is going to be a challenge for us to extend the insurance capacity in order to facilitate the flow of all these funds over the next five years."

"Should we be able to do so, it should be possible to deliver some 140,000 new housing units," he said.

"Steyn said SA had been singularly unsuccessful in securing the flow of funds from the developed to the developing segment of the economy in the past.

Until this initiative was announced, most lending institutions were not prepared to lend money for the purposes of purchasing homes below R350,000 in value.

"The result was that almost all the housing finance generated by private institutions was directed at middle, upper middle and upper class housing."

He said with the withdrawal of the state, to a large extent, from the financing of housing, as distinct from land and infrastructure, there was very little finance available for housing for poor people.

"We had to persuade the lending institutions not only that there was a market there but that it was a good and viable market. In order to do so we had to give them both encouragement and some protection."

He said the Loan Guarantee initiative would play this role, adding that it was now clear that while a comparatively small sum of R88m had come from overseas donors, it had unlocked massive SA resources.

He also encouraged other foreign governments to seize on the development opportunities in SA.

Commenting on the dilemma voiced by President George Bush concerning the question of rewards for change in SA, he said he thought great encouragement could be given to the process of building democracy by practical steps taken by the international community.

"Very significant encouragement would be given to the process if substantial resources were to be made available in order also to make some of the harm that sanctions have undoubtedly inflicted on poor people," he said.

Renwick said at the function his government's grant was contingent on the bulk of the money being raised by the SA private sector, with other countries contributing.

He said the scheme was first discussed when Steyn, Nafooc president Sam Motshwenyane, Barlow Rand chairman Mike Rosthotl and Rembrandt MD Anton Rupert met Prime Minister Margaret Thatcher in London eighteen months ago.

"We agreed that if a scheme could be devised which would help to make lending on a large scale available for low-cost housing, we would take the lead in pledging a contribution to it," he said.
Mass protests underline the turmoil in black education

By Janet Heard, Stan Hope and Selmaz Bahadula

South Africa's black education system is threatened with collapse amid unprecedented mass protest action.

Various education departments have been hit by marches, pickets, sit-ins, strikes, and mass rallies by teachers, principals, parents and pupils.

These have led to attempts to negotiate with top Government officials.

A uniform long-term demand by black teachers is the call for one single education system.

Yesterday, events staged by Indian, coloured, African and even white groups included:

- After a visit to eight parents sitting in' at the offices of the Department of Education and Training (DET), ANC leader Walter Sisulu signalled that the ANC was planning to get involved not only in the textbook shortage which resulted in the sit-in, but in the growing national education crisis as a whole.

- The parents rejected the response by the DET that their demands would be addressed when schools returned to normal.

- At a press conference, the Congress of South Africa Students (Cosas) announced that schools would stay open during the holidays as part of a delance campaign.

- In Lenasia principals led a 3 km march involving more than 1,800 Transvaal Indian teachers, pupils and parents to the local office of the House of Delegates (HoD) to express their "total dissatisfaction".

- Affiliates of the white teacher body, the Teachers' Federal Council (TFC), are split on the TFC's decision to suspend co-operation with the Minister of National Education, Gene Louw.

There are rumours of a possible split within the TFC following Mr Louw's decision to meet the non-racial National Teacher Unity Forum a few weeks ago.

- About 7,000 coloured parents, teachers and children marched to the regional offices of the House of Representatives in central Johannesburg and submitted a list of grievances which resulted in the teachers staging a two-week "chalkdown". The teachers decided to continue the strike until July 10.

- The DET has asked Soweto teachers to collect their salary cheques from their area offices after midday today.
Next schools' disasi

CHARLES MOGALE

ANOTHER disaster awaits black pupils who will write matric examinations later in the year.

With no end in sight to the shambles in black education, the Department of Education and Training has predicted a shocking 10 percent pass rate. The figure, slammed by black educators as being alarmist, would be the lowest matric pass rate ever.

Although sceptical about the 10 percent prediction, politicians, teachers, parents and the pupils themselves have expressed fears that unless drastic steps are taken immediately, another disaster is in the offing.

Transvaal United Teachers' Association's (Tuneta) Leopold Tshapepe has warned that the 10 percent prediction is "dangerous".

He said this week: "In the worst of times, the results were never as bad as this. Such a prediction is dangerous, demoralising and demotivating. We should rather say we do not expect very good results, rather than quantify. In the worst of times, people often tend to rise beyond expectations."

The results last year hit a record low, with only 42 percent passing. More than 100 000 pupils failed and hardest hit was Soweto, where the schools pass rate ranged between 14 and 29 percent.

Before that, the five-year lowest rate was recorded in 1985 - the peak of rent boycotts - when 49,3 percent passed.

Observers believe the 1985 scenario is playing itself out again, only with two-fold repercussions. The country is still saddled with the problem of more than 100 000 failures who joined the unemployment market at minimal literacy levels and no trade qualifications. It is feared that a repeat of last year's episode could probably double the already swollen unemployment ranks.

This year, educationists speculate that more than eight weeks of teaching have been lost due to disruptions in schools. However, the National Education Crisis Committee (NECC) paints a grim picture.

General secretary Ibron Rensberg pointed out that the black education system in the country had collapsed in the past six months.

Fears of the disastrous prediction coming true have been fuelled by the persistent failure of black pupils to heed the back-to-school call made from various political quarters.

The Azanian Students' Movement has already descended on pupils to return to classes. Publicity secretary Sipho Mazeko warned that the solution to the crisis did not lie in the hands of the people and that education could only come about when the political situation had been normalised.

A daily newspaper editorial this week warned the black community to stop hurling the blame on the DET while practising hypocrisy themselves.

It said: "More often than not is the pupils, and not the parents, who speak the most and take decisions. Within days of the school term starting, these same pupils and students were engaged in confrontations with the authorities. The parents' organisations are hardly consulted.

"When they finally get into the fray, they also end up blaming the authorities and endorsing the self-flagellating tactics of their young followers. While there is a lot wrong with black education and the DET, our children and organisations also have a lot to answer for."

A City Press snap survey in Soweto this week disclosed that the fears of a looming disaster were unfounded.

Although the pupils themselves, in collaboration with teacher organisations, agreed to defy DET regulations to return to school for the winter holidays, there was little or no school taking place.

Scores of pupils milled around the streets with many teachers basking in the sun.

A teacher said: "Frankly, some of us just came here to be with the crowds. There is no way you can teach children who have been led to believe that they know more about what is good for them than you do. I think our children were spoiled by the sympathy they got after June 16, 1976.

"The rot has filtered down to the present generation where the so-called young lions demand to dictate the syllabus and who must teach it, how and when. It does not happen anywhere else in the world."

Parent Stanford Zwane said: "Politicians should stop using the education of our children to score ANC, PAC, Azapo, Inkatha or whoever, are serious and know their priorities, their should come together in this matter and fight the issue jointly. After that they can go their separate ways.

"I have one question for these teachers and pupils behind the school boycotts: 'Do you think the government cares a hoot if you deprive a black child of education? That is exactly what the government wants.'

THE crisis in black education has reached an all-time low, with no relief in sight. DET sources have warned that only 10 percent of black pupils will pass matric this year. In the latest turn in the crisis, the National Education Crisis Committee (NECC) has demanded the closure of the DET. They have also warned that if the 210 000 matric pupils in black schools are not moved out of the system, the problem will double next year when another 200 000 will enter the scene. Parents and concerned parties say in light of the education crisis in the country the supply of textbooks is the least the DET can do. City Press looks at the issues involved.\n
Some of the parents leave the DET on Tuesday after their Maesa and Sheilla Sisulu, with Siun Tsobobtse behind.

DET 'ignored plea supply textbooks'\n
By SOPHIE TEMBA

The Black Sash Education Interest Group this week accused the DET of having ignored repeated pleas by educators and parents to supply children with textbooks.

It said in a statement that overcrowding and the lack of teachers and textbooks prompted Soweto parents, teachers and pupils early this year to decide to try to get the school situation back to normal.

The DET was notified of the implications of these problems in the back-to-school campaign.

"But the DET seems to have chosen to ignore the situation, even after repeated requests and demands by Soweto parents for their children to be supplied with textbooks.

"In light of the education crisis in the country, the supply of textbooks is the least the DET can do to redress some of the grievances."

This week, chief regional director of the DET in Johannesburg Peet Struwig said: "Since 1985 more than R5 million has been spent on textbooks every year in Soweto. For secondary schools this represents a supply of 2 000 textbooks each year.

"In the past five years 300 000 textbooks have been in regular order and it is believed that stock there is approximately 500 000 textbooks a pupil at the.

Struwig said for the more than 5 500 (800 average) had been lost and returned every year.

"Despite controls the magnitude of the has diminished. The region that the total replacement is more than R7 million, a lot to the price of a new school building.

"If primary schools placement of losses will still be housed in detached rooms.

"If primary schools placement of losses will still be housed in detached rooms."

Struwig stressed that that was books for delivery. School inspectors are also working with certain organisations to get the books to the schools and principals are not getting the new stocks.
ster in the offing

Human rights delegation to lodge protest against DET

By SOPHIE TEMA

AN appeal to investigate the education crisis in black schools will be made to the United Nations Education, Sport and Cultural Organisation (Unesco) in Geneva next week.

The appeal will be made by the United Nations Commission on Human Rights delegation that visited South Africa on a fact-finding mission last week.

A statement lodging an official protest against the South African government and the Department of Education and Training (DET) for failing to provide pupils in black schools with textbooks was handed to the delegation before it departed from South Africa.

The statement was addressed to the general secretary of the UN Commission on Human Rights and signed by the South African Health Workers' Congress (Sahwe).

The organisation said it believed the demand for textbooks was genuine and expressed dismay at reports that the DET had said 90 percent of black matriculants would fail final examinations.

The statement also complained of maltreatment of parents who staged a sit-in and hunger strike at the DET offices. It said they were not allowed food, legal aid or medical care in violation of the United Nations Charter for Human Rights.

The statement said the attitude of the DET further violated every international health protocol, in particular those of the World Health Organisation, the International Commission of the Red Cross, the Tokyo Declaration of the World Medical Association.

In the statement, Sahwe said: "We condemn the ruthless and unsympathetic action of the DET in dealing with the parents who are legitimately demanding textbooks for their children.

"The parents have been forced to endure total separation from the outside world. They were also refused medical care."

Sahwe commended its national general secretary Dr Rafaik Bismilla, who exercised his rights as a health worker and took care of the sit-in parents.

The parents were forced to leave the DET building after they were served with summonses to face prosecution if they resisted an order submitted by the Education Minister to vacate the premises.

Soon after leaving the building, Soweto Education Coordinating Council (SECC) spokesman David Maqua said the DET refused to address the issue of books and said the situation was abnormal because inspectors and principals had no access to schools. The department says 90 percent of matriculants will fail at the end of the year. That is the sentence they have already pronounced on our children," he added.

Regional chief director for the DET in Johannesburg, Piet Struyss, said the DET would do all in its power to speed up deliveries of books and other stock ordered at the beginning of the financial year.

He said it was necessary for principals to resume their posts and for inspectors to reach all schools if the DET was to adequately consult with "management councils, interest groups and associations who have the interest and educational welfare of pupils in Soweto at heart".

pleas to books!

A supply of more than 60,000 books a year.

The past five years more than 60,000 books have been supplied for order and together with the lack there should be a total of more than 500 books (seven a pupil) at this stage.

said for the past five years 135,000 books a school year had been lost, destroyed or not every year.

he controls and procedures, study of the annual loss has not been done. The region has calculated the total replacement cost will be in R7 million, which is equivalent to the price of erecting two brand new buildings.

many schools are included rest of losses will not be less than 10 percent.

stressed that it was equally as books became ready for school inspectors were forbidden to arrive at schools about deliveries of books not there to receive them.

One of the principals demonstrates outside the DET offices this week.
Low mortgages agreement signed

EDWIN UNDERWOOD

The Association of Mortgage Lenders and the Urban Foundation yesterday signed an agreement which will make available mortgage loans of less than R23 000 by November this year.

The agreement is the forerunner to the start of the Loan Guarantee Initiative (LGI) which will act as an indemnity fund for lending institutions. The R20m LGI was announced by the Urban Foundation last October and will become a legal entity on July 1.

In terms of the agreement, a borrower will be able to apply in the usual way to financial institutions for a mortgage loan and usual lending criteria will apply.

Each institution will announce when it is ready to start offering loans in a new category of R35 000 and less. In terms of the agreement, all institutions will be ready to start the scheme by November 1.


While the financial institutions have committed an amount of R3.5bn to the category of lending, it is expected that an amount of between R200m and R400m will be lent in the first year.

Although it will be some time before the participating financial institutions begin lending, they will start updating their legal, financial and administrative systems immediately.
R3.5m for housing

BY KENOSI MODISANE

THE Urban Foundation has received R3.5-million from the British government to help provide new low-cost housing schemes for blacks.

"Presenting the money to the Foundation, British Ambassador Sir Robin Redwick said: "There is general agreement that the two areas of most critical need are black education and housing."

Sir Robin said his country was "making an effort with a large scale increase in the number of scholarships and assistance for teacher training to help in the education problem."

He said the idea of low-cost housing was first discussed with his government when Dr Sam Mqwenyne of Nafoc, Mr Mike Resholt, Dr Anton Rupert and the outgoing chairman of the Urban Foundation, Mr Jan Steyn, met Mrs Margaret Thatcher last year.

Squatters

Addressing the problem of squatters, Sir Robin said: "In dealing with the problem of the squatter settlements, the first step has to be to help people move out of those settlements into new low-cost formal housing."

Sir Robin also urged South Africans to increase efforts in fighting the housing problem.

Mr Jan Steyn is now chairman of the Independent Development Trust. He will be succeeded by Mr Mike Resholt as chairman of the Urban Foundation.
## Seven-million people in SA 'are living in shacks'

**BARRY STREEK**

**CAPE TOWN** — Seven million people — one in five South Africans — live in shacks or informal shelters and there were 86 informal settlements in SA, according to the Urban Foundation.

"Housing is, by any measure, one of SA’s critical national priorities.

"The lack of it can cause deep and lasting socio-economic problems," the Foundation said in a statement released together with a video, Dilemma or Direction.

It said formal housing in SA was inadequate and the backlog was about 850 000 houses, outside of the non-independent and independent homelands.

Many black townships, like Soweto, had informal settlements and thousands of backyard shacks because of the critical housing shortage in every area.

SA did not have the resources to provide formal houses for everyone needing accommodation, but "informal settlements are here to stay. They must be accepted as part of SA's housing stock. People have to live somewhere," the Foundation said.

Most people in informal settlements — 50% to 60% — were from the townships.

They had moved out of formal houses to shacks or informal settlements for several reasons which included: homes were so overcrowded there was no space or privacy; the need for independence when a person got married; and financial considerations — the inability to buy a house or afford the monthly rental of a township house or even a backyard shack.
HOME IMPROVEMENTS

1 000s will benefit in new home bond deal

THE Association of Mortgage Lenders and the Urban Foundation have signed a R20-million loan guarantee initiative (LGI) agreement which will lower the bracket of home loans to as little as R12 500.

The initiative taken by the institutions will put mortgage finances for home ownership over the next few years within the reach of thousands of South Africans who have so far not had access to such finance.

The scheme will come into effect on July 1, but it may take some time before the institutions will start lending money.

By KENOSI MODISANE

Once it is underway, anyone in need of a mortgage loan within a certain category can consult any of the following institutions.

The person will however, still be expected to meet the lending institution's normal criterion.


Each of the above institutions will individually announce when they are ready to start offering loans in the new category of R35 000 and less.

All institutions are expected to be ready by November this year.

While the institutions have committed R3.5-million to the category of lending, it is expected that an amount of about R200-R400-million will be lent to home buyers in the first year.
Wits warns on collapse of black teaching

By Janet Heard, Education Reporter

The number of blacks admitted to the University of the Witwatersrand next year may be reduced due to the breakdown of teaching in black schools, says the vice-chancellor, Professor Robert Charlton.

Speaking at the university's main graduation ceremony last night, he said there were 19,341 students enrolled this year, nearly 600 more than last year.

This was largely due to an increase in black matriculants, but the collapse of the school system had weakened prospects for improvement.

The growth in the number of black students at Wits had been accompanied by allegations that the university had allowed its standards to drop.

"It is our policy to maintain and, if possible, enhance the quality of our product."

Professor Charlton said that in the light of recent accusations that the university discriminated against blacks, the senate had decided to investigate the university's exclusion and selection criteria.

Two members of the National Education Co-ordinating Committee and two members of the ANC would be invited to take part in the investigation.

Professor Charlton said it was the duty of the university to try to meet the legitimate needs of the society it served and to resist any improper pressures of interest groups.
3-million houses needed
BY PATRICK MAFATO

AN estimated three million houses will have to be built by 2000 to meet black housing needs.
At a seminar convened by the Human Sciences Research Council (HSRC) last weekend, Tim Hart, of the HSRC’s environmental studies division, spelled out some of the key factors leading to the existing shortage of 860 000 units outside the independent homelands:
- Rapid urbanisation and population growth;
- Weakness of the national economy and the lack of political will to initiate ambitious national housing campaigns;
- Low wages and high levels of unemployment and job insecurity; and
- The manipulation of land and housing to serve the ends of the apartheid policy.
Time for new urban plan

Peter Delmar

The Urban Foundation

6/2011
Within 20 years whites will make up just 10 percent of the population.

South African Population Structure

By Patrick Lannert
HOMEOWNERS who encounter problems with their bond repayments often do not get expert advice before signing contracts, says Mrs Tammy Taranto, project and marketing manager at FHA Homes.

"People need to understand what they are signing for when buying a property." Taranto has been in the housing field for many years. Her company is involved in the

By KENOSI MODISANE

Urban Foundation’s low-cost housing scheme for people in the lower salary bracket.

She also blamed other housing consultants who do not often consider affordability and preference of their clients when making deals with them.

"Buyers often fail to repay their bonds because they are not told how it will affect their salaries.

"They are only told about the package deal which does not always reflect how their pay packets will be affected."

"Home ownership is not only an investment. The underlying responsibility which goes with it should be understood by the buyer." "People need to understand that the repayment they make on a monthly basis will continue for at least 20 years. And such a commitment when buying a house should not be overlooked."

Tammy Taranto
Taranto said a home buyer must be given chance to consider his decision to buy a house.

"This is a lifetime decision which needs a thorough consideration."

caption: Mrs Tammy Taranto, project and housing marketing manager on housing.
Loans crisis unresolved
Sowetan Correspondent

The Government was taking urgent steps to avert a confrontation with black communities over the decision to end provincial loans to townships on July 31. Planning and Provincial Affairs Minister Hermus Kriel said this week. Sowetan 12/7/90

He would not say if the decision to terminate provincial bridging loans to black town councils could still be reversed.
PROKLAMASIES

van die Waarnemende

Staatspresident van die Republiek van Suid-Afrika

No. 116, 1990

ONGEVALLEWYSIGINGSWET, 1990
(WET No. 14 VAN 1990)

Kragtens artikel 2 van die Ongevallewysigingswet, 1990 (Wet No. 14 van 1990), bepaal ek hierby 2 Julie 1990 as die datum waarop genoemde Wet in werking tree.

Geege onder my Hand en die Seël van die Republiek van Suid-Afrika te Kaapstad, op hede die Drie-entwintigste dag van Mei Eenduisend Negehonderd-en-negentig-

G. VAN N. VILJOEN,
Waarnemende Staatspresident.

Op las van die Staatspresident-in-Kabinet:

E. VAN DER M. LOUW,
Minister van die Kabinet.

No. 117, 1990

OPDRA VAN DIE UITVOERING VAN SEKERE BEPALINGS VAN DIE WET OP DIE ONTWIKKELING VAN SWART GEMEENSKAPPE, 1984
(WET No. 4 VAN 1984), AAN DIE ADMINISTRATORES VAN DIE ONDERSKEIE PROVINSIES

Kragtens artikel 15 (1) van die Wet op Proovsiale Regering, 1986 (Wet No. 69 van 1986)—

(a) dra ek hierby die uitvoering van die bepalings van artikel 35A van die Wet op die Ontwikkeling van Swart Gemeenskappe, 1984 (Wet No. 4 van 1984), wat bevoegd het die minister van Staatkundige Ontwikkeling toeweys aan die Administrateurs van die onderskeie provinsies op;

STATEMENTS

No. 116, 1990

WORKMEN'S COMPENSATION AMENDMENT ACT, 1990 (ACT No. 14 OF 1990)

Under section 2 of the Workmen's Compensation Act, 1990 (Act No. 14 of 1990), I hereby determine 2 July 1990 as the date on which the said Act shall come into operation.

Under my Hand and the Seal of the Republic of South Africa at Cape Town this Twenty-third day of May, One thousand Nine hundred and Ninety.

G. VAN N. VILJOEN,
Acting State President.

By Order of the State President-in-Cabinet:

E. VAN DER M. LOUW,
Minister of the Cabinet.

No. 117, 1990

ASSIGNMENT OF THE ADMINISTRATION OF CERTAIN PROVISIONS OF THE BLACK COMMUNITIES DEVELOPMENT ACT, 1984 (ACT No. 4 OF 1984), TO THE ADMINISTRATORS OF THE VARIOUS PROVINCES

Under section 15 (1) of the Provincial Government Act, 1986 (Act No. 69 of 1986), I hereby—

(a) assign the administration of the provisions of section 35A of the Black Communities Development Act, 1984 (Act No. 4 of 1984), which assign powers, duties and functions to the Minister of Constitutional Development, to the Administrators of the various provinces;
(b) wysig ek hierby artikel 35A van die Wet op die Ontwikkeling van Swart Gemeenskappe, 1984 (Wet No. 4 van 1984), deur subartikel (5) deur die volgende subartikel te vervang:

“(5) Die Administrateur kan voor die opening van ‘n register bedoel in subartikel (1), enige stuk grond of gedeelte van ‘n stuk grond of enige saaaktige reg op grond ten behoeve van ‘n plaaslike overheid of, behoudens die bepalings van artikel 3 (4) (b) van die Wet op die Afskaffing van Ontwikkelingsliggame, 1986 (Wet No. 75 van 1986), ten behoeve van homself oenteen, indien na die mening van die Administrateur die onteelning nodig of wenslik is vir die opening van die register.”

Gegee onder my Hand en die Seel van die Republiek van Suid-Afrika te Kaapstad, op hede die Agtende dag van Junie Eenduidig Negehonderd-en-negentig.

F. W. DE KLERK,
Staatspresident.

Op las van die Staatspresident-in-Kabinet:

H. J. KRIEL,
Minister van die Kabinet.

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GOEWERMENTSKENNISGEWINGS

ADMINISTRASIE:
VOLKSRAAD

DEPARTEMENT VAN PLAASLIKE BESTUUR,
BEHUISENG EN WERKE

No. 1628  13 Julie 1990

INSTELLING VAN DIE TARKASTAD LANDELIKE RAAD

Kragtens artikel 12A van die Wet op Streekdienste-
rade, 1985 (Wet No. 109 van 1985), stel ek, Abraham Adriaan Venter, Minister van Begroting en Plaaslike Bestuur, hierby met ingang van 13 Julie 1990 ‘n landelike raad vir die blanke bevolkingsgroep in wat bekend sal staan as die Tarkastad Landelike Raad vir die gebied soos omskryf in die Bylae hiervan, en bepaal kragtens regulasie 2 (1) van die Regulasies betreffende landelike Rade, soos afgekondig deur Goewermentskennisgewing No. R. 2610 gedateer 23 Desember 1988, dat gemelde Landelike Raad uit vry lede sal bestaan.

A. A. VENTER,
Minister van Begroting en Plaaslike Bestuur.

BYLAE

Beskrywing van die gebied van die Tarkastad Landelike Raad

Die gebied wat bestaan uit alle plase binne die grense van die landdrosdistrik Tarkastad en langs die grense van die volgende plase binne die landdrosdistrik Queenstown sodat dit ingesluit word:

Klipplaatstreek 191; Plass 326 en Gedeelte Haas-
fonteinhoek 317; Plass 316; Fordyte Fontein 315; Gedeelte Roode Rand 199; Maidenhead 169; Gal-
lahill 167; Rathwick 165; Plass Rathwick; Tylden Dale 309; Welcome Valley 310; Cathcart Gift 311; Sherwood Forest 312; Weltevrede 313; Bedford 314; Poogierskaal 318; Welcome 319 en Tiger-
klip 320;

(b) amend section 35A of the Black Communities Development Act, 1984 (Act No. 4 of 1984) by the substitution for subsection (5) of the following subsection:

“(5) The Administrator may, before the opening of a register referred to in subsection (1), expropriate on behalf of a local authority or, subject to the provisions of section 3 (4) (b) of the Abolition of Development Bodies Act, 1986 (Act No. 75 of 1986), on his own behalf, any piece of land or portion of a piece of land or any real right in land, if in the opinion of the Administrator the expropriation is necessary or expedient for the opening of the register.”

Given under my Hand and the Seal of the Republic of South Africa at Cape Town this Eighteenth day of June, One thousand Nine hundred and Ninety.

F. W. DE KLERK,
State President,
By Order of the State President-in-Cabinet:

H. J. KRIEL,
Minister of the Cabinet.

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GOVERNMENT NOTICES

ADMINISTRATION: HOUSE OF ASSEMBLY

DEPARTMENT OF LOCAL GOVERNMENT,
HOUSING AND WORKS

No. 1628  13 July 1990

ESTABLISHMENT OF THE TARKASTAD RURAL COUNCIL

In terms of section 12A of the Regional Services
Councils Act, 1985 (Act No. 109 of 1985), I, Abraham Adriaan Venter, Minister of the Budget and Local Government, hereby establish with effect from 13 July 1990 a rural council for the White population group to be known as the Tarkastad Rural Council for the area as defined in the Schedule hereof, and determine under regulation 2 (1) of the Regulations regarding Rural Councils as promulgated by Government Notice No. R. 2610 dated 23 December 1988, that the said Rural Council shall consist of five members.

A. A. VENTER,
Minister of the Budget and Local Government.

SCHEDULE

Description of the area of the Tarkastad Rural Council

The area that consists of all the farms within the boundaries of the Magisterial District of Tarkastad and along the boundaries of the following farms within the Magisterial District of Queenstown so as to include them:

Klipplaatstreek 191; Farm 326 and Portion Haas-
fonteinhoek 317; Farm 316; Fordyte Fontein 315;
Portion Roode Rand 199; Maidenhead 169; Gal-
lahill 167; Rathwick 165; Farm Rathwick; Tylden Dale 309; Welcome Valley 310; Cathcart Gift 311; Sherwood Forest 312; Weltevrede 313, Bedford 314; Poogierskaal 318; Welcome 319 and Tigerklip 320;
money for expenditure in this sector and limit expenditure on the interest subsidy scheme.

Mr Kriel said he had agreed to meet representatives of the home building industry on Monday to discuss the matter.

The cut-off point for whites to qualify for the interest subsidy scheme is a joint income of R3 500. No such limit exists for coloured buyers, said F Hugo, assistant director of housing in the House of Representatives.

'Serious'

The move has shocked property developers, who claim they stand to lose billions. Describing the move as "very serious", Johan Grotius, executive director of the National Homebuilders Association of South Africa, said he would meet the Minister on Monday.

"Developers stand to lose hundreds of millions of rands by holding land which has been specially serviced for this sector of the population. The figures are mind-boggling.

"The black sector is the only area where any meaningful housing construction is taking place and developers have had the carpet pulled out from under them."

He said a full statement would be released following the meeting with the Minister.

John Rabie, managing director of Rabie Property Developers, said the Government had effectively wiped out 60 percent of the home building market.

"It is a major disaster and will affect about 2 000 houses we already have under construction, involving capital investment of about R150 million," he said.

Mr Rabie said houses were sold before construction started, and had been approved for bonds, on condition of the subsidy, six to nine months ago.

"What are we supposed to do? Go back to these people and say they no longer have a house?" he asked.

Mr Rabie said all major developers were up in arms. "It has to be stopped."

He said the introduction of the first-time home buyers subsidy had been a "stroke of genius" and the extension of the subsidy to black families had enabled them to become homeowners.

"It has also contributed to political stability by helping to create a black middle class. Housing is a critical matter for the country and has been acknowledged as such by the State President.

"How can the Government give the Urban Foundation R2 billion, then run R5 million or R10 million over budget and at a stroke of a pen wipe out the industry?"

'No sense'

He added: "It makes no sense. We can only hope the Government will seriously reconsider this move."

Phil Galie, general manager of housing utility company Garden Cities, said he understood the change in the subsidy scheme would affect many applications already in the pipeline.
Setting new standards

The average South African civil court has a white male judge, an adversarial atmosphere and an abundance of lawyers.

Not so the small claims courts, marking five years of existence this year.

There, legal representation is banned. The aim is often to mediate disputes rather than apportion blame and - for the first time in South Africa - black people sit in judgment.

"People often say we must also get blacks to adjudicate in cases where white and black are involved - and it is happening in the small claims courts," said Director-General of the Department of Justice J J Noeth.

Only seven out of the 1476 commissioners - attorneys and advocates acting as part-time adjudicators - are black.

But "don't ask me to name them", says Mr Noeth, citing the case of a coloured magistrate who "suddenly resigned ... and we paid her well - I think she was intimidated".

Mr Noeth ascribes the skewed representation among commissioners to the scarcity of black lawyers, to his perception that they tend to practise criminal rather than civil law and to the fact that the more experienced lawyers are white.

Lawyers must have at least five years' experience before they can be appointed as commissioners. Five of the 118 advisory boards across the country have black members.

"I want to have more black commissioners, there's no doubt about it," said Mr Noeth. But "the main problem is more political, and I can't comment on that", he said.

Mojanu Gumbi, national secretary of the Black Lawyers Association (BLA), confirms this view: "We have always declined to enforce laws we believe are illegal in that they do not enjoy the support of the majority of people.

"We support the idea of small claims courts and public defender's offices - structures that provide more access to the courts," said Mrs Gumbi.

Yardstick

"But within the context of the South African legal system our members are not allowed to be magistrates, judges or commissioners."

By adopting this view the BLA effectively halves the pool of black lawyers eligible for commissioner duty - having signed up 400 of the estimated 750 black lawyers countrywide.

But, says Mr Noeth, the real yardstick for the success of the courts is the number of ordinary citizens using them "and I have no doubt they are serving their purpose".

The statistics back him up: more than 15,000 cases are heard every year.

In Pretoria the monthly average of 27 cases in the first three months of operation has more than tripled: about 83 cases a month are heard.

Last year Johannesburg's court heard 2,912 cases and countrywide clerks of the court handle roughly 90,000 inquiries a year.

In Johannesburg about 80 percent of the users are black people, in Pretoria 75 percent and in Durban about 60 percent, says Mr Noeth.

Two groups in particular have benefited from the courts - consumers and domestic workers, although both have reservations about the system.

Daan Kruger, deputy director of communications of the Consumer Council, said: "These members of the public who are aware of the courts use them and do get satisfaction - but not enough people know what is available."

"More should be done to make people aware of their existence. It is up to the legal profession," said Mr Kruger.

Morris Zinerman of Johannesburg's Legal Resources Centre has had extensive experience of small claims courts and describes them as "fulfilling a great need".

The Johannesburg office assists in some 200 cases a year, preparing litigants' statements and explaining court procedure to men and women who, when they enter court to plead their case unaided by lawyers, often end up tongue-tied.

Mr Zinerman believes appearing before a black commissioner - and being allowed to address the court in one's own language - would be "advantageous" to black litigants.

Unaware

Florence de Villiers, general secretary of the SA Domestic Workers' Union (Sadwu), said the courts had provided some relief, but as the system relied solely on the commissioner judging the truth of the two arguments, women unaware of their rights or intimidated by the court sometimes lost justified claims.

Commissioners sometimes had to judge these cases on the basis of rather obscure common law provisions for employment and not all were aware of these, according to a Pretoria legal aid worker.
I really believe prayer does work

I AM so glad I went to church last week Sunday.
I went to church because I felt I needed to recharge my spiritual batteries - also because I believe prayer works.
Let me first declare my interest.
I am a Christian and while my church attendance is makeshift at the best, I feel bound to put in the occasional appearance.
The Methodist church has been part of life for many years.
It goes beyond simply going to pray or listen to a sermon.

My late mother, father and all my late brothers used to attend this church and I connect in a special way with them in this little church.
Sunday was a special day in church.

Obviously every person was in a passion, expressing prayerfully, shame, fear and despair about the township violence.

The young preacher set the tone by speaking about conversion.
I was about to yawn through the predictable sermonising when he touched on the current unrest.

The service suddenly sprang alive.
The spiritual theatre in the Methodist church is unlike that in say the Anglican or Catholic Church.

In those churches there is almost a Eurocentric mystical ritual, involving the hushed ringing of secret bells, the chanting of strange Latin phrases, and songs, the burning of incense.

This type of ritual is psychologically useful in that it sets the witness against a background of mystery, also called holiness, that is effective.

In the more basal language it is a marketing tool, brought to a fine tune by the church.
The Methodists are more grassroots, almost more jazzy.

Upbeat

There is an upbeat resonance, a Gospel-like swing that comes out with such fascinating power from the Amadoduna Ase Weselo.
It is pure Afrikaner and adds the right mysticism to our witness, or at least to mine.

There are other actors in our church, chiefly the Amadoduna themselves.
They are known by their red waistcoats and a blues-like blast of the hymns that almost opens the doors to Paradise.

I am exaggerating for effect.
They also have a style of preaching that you might have noticed among black Americans in their churches.

They sway their arms and bodies; they fix the congregation with a hypnotic gleam; their voices go through a crescendo explosion that fairly takes the roof off.

They descend into a hush, a folder of the arms, a closing of the eyes as if to pray; they then use the repetitive refrain that drives a particular verse home.

They make going to church a spectacular experience.
In short a totally joyful experience.

My going to church, apart from the spiritual link with my late relatives, is chiefly through them.

Relief

That, and the music.

When the last prayer was hauntingly said this particular Sunday, we felt a certain purification.

A united conscious sign of relief, like the whole problem was now in the hands of the Higher Power.

It was a wistful, childlike thing to do.

For now we had to move back into the real world, the world where the sting of tear smoke hits the eyes, the world where the ungainly smoky remains of destroyed buildings assault the senses; the world that loudly, rudely proclaims, in newspapers and the electronic media, the number of dead in the continuing violence.

I said prayer works.
UF calls on Govt to withdraw subsidy limit

Staff Reporter

The Urban Foundation has recommended the Government withdraw its recently announced R2,000 per month income ceiling for qualification to participate in the First Time Home Buyer's Scheme, in a press release yesterday.

The foundation said: "Given the long term nature of development commitments through the servicing of land, it is neither rational nor acceptable for the State to change subsidy policies without a planned phasing-in approach."

The foundation said the subsidy change would result in a large number of already committed house buyers no longer being able to afford their future homes and a significant number of developers being threatened with insolvency.

It was unacceptable that limits on blacks participating in the First Time Home Buyer's Scheme should be any different from the limits placed on any other participants.

The statement was made in response to a recent Department of Planning and Provincial Affairs announcement which said the "First Time" housing subsidy scheme would be restricted to households which earned less than R2,000 a month.

The Urban Foundation suggested the Government should rather provide a lump sum subsidy, irrespective of the loan amount. The R2,000 qualification income ceiling is inappropriate because subsidies should be targeted at the poor.
Industry urged to develop basin of Tugela River

THE Tugela River basin should be developed to increase job opportunities in the Natal/KwaZulu area, Deputy Justice Minister Danie Schutte said yesterday.

"The Tugela River is Natal's greatest natural resource, but it has not been harnessed to the benefit of Natal," he told the Tugela Basin Development Association.

Although there was a multi-million rand project to develop the upper reaches of the Tugela River, it was aimed at supplying the Witwatersrand with water, he said.

"The time is ripe for the development of the Tugela River for the benefit of Natal. I urge industry to consider developing the central part of the river by establishing dams, canals, agricultural projects linked to that and perhaps hydro-electrical plants."

Natal Chamber of Industries executive director John Fohi said in an interview that the Chamber had long propagated the development of the Tugela River as an untapped source of job creation and economic development.

While the chamber acknowledged the PWV area as the country's "premier" industrial area, it was not benefi
cial to the country to have Johannesburg develop into a megapoll while Natal was left "pristine", he said.

"We shouldn't always bring water to industry; we should rather bring industry to the water.

"We have long said that the Tugela has the potential to support several cities the size of Johannesburg and Durban. The conditions for such a development are ideal — adequate water, a stable workforce and existing infrastructure in the towns of Mooi River, Ladysmith and others."

"All that remained to be done was planning and tapping these resources.

Schutte said the short-term benefit of the proposed programme would be a reduction of unemployment in the area, while in the long term creating a new "development axis" along the river in central KwaZulu, as well as defusing the urbanisation pressure on the Durban-Pinetown-Maritzburg areas.

"I believe that this proposed project is completely vindicated when one considers that the number of people in Natal/KwaZulu deriving benefit from each million invested would be more than that for the Orange River project," he said.

Staff cuts at housing firm

ADMINISTRATIVE staff at FHA Homes, part of the Urban Foundation's residential development division, has been cut by 40% over the past eight months because of a depressed black housing market, says the company's CE Rod MacGillivray.

MacGillivray said the long term cause of the market's slump was high interest rates, but recent changes in government subsidies for non-white first time house buyers had depressed the market further.

Government's decision to restrict subsidies — amounting to one third off interest payments for five years — to households earning less than R2 000 a month and the introduction of a new subsidy application procedure presented unwelcome extra costs and delays for house buyers.

MacGillivray said the growing cost element for customers exacerbated the company's high holding costs, as funds were tied up pending bond approvals and the lengthy conveyancing process.

FHA Homes "consolidation programme" and the adoption of a downmarket sales drive stabilised the company's position during recent weeks.

MacGillivray said the new government rules affected deals in the process of being transacted and allowed a "worrying persistence" in a racially motivated approach to housing for the poor. Whites are eligible for subsidies on projects under R65 000 if household income does not exceed R2 500 a month. (3 5%)

Job losses at FHA included retrenchments (there were seven at the end of June), transfers and resignations, but had not affected site staff.
Survey shows black optimism

Black people are more optimistic about the future of South Africa than whites following recent changes made by President F.W. de Klerk, including the release of African National Congress leader Nelson Mandela, a recent study says.

A poll conducted in May by Markinor research group also indicates that more blacks than whites believe the relationship between the two race groups is improving.

Pollsters interviewed 1,500 black men and women in metropolitan areas and 800 white women in urban and rural areas.

"The optimistic attitude among blacks can be attributed to the confidence they have in President de Klerk and his recent political changes," commented a Markinor director.

White pessimism was most prevalent in the platteland, Orange Free State and the Pretoria, Witwatersand and Vaal area.

The study found that 43 percent of blacks believed Mr de Klerk was leading the country well, as opposed to 27 percent of whites.

Only four percent of blacks polled voted no confidence in Mr de Klerk. This view was shared by 14 percent of whites.

More than 50 percent of black people as compared to 31 percent of whites see the relationship between black and whites improving.

Markinor said the survey had a high degree of accuracy. — Sapa.
Call for reinstatement of home subsidy plan

THOUSANDS of black prospective first-time home buyers and the home-building industry would be greatly affected by the cessation of the subsidy scheme for first-time buyers, SA Perm GM Denis Creighton said yesterday.

This follows Planning and Provincial Affairs Minister Hercules Kriel's announcement earlier this week that funds budgeted for the first-time home buyers subsidy scheme had been exhausted.

SA Perm had thousands (Creighton could not disclose the exact figure) of applicants whose fates were in the balance. "Of these applicants 40% will not qualify because of the R2 000 income limit, while others might not be approved by government because of lack of funds," he said.

The home-building industry would lose a substantial number of buyers who would now not qualify because of the cessation of the scheme. Ways should be found to continue the scheme, he added.

DP administration of black affairs spokesman Jan van Eck called for the reinstatement of the subsidy, saying its cessation would have a serious effect on the critical housing situation in the black community.

"It should also be questioned why the funds for black first-time home buyers have been exhausted when it was announced in Parliament this year that additional funds had been made available for white first-time home buyers," Van Eck said.

He added that if the subsidy was to benefit the "needy" then all needy home buyers should receive it and not only those belonging to a certain race group. "It was announced in Parliament this year that R1bn had been put aside for the socio-economic development of blacks. That money should now be used to offset the impact of the subsidy cut," Van Eck said.

Kriel was unavailable to comment.

Organisers decide on squatter targets

Regional UDF chairman Bulelani Ngcuka said yesterday that open areas in Hout Bay, District Six (renamed Zonnebloem) and possibly Tableview had already been targeted for squatter occupation.

Ngcuka said the plan to "occupy District Six had become urgent as Cape-based property developer Irico Homes was scheduled to start building 177 new homes there on Monday."

We will use whatever means are available to prevent the development of upmarket homes in this area," he warned.

While a number of small residential developments have sprung up in District Six since it was declared a white area in the late 1960s, most developers, including the BP project aimed at rehousing the coloured inhabitants who were forced to leave, have steered clear of political controversy. UDF sources said Nguku-ka's announcement indicated that the political movement had decided the time was right to reclaim the area.

Ngcuka said the UDF's plan to "seize unoccupied government and certain private property to accommodate the homeless" was due to be implemented next month. The idea had started with a resolution adopted earlier this year at the Conference for a Democratic Future to highlight the housing crisis.

An estimated seven million urbanised people were homeless, he said.

At a national level, UDF officials have declared their willingness to discuss the squatter crisis with Provincial and Planning Affairs Minister Hercules Kriel, who has requested a meeting.

Ngcuka confirmed this yesterday, but said it was on condition that the talks "lead to homes for the homeless."
HOUSING SUBSIDIES  FIM  20/1/90 (329)  

All but gone in a flash

Planning & Provincial Affairs Minister Hermus Kriel's bolt from the blue, dramatically lowering the earnings ceiling at which first time black home buyers qualify for State subsidies, has been labelled damaging and discriminatory.

Kriel's decision, which took effect at the beginning of July, means black households with combined incomes in excess of R2 000 a month will no longer be eligible for a State first-time homeowner's subsidy. Buyers who qualified before July 2 are not affected.

While homebuilders feel this pulls the rug from under their feet, the Urban Foundation sees Kriel's measures as an indication that government is running out of funds for subsidies. Its housing policy director Jill Strelitz says the minister is right to channel available capital to the most needy.

The foundation has for some time been negotiating with government over ways of restructuring the subsidy system to direct it more specifically at the low-income sector. But it brands as discriminatory the fact that there is a discrepancy between the income ceiling for blacks and other race groups — the maximum qualifying income of a white first-time buyer remains R3 500.

It's the suddenness of Kriel's decision that's attracted most criticism, for the confusion it has caused and because it allows no possibility of softening the impact. There is a general feeling that this is a case of government making snap decisions to save money at the expense of all around it.

Confusion and loss of business are likely to cost contractors dearly, particularly in holding costs for suddenly unwanted development land. The end result for those that survive will be higher overheads, which will add to the price paid by future home buyers.

Strelitz says builders, before committing capital to servicing sites and building houses, must know whether they can be sold on a first-time buyer's subsidy. Sudden removal of that subsidy also removes the market.

"If the department needs to consider applications it should do so on a project basis before the start of a scheme, not at the late stage when a financial institution applies for a subsidy on behalf of a buyer.

"Given the long-term nature of development, it is neither a rational nor acceptable practice for the State to change the subsidy policy without phasing-in."

She adds that the immediacy of the change will result in many of those committed to buying homes no longer being able to afford them. A significant number of developers will be threatened with insolvency.

Among those likely to beat a path to Kriel's door, to seek either clarification or possibly a compromise, will be the Mortgage Lenders Association. Director Tim Hart says: "We had no prior knowledge that this was going to happen. Our members are involved in the implementation and administration of such schemes so we are disappointed that there was no consultation over how best to implement the measures.

He adds that future demand for bonds will depend a great deal on how homebuilders react and whether they stay in the market — and, indeed, whether demand from black buyers falls."
Black homes: time runs out

THE struggling 'homes for blacks' building industry faces collapse unless vital talks this week restore the first-time home buyers' subsidies to former levels.

The situation facing the R1-billion-a-year industry is not just serious. "It is terminal," said Thembu Kotze, financial director of Group k, construction giant.

Construction industry chiefs, led by National Association of Home Builders executive director Johann Groblies, met Planning and Provincial Affairs Minister Hermus Kriel and officials twice last week to discuss heavy cuts in the subsidy scheme, which amounts to one-third of interest payments for five years.

The final word is expected this week.

The urgent meetings followed a circular from the Department to building societies, banks and developers which said subsidies would be restricted to black families earning R6 000 a month and to white families earning R2 000 a month because funds were running out.

The catch is that building society earnings requirements mean a black family qualifying for the subsidy could only build a house for R5 000. "There is no way we could build a house for that price on a serviced stand which would meet building society demands on quality and size," said Group k's chairman Peier Clogg.

If the Government allows the subsidy scheme to collapse it will deal a 'death blow' to the middle-class black home building industry, said Mr Kotze.

A vital industry worth R1-billion will be wiped out within weeks, with the loss of tens of thousands of jobs. Thousands of prospective home-owners will be left without a house.

The interest on the Government's R1-billion upliftment fund for one month would provide full subsidies for a year.

"The sales tax on materials used for black home building is which the Government will lose if the industry is halted - would be about R80 million. But, the cost of the subsidy for a year is only R60 million," said Mr Clogg.

Houses built with the subsidy account for between 30% and 50% of houses now being built for blacks. This is one of the more solid sectors of the housing industry, but it is still nowhere near sufficient," added Mr Clogg.

Danger

"The industry has already been hit by high interest rates and big increases in the cost of building materials." Added danger is that building societies will tighten up their requirements if they are facing with more repossessions because owners cannot afford their mortgage payments.

Any cut in home building will also lead to the bankruptcy of small builders.

Major construction groups have invested hundreds of millions of rand in serviced land in "green" suitable for black middle-class housing development.

Mr Kotze said the Government's first-entrants developers into black housing by providing serviced land at no charge. The entry of blacks into the first-time buyers scheme extended the drive.

"Now the very popularity of the scheme has caused a severe drain on available funds. And rather than providing more money the Government is effectively killing off the scheme," he said.
ANC comes out on top

The dominance of the African National Congress in the black community, as disclosed in a comprehensive survey conducted by Market Research Africa, is strikingly illustrated in the graph above. The ANC towers over its rivals, the Pan-Africanist Congress and Inkatha. Its closest challenger, the United Democratic Front, is not really a challenger, it is an ally. The graph reflects the proportion of blacks outside Natal and KwaZulu, where civil war is raging in the black community, who feel "very close" to the organisations vying for their support.

@ Most blacks support ANC, claims survey — Page 17.
Long agenda beats debaters

BLOEMFONTEIN — The annual conference of the Urban Councils Association of SA (Ucasal) was ad-
journed at the weekend before delegates had a chance to discuss some of the more controversial
items on the agenda.
The meeting was attended by 229 of the country's 250 black local authorities.
An amended constitution allowing only members who had paid their membership fees to vote was ac-
cepted on Saturday.
But it was claimed yesterday that delegations said to still owe fees had, in fact, paid.
Ucasal president Phillip Nhlapo ruled that the con-
fERENCE resume on December 8. — Sapa.
RT-in block homes Industry End of subsidy could wipe out

Finance
Proposals widely praised

Member bodies of the Private Sector Council on Urbanisation have welcomed the proposals on a comprehensive urbanisation policy and hoped policymakers would seriously consider and speedily implement them.

The Chamber of Mines said the proposals were courageous, imaginative and thoroughly researched and, if implemented, offered South Africa a unique chance to get ahead of the enormous development challenges.

The SA Chamber of Business endorsed the call for the repeal of racial laws which inhibited economic growth.

The Steel and Engineering Industries Federation of SA urged policymakers to give urgent attention to development in the major urban areas. This, it said, would create sound economic growth and a better quality of life for all citizens.
Black urbanisation will rocket – report

By Esmare van der Merwe, Political Reporter

About 20 million blacks will move into South Africa’s cities in the next 25 years – providing major challenges for an effective urbanisation policy, says a report written by Urban Foundation executive director Ann Bernstein.

According to the report from the Private Sector Council on Urbanisation, the major trends in the geographical distribution of the black population are:

- Since 1980 the areas of “in-migration” have been the existing metropolitan areas, for example Pietermaritzburg in KwaZulu and Inanda in KwaZulu.
- This indicates that people have not been moving en masse from the homelands into “white” cities. Rather, most have been moving from “white” farming areas into informal settlements in the homelands areas, near the major metropoles.
- The major expected population shift in the future will be from the rural areas to the metropolitan areas. It is, however, unlikely – given the general population growth – that the number of people living in any area will decrease.
- Most rapid growth will take place in the existing metropoles and large urban areas. In 1995, metropolitan areas had a total black population of 4.7 million. In 2010 this figure will be about 23.6 million.

Pressure

- The cities particularly are under severe pressure. They have a formal housing shortage of about 850,000 units.
- More than 7 million urban people live in informal houses such as shacks and garages. Of these, about 2.5 million live in the PWV area and 1.7 million in greater Durban.
- Between 25 and 40 percent of the economically active urban black population is formally unemployed.
- About 70 percent of urban blacks do not have direct access to electricity and running water.

Hidden truths of the influx problem

A positive and successful urbanisation strategy can be a crucial vehicle for reconstructing a divided society and building a nation.

For it is in the cities, black and white South Africans can learn to live together in equality and prosperity.

This is the message from the Private Sector Council on Urbanisation in its comprehensive report, released today, on a new urbanisation policy for South Africa.

Urban Foundation executive director of urbanisation Ann Bernstein sketches a gloomy picture of a failed urbanisation policy which, if not corrected, could plunge the country into increased urban decay, homelessness, violence, poverty and disease.

Based on extensive research over the years, she proposes a new policy on urbanisation which involves the restructuring of cities and says that the gains to be made if the urbanisation process is managed successfully...

New society

"South Africa's cities are leading the country towards the future. It is in the urban areas that the challenge of urbanisation is increasingly obvious. It is here that the consequences of failure manifest themselves so harshly and it is here that a new society encompassing 55 million South Africans is being forged," Ms Bernstein notes.

She argues that the impact of rapid urbanisation and population growth has been concealed behind the political "fences" of segregation and homeland borders.

The increasingly Third World character of the cities and towns has been disguised and denied.

"As a consequence, present policy has the paradoxical result that the most recent, least experienced and least viable authorities — homeland governments and black local authorities — have to cope with the restructuring of institutions and policies to meet the needs of millions of urban dwellers effectively," Ms Bernstein says.

So noted, Ms Bernstein presented a comprehensive 10-point urbanisation plan:

1. A major attitudinal change is required by the authorities on the philosophy of urbanisation.
2. At the core of a new approach should be the belief that urbanisation is a desirable process which can be managed successfully, and that South Africa's future will ultimately be decided in the cities.
3. A new urbanisation policy must accelerate economic growth. The benefits of an expanding urban market must be built on policies which facilitate private sector investment and create a climate to maximise the return on public expenditure.
4. An effective urbanisation policy must be a comprehensive package which includes guidelines to all levels of the urban system and includes a systematic programme for rural development.
5. In view of the cities' leading role, policy must ensure that the cities get increased financial support, greater political autonomy and management responsibility and are not held back by the more conservative parts of the country.

6. Urban management is the key to a successful policy. Decentralisation should not substitute physical and realistic urban management, while urban management should go beyond physical planning and shelter to the heart of many of the economic and political linkages of the society.

7. Effective urban management requires new urban government institutions whose boundaries are defined on functional and not racial criteria and in which all inhabitants participate equally.

8. It further requires an economic approach to urban development and an urban finance strategy that increases available resources and provides incentives for local government and private sector involvement.

9. It implies the opening of cities to all residents to ensure equal opportunities and access to all the amenities and services in the urban areas.

10. Effective urban management should be based on an effective housing policy which allows for access to land and finance for the poor, appropriate standards, sufficient service provision, and a positive attitude towards informal settlements and mechanisms to promote upgrading.

Such an urban policy should facilitate large-scale job creation.

A new regional policy should encourage cities and towns to compete for public and private investment.

Policy should encourage regions to market their advantages and emphasise their local economic growth strategies.

Rural restructuring must begin with the structural changes which have occurred in the cities.

The first phase of such restructuring should include the establishment of a non-racial rural land market, the opening of existing towns and the development of small-scale farming.

All development activities should be directed by four guidelines.

Firstly, all physical, human and institutional resources must be used to the maximum.

Challenges

Secondly, the strength of South Africa's highly-developed private sector must be used in meeting the developmental challenges.

Thirdly, the State should assist in raising the living standards of the poor by bringing them into the economic system.

Fourthly, it should be recognised that community participation is essential for effective urban and rural development. This emphasises the need for democratic urban government institutions.

5. Government has a leading role to play in defining the new urbanisation policy and communicating it to the communities involved. It should implement the policy effectively while encouraging all other participants to contribute to the country's development challenges.

Note: This figure is for year 2000.
Landscape of urbanisation 2000

TOTAL POPULATION
48 MILLION
Estimate for 2000 based on 1985 projections

"HOMELAND" RURAL
10 MILLION

RURAL INDUSTRY
4 MILLION

DENSE SETTLEMENTS
3 MILLION

"HOMELAND" URBAN
2 MILLION

"HOMELAND" METRO
7 MILLION

SMALL TOWNS
5 MILLION

METROPOLITAN
17 MILLION

Note: This figure assumes, for the sake of illustration, that the artificial "homeland"/"SA" divide will persist to the year 2000. Under such circumstances it can be seen that the homeland areas will be extremely crowded.
Crisis That Faces SA Cities

Peter Delmar

The report for South Africa.

[Paragraphs discussing various topics related to the crisis in SA cities]

The work was carried out under

Taanis in Hebron, 1970

[Logo or emblem]
Action needed to tackle low-cost homes problem

RISING bond rates, political uncertainty, unrest and the effects of the gold price plunge over the past year has left the South African housing industry in bad shape, says Mike Graham, managing director of Time Housing.

"Most major housing developers are either at break-even point or accumulating substantial losses. They are cutting back on skilled staff at all levels and reducing branch networks."

The Government is now making more funds available for housing and the Urban Foundation Initiative is expected to facilitate bond finance at the lower end of the market.

"Yet the question is just how well equipped and prepared is this industry to meet the challenges of the low-cost housing market?"

"Having more funds available is undoubtedly a plus factor. But the industry must work to meet the challenges of the lower end of the market."

About 250 000 new low-cost homes must be built annually to meet the backlog at the lower end of the market. This means an effective 500 percent increase in production, on an almost impossible task, especially in the recessionary conditions."

"Technically, the industry has shown that it can build quality homes at affordable prices."

With broad-based support by the Government and the black leaders alike, and those large sums earmarked for inexpensive land, all ingredients are there to tackle the awesome challenge.

The market, however, is simply not a viable one. It is currently structured.

"Pragmatic"

"I believe we should take a radical, yet pragmatic, look at the urgent requirements which will enable the industry to use existing structures to build high volumes rapidly and efficiently without compromising on quality." "The four needs Graham identified as paramount:

* Accessibility to low-cost land in sufficiently large areas to meet efficient production flow.
* Access to finance which gives cash flow certainty.
* Streamlined conveyancing procedures; and
* Co-ordination of policy making in the industry.

"One other way to speed up land proclamation process would be to pro-approve standards so that there could be at least a 90 percent acceptance of realistic servicing standards," said Graham.

Further, the housing authorities and the industry should follow the lead of the South African Housing Trust who "did excellent work in making available low-cost stands quickly and efficiently."}

Facilitator

The Government could also act as facilitator by providing cash flow to bridge finance for the bottom end of the market via the tender system.

For the large part of the market where the buyer demands freedom of choice, one solution would be to separate production and sales by building for an organisation such as the SAHT.

The SAHT, would, for instance, assume the role of client by awarding large low-cost contracts and paying the developers according to progress thus providing them with a certain cash flow.

Developers

Developers would then become responsible for marketing the houses for the SAHT for a small commission.

Developers would not be eligible for further contracts, until they had sold at least two-thirds of the allocation.

The marketing responsibility would also ensure that developers would pay attention to quality and aesthetics.

"In the current state of the industry most developers simply cannot undertake work which will not provide adequate cash flow, especially with slow conveyancing, taking two months or more and thus compounding the problem," says Graham.

"I see immense opportunities and scope for all builders in the low-cost housing market. This will particularly be true if
A NEW concept in low-cost housing that includes the provision of warm water without using electricity has been announced by the CSIR. A project leader in the CSIR's refuse and energy division, Mr Fred Hove, said on Tuesday that the gas-driven hot water system was extremely cost-efficient and easy to use.

The main benefit of this system was that it caused no pollution. Sapa. (27/1)
new home buyers

Subsidy cut hits

Improvements

Building for the Nation

THE GOVERNMENT WITHDRAWAL OF THE SUBSIDY SHOULD BE RESINANE,

moderate

BY KENNIS

THE GOVERMENT, WITHDRAWAL OF THE SUBSIDY SHOULD BE RESINANE.
A 60-year struggle against bias

The black taxi industry became a newsmaker during the last decade — but its roots extend over 60 years back, when the first recorded taxi operated in Katlehong in 1939.

The SA Black Taxi Association came onto the scene only 40 years later, when taxi operators banded together to deal with the negative attitude of the private and public sectors.

"Exploitative deals with members of the private sector threatened to cripple the industry," says joint-MD Jabu Mabuza.

"For example, in 1985 a taxi owner buying a vehicle was expected to pay a 50 percent deposit for a R20,000 vehicle at the highest possible interest rate. In addition, he was obliged to pay an insurance premium of R8,000 a year for cover with a R8,000 excess!"

At the same time, Mr Mabuza says, the vehicle manufacturing industry worked on a quota system, in terms of which a small percentage of vehicles sold were allocated to black buyers while the rest went to whites.

"It wasn't only government that upheld the status quo — it was white businessmen who restricted the amount of business they were willing to do with, and the amount of credit they were willing to extend, black entrepreneurs."

"It was perceived as a high-risk market — but when some far-sighted companies opened their doors to black businessmen they found the risks had been greatly overstated," said Mr Mabuza.

The Sabta Foundation Scheme, backed by Wesbank, was introduced in 1987. This consolidated the black market for vehicle purchases — now worth an estimated R100 million a year — and made credit more readily obtainable.

But before such a scheme could come into action, Sabta had to deal with years of government resistance to the industry.

"The grand apartheid concept promoted the creation of a subsidised bus and train service to transport blacks to and from work. No provision was made for social and domestic transport needs — and hence the black taxi industry developed and became essential to people's survival," he explains.

1983 saw the Welgemeers Commission muscle in on the industry, with the recommendation that government phase out the black taxi — and this recommendation more than any other factor served as a rallying point for the industry.

Legislation limited seating in a taxi to four, although this was later increased to eight.

Bureaucratic harassment — already a factor in the lives of taxi operators — intensified.

The number of pirate operators increased, despite vigorous action by the traffic department laying the foundations for the strife and poor standards which plague the industry today.

In 1986 Sabta, backed by the National African Federated Chambers of Commerce, made a play to buy out the Putco bus company.

Bus transport had already been hard hit by the taxi industry; Sabta saw this as an opportunity to take over an established infrastructure and extensive property holdings.

Circumstances, however, went against them.

"Because of its sensitive nature the success of the deal depended on speed and secrecy. But there was a leak to the press and people reacted to our proposal as a major political threat."

"In the end the confusion was so great that we withdrew from the deal... and continued developing the infrastructure we needed from within."

Since then lobbying by Sabta has forced government to recognise the taxi industry as a feature of the economy that is not going to go away.

"On the one hand we have used the power of numbers to break through the resistance of the private sector, and on the other we have seen government's attitude change towards co-operation," comments joint-MD James Chapman.

"The change in attitude presents some problems — uncontrolled deregulation, for instance, sounds good but represents a real threat to the industry. And although taxi operators welcome the legislation that permits the use of 16-seater vehicles, this is also putting a strain on the market."

"But for the first time, government is willing to pay attention to the views of black businessmen in determining its relationship with black business — and that is an important step in the right direction."
Finance through group buying

Wesbank and Sabta have developed a scheme which makes finance available to thousands of entrepreneurs who would normally not qualify.

Based on the old African "stokvel" principle, which makes use of the power of group buying, the scheme has established Sabta as Wesbank's biggest client group.

"The biggest problem faced in granting credit to entrepreneurs is the uncertainty factor. Few small black businessmen have the credit records needed to qualify them for a loan," explains Wesbank marketing manager Peter Page.

The solution was the creation of a special fund, held by the Sabta Foundation and pledged to Wesbank, intended to cover any bad debts.

These have not been high — and today the fund amounts to some R60 million. Members place a 20 percent deposit with the fund. Once the loan is paid up the lender is entitled to the return of his original capital.
Steps to ensure the success story continues

1. **Feet on the ground**
   - Identify and capture the essence of the story.
   - Focus on the key elements that define the success.
   - Use descriptive language to engage the reader.

2. **Telling the Story**
   - Share the journey in a compelling manner.
   - Highlight the challenges and the triumphs.
   - Use analogies and metaphors to make the story relatable.

3. **Engaging the Audience**
   - Make the story relevant to the audience.
   - Use visuals to enhance the narrative.
   - Encourage questions and discussions.

4. **Conclusion**
   - Summarize the key points and takeaways.
   - Leave the reader with a memorable end.
   - Suggest areas for further exploration.

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**New Service aims to break down the colour barrier**

- **Introduction**
  - Explain the need for the new service.
  - Highlight the benefits and impact.

- **Implementation**
  - Describe the process and timelines.
  - Outline the resources and stakeholders.

- **Impact**
  - Share the initial results and feedback.
  - Discuss the long-term goals and strategies.

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**The local industry faces tough times**

- **Challenges**
  - List the current challenges and issues.
  - Discuss the impacts on the industry.

- **Strategies**
  - Present the strategies and approaches.
  - Discuss the expected outcomes.

- **Conclusion**
  - Summarize the importance of the strategies.
  - Encourage continued support and engagement.
Taxi Wars: A Fact of Life for Many

If a service provided is found to be unprofitable in cities where taxi drivers, some dispirited action is taken against him, say driver friends.
Upgrading the image of the taxi industry is a huge task involving the education of vehicle owners, drivers and the general public.

And, Saba maintains, none of their efforts will be truly effective until the authorities give the organisation the clout it needs, by acknowledging its role as industry leader.

Two changes are needed, says Saba: the association must be given statutory power over all members of the industry, and government must legalise existing taxi operators prior to forcing them to clean up their act.

"Laws governing the taxi industry have been made without consulting the people affected by those laws."

"Saba has played an important role in lobbying government, and more recently we have been involved in discussions - but many of the problems faced by the industry are due to the authorities' refusal to recognise us in the past," says public affairs director Mike Ntlatleng.

"We have no desire to usurp the role of government - but as a major organisation with a code of conduct, we can regulate ourselves and our industry, if only we are empowered by government to do so."

Given the authority, he says, Saba would choose to discipline members even to the point of withdrawing permits if necessary.

And giving the association this authority would reduce the need for police action as well as improving the level of professionalism within the industry.

The problem, he says, goes beyond the taxi industry itself and into the realm of public safety, the health of the industry and a whole.

"There are many taxi drivers on the road who simply aren't qualified to be - but none of them are Saba members," Mr Ntlatleng says.

He points out that members are required to have a taxi permit, while drivers hold a valid public driver's permit and driving licence.

"Ideally, before anyone is allow"
Common needs and aspirations unite entrepreneurs across the full spectrum of industries — but it was only recently that these needs found expression in a central organisation.

Fabcos — the Foundation for African Business and Consumer Services — elected its first full-time executive in May this year.

"It's the most dynamic thing to hit the black business scene in South Africa," says Sabta joint-md James Chapman.

"It's a force that must be reckoned with, representing about 1.5 million individuals."

Created as an umbrella body for 14 highly diversified associations, Fabcos has taken Sabta as its role model. It has four main functions:

• To lobby government for legislative changes.
• To negotiate discounts within the markets specific to its members.
• To bring group dynamics to bear in negotiating such benefits as medical aid, pension, insurance and financing.
• To negotiate discounts on groceries and general goods.

Fabcos represents an estimated 1.5 million people — although, says secretary general Joas Mogale, this figure cannot be accurately determined before the organisation has achieved one of its main priorities: the computerisation of its membership list.

"One of Sabta's greatest strengths in negotiating on behalf of its members was that it had evidence of the numbers it represented," says Mr Mogale.

"We are creating a band of card-carrying members across the spectrum of entrepreneurial activity who will be able to exert real pressure on the market and on government."

The dream of an effective association of black businessmen gained flesh following Sabta's decision to testify against sanctions before the US Congress.

"A number of black organisations, including the African Builders' Association (ABA), of which I am president, were troubled by this decision and held discussions with Sabta."

"Out of these talks grew the idea of joining forces to rationalise our operations and maximise our effectiveness," Mr Mogale says.

The National Black Consumers' Union (NBCU) was also involved in discussions at this point. Aided by Sabta's achievements, it became one of the founder members of Fabcos when it was formed in 1986.

"Our objective is to help black business realise its full potential — and in the process contribute to black economic empowerment," explains Mr Mogale.

"What sets Fabcos apart and makes it more effective than any other organisation so far — is its structure."

"Our members have come together to deal with shared problems and aspirations, but in the process we have not overlooked the specific needs of individual industries."

"Where an issue is general we deal with it across the board; where it is specific we make facilities and skills available to our members to enable them to deal with it at that level."

Fabcos recognises that the greatest need of black business — greater even than financial backing — is access to the expertise of the white business sector.

And a primary objective is to forge links with major corporations, through sponsorships.

Three sponsorship options are available — and in each case the sponsor is required to second a senior executive to assist in planning and administration, and to advise on projects.

"We've structured the sponsorship programme in this way because we want to avoid mistakes made in the past," says Mr Mogale.

"For years, white business has poured money into the bottomless pit of black entrepreneurship — but because black businessmen generally lack the skills to manage this money it has all been frittered away."

"We want to commit ourselves to a goal — we believe two years should be time enough to get most operations on their feet and self-supporting — and we want steady financial assistance backed up by advice to make it work."

In regulate our industry — Ntlatleng

drive a taxi he should go through a training process.

"In South Africa, once someone has a driver's licence he qualifies for a PDP — provided he has no criminal record and can pass a few tests. Now that government has eased up on its controls over the industry, it's relatively easy to get into it."

"In some homelands it takes two weeks to get a drivers licence, and another week to obtain a PDP. After that, the driver is free to take on responsibility for the safety of his passengers."

The police force is ill-equipped to deal with the problem ... and Sabta cannot exercise any authority until this is recognised by government.

"We are not involved in the process at any stage. We can do a great deal through our training programmes, but have no power over the man who employs a driver off the street without even checking that his licences are valid," Mr Ntlatleng says.

"The problem starts with the Transportation Board, which is responsible for awarding permits. If a permit is refused — perhaps because of quota restrictions — people will go ahead and do business without it."

The solution, he says, is for all existing taxi operators to be legalised but obliged to take their vehicles through a roadworthiness test and to undergo a period of training under Sabta's control.

"We need less bureaucracy and more quality control," he says.

"The quota system is unfair — but on the other hand we would welcome a clampdown by police on people who deliberately flout the law."
Professionalism is essential if the black taxi industry is to progress beyond its present status — and for this, greater controls are necessary at all levels.

Sakata is faced with a chicken-and-egg situation. On the one hand, dangerous driving and careless handling of the vehicle is costing owners money; on the other, owners are demanding high rates of productivity from their drivers and forcing them to ignore safety rules in their pursuit of passengers.

Underpaid drivers slip a large percentage of takings into their pockets. The average wage for a driver is about R150 a week — fixed, based on a 40-hour week or on the basis of returns after paying a set daily income to the taxi owner.

Whatever arrangement is made, taxi owners compute theft by drivers into their sums. We believe taxi fares could be reduced as much as 30 percent if this could be controlled," says joint MD Jabu Mabuza.

"We are faced with a mammoth task," comments marketing director Ashley Mabogoane.

Grading

Sakata has adopted a two-pronged approach to the problem. Safety is of prime importance and here the issue is to prove to drivers and taxi owners that better driving enhances profits.

In the long term, Sakata hopes to introduce driver grading.

Mr Mabogoane explains: "All Sakata drivers have to hold a valid driver's licence and a public carrier permit (PCP), and these would give the driver a 'one star' qualification.

"A second star could be awarded on the successful completion of a safe driving course, a third star on completion of a public relations course, and so on."

The idea is that drivers salaries would be paid on the basis of their star rating. These could also be displayed on taxis for the benefit of increasing safety conscious commuters.

In the long term, Sakata plans to set up a data bank containing information on the star rating and performance history of members. Taxi owners could then use this information in hiring and retaining drivers — an added incentive for drivers to improve their rating.

Steal

But additional measures are needed to protect taxi owners.

"Usually when an owner employs a driver he allows for the fact that the driver will steal a percentage of the fares, and often pays him less while simultaneously demanding a high bottom line income," Mr Mabogoane explains.

"The driver, in turn, justifies his stealing on the grounds that he is paid too little money.

"The only solution is a ticket system that can be monitored and will reduce drivers' handling of money to a minimum."

A pilot scheme is to be launched in Bloemfontein in October. If successful, it will be introduced in other major centres.

The scheme involves the use of a "smart card" operating off a credit balance, to be held by all Fabcos members. The card holder will deposit cash into the card account in advance.

Non-cardholders will still be able to use cash — but will be issued with a receipt. Eventually it should become possible to sell tickets from a central point at taxi ranks, virtually eliminating the need for drivers to deal with cash.

"Use of such a system could cut taxi fares by a third," says joint MD James Chapman.

Projects aim to promote safety

Safety on the roads is a major factor of concern to Sakata, and various campaigns and programmes are already underway to improve standards of safety — of both drivers and vehicles.

The issue is two-sided, however. Simply training and motivating the drivers will not be enough if Sakata's efforts do not receive the support of taxi owners.

An owner whose prime interest is short-term profits in effect encourages overloading and fast driving. Consequentiy, an important aspect of Sakata's task is to educate taxi owners on the financial benefits of safe driving — and to motivate them by educating the public to demand higher levels of safety.

In addition, the commuter needs to be educated: about the need for safety, the advantages of choosing a skilled driver endorsed by Sakata and his own role in ensuring vehicle safety.

Central to its campaigns is the annual Sakata Best Driver Competition, which is now in its fourth year.

"Our prime aim is to alter owners' and drivers' attitudes towards road safety," says Bigrive Rahlabane, project manager in the marketing division.

"If the owner demands too high a level of productivity from his driver, he makes it impossible for the driver to concern himself with road safety."

The competition is a prestige event and simply entering entities a driver to take credit.

The sponsors are Nissan, Shell and the National Road Safety Council (NRSC).

The competition progresses from local to national level and involves theory and practical tests on safety, the state of the vehicle and the driver's attitude towards his passengers.

This competition is one of a number of programmes we have undertaken which are aimed at creating a positive image for the taxi industry," says Mr Rahlabane.

Project Sp project. A ""Sp,"" has been developed and the NSRC agreed to test it across the country as the TBVC seeks to do it.

The aim of these courses is to educate the traffic police, to teach the drivers to take a more professional approach to the task of controlling traffic.

The project is divided into four courses, each incorporating theory on safe driving and defensive driving, followed by practice with defensive driving.

Each course is and at least allowed to be taken three times. ""We use donated by our sponsors,"" says the instructor.
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"This competition is one of a number of programmes we have underway which are aimed at creating a positive image for the taxi industry," says Mr Rahlahane.

Project Spear is another project. A training programme has been developed by Sabta and the NRSC and is being marketed to training institutions across the country as well as in the TBVC states, Swaziland, Lesotho and Botswana.

The aim of the project is to teach taxi drivers to use basic perceptive skills in understanding the traffic pattern around them, as well as to improve their driving skills.

The programme comprises four courses. The first concentrates on sharpening perceptive driving skills; the second deals with defensive driving skills; the third on master driving skills and the fourth rounds it off with professional driving skills.

Each course takes two days and, at least two months is allowed to elapse between courses.

"We use our own vehicles — donated by Toyota — for the courses," says Henry Sefton, who runs Project Spear.
From holiday driver to joint-MD

Jabu Mabuza, joint-MD of Saba, is a maverick with a definite flair for management.

Born in 1960 in Waterval-Boven, he was the son of a driver employed by a local Indian shopkeeper. He excelled as a student.

He moved to Durban to complete his schooling, matriculating first class in 1979. In 1981 he entered the University of the North to take a law degree, but during his second year his father died and he had to drop out to help support the family.

By then his links with the taxi industry had already been forged. He had been driving a taxi since he was a schoolboy on holiday and had also been active in the Benoni Taxi Association. In 1983, after leaving university, he went into driving taxis full time.

Various jobs followed, but he continued to drive taxis during weekends and holidays. By 1986 he had joined Ashley Mabogane — now marketing director at Saba — as joint-MD of a travel agency and was also the owner of three taxis.

It was only a matter of time before he met James Chapman — as leader of a delegation against Saba.

"At a subsequent meeting I asked him: 'What is in this for you, White Man?' He told me he was building a better future for his children. I was impressed by that answer," recalls Mr Mabuza.

By 1986 he had been retained by Saba as a consultant and during the following year represented the association before the Margo Commission.

He joined Saba as communications manager in June 1988 and by the end of the year had been appointed deputy MD. He was appointed joint-MD in March this year.

Following a dream of stability

When James Chapman first got involved with the black taxi industry, it was with a view to making a profit.

Today, 11 years down the track, his life revolves around Saba.

His involvement has challenged and moulded his philosophy of life, and it is with a measure of difficulty that he is gradually withdrawing from the controls and handing over to his joint-MD Jabu Mabuza.

His involvement started in 1979 with an attempt to attract taxi operators to his filling station business in Pretoria.

"It opened up a whole new world to me. At first I was simply curious — but after two or three years the vision of a different South Africa took hold of me. "I was gripped by the idea that one could use economic forces to create a stable South Africa that we could all share."

"Without that vision I could never have coped with the pressures of working with Saba during the years that followed," he says.

Mr Chapman's wife shares his vision and is employed in the public affairs department. He has five children — who give meaning to his dream for the future.

Born and bred in Pretoria, half Afrikaner and half English, Mr Chapman was educated at Pretoria Boys' High.

Many of the skills and principles he has brought to bear in Saba and Fabcos were inherited from his father, who founded the first co-operative buying associations in Cape Town and Pretoria.

"Our family wasn't wealthy — we had to keep a close watch on where our money went. Forming a co-operative buying effort with colleagues made a real difference to my parents' budget," he recalls.

An awareness of the cumulative power of groups of purchasers alerted him to the potential of the taxi industry,
Part of this change of approach is undoubtedly due to the growing credibility of the foundation through its deeds, as opposed to words. But much more has to do with the simple demography of the country, as captured by the publication, Policy Overview: The Urban Challenge, which was put out this week by the Private Sector Council on the basis of research by the Urban Foundation.

A sampling: By the year 2010 there will be 59.7 million South Africans of whom a mere 5.8 million will be white; there is now a shortage of 500 000 formal housing units; over seven million urban people live in informal housing circumstances; between 25 and 40 percent of the economically active urban black population is formally unemployed and, for good measure, about 70 percent of urban blacks do not have access to electricity and running water.

Things may have come a long way in the sense that most of the major players now accept there is a crisis. But the Urban Foundation's executive director, Ann Bernstein, believes there is much further to go.

The first thing the Government needs to do, she insists, is get a broad vision of where exactly it wants to head in city government.

The second thing is that the Government must move now to scrap those laws and practices which create tensions and are stumbling blocks to further negotiations. What the Government should do is: Scrap the Group Areas Act, Land Act, Prevention of Squatting Act, citizenship legislation and all racial laws on local government.

SHIFTS

"We are trying to say that getting it right in handling the urban challenge problem is as important as political negotiations themselves," says Bernstein. "This is not a one-two problem. If you do not sort out the cities, they will sort you out."

How committed is the Government to tackling the problem?

Bernstein believes that the Government has made significant, even profound, shifts in its thinking about black people in the cities, but it is still concentrating its adapta-
tions to the bureaucracy or policy, whereas what is really needed is a fundamentally different, non-racial, national development framework.

"There is a current enthusiasm for policy on the part of both blacks and whites, but policy formulation is damned hard. It is not just looking at what is happening; understanding the capacity and the institutions one has available to implement policy."

"It is looking at international and

CREDIBILITY

How times have changed. Now civic leaders seek of the opposition, public relations companies in the business to manage their messages, and state and local representatives seek to manage a form of public relations.

In the days of apartheid, the opposition was a force to be reckoned with, and state representatives knew it. But with the end of apartheid, the state has assumed a new role in the country's political landscape.

In the post-apartheid era, the state has become more open and transparent, and the opposition has had to change its tactics. The opposition now seeks to balance its need for public relations with its need to maintain its credibility.

In the aftermath of the Truth and Reconciliation Commission, the state has been under pressure to be accountable for its past actions. The opposition has used this pressure to its advantage, forcing the state to take responsibility for its actions.

But the opposition must be careful not to overreach in its pursuit of credibility. The state is a complex and multifaceted institution, and the opposition must be realistic about what is possible.
ROLE...

Part of the problem, according to Bernstein, is that Pretoria is still looking at urban issues in "project" terms: Acquire here a patch of land 40km from the city, give R1-million there to protesting squatters, subsidise this group, placate that lot.

"We should be beyond talking of "projects" for thousands. We should be talking in terms of schemes for millions," she says.

So if the Government is doing it wrong, how would the Urban Foundation like to see it done right?

The main emphasis should be on a change of attitude in the Government. Senior members of the bureaucracy, for example, still talk blithely of developing "black" cities in distant spots.

PILLS

Come off it — take a walk down the main street of any major South African inner city and see how "white" it is. And there is no black dormitory township that can become a city without being re-integrated with the white core city.

"The only way we can move to a more effective urban government situation is to recognise that the municipal boundaries have to be redrawn. There must be three crucial tests — the proposed city administration must be economically viable, it must be non-racial and it must be democratic," says Bernstein.

She sketches the main pillars of a new city housing programme — large-scale site and service schemes must be in a suitable location, authorities should upgrade areas wherever they can and, finally, the Government should recognise that a conflict of interests is unavoidable.

This last point leads to an important proposal. In the same way South Africa needs an industrial court for labour issues, argues the Urban Foundation, so do we need an institution, a grants to the cities display a remarkable commonality of interests and aspirations with their white city counterparts.

They, too, are terrified of crime, offended by vagrants passed out on the sidewalks, outraged by drunks urinating against the walls and worried about "maintaining standards".

And the leadership quality in the black urban community? Bernstein reports an encouraging, indeed remarkable, explosion of interest among civic leaders in the black community — inside and outside Government structures — in the possibilities and challenges of urbanisation.

Bernstein: "In the last six months, I have been speaking to a wide range of black community and political groups. The discussions have been deeplyserious and very exciting. I think the general message is coming through — political change is coming and everybody better get their act together — prepare to govern."

Part of this new approach is undoubtedly tied up with the changing political climate. It is one thing to say something when nobody is listening. It is quite another to say the same thing when both the community and the Government regards you as a serious player.

DISPARITY

This forging of a common vision is not going to be easy but it can happen — indeed is already happening in many parts of the country, in a hard-won series of trade-offs.

The deal is simple. White, affluent, residents must realise and address the disparity in standards and opportunity between them and their black fellowburgers; Black residents, conversely, must recognise legitimate white fears about standards and economic viability.
URBAN AFRICANS
BUREAU - GENERAL
1990

Aug. - Dec.
UDF's yes to R2-bn plan

By REHANA ROSSOUW and CHIARA CARTER

THE United Democratic Front has decided to participate in a special fund established by President FW de Klerk for urban development.

With its participation, the UDF has the possibility of delivering some of the demands for improvement in black townships.

The R2-billion fund, announced by de Klerk on March 15, is being administered by the former chairman of the Urban Foundation, Mr Jan Steyn, through the Independent Development Trust (IDT).

Steyn has approached the ANC, UDF, Cosatu, PAC, Azapo and Inkatha to serve on a board of trustees, chosen on the basis of their skills.

Most of the funds are likely to be used for projects in the fields of housing and education.

The UDF elected a special committee — the Development Forum Committee — to examine the IDT.

The committee, chaired by Eric Molobi, had to investigate and report on the basis of the Front's "engagement" with the trust.

Molobi said the committee consulted with community organisations and had several discussions with Steyn, the most recent one this Tuesday.

TO PAGE THREE
End detention without trial

The International Court of Justice has pronounced that states are required to ensure that persons detained under suspicion of having committed an offense do not remain in detention without trial indefinitely. The court has also ruled that, in cases where detention is prolonged, the state must provide for periodic review and habeas corpus proceedings. These rulings have been widely recognized as fundamental human rights principles.

DEFINITION

Detention without trial refers to the practice of detaining individuals suspected of committing crimes without charging them with a specific offense or offering them the opportunity to challenge the legality of their detention. This form of detention is often used by governments to suppress political opposition, silence critics, and maintain control over the population.

CONSEQUENCES

Detention without trial can have severe consequences for individuals, including psychological trauma, loss of liberty, and social exclusion. It can also have broader implications for the rule of law, human rights, and democratic governance.

END DETENTION WITHOUT TRIAL

The International Court of Justice has called on states to bring an end to the practice of detention without trial. It has reiterated that individuals must be accorded their rights under international law, and that detention without trial is a violation of those rights.

HUMAN RIGHTS COMMISSION

The United Nations Human Rights Commission has been instrumental in advocating for an end to detention without trial. It has called on states to comply with international law and standards, and to ensure that individuals are afforded their rights under national and international law.

FOCUS

Human rights to be the focus

The focus on human rights is essential in ensuring that individuals are treated fairly and that their rights are protected. The international community must continue to advocate for an end to detention without trial, and to ensure that individuals are afforded their rights under international law.
Stop pretending

Apartheid planners saw blacks as labour units that only entered cities for brief periods.

Fifty years of that type of thinking has seen urban areas crushed under an unplanned invasion of people evicted from land by other apartheid legislation and economic pressure.

Dramatic reform is needed to prevent land becoming the tinder-box issue that education has been for two decades.

Informal housing

The Private Sector Council on Urbanisation (PSC)'s recently released report on a new urbanisation strategy for SA notes that in 1985, for example, 63% of the total population was urbanised. By 2010, that proportion will be 73%.

Government policies have created a serious formal housing shortage, and more than 7m urban people live in informal housing.

The PSC report suggests that:
- Central government should form a Cities Development Fund;
- Local government should have more decision-making powers and increased finance;
- The private sector should be offered incentives to invest in the development of cities;
- Community participation must be seen as central to effective urban and rural development policy; and
- Government should stop the implementation of the Free Settlement legislation and repeal the Group Areas Act as a matter of urgency.

The report also argues that present local government structures are extremely inefficient. It believes the only effective local government will be based on functionally defined municipal areas, governed by local authorities that represent all the inhabitants.
SAPOA to tackle land issue in a 'new' SA

By MAGGIE ROWLEY
Business Staff

A major convention of property developers is to be held in Cape Town this month to "tackle head on" the looming land issues of the "new" South Africa.

The South African Property Owners' Association (Sapoa) — on which all leading property owners, developers and professional people in the industry are represented — plans to use its 1990 annual convention to air traditional as well as crucial property issues, such as urbanisation and the Group Areas Act, in the light of recent political reforms.

Rapid changes

Mr Nick Harris, chairman of Sapoa, said that like many others Sapoa had been caught up by the rapid changes in South Africa.

"To overtake them we had to look forward and introduce speakers who would look to the future South Africa and how it would impinge on property. We have focused on many issues that have been sidelined in the past."

The convention agenda includes an address by Dr Ervin Galantay, professor of urban planning at the Swiss Federal Institute of Technology in Lausanne who is an international authority on urbanisation and world metropolitan trends.

A post Group Areas debate will be staged and included on the panel will be Ermelo Conservative Party MP Advocate M Mentz and Professor Brian Kantor, director of UCT's School of Economics.

Also on the agenda are comprehensive sessions on residential development for black communities and marketing free enterprise in the face of widespread belief that "capitalism equals apartheid", said Mr Harris.

Finance Minister Mr Barend du Plessis will address the convention on the property developer's role in the development of a new South Africa.

Broader social-political issues will be covered by selected high profile speakers including Dr Beyers Naude, John Kani-Berman of the Institute of Race Relations and Advocate L Pienaar, former administrator of South West Africa/Namibia.

The convention will be held at the Cape Sun Hotel from August 21 to 23. For further details contact Brian Kirchmann, executive director of Sapoa at (011) 8804703.
Home buyers get R20m more

The government will almost double its First Time Home-Buyers (FTHB) Scheme for blacks if necessary to subsidise at least 10,000 prospective homeowners this year.

Planning and Provincial Affairs Minister Hernus Kriel has agreed to inject an extra R20m into the R10m scheme and to find a further R10m if necessary, after a meeting on Friday with the National Association of Home Builders.

He also raised the income limit for black households to qualify by R1 500 to R3 500 a month.
limited

Lyndhurst Exploration Limited
Poster Room Gold Areas

East Daggaraton Mines, Ltd.

Council must stop urban decay

3251

(1999)
There are solutions — but also too many players and a skewed subsidy system

SA has no single housing crisis. It has millions of them — each a tale of tragedy and human suffering. You could even say that thinking in terms of a single housing solution to a single housing problem has created its own difficulty. Witness the seemingly endless rows of "matchboxes" in Somerton Park. You can't substantially build on to them — so become families grow and houses don't get any bigger, family life gets crowded. This shortage is one legacy of apartheid; as is the fact that means who were bought up by relatives have in recent years been seeking to improve their lot, which naturally means choosing the bright lights, houses or no houses.

So the immediate crisis is that caused by squatters. The steady and rising daily — who are moving on to any available area of land as close to the cities and work as possible.

The response to the influx has often been draconian. Property owners fill out forms to all the others to blockade any open land with razor fencing; barricades and bulldozers are used to frustrate settlers and drive the hungry families off in search of other places to live.

Which, of course, defeats the purpose. Almost anything constructive tends to run straight up against bureaucratic and pseudo-social reasons. Not surprising when you consider that there are 14 different government housing departments, making it impossible to know just who to deal with. The State has created confusion by shifting first-time buyer subsidies for blacks and there are various "civic" councils who actively encourage rent boycotts and their equivalent among mortgagees — meaning that further investment in their areas is stifled and upstarts become entrenched.

Creating its shadow over everything is that obvious bit of legislation from the past: the Group Areas Act. Government has failed the issue so often that latest reports that the law will be scrapped next year have simply added to the confusion. After all, at this stage of negotiations, no one yet knows how long housing will remain an "area affair" in terms of the integrated system. Yet the removal of areas continues to dribble into being, disturbing the market.

There is a multitude of housing agencies. Organizations like the Urban Foundation and the SA Housing Trust; development companies like Times Housing and Group Five — all hoping to make an impression by building more homes. The institutions — particularly the latter — are constantly looking for innovative ways of providing appropriate funding for the market.

But where to start?

As the foundation's Matthew Nell points out: "International experience shows that identifying one minimum standard, acquiring the subsidy to build (the houses), yields few dwellings. And, because they're so scarce, they usually accommodate the people with the connections and bureaucratic leverage rather than the poor people for whom they were intended. Financial resources and development must be scaled to demand if the right people are to get the homes.

"We're making progress — but it's slow. I believe we can solve the problems if we want to. We must first reduce the degree of failure." Nell identifies four broad segments of housing demand:

- Conventional housing of above R35 000 with full services built to a conventional design supported by traditional home loan finance. This accounts for slightly less than 10% of the market.
- Below that are "starter homes" — often a combination of simply being smaller, with reduced services, and having lower-quality finishes. This reduces the cost but gives the buyer the opportunity to upgrade at a later stage. Prices range from about R12 500 to R35 000 and they account for 41% of the market — or would do if demand could be matched by credit. The bricks and mortar financial institutions generally won't grant loans to this sector because of the low profit potential and the perceived high risk.
- The third category (involving about 43% of the population) is even less popular with the institutions. It is in the "incremental homes arena." This involves informal settlements on serviced sites; over time (sometimes as little as six months, but usually five to 10 years) the shack is gradually upgraded into a formal dwelling.
- The remaining 7% of the population who, according to Nell, cannot afford any kind of ownership. Poverty forces them to rent whatever shelter they can get.

The problem is no match available resources to these demands. That means the acquisition of suitable land and managing the appropriate credit facilities into a posi-
PROKLAMASIE

van die Waarnemende

Statsspresident van die Republiek van Suid-Afrika

No. R. 131, 1990

REGULASIES VIR DIE STIGTING EN ONTWIKKELING VAN DORPE.—HERROEPING VAN PROKLAMASIE No. R. 154 VAN 14 OKTOBER 1983

Kragtens die bevoegdheid my verleen by artikel 25 (1) van die Swart Administrasie Wet, 1927 (Wet No. 38 van 1927), gelees met artikel 21 (1) van die Ontwikkelingstrust en Grond Wet, 1936 (Wet No. 18 van 1936), herroep ek hierby Proklamasi No. R. 154 van 1983, soos gewysig.

Hierdie Proklamasi geld nie in 'n selfregerende gebied ingestel kragtens die Grondwet van die Nasionale State, 1971 (Wet No. 21 van 1971), nie.

Geege onder my Hand en die Seël van die Republiek van Suid-Afrika te Kaapstad, op hede die Eén-en-twintigste dag van Mei Eenduisend Negehonderd-en-negentig.

G. VAN N. VILJOEN,
Waarnemende Staatspresident.

Oppas van die Staatspresident-in-Kabinet:

C. J. VAN DER MERWE,
Minister van die Kabinet.
Bid to clean up the problem-ridden black taxi industry

The problem-ridden black taxi industry needs a major overhaul to improve the service quality. The industry is currently facing several challenges, including overcrowding, lack of regulation, and poor service standards. In recent years, the industry has been criticized for its lack of professionalism and for not meeting the needs of the passengers. The industry deregulation and the introduction of new regulations have not been effective in improving the situation.

The industry needs to adopt new technologies and improve its infrastructure. The use of more advanced technology can help to reduce congestion and improve service efficiency. The industry also needs to invest in training and education to improve the skills of its drivers. The industry needs to work closely with the government to ensure that regulations are fair and effective.

In conclusion, the black taxi industry needs a complete overhaul to improve its service quality. The industry needs to adopt new technologies, improve its infrastructure, and invest in training and education. The government needs to work closely with the industry to ensure that regulations are fair and effective.

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A box that says "HELEN GRANCE Report" in the middle of the page.
MOST institutions lack of interest and hesitancy to invest in fast-growing townships was surprising in view of events in SA. Quantum Group chairman Deon Meyer said in his 1990 annual report.  

Meanwhile, Quantum Group projects that had shown good progress during the year under review included the completion of Gamaphuteng Shopping Centre in Katlehong, Pimville Shopping Centre and the raising of R18m to fund Manhattan Centre in Kagiso.

Meyer said comparable projects were in different stages of planning. As a consortium member, the group had "helped to make a new hotel in the township of Tumahole near Parys, in the Free State, a reality. Completion is scheduled for November this year. Further projects of a similar nature are in the pipeline." Quantum Group's production of houses in the middle and upper ends of the black market yielded acceptable results despite tough market conditions. Quest Construction, the subsidiary involved in the affordable housing market, turned in a pleasing performance.

Meyer believed construction companies would be active in the supply of affordable housing if only construction companies were allowed to build.
Subsidy scheme helps out

By Frank Jaques

The Government's additional R20 million injection into the black first-time homeowners' subsidy scheme could create nearly 4,000 jobs in the building industry and many more in the informal sector.

This is the view of Gavin Hardy, executive director, housing, of Murray & Roberts Construction.

Mr Hardy is a member of the National Association of Home Builders' action committee which met Minister of Planning Hernus Kriel to discuss an earlier announcement that the subsidy scheme would be limited to households earning less than R2,000 a month. The proposal drew a strong reaction from the building industry.

After the meeting the Minister decided instead to make the R20 million injection and to raise the qualifying limit to R3,500, bringing the scheme into line with that for whites.

"I compliment the Government on its decision to increase its commitment to the scheme, which is acting as an important stabilising influence in an otherwise depressed market," says Mr Hardy.
Agrarian reform is needed for future SA

After the Group Area Act, the abolition of the Land Act is a major step in reform. P. D. MOLL, research associate at the Department of Agriculture, discusses the impact of the act.

Unfortunately, the act leaves the question of land ownership still unresolved. The problem is that the government has been unable to find a solution that would satisfy both the black and white farmers. The act has been criticized for not providing a clear and equitable solution to the land ownership issue.

Reducing apartheid

In the past, black farmers were often denied entry into the agricultural system because of their inability to purchase land. The new act allows black farmers to purchase land, but there are still many obstacles. The government has been criticized for not providing adequate support to black farmers to help them purchase land.

'20/20' methods

Another barrier to black empowerment is the pattern of government support. The government has provided some assistance to black farmers, but it has been insufficient. The government's support has been limited to loan programs and infrastructure development. These programs have not been effective in helping black farmers purchase land.

State resources should be directed towards promoting black farming. The government should provide technical assistance and training to black farmers. This would help them to develop the necessary skills to purchase land.

Lancaster House

If this institutional barrier could be swept aside, the black farming sector would flourish, as it did in Kenya and Zimbabwe after independence. In fact, most economists now agree that the agricultural improvement in Zimbabwe came from economic renewal in the areas already occupied by black smallholders.

The future of agriculture will also be determined by the laws governing land use. The government should ensure that land is used efficiently and productively. This would help to reduce unemployment and poverty.

Targeted help

In any case, substantial expropriation would be unnecessary if the government took away white farmers' financial control and enabled them to manage their farms more effectively. This would help to reduce unemployment and poverty.

In conclusion, the government should provide adequate support to black farmers to help them purchase land. The government should also promote black farming by providing technical assistance and training. This would help to reduce unemployment and poverty in the agricultural sector.
The face of justice is white

Many black and coloured people feel strong animosity towards the criminal justice system.

The Director-General of the Department of Justice, in a recent report, concedes that a situation has arisen where the community no longer regards as criminals those who have fallen foul of the law.

One of the major problems contributing to the unhappy situation is to be found in the statistics relating to the employment, promotion and education practices operating within the Department of Justice.

In 1988, of the departmental professional establishment of 2,597, 2,409 were white. Now, of the professional establishment of 2,588, 2,411 are white. This represents a non-racial improvement of about one percent.

In 1988, all 144 Regional Court magistrates were white. Today there is absolutely no change in that situation.

In 1988, all 144 Regional Court magistrates were white. Today there is no change at all in that situation.

In 1988 there were four coloured magistrates. In 1989 this figure was reduced to three, despite the fact that the total number of magistrates increased by 39.

What is worse is that most magistrates of colour, Indians in particular, are used almost exclusively in ethnic courts such as Chatsworth, Verulam, Stanger and the like, and are thus prevented from playing any real role in the broader administration of justice.

Magistrates of colour seldom, if ever, preside in trials involving white accused.

In 1988, of the 956 Regional and Magistrate's Court prosecutors, 847 or 88 percent were white. In 1989, of the 994 prosecutors 871 or 87.5 percent were white.

The profile of the legal training which is sponsored by the department and which prepares the way for the advancement of staff is no better.

In 1988 the percentage of whites being afforded this advantage rose to 76 percent.

In regard to the judiciary, not one non-white Silk was appointed an acting judge during 1989, let alone to the Bench on a permanent basis.

The legitimacy of the administration of justice in South Africa has been questioned both inside and outside Parliament. Most recently ANC deputy president Nelson Mandela declared that the judiciary had no legitimacy because over the years it had enforced apartheid laws. DAVID DALLING, the Democratic Party MP for Sandton, looks at the issue.

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What is worse is that most magistrates of colour, Indians in particular, are used almost exclusively in ethnic courts such as Chatsworth, Verulam, Stanger and the like, and are thus prevented from playing any real role in the broader administration of Justice.

To add insult to injury, a highly respected Senior Counsel who is not white, recently accepted an acting appointment to the Bench of newly independent Namibia.

I would like to quote the following final statistic. Looking at the overall establishment of the Department of Justice it is illuminating to see that the top seven grades of salary scale stretching downwards from R165,000 per annum to R38,000 per annum are commanded by 2,252 whites, seven coloureds, 14 Indians and only four black South Africans.

It is not enough for the Minister of Justice to wring his hands and say his department is colour-blind but that he is battling to find suitable candidates within the coloured, Indian or black communities to join his department.

The Minister of Justice should make it his task actively to promote recruitment. The Minister should be sponsoring legal education programmes in these communities.

He should inform, by every means possible, the schools, universities and colleges that he is looking for scholars and students of colour to undertake permanent careers in his department.

He should encourage community involvement in the administration of justice, using among other tools all available employment and training opportunities.

It would seem to me that the Government is not taking this question seriously.

In virtually every section of the Department of Justice, the situation has either not changed at all or it has deteriorated.

The prosecutors are white, the magistrates and judges are white, the people who are being trained to become prosecutors are white, and the people who are being trained to become magistrates are white.

The only role that the vast majority of black, coloured and Indian South Africans play is to be the accused or the sentenced persons.

The face of justice in South Africa is a white face.

This is not to criticise the thousands of judicial officers presently doing fine work.

This is a political criticism of the Government and the Minister of Justice who have shown a lack of foresight and effort needed to meet the challenges of the future.

I wonder if the Minister of Justice really believes that the new South Africa will tolerate the courts and justice administration being as lily white as they are today. It will surely not.

It is better to make a genuine effort to recruit, train, adapt and prepare for tomorrow and to do this now, rather than to wait for a new Government to produce a policy of crash Africanisation which could well lower the standards of justice to which we aspire.

Government to produce a policy of crash Africanisation which could well lower the standards of justice to which we aspire.

Surely, the system of justice operating in the country should be a reflection of the norms and standards prevailing in our country, and the people controlling it should mirror our South African community as a whole?

This is an issue which the Government cannot afford to ignore for yet another year.
Townships want F W to stay a leader – research

Chris Moerdyk

this year as a sequel to Rubicon 1, conducted shortly after Mr de Klerk's watershed speech on February 2.

At the time, research showed that blacks generally welcomed the State President's reforms and the release of Nelson Mandela, but that two widely divergent points of view still existed in the townships – a feeling of continuing black resentment and a new spirit of reconciliation.

The research shows black middle and upper-income residents of Transvaal townships believe the National Party is not to be trusted, that it still maintains double standards and that it is not committed to change, and not his party.

The majority view Inkatha “with loathing” and see it as a narrow tribal party that is not as much representative of Zulu interests as it is of its leader’s political ambitions.

The planning director of the McCann Group, Sue Lerena, who co-ordinated both Rubicon research projects, said it was “impossible” to conduct research in Natal because of intimidation.

“While it was expected that a...”

Township views

Certain resentment of Inkatha would come out of research conducted only in the Transvaal, what was staggering was the degree of this resentment. Blacks outside of Natal, including many Zulus, seemed almost to consider Inkatha a greater danger than many radical white right-wing movements.

She added that Rubicon 2 supported the findings of research published by the Argus Newspaper Group last week.

In general, all respondents in the Rubicon 2 project saw the ANC as being representative of a non-racial society.

It was also seen as the party most actively promoting black advancement and the establishment of a “middle class”. Respondents described ANC supporters as “those who can forgive and forget”.

In contrast, the PAC was seen as an uncompromising, hard-line, non-conciliatory party referred to by a number of respondents as a “black AWB”.

Research showed considerable support for Nelson Mandela as a future president, with Mr de Klerk as Vice-President.

Only a few respondents were in favour of changing the country's name to Azania, with the majority believing that as South Africa was well-known internationally a “new name would be confusing”.

They also believed that the names of major towns were also well-known and acceptable. With regard to the flag, the majority of respondents envisaged a new flag that at least incorporated ANC colours.
Money for the mind ... in a promising new project, Uptrail Trust hopes to raise R15 million during the next year to help improve the quality of teaching and learning in black schools. Executive director of the trust Dawid van der Vyver (right), with chairman Harold Groom, says that initially about 100 teachers will attend the training course.

Bid to upgrade black schools

By Karen Stander, Education Reporter

A massive fund-raising drive has been launched for a project aimed at improving the quality of teaching and learning in black schools.

The Uptrail Trust hopes to raise R15 million in the next year and to reach hundreds of thousands of primary school children over the next five years.

"If the Germans had had the skills we are teaching, maybe Hitler would never have come to power," executive director Dawid van der Vyver told a function to launch the project.

Uptrail (Upgrade Teaching, Training and Learning) has completed a pilot study in KwaZulu which was evaluated by the Human Sciences Research Council. It was found that pupils' results could be substantially improved through training in language and thinking skills.

The measured improvement rate of 5 percent would be a saving of millions of rands to the community and the taxpayer.

Mr van der Vyver said that while the project emphasized the teaching of English, it had been found during the pilot project that an important spin-off was an improvement in all subjects.

There had been no Government involvement so far, but the Department of Education and Training had agreed to look at the project.

Initially about 100 teachers from Johannesburg, KwaZulu and the Free State will attend a training course, and the trust hopes to train up to 600 teachers in the next five years.
The disastrous reality of the kitskonstabel

For anybody with illusions that hostility between the South African Police and the people can be solved by "kitskonstabels", a new book about these special constables offers a salutary lesson.

A chapter in the new book "Policing and the Law" is entitled "Kitskonstabels: A case study in Black on Black Policing". The book is by Derrick Fine, a researcher in the Legal Education Action Project of the University of Cape Town's Institute of Criminology.

Fine sees the introduction to black townships of kitskonstabels between October 1986 and June 1987 as "a component of the State's strategy of black on black policing as a means of controlling political resistance in black townships".

The notion, he maintains, is "rooted in the old apartheid formula of 'divide and rule' whereby agents of repression and control are recruited from within the black community".

The introduction of kitskonstabels was, he contends, "one of the methods to re-establish control over black townships perceived by the State as un-governable".

Whatever the reasoning behind the creation of this force of instant police — drawn from the ranks of the unemployed or vigilantes and trained for six weeks — there can be little doubt that the reality has been a disaster.

In 1988 the SA Police started recruiting 'kitskonstabels', possibly as a temporary measure. But a new book suggests these men, who have been the centre of controversy for years, are here to stay. PAT SCHWARTZ reports.

From the first weeks of their deployment, serious abuses of power by kitskonstabels occurred in many areas. These ranged from fatal shootings, arbitrary assaults and sexual abuse to verbal abuse and harassment.

Restraining

By February 1988, kitskonstabels were the subject of five Supreme Court interdicts restraining them from unlawful conduct.

Despite assurances about the effectiveness of the screening of recruits, the Minister of Law and Order conceded that, in the Maritzburg area, a number of special constables were dismissed when, towards the end of their training, it emerged that they had failed to mention that they were facing criminal charges.

In the light of the fact that these men are employed by the SAP — and, in terms of the Security Emergency Regulations were also defined as security force members, giving them sweeping general powers of using force, arrest, detention, interrogation, entry, search and seizure — such admissions do little to instil confidence.

As for political affiliations, while the Minister of Law and Order maintains that men are recruited without being asked what their political links are, his press secretary is on record as stating that although it was illegal for policemen to belong to "extremist organisations", such as the UDF or the AWB, they were not prohibited from being inkatha members.

Kitskonstabels, writes Fine, appear to be unsupervised and township residents have had enormous problems trying to lay charges against them. As a result, they tend to perceive themselves as exempt from criminal charges and departmental disciplinary action.

Kitskonstabels, it is suggested, do not know, or at least do not respect, the legal limits placed on their powers to use force, arrest and to detain, enter, search and seize. Their apparent ignorance of provisions such as the stringent conditions on the use of firearms and other weapons to disperse gatherings, has had fatal consequences.

Inevitably, writes Fine, "the brutalisation and degree of provocation suffered at the hands of kitskonstabels have given rise to many instances of counter-violence... including shootings, stabbings, and petrol-bombing of homes and barracks."

The State, writes Fine, has admitted that mistakes have been made and has promised to tighten up recruitment methods and training and to root out undisciplined elements.

"There have also been shifts in the portrayal of the role of kitskonstabels. The tendency has been to highlight the contribution of kitskonstabels to the prevention of crime, seemingly in an attempt to depoliticise their role and present it as one of broader community service."

Lawlessness

"These efforts appear to be no more than an attempt to address some of the symptoms of a wider pattern of lawlessness and ill-discipline within the police force."

"What was possibly intended as a temporary measure in crisis policing, has now irrevocably changed the nature of South African policing. Kitskonstabels appear to have become a permanent component of the SAP."

"Policing and the Law" is published by Juta and Co for the Faculty of Law, University of Cape Town.
THE Government has made available another R10 million towards the first-time home buyer subsidy.

This increases the initial amount of R40 million budgeted for this year to R50 million.

The Minister of Housing, Mr. Hernus Kriel, emphasised this in his address to the Institute of Housing of Southern Africa conference in Bloemfontein on Tuesday.

Kriel said no government could have opened-ended schemes as this led to poor budgeting and expenditure.

He said this scheme would, therefore, have to be investigated in order to allocate a fixed amount of money a year.

Professionals of the private sector involved in the building industry were carrying the heavy burden without being shouldered by the State.

The challenge for the future was to get private sector involvement in this regard. - Sapa.
Govt to give extra R10-m for new homes

By Frank Jeans

The first-time home-buyers' subsidy scheme is to get a further boost of R10 million on top of the R20 million allocated recently by the Government. This will give added impetus to the black residential market and, with a total of R30 million in the coffers, will have the effect of mobilising about R450 million for housing through financial institutions.

The additional funds should ensure there is sufficient capital for the scheme to continue operating for the balance of the 1990 financial year.

The R10 million bonus was announced by Planning and Provincial Affairs Minister Herius Kriel when he addressed the Institute of Building in Bloemfontein yesterday.

"As a result of the success of the subsidy scheme, the first R60 million allocated for the 1990-91 financial year has already been committed."

New applications

"A further R20 million was recently allocated and, to meet demand, the scheme will be boosted by another R10 million.

"The total R30 million will cover any new applications for the remainder of the year as well as the approximately 8500 applications already in the pipeline."

Johan Grotsius, executive director of the National Association of Home Builders, said: "We are pleased at the outcome of our lobby on behalf of the home-building industry. This latest allocation means builders will be able to continue trading for the remainder of the year without restraint."

"The R450 million of private sector money which will come into the home-building process will enable about 20 000 first-time buyers to secure a property."

"Of equal importance," says Mr Grotsius, "is the fact that the increased subsidy will provide employment for an estimated 85 000 people."
CUTTING THE WELFARE CAKE

FRI 24 JUNE 1994

In case you’re wondering what happened to the R2bn set aside by President F W de Klerk — primarily for black upliftment — the first instalments should be paid within the next month.

Jan Kitshoff, financial director of the Independent Development Trust set up under Jan Steyn, tells the FM the trust is meeting in Cape Town this week to discuss more than 100 requests for help. The meeting, to determine principles and strategy, is the first held by the trust since De Klerk set aside the funds in April.

Kitshoff says the requests are for a variety of funding — “education, housing, health and economic development. We need to get the money to the ground as soon as possible, and we should have the first projects going within the next month.”

Though the funds are not specifically for a single racial group, the most critical areas of need are in the black community and that’s where most of the money will go.

An additional R1bn has been set up in another fund, mainly for land and education issues. In July R8m from this fund was used to help to relieve the critical shortage of textbooks in black schools. There are only three school months left this year but black children are still sharing textbooks at a ratio of four pupils to one book.

Having been set aside, it would be scandalous if the money were not used as rapidly as possible to meet the many areas of need, particularly in housing, education and health — and not on costly bureaucracy.
Construction giant quits black market

By REG RUMNEY

A MAJOR construction company is pulling out of the black home building market, blaming red tape and the building societies.

This is despite the announcement on Wednesday of a further R10-million subsidy for black first-time home buyers, a move hailed by the National Association of Home Builders.

Group 5 executive chairman Peter Clogg said yesterday the group had substantially cut back its involvement in this field, as a result of rising costs, excessive red tape and a lack of finance from building societies.

He described the outlook for private home building as bleak.

Financial director Theunis Koezen yesterday laid the blame at the feet of the building societies and the local authorities for the failure of the construction industry to build enough black houses.
Against a War of Slogans
Two ideas aimed at providing cheaper homes

THE single-skin house and the plastic house are two of the latest products on the market aimed at making houses even more affordable to the hard-up black buyer.

And from the beginning of September the first mortgage loan will be granted under the Urban Foundation’s Loan Guarantee initiative, a foundation spokesman confirmed.

The Home Loan Guarantee Company was launched in July. With the backing of R350m in insurance arranged by the Urban Foundation, financial institutions are to make R3,5bn available to provide mortgage loans for houses in the R12,500 to R20,000 range.

Ten days ago the Clay Brick Association (CBA) received the Mantag Certificate for houses based on single-leaf clay brick walls.

The Mantag Certificate is official sanction from the Agreement Board of a particular building system based on certain standards of habitability and durability.

CBA executive director Ockert Goosen said the CBA’s system would only be erected by contractors or self-help builders who had been licensed by the CBA.

Ockert said the system was based on conventional building methods so no extensive training was needed. The CBA would instruct on the system using a video and a training manual.

“We are not sure of the cost,” Ockert said. “We have built two units ourselves, one in East London and one in the Olifantsfontein area. These cost us just below R7,000 for the shell of the house.

“It is a very basic type of house. The buyer has to upgrade from there and decide for himself what he wants.”

In July Direct Franchise and Patent Brokers launched a plastic house. According to newspaper reports the structure looks like a conventional house but takes less time to assemble. It can range in price from R8,000 for a shell to a very upmarket version for R150,000.

The plastic house can be ordered in kit form with instructions for assembly.

Incremental

The SA Housing Trust has built nine units in a pilot project in Stratford, near Palm Springs. Market development manager Mike Fowlds said these ranged in price from R8,500 to R10,000 depending on size.

The units, built on 200m² stands, are incremental. They provide a walled bathroom with a bath or shower and a basin. On the other side of the wall from the basin is a sink which would form the basis of a kitchen. The owner can surround the unit with corrugated iron sheeting until he can afford to build up a house.

Fowlds said the project was entirely for research and not for sale at this stage.
Govt needs additional R1.2 billion

Johannesburg. — The government will need R1.2 billion more than budgeted from the capital market to finance extra expenditure in the current fiscal year, according to a senior Department of Finance official.

The Deputy Director-General of Finance, Mr Eustace Calitz, said special expenditures, announced after the budget, could mean a greater demand on the financial markets.

A revision of spending estimates for the 1990/91 fiscal year yielded about R74.1bn — against a budgeted R72.3bn. This implied an increase in spending of 12.5% for the year (budgeted 11.8%). He said "various actions" were under way to ensure compliance with the adjusted budget figures.

Increased spending would reflect a portion of R1bn set aside for black schools and buying land for black urbanisation.

"These expenditures, to be financed from privatisation proceeds or, failing that, from other sources of finance, have yet to take place. For logistical reasons it is doubtful that more than about 50% of this money will be spent during this financial year," Mr Calitz said.

Although privatisation proceeds had been identified as a source of finance, the macro effect on the financial markets would be no different from direct borrowing in the capital market.

"Both methods represent a demand on private savings through the financial markets," he said.
Fabcos takes a stake in Unibank

Finance Staff

The Foundation for African Business and Consumer Services (Fabcos) has acquired a 10 percent stake in the newly launched Unibank.

Sources said yesterday the investment in Unibank was in line with Fabcos's attempts to get into the financial services sector.

It is envisaged that the financial institution will provide finance for Fabcos members, which includes the R24 million-a-year stockeves, small builders, taxi operators and members of the estimated 600 000-strong National Black Consumer Union (NBCU).

Unibank, launched last Thursday has among its major investors First National Bank, Redlife and the Bophuthatswana National Development Corporation (BNDC).

With a capital base of R10 million, Unibank was formed out of the restructuring of the 130-year-old BK Savings bank which had been operating in Queenstown and King William's Town.
Our housing policy needs major overhaul

It is well known that the current rate of production of shelter lags well behind the requirements of South Africa's people.

A high rate of inflation coupled with real mortgage rates - now of the order of six percent - and an economy in recession, combine to render even the most modest formal houses unaffordable to the greater part of our urban population.

Government housing policy is not well adapted to current circumstances: fewer than a quarter of new black households in need of State assistance receive it.

Progress

While there has been some progress in creating the conditions for financial institutions to lend money in smaller parcels, much remains to be done. Furthermore, current initiatives in financial practices cannot achieve a great deal on their own; they need to be accompanied by an all-round policy overhaul if they are to have their maximum possible effect.

There is a general agreement that current housing policy is inappropriate. However, serious differences of opinion manifest themselves in the debate about the desirable direction of change.

Proposals

A wide range of proposals have been made, ranging from complete reliance on the market. A number of intermediate positions are also possible.

Implicit in these proposals are a diverse range of value positions as well as differing estimates of the capacity of the various possible actors to make a contribution to improved performance. These assumptions are not always well articulated (or even well understood). I want therefore to start my address by outlining four requirements which a new housing policy ought to meet and to suggest reasons why these should become widely held objectives.

Up the first phase, housing policy must be comprehensive. It must offer the best deal possible to all South African households and not merely to those in the middle class, or even the unionised working class.

The needs of those households with members working in low-income formal sector jobs or in the informal sector must also be dealt with. Not to do so is only to neglect the people most in need of assistance.

It also means that unless these needs are addressed, a great number of people will end up in overcrowded, unsafe shelter and that the efforts of both the state and the formal private sector will be overwhelmed by land invasions.

Equality

Secondly, housing policy must respect the principle of equality of treatment by the State. Antiquated practices which treat households differently on the basis of imputed racial identity have no place in the new South Africa. People currently classified as "white" or "coloured" or "Asian" have no right to greater support from the State than black people in the same circumstances.

Of course, households may have different priorities and may want to put the same amount of State assistance to different uses; other things being equal, a housing policy which enables different tastes to find expression is to be preferred over one which does not.

Resources

But these two issues are different and every attempt to confuse them should be resisted.

Thirdly, housing policy must efficiently mobilise all resources capable of making a contribution. This requires an unjudged assessment of the capacities of various actors in the field.

Heavily ideologically biased approaches of either a statist or an anti-statist kind, will serve only to obstruct the search for improved performance.

Finally, housing policy must be sustainable. One looks with considerable suspicion on calls for massive programmes which are not accompanied by estimates of cost and proposals for financing.

Claims

Equally unacceptable are single issue approaches which ignore the competing claims of education, health and welfare (to name just three important fields) on public and private resources.

And, while a case can be made for an economic growth potential in 1990s considerably greater than the actual poor performance of the 1980s, the formidable political difficulties of realising this potential must be acknowledged.

A robust housing policy must be capable of application in a context of modest economic growth (say, 3.5 per annum). If higher rates of growth are realised, it would always be possible to achieve more in a shorter period of time.

Realities

There are also certain realities which have to be accepted. Chief among these is the fact that barring miraculous rates of economic growth - no government will be able to ensure that even by the end of the 1990s that all households will be accommodated in conventional housing.

Slow economic growth and rapid urbanisation means that the proportion of households in the metropolitan areas living in substandard poverty has risen. If we accept at present a poverty datum line of R700 a month, about 40 of households in metropolitan areas outside outside the homelands and 55 percent of households in the homelands sections of cities receive income below it.

On the other hand, the smallest conventional house now costs between R35 000 and R40 000. Even with the operation of the first-time home-buyer's scheme one currently needs an income of three times the poverty datum line to afford conventional housing.

Mortgages

Of course, current mortgage rates are high and incomes depressed as a result of recessionary conditions. However, the gap between affordable payments for shelter and required repayments on conventional houses will remain much too large for any government to be able to bridge by housing subsidies.

The second reality is that the market for conventional housing among all population groups is probably approaching equilibrium. By this I mean that the old administrative constraints which prevented demand for effective representation in the market place have been broken.

Mr JAN STEYN

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* The second and final part of this report will be published tomorrow.
Removing obstacles to housing progress

MANY people have called for a housing "kick-start", both to stimulate economic activity in general and to deal with a major basic need. But it is not in the conventional housing market that this kick-start can presently be generated. Rather, one should be looking at two other markets - the market for unoccupied or overcrowded and the market serviced sites on which incremental housing will be built.

In both these markets, political and administrative constraints continue to hamper construction of what households are able to afford.

Let me identify seven such constraints. The first five will have to be dealt with by the Government. There is also a task apiece for business and the communities.

In the first place, land in sufficient quantities and at appropriate prices (as projected by demographic and economic studies), must be made available for the development of serviced sites and starter housing.

Progress

Over the past few years, considerable progress has been made in the identification of land as suitable for township development in general. Such identification, of course, immediately increases the value of land.

In order to keep land price increases within bounds, it may be necessary to make new distinctions: to say that some land is for any kind of residential land, but that other parcels can only be used for site and service development or for starter housing to be sold at prices below a certain limit.

Such limitations on end use will serve to limit the prices which people are prepared to pay for raw land; these prices will, of course, be higher than the price of the land in agricultural use, so that specialised development rights will be valuable.

Secondly, there must be sensitive planning in relation to the location of such areas. Whilst piracy of land cannot be defended,

Today we continue the second and final part of a speech on the housing policy for a new South Africa by Mr Jan Steyn, chairman of the Independent Development Trust, made at a housing conference at Unisa recently.

unemployment and status policies exacerbate social tensions.

I am glad that it is recognised today that household's ability to afford one or two incremental housing units have to be accommodated in our cities. The choice is not whether or not to have households with low or modest incomes in the cities; the time when that choice could have been contemplated is long past. It is whether to have them in decently planned settlements designed to offer the best facilities possible in the economic circumstances, or whether to have badly located, badly serviced and overcrowded settlements with perpetual disputes about ownership.

On the other hand, it should be recognised that residential systems should be planned so as to yield reasonable income gradients across space. Immediate physical juxtaposition of low-cost shelter with expensive housing is bound to meet with fierce and understandable resistance.

Thirdly, there needs to be an appropriate subsidy policy. Private ownership of shelter not financed by mortgage loans is completely unsuited to the present subsidy system. While it is impossible to replace it with a system which will enable every household to afford a conventional house, it is certainly within the bounds of possibility to apply a capital subsidy to each serviced site and starter house for which there is effective economic demand.

The level of this subsidy should cover most of the cost of a modestly serviced site. The corollary is reorientation away from increasing the capital of housing commissions in order to construct family housing, for which the state needs to find not only the subsidy component, but the balance of the construction cost as an advance against repayments.

Under the capital subsidy scheme, on the other hand, the non-subsidy component of the price of shelter is mobilised through the market, enabling the private sector to contribute to housing finance.

This, in my view, is critically important.

Fourthly, level playing fields need to be established between the state and the private sector in the provision of housing.

If the state provides housing on a properly commercialised basis, then it is entirely reasonable that it should compete with the private sector, the same subsidy rules applying across the board.

In such a way, monopoly situations are avoided and the spur of competition encourages the technical innovation needed to reduce the cost of housing in relation to the average wage level. If, however, the state is able to offer housing at prices made possible by all kinds of hidden subsidies, the private sector will face unfair competition and will be reluctant to make a contribution or may even be completely prevented from doing so.

Monopoly

This creates the condition for an effective state monopoly on housing production, which has failed wherever it has been attempted. The stimulus to efficiency and innovation is lost and the political pressures to produce expensive housing for a few rather than to treat everyone equally, powerfully reinforce a deplorable tradition of ruthless patronage politics.

Fifthly, a way has to be found through the political, administrative and financial mess at local authority level. We need to facilitate the establishment of agencies capable of providing services which are affordable and which relate to the nature of site and service and starter housing developments.

This requires a set of agreements on standards and cost recovery which do not impose an impossible burden on the state. It may well be necessary to address the particular problem of new settlements of this kind, attempting to get it out of the difficulties in existing areas.

Reference has already been made to efforts to reduce the minimum sizes of mortgage loans which financial institutions are prepared to offer.

The Urban Foundation has been instrumental in establishing a loan guarantee fund in order to reduce risks in a new market to acceptable levels. It has also taken a lead in establishing a Group Credit Company which offers small unsecured loans for relatively short terms and (invariably) at higher interest rates than the mortgage rate, though appreciably lower than rates generally available in the informal money-lending market.

Other initiatives are possible. Loans can be made by companies or financial institutions against the security of withdrawal benefits in pension and provident funds; these can have the effect of cushioning households against high real repayments in later years when inflation has eroded the real value of bond repayments.

All these efforts are designed to open financial markets on the best possible terms for people who have, up to now, had very little access to them. They make a substantial difference to the pattern of demand, provided that the other necessary changes are made at the same time.

Finally - and perhaps most importantly - I wish to refer to the contribution that the communities, through their organisations, can make.

Indeed, this is the key to achieving everything else. The prospect of political change has induced considerable expectation - and rightly so.

The development of democratic institutions - which works - is the key to achieving the advanced industrial society which will provide the material framework for the satisfaction of popular aspirations.
Students sit-in

From Page 1

The congress of the Azanian Students' Movement (Azasm) - the student wing of Azapo.

Also, Azapo members went into closed session in downtown Johannesburg to discuss the possibility of President F W de Klerk extending a formal invitation to peace talks.

Azapo leadership, including president Dr Jerry Mofokeng and deputy Dr Aubrey Mokoape, had flown to Johannesburg earlier to discuss suggestions made by Dutch, German, US and British diplomats regarding the talks.

As their black and gold flag flew with its stark red star in the centre, pupils and students from throughout the country chanted and sang liberation songs as they entered the complex.

Azasm publicity secretary Sipho Maseko said: "This is a historic gathering because it comes at a time when students have to act decisively in shaping the future of the education system and their country."

The congress is scheduled to deal with the impending matric examinations, abuse of drugs among pupils and how the question of negotiations will affect black students and pupils.
Decentralisation drive ‘has failed’

By Michael Chester

The Government was urged by the Urban Foundation today to admit the failure of its decentralisation policies and make an entirely new non-racial approach to development planning on a regional basis.

It was estimated that the failure was costing the country no less than R1 billion a year.

The foundation argued that new strategies were needed in setting targets for a national programme to face the challenges of the 1990s and combat unemployment and poverty. The current approach to regional policy — based primarily on the subsidised decentralisation of the manufacturing sector — had failed.

Studies undertaken with the Private Sector Council on Urbanisation showed that, in fact, only about half of the 250,000 jobs claimed to have been created at new growth points owed their existence to the decentralisation policy.

The creation of each job had been extremely expensive — costing three or four times more than in metropolitan centres. Many of the jobs would have been created elsewhere anyway if investors had not been drawn by incentives. The attractiveness of incentives had led to poor judgment in the location of many factories.

But tax-free cash grants to cover labour costs had created the extraordinary situation where actual wage bills were down to zero at many locations.

Since 50 percent of the decentralised firms would have been able to operate at a profit without incentives, the exercise had merely drawn on State revenue collected from urban taxpayers.

“There is a question mark over the future growth potential of these areas,” say the researchers. “Once the incentives are withdrawn, the ability of some industries to continue operating at a profit is questionable.”

Between 34 and 42 percent believed they would sink into the red.

The present decentralisation policy had misjudged the nature of the urban settlement system and created little or no self-sustaining industrial momentum.

Insignificant

The impact on migration to the large cities and towns had been insignificant.

The Private Sector Council recommended that the present system of incentives for industrial location should be phased out as a matter of urgency. Priority should be switched to national economic development. The savings could be used effectively elsewhere, such as in educational, urban and rural development schemes.

Individual regions should be empowered to work out strategies best suited to themselves — not concentrated on the manufacturing industry alone, but also taking into account its potential role in other sectors, such as agriculture and tourism.

It was critical that future implementation of rural and regional development strategies should occur in tandem.

Any measures that restricted industrial and residential expansion in the metropolitan areas should be reconsidered, taking into account the critical role of metropolitan centres in national economic growth.

“South Africa’s most pressing development challenges of the future will focus upon the ability of all cities and towns to accommodate the needs of a rapidly expanding population at the appropriate scale, pace and affordability levels,” says the report. “South Africa, like any other country implementing a regional policy, must learn from its mistakes.”

“The interests of the country can now best be served by a fundamental re-evaluation of the concepts, practices and future of the current policy.”

Alternative approaches could be made more attractive to investors and be far more effective in providing economic stimuli and thus more job opportunities.

“South Africa cannot afford a regional development strategy which is based on concepts and practices that have failed internationally and which is rendered even less viable in the South Africa context due to its distortion by racial-political boundaries. The time is now overdue for a thorough rethink.”
Sweeping R3-bn plan for land reform

By Michael Chester

The Urban Foundation today called on the Government to sweep away apartheid land laws and launch a R3.032 million programme of rural development schemes to tackle land reform.

The plan envisages settlement schemes and support programmes to give more than 200,000 black farmers a viable start in agriculture over the next four years.

The proposals are based on five years of research into the neglect of black rural living standards and black land hunger problems.

The aim is the scrapping of "current border lines between "black" and "white" areas — often marked by homeland boundaries — to give black farmers access to better agricultural land zones long reserved for whites.

Proposals include an investigation of the Zimbabwean "willing buyer, willing seller" approach to any land transfers.

The Urban Foundation stresses that it is crucial that a new deal for rural black families goes hand in hand with advances made in black urbanisation and new strategies in regional development planning.

"Rural development," says the Urban Foundation, "is not only important as part of an overall urbanisation strategy: it is central to the alleviation of some of the worst cases of poverty and social deprivation."

Priority should be given to the abolition of the infamous 1913 and 1936 Land Acts in tandem with all segments of the Group Areas Act.

Capital market

The proposals call for an immediate halt to forced removals from so-called "black spots" — areas where black families live inside "white areas."

Research has shown that no fewer than 3.5 million blacks have been forced out of their homes.

The cornerstone of the plan is a proposal that R1.7 billion should be raised in the private capital market to finance the initial phase. In the first four years, the results would be:

- Capital to cover support programmes for 200,000 small farmers.
- Schemes to settle another 2,500 farmers on large commercial farms.
- The acquisition of 250,000 ha of grazing land, to be used on a communal basis.
- R400 million to be used by the Land Bank and the Development Bank to buy extra farmland.
- R150 million to finance more non-farm business development in small rural towns.
- R300 million to provide better infrastructure — new schools, roads and power supplies — in the rural areas and small towns of the homelands.

The balance of the R3 billion needed to finance the programme should come from the State.

The Urban Foundation stresses that the proposals are not intended as a rigid blueprint but as a contribution to the growing debate on the future of South Africa.
Share the land, says UF report

THE Urban Foundation has designed a multi-million rand rural land-redistribution plan for the repeal of the Group Areas Act, the Land Acts and the Prevention of Illegal Squatting Act.

The plan, entitled "Rural development: towards a new framework", proposes the immediate removal of the last vestiges of apartheid to provide blacks, coloureds and Indians access to white-owned rural land.

An annual R330 million financial injection from the State and R1.7 billion from the private sector, spread over four years and earmarked for rural upliftment and the deracialisation of rural areas, has been recommended to the Government.

The foundation has also proposed interim laws to exclude whites from purchasing land in black and coloured areas. The plan, if implemented by the Government, will have a major impact on the future ownership of rural property.

Also involved in the project are business and civic leaders.

The report says millions of blacks have been denied access to land in the greater part of the country.

An estimated 50 000 white farmers own 70 percent of the rural land and produce three-quarters of the total agricultural output.

Thirteen percent of the rural land is worked by 700 000 black South Africans who produce six percent of the country's agricultural output.

Only 16 percent of black homeland farmers are able to feed their own populations, says the report.

Most homeland residents with agricultural land are only able to feed themselves and their families.

New legislation, says the report, should be introduced to provide equal rights for rural farm-workers and offer equal opportunities to own or lease white-owned land.

A major step proposed is for rural towns, schools, local government and the infrastructure to be deracialised.

Small towns could play an important role as secondary educational centres for rural families of all races, the report recommends. - Sapa.
Urbanisation seen as a contributor to job opportunities.

Urbanisation could make an important contribution to economic development and employment creation, Development Bank of South Africa policy analyst Stefi Coetzee said yesterday.

He told the biennial conference of the DBSA at Wits University unemployment had reached alarming proportions, with 41.2 percent of the potential workforce without formal job opportunities.

A political settlement was needed to improve the economic growth, he said.

"However, a change in the pattern of economic growth is needed to promote the economic empowerment of the poor. This can, inter alia, be effected through policies promoting a process of inward industrialisation and appropriate housing policies," he said.

Mr Coetzee said "emphasis will have to be placed on upgrading informal settlements and creation of a more integrated city form, networking the developed and developing parts of our cities more closely than before".
Regional Incentives

In the Wrong Places

Put the Wrong Jobs

As needs a new regional policy to complement urban and rural development plans. This is an extract from a study published by the Institute of Economic Affairs.
Land Acts must go, says researcher

It was not feasible to expect many people to continue to survive on only 15% of the land. Bernstein said the Urban Foundation proposed the funding of a development programme should be shared by the state and the private sector which the Foundation envisaged could raise R1,7bn on the private capital market.

Maasdorp said government's decentralisation policy was a failure and should be abandoned. He said the policy was guided by ideological considerations — the promotion of homelands in SA — and marked by the abuse of government incentives, inefficiency and high opportunity costs.

About half of firms benefiting from government subsidies did not need incentives to ensure profitability, while the others were not profitable even with the subsidies.

Bernstein said the PSC proposes for rural development were based on the premise that race was not an indicator of potential farming performance but access to land, skills and resources were.

A balance between economic efficiency and equity was essential for successful rural development. The abolition of apartheid laws should be accompanied by a new legal mechanism to resolve land conflicts.

She said rural development was important because those South Africans with the lowest quality of life lived in rural areas.

In 1985, 37% of the population, 12-million people lived in rural areas, and while by the year 2000 only 30% would be rural dwellers, they would then number about 14-million.
283 being held in detention says HRC

Political Reporter

A total of 283 people are currently in detention in South Africa and the self-governing national states, according to the Human Rights Commission's latest statistics.

The HRC has recorded 133 detentions under the Unrest Areas Act in the past week.

Among those detained is Themba Khoza, chairman of the Inkatha Youth Brigade, who has been implicated in the attacks which have swept the Reef in recent weeks.

On trial

Worldwide Television News sound recordist Brian Greene was currently on trial for contravening the new unrest regulations and resisting arrest, the HRC said.

Petrus Masuku died in police custody last Wednesday, a short time after being arrested on criminal charges by Welkom police.

A total of 111 people were detained in terms of section 29 of the Internal Security Act and four in terms of section 31.

Twelve people were being held in Transkei in terms of the territory's Public Safety Act and 23 were currently in detention in Bophuthatswana in terms of emergency regulations.
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**Unionists arrested following dispute**

There was drama this week on the premises of a Potchefstroom company when riot police bundled 95 workers into police vans.

The 95 workers – all members of the Metal Workers Union of South Africa (Mewusa) – later appeared before magistrate HE Schutte on trespassing charges.

The court was packed to capacity by the accused, who were not asked to plead.

Mewusa lawyer Mark Mohl asked for the case to be postponed to November 1, saying that by then Mewusa and WG Engineering management, who were engaged in negotiations over a dispute, would have resolved their differences.

The accused were released on R100 bail each. A request by the prosecutor that they should be banned from entering the premises of WG Engineering was not granted by the magistrate.
Picnic for buyers

Upbeat deposits on black housing

Squeeze on black housing?
LITERACY TO THE FORE
IN BATTLE FOR SKILLS

CORPORATE social responsibility schemes (CSR) in the US — they took off there after race riots in the late 1960s — have great relevance for South Africa, says an American authority, Myra Alperson.

SA’s economy, which desperately needs higher productivity, needs to tackle its literacy problem and related skills shortage.

As part of the solution companies could encourage on-site literacy programmes in terms of CSR schemes.

A survey on trends in CSR in SA indicates that housing and education enjoy the greatest priority. The study was undertaken by FSA Contact and covered 101 companies.

Miss Alperson says in the Innes Labour Brief that some companies in the US place such a high priority on CSR that they appoint social responsibility committees on their boards.

Corporations, such as Coca-Cola and IBM, have made multimillion-dollar grants for public education. But other methods are also used.

Some companies that are retrenching, such as Polaroid and Chevron, are funding schemes to encourage employees to become teachers. Polaroid also takes care of on-site literacy training.

Mentor

In the automobile industry management and unions have developed on-site educational programmes. Ford employees can even obtain university degrees at the workplace.

The “mentor” system is encouraged by General Electric Company. This scheme encourages employees to volunteer — even in company time — as mentors for those interested in science or engineering careers.

Support for minority (black or Hispanic) businesses and banks is a major component of CSR, fostering support for a middle-class of minority entrepreneurs.

In 1989 General Motors spent more than $1-billion on purchases from minority suppliers. It also deposited more than $500-million in accounts of 83 minority-owned banks.

Miss Alperson is project director, corporate social responsibility, at the Council on Economic Priorities in New York. She will be in SA for two years from October, and will be attached to the Labour Brief office. The publication is edited by Professor Duncan Innes of Wits University.

The FSA-Contact survey shows that 60% of organisations provide housing benefits, whether to their employees or to interest groups the company has identified.

Of those providing housing benefits, 38% are involved in housing schemes in the townships and with community housing self-help schemes (26%).

About three-quarters of the companies provide education benefits, whether to employees or some other interest group. About 58% assist in the development of schools in areas where their employees live, and an equal proportion help in upgrading teaching skills in the community.

Nearly two-thirds of companies place a priority on health care. But less than half place high priority on the development of small business.
Plea for strategy to uplift the poor

South Africa needed a national development strategy to combat poverty so that the energy and resourcefulness of the poor could be mobilised. Urban Foundation chief executive officer D.L. van Coller said yesterday.

Addressing a National Council for Child and Family Welfare symposium, he said formulating a development strategy to bring about socioeconomic upliftment of South Africans required difficult choices.

Mr van Coller said some believed there had to be a nonracial democracy before development, but in reality this was not the case.

The housing crisis was one of the first challenges that had to be met.

"It is within the capability of our present society to embark on a housing strategy which will ensure that low-income families gain access to a serviced site where health and safety is secure," he said.

Sapa.
Big Home-Leisure Scheme nearer launch date

The problem...
Call for access to suicidal detainee

By Shehnaaz Bulbulia

Family members and a lawyer yesterday demanded immediate access to a detainee who attempted suicide while being treated for depression at the Johannesburg Hospital.

The Star is in possession of the medical report on pharmacist Yusuf Mahomed, who was detained on August 20 under section 29 of the Internal Security Act for his alleged involvement in a plot to overthrow the government.

Depression

The medical report, dated September 12 and compiled by Dr M Berk, confirms that Mr Mahomed was admitted to Johannesburg Hospital on August 22 and diagnosed as suffering from depression.

It revealed that Mr Mahomed had attempted suicide and was still a suicide risk. The report said return to detention would probably have aggravated his problem, and it was recommended that he be released or charged.

Mr Mahomed's brother, Yunus Mahomed, said he had received letters from Minister of Law and Order Adriaan Vlok allowing family members and the lawyer access to his brother's medical file. But Mr Yunus Mahomed claimed that Dr Berk, after releasing the first medical report, had refused to divulge further information on his brother's condition.

According to Mr Mahomed, Dr Berk informed him that security police had allegedly "placed pressure on him".

Dr Berk said he was not allowed to comment and referred The Star to the chief superintendent, Dr J Botha, who said Mr Mahomed was receiving the best possible treatment.

"Dr Berk was free to give comment if he wanted to," Dr Botha said.

Police headquarters in Pretoria said requests for visits were based on merit and added that all section 29 detainees were given "the best medical attention necessary".
Just a handful of blacks seek to join Nats

By Esmare van der Merwe, Political-Reporter

Blacks are in no mad rush to join the National Party following the decision of Natal and the Free State to open its ranks — but organisers are not perturbed by the lack of enthusiasm.

They believe the man in the street has the expert knowledge of technical party procedures to realise that a long process still has to be completed before blacks can join the party.

Despite blazing newspaper headlines on the NP’s historic decision to accept members of all races, less than 10 people have phoned the party’s Natal and Free State head offices to inquire about membership.

These two provinces have already endorsed the party leadership’s guideline of scrapping the colour bar. The Cape and Transvaal are expected to follow suit at their provincial congresses next month.

Natal chief secretary James Waugh says about six “non-whites” — coloureds and Indians — have phoned to inquire about signing up.

Free State Chief secretary Johan van der Merwe says he is aware of “one, maybe up to three” inquiries.

NP director of information Renier Schoeman explains that a long process still has to be completed before blacks can join the NP.

The party leadership has formulated several “points of departure” — among them that the existing restrictions on NP membership are in conflict with the party’s declared view against racial discrimination — which have to be ratified by the four provinces.

After ratification, the NP’s constitution will be amended. Each province will be requested by the Federal Council to nominate people to a committee which will compile a draft manifesto.

“Only then will it become clear how many blacks will contradict ANC deputy president Nelson Mandela’s statement that “no black man with self-respect” will now join the NP.”
Plan ‘will bring homes to blacks’

THE Urban Foundation’s R3,5bn Loan Guarantee Initiative will allow 33% of the black population, until now excluded from home ownership, to apply for home loan financing. Urban Foundation project finance GM Franz Pretorius told a seminar in Johannesburg yesterday.

Earlier this year the Urban Foundation announced it had raised R260m from private sources which had generated R300m of insurance from the short-term insurance industry. At 14% on 70% of the money, the Urban Foundation has a R222m pool of capital.

With this backing, the major financial institutions had committed themselves to providing R3,5bn over the next three years in the form of loans below R250 000.

Pretorius said the financial institutions had previously not entered this segment of the market because of the risk, the non-profitability of small loans and the non-availability of primary capital.

"The traditional risk has been reduced from 80% to around 65% of property valuation by insurance guarantees. "Profitability has been addressed by a change in the legislation from July 1 allowing institutions to recover certain costs from the borrower."

"A mechanism has been developed and investors found R1bn of capital in the form of special debentures which will rank as primary capital."

Pretorius said the housing backlog in the black population was estimated at about 800 000 units in the major metropolitan areas. About 130 000 homes a year should be built to address this shortage but in 1987/88 only 45 000 units were built.
UF grasps the 'stinging nettles'

The Urban Foundation’s recently published policy document on rural development is one of the most comprehensive studies ever on how South Africa should begin to reconstruct its rural areas as non-racial development regions.

Is the UF tackling the issues most central to the debate in South Africa in this study — land reform and the promotion of strategies to rectify the historic legacy of rural dispossession and segregation? No. The issue of rural land, how it is to be occupied and managed as a finite, productive asset in a future South Africa, is tackled head on.

This policy document, Rural Development — Towards a New Framework, is not only a research document. It is also a set of proposals for new policies. These have been widely debated by a range of people and aim at practical solutions for what is a critical priority in South Africa.

What are the UF’s proposals?

- A call for the repeal of the Land Acts, the Group Areas Act and the Prevention of Illegal Squatting Act
- A new legal mechanism to resolve land conflicts and hand down binding judgments
- An affirmative action programme to create opportunities for black farmers
- The opening of rural towns to all South Africans, irrespective of race
- A particular focus on financing development projects for the rural poor
- A decolonising of legislation and policies governing agriculture to ensure that the small black farmer has access to farming
- A halt to “black spot” removals and communalising this to affected communities

The Urban Foundation has been criticised for “failing to grasp the stinging nettle of land reform” in its latest policy study on rural development. ANN BERNSTEIN, the organisation’s executive director: Urbanisation, responds

- Building up a body of legislation to protect the rights of tenants on rural land
- A new charter of rights for farm labourers, including the full application of the Labour Relations Act to agricultural workers and employers.

This is the most comprehensive and practical programme put forward for rural reform and seeks to focus the debate on the specifics of how to make change work.

The UF’s document also suggests an action programme that would get the process of fundamental transformation of the rural areas under way.

- Opening avenues with communities in rural areas to discuss a reform programme
- Expanding farmer support programmes to all in order to create a new farming class — the small black farmer
- Setting up specially demarcated and protected areas for small resource-poor farmers to get them on their feet
- Expanding state-owned grazing lands so as to accommodate those with small herds but without land for them
- No disposal of Development Trust land without referring this to communities

A programme for non-agricultural rural development, including development of new residential areas

Directing funds presently used for subsidising firms in decentralised growth points to development programmes for the rural poor.

Each proposal listed above, and still more in the full document, are measures that go beyond government policy. It is not incremental adjustments to existing policy that is being advocated. The UF advocates a fundamental policy shift.

The point of the UF proposals is to deracialise all aspects of rural development and to put in place an affirmative action programme which will make rural South Africa — home to more than 14-million people by the year 2000 — areas where opportunities are equalised. Their adoption would be a significant first step in the process of reconstituting rural South Africa, and ensuring that the “new South Africa” includes rural people in a democratic social contract.

The proposals face the fact that disputes and conflicts over land claims are likely to be a major issue in a non-racial rural development strategy is adopted. The UF’s proposals for resolving such conflicts are not very different to those of ANC leader Abie Sachs.

Our proposals will be regarded as radical by some; and as not going far enough by others. But in our view they are more detailed and comprehensive than anything else before the South African public and could pave the way for debate on land reforms based on realism, equity and efficiency.
Dynamite with a short fuse
the black housing crisis

ALTER Sithole, internal leader of the African National Congress, has described the black housing and educational crises as "dynamite". For several years now, we have witnessed explosive clashes between the authorities and the people over these issues.

Under the National Party and its operatives in other institutions of authority, we can expect little respite on these issues.

The ANC leadership recognise that whoever takes over the government will inherit serious problems, since dispossessed people will expect their lot to be improved overnight.

Housing and educational problems go hand-in-hand, but the question of decent housing is arguably the more crucial. Tiny, overcrowded homes, often without electricity supply, are not conducive to encouraging children to study indoors.

This enforced lack of interest in studying at home has repercussions in schools, where the same pupils won't care much if they lose out through boycotts.

If government is not interested in providing decent shelter for citizens who desperately need it, it should not complain that black educational institutions are a waste of money because of boycotts.

And because the government and other authorities have neither the inclination nor a viable strategy to tackle the housing crisis, black people put up crude shacks on land near towns and cities. These people are called "squatters".

Having determined that 87 percent of the country belongs to them, while people have regularly voted into power governments that are very stingy with the allocation of the rest of the 13 percent.

The way the government controls the allocations means it believes, to all intents and purposes, that even that 13 percent belongs to it.

So when dispossessed people put up shacks on unused or disused land, how on earth can they be accused of "squating" in their own country?

When they take occupation of a tiny piece of ground, they are hounded by officials either through the iron flat or the courts.

Take the Lenasia area as an example. Homeless people have erected shacks on vacant land opposite the next houses which have been sold by the authorities to people who qualify under the Group Areas Act.

The camp of the homeless continues to grow. The reaction of some settled residents, who are classified "Indian", has shown how far down the slope of racism we have slid.

They have demanded that the camp be destroyed. Publicly, their argument is that it is a health hazard. Privately, they add that their property values have slumped and they blame camp residents for the high crime rate in Lenasia.

The irony is that the most vociferous anti-camp people are themselves victims of the Group Areas Act.

In turn, many other Lenasia individuals and organisations have come out in support of the right of the homeless people to stay where they are, and have urged the authorities to provide the basics of water, electricity and sewage disposal, and to ensure that health hazard is eliminated.

Concerned organisations have repeatedly written to the government, the provincial administration and the House of Delegates, calling for an improvement in the conditions at the camp. They have been shuttled from pillar to post by the bureaucrats.

Now we have a situation where officially-approved residents of Lenasia are at loggerheads with themselves over the camp, and some of them are at loggerheads with camp residents.

The divide-and-rule policies of the National Party have reached their logical, explosive climax. But the Nats did not foresee that they would be called in to police those they have so divided.

Obviously, a confrontation developed. Angry residents chased the guards away. Police were called in to keep the peace.

The HoD claimed the camp residents were illegally occupying land earmarked for "Indian" housing. In the same breath, he claimed the land was "dilapidated".

The local ANC branch and the UDF-affiliated Federation of Residents Association have pointed out the obvious contradiction and challenged the HoD authorities to debate the problem publicly.

The wealthy HoD chief minister, JN Reddy, a champion of privatisation and free enterprise, has remained deafeningly silent on where exactly the homeless people must go in their land of birth.

When he comes down from his high-salaried seat — paid for by the people against the will of the majority — he will perhaps explain to the camp residents why they are foolish to support organisations that demand "repossession and redistribution of the land".

State President FW de Klerk, having publicly declared his Christian commitment to justice for all, will perhaps explain how the official hounding of — or at best, disinterest in — homeless fellow-Christian people can be reconciled with his beliefs.

He will no doubt explain to those churches which are working hard to help the homeless.

For De Klerk has been a part of the government which some 10 years ago declared grandly that it would eliminate the housing backlog in a few years. His predecessor, PW Botha, appointed former postmaster-general Louis Rabe to tackle the housing crisis in Soweto and then KwaZulu.

In the decade since that grand declaration, the housing crisis has deteriorated instead of reaching a level that Walter Sisulu can describe as "dynamite". Who can doubt his fears?
Govt reviewing small business development

GOVERNMENT was taking a new look at the financing of small business development in order to utilise limited resources more effectively, Trade and Industry Minister Kent Durr said at the launch of Small Business Week at the weekend.

Discussions were under way to merge the activities of small business support organisations — both private and public — to obtain better cost-effectiveness in the application of state and private funds.

Role

He said government was committed to supporting the Free Enterprise Ethic. It intended to further private initiative with emphasis on support for small businessmen. Government support was given through the Trade and Industry Department to organisations such as the Small Business Development Corporation and the

ACHMED KAREM

Small Business Advisory Bureau.

In the new SA, small business would play a major role and would act as a vehicle for job creation.

President F W de Klerk’s recent US trip had included a message of hope for support from the US for a market economy in SA.

“This was a call, not for support of a broad economic theory as such but rather for the protection and encouragement of every person’s right to share in economic endeavour in whatever way he wishes within an equal opportunity society, according to his talents.”

Durr said government would encourage people to exercise this right and was pursuing deregulation of the legal environment within which business operated.

SBDC senior manager Dawie Crous said the Small Business Week was a national promotion aimed at furthering the interests of the small business sector.

“The purpose is to create an awareness of the importance of the small business sector and to give recognition to entrepreneurs operating in a competitive environment,” he said.

Crous said more than 85% of business enterprises in SA could be considered small — with total assets of less than R2m — while 75% of new jobs in SA were generated by the small business sector at a fraction of the cost incurred by big business.

Events

The conference was organised by key players such as the SBDC, Wits Centre for Developing Business, the Urban Foundation, First National Bank and Get-Ahead. It was directed at entrepreneurs, big business and local and national authorities, he said.

“The events included activities such as breakfast seminars, fun runs, flea markets, fast food competitions and many more,” Crous said.
Trust gives go-ahead on R500m for cheap housing

By William Lake

Business Day Reporter

THE SA Housing Trust (SAHT) gave approval for R500m to be spent on shelter provision projects in the year to end June, its annual report indicated.

Chairman Simon Brand said that this brought to nearly R1.8bn the total value of facilities approved by the board since the trust's operations began in 1987.

It was expected that these approvals would result in 62,000 houses and 54,000 serviced stands being made available. The value of advances made during the period was R268m compared with R142m for the 1988/89 financial period.

New project approvals by the board of R500m in the past year indicated that the pace of work would continue to quicken in 1991.

MD Wallei Conradie said in the report that the trust was involved in 37 new projects nationwide in 1989/90, and that most of the 9,114 new houses built were in the price bracket below R20,000 each. This included a serviced stand.

MATTHEW CURTIN reports that Brand said the trust would shift the focus of its loan guarantee operations towards the area of greatest need, and would even be prepared to consider involvement in core home developments of under R10,000.

He said the trust welcomed the launch of the Urban Foundation's loan guarantee scheme as long as its focus remained on the lower end of the conventional housing market.

The first mortgage loan under the Urban Foundation scheme was granted at the beginning of September. The Foundation arranged R50m in insurance, and financial institutions agreed to provide R15,000 to R25,000 for loans in the R150,000 to R250,000 bracket.

Johannesburg testing bus refurbishment

LINDEN BIRN

A SCHEME to refurbish the Johannesburg municipality's 450-strong bus fleet could save in savings of about R150,000 a bus, transport director Ed Curtis said yesterday.

Speaking at the unveiling of five refurbished buses, Curtis said the rebuilding costs amounted to approximately R350,000 a bus - as opposed to a replacement cost of R500,000.

He said the council had decided to put the five completed vehicles on a trial of six months to a year. Their performance would be monitored and commuter reactions surveyed.

The five refurbished buses were all of different designs and the best points of each model would be incorporated into the final rebuild design if the scheme got the go-ahead, he said.

Extended

If the project is put into action, buses will receive an extended operating life of about 15 years. Most of the buses in the single decker fleet were purchased in the early 1970s.

The project involves the complete stripping down of the bus, an inspection, and replacement of all the parts. The seats are included in the bench seat arrangement.

New braking and steering mechanisms are incorporated in the designs, as is a computerised central lubrication system ensuring regular lubrication and a cutback in wear and tear.

Refurbishment could take place at a rate of 30 buses a year, with the entire single decker fleet being rebuilt within 15 years, Curtis said.
Housing standards 'unlikely to rise'

THE building industry had to get away from the myth that in a new dispensation housing schemes would have to be of a high standard, Building Industry Federation of SA (Bifisa) economist Charles Martin said at a Housing Issues workshop on Tuesday.

"The economy simply cannot sustain this," Martin said.

Namibia's independence had shown that the international community was prepared to invest in development projects but would not give budgetary aid. This made it even more important for government to increase spending on housing projects, he said.

Cancellation

"There should be a gradual acceleration process where this is done, but a future democratic government would be acting irresponsibly if it embarked on a major housing project without consulting suppliers, as this would lead to inflation and rising building costs," he said.

Sage Schachat MD Rob Crockett said builders had a dual responsibility — to provide housing and to their shareholders. High interest rates had dented sales so profits had fallen since February 2 when President F W De Klerk had led the country into an era of change.

"The housing crisis actually deprives people of shelter and has resulted in the cancellation of contracts and the laying off of sub-contractors, supervisors and builders," Crockett said.

This, together with sanctions, political instability and escalating violence, had inhibited the home building industry with investors reluctant to make long-term commitments.

Perm housing division GM Denis Creighton said many South Africans aspired to housing beyond their means and called for a closer match between affordability and supply.

There was also an urgent need to explore the possibility of an unemployment insurance fund which could address the problem of people with outstanding loans becoming unemployed, he said.

Delegates agreed that SA's housing shortage was not something that would go away unaddressed with constitutional change and therefore needed immediate action.

A key point of agreement which emerged from the presentations was the industry's responsibility to talk to community and civic bodies in order to assess their requirements and aspirations.

They also agreed on the necessity for cooperation between the public and private sectors.

Delegates called for central and local government to streamline housing administration into one administrative body rather than the present 30 bodies.

This should happen together with a change in the stipulations for the identification and zoning of land for the development of low income housing.

The provision of full basic services and proximity to centres of employment were important factors for consideration, delegates said.
LAND TENURE

PAST INJUSTICE, PRESENT FEARS

BLACK FARMERS WERE ONCE PROSPEROUS — AND COULD BE AGAIN

With the latest announcements on land reform, the stage is being set for blacks to regain the position they once held as efficient farmers. But tremors of uncertainty, particularly among whites, suggest that the issue needs to be thoroughly thought through — and explained.

The proposed repeal of the two cornerstones of rural apartheid, the 1913 Land Act and the 1936 Development Trust & Land Act, follows publication of two major policy documents dealing with land tenure and agricultural issues. These are the Urban Foundation (UF)’s Rural Development (part 4 of Policies for a New Urban Future) and SA Chamber of Business (Sacob)’s more generic Economic Options for SA. The effect of the changes will be to open all agricultural land within the country to acquisition by blacks. (The rights of coloureds and Indians to land will be rectified, the UF points out, by repeal of the Group Areas Act.) The problem remains how to make significant areas available to blacks while concurrently maintaining respect for white property rights. The proposals also leave on the table the equally important question of how land tenure and agriculture in the homelands (the self-governing states) are to be rationalised.

All the agonies and desires of the SA political conflict are mirrored in the land issue. South Africa reported by the UF for 1985 showed that the “white” rural areas accommodated nearly 4.3m people (of whom 78% were black, 12% coloured and 9% white). The homeland rural areas contained 8.1m, almost all black. The chart illustrates the population densities in the “white” platteland and in the homelands.

At one extreme of the political spectrum, conservative white farmers have reacted with shock and horror to the prospect of having black farmers as neighbours on a basis of equality. Even though the white platteland is already around 90% black, and many farms owned by absentee landlords have for decades been operated by black managers.

A map, published in volume 2 of The Oxford History of SA, and dated as long ago as 1971, shows an astonishingly high proportion of farms in the southern OFS even then unoccupied by whites. They fell into the categories “abandoned or unoccupied,” occupied only by blacks, or occupied by a foreman or sharecropper.

At the other extreme, the Pan-Africanists openly repudiate all white title to land, proposing to turn back the pages of history to 1652! This is impractical because it could only be imposed at the end of a savage civil war lost by the whites; and inequitable because the line of final prescription has to be drawn somewhere.

In any case, not all white title to land derives from conquest; some land was bought freely from black owners over time.

The position of the ANC on land is not in all respects clear, but the latent policy statement explicitly calls for reinstatement of the freehold and labour tenancy rights of rural blacks relocated from so-called “black spots” during the Nationalists’ tenure of office. The issue of forced removals aside, there is room for strong suspicion that the ANC still hankers for a collectivist approach to land.

The UF urges the setting up of a tribunal to adjudicate the rights of relocated rural blacks. Sacob too proposes a “new legal mechanism to resolve land conflicts.”

The idea of a tribunal to rectify abuses of natural justice over land is a good one, subject to certain conditions. Firstly, it should be presided over by judges assisted by assessors with knowledge of the relevant issues; secondly, it should operate within a cut-off point, and 1948 makes good sense here; and finally, it should not be empowered to take away rights from the current owner who acquired them in good faith.

Where a case is made out, the dispossessed black owner or labour tenant should be entitled to compensation, not from the good-faith owner, but from a fund financed by the Treasury and set up for this purpose. Perhaps there might even be compensation for non-material losses (pain and suffering) endured during forced removals.

The remainder of Sacob’s policy statement on land ownership makes excellent economic sense. We should remove all legal restrictions on land ownership by blacks (which government has accepted); reform the different land Acts to accommodate ownership of small-scale farming entrepreneurs; reform financial intermediaries, including the Land Bank, so that they will provide financial assistance to small-scale black farmers in those areas where they can operate effectively; establish a total institutional framework to sustain the programme for potential black farmers to return to independent farming; and provide more land for low-income housing in urban areas.

The nucleus of a bank of land for sale or lease to convincingly qualified potential black farmers already exists in the hands of the SA Development Trust — the 2m ha of “released areas” land derived from the 1936 provisions for black land acquisition and seemingly not yet disposed of but leased to white farmers.

If the process of rationalising white agriculture through establishing market-related pricing is carried through, this stock of land could be augmented. There could be purchases on reasonably generous terms of the land of farmers rendered sub marginal by the cut in output prices from too-high administered levels. (A pension scheme for elderly displaced farmers would not come amiss.)

The rationalisation of agricultural prices seems necessary anyway if additional output by a new wave of effective independent black farmers is to find a market.

Taking account of the indebtedness of white farmers to the Land Bank (some R2,7bn at the end of 1985), there might even be scope for deals for part purchase of land at good prices in exchange for a farmer’s mortgage obligation — to augment the stock of land for resale still further.

Sacob warns that there is an overall limit to this policy: the potential of the agricultural sector to feed the population of SA should not be impaired by a programme to re-establish black land ownership. The goal must be achieving the more efficient use of resources in the agricultural sector, given the need to feed a fast-growing ur-
The process of eutrophication makes a large impact on ecosystems. It occurs when excess nutrients, such as nitrogen and phosphorus, enter a body of water, leading to an overgrowth of algae and other aquatic plants, which depletes oxygen in the water. This can harm or kill other aquatic life, including fish and other organisms. The process can be slowed or prevented by reducing the amount of nutrients entering the water, such as through reduced fertilizer use or better waste management practices. It is crucial to monitor and manage eutrophication to protect aquatic ecosystems and ensure their long-term health.
Violence is restricting township activities

Basil Read Homes sees itself as addressing the housing needs of a new SA.

Housing MD Bill Henderson says: "Living conditions must be uplifted for political stability in SA.

"Housing must be a growth industry," he says.

Basil Read Homes is concerned with land identification, acquisition and township design, as well as providing in-house service. The company is involved in projects across the country, in communities of all race groups.

Violence and intimidation have been severely restricting on constructive work in the townships.

"If SA is to solve its political problems, these inhibiting factors must go."

The political scenario—-high interest rates—have been detrimental to the industry.

"However, Basil Read has been cautious with capital expenditure and will continue to be," Henderson says.

"We intend to continue in housing."

A "mitigating factor" to the future of housing in SA is the trade unions, Henderson says.

"With the advent of stronger unions, the issue of housing has been appearing on negotiation agendas," he says.

"Unions are addressing worker requirements and this is including the implementation of subsidy schemes."

A large percentage of Basil Read's work is for workers who are subsidised by their employers."
Conditions could worsen in home-building industry

THE home-building industry is moving towards a downturn similar to that of the 1986 recession, according to a report commissioned by the National Association of Home Builders (NAHB).

The report, by Medium-Term Forecasting Associates (MFA), concludes that conditions in the industry are likely to worsen further in the next six to 12 months.

As a result of the sharp drop in the real value of work on hand in recent months, a number of township developers and home-building companies have left the industry.

Other reports quoted by the NAHB show that of 32 firms active in the white housing market in 1981 to 1984, only seven remained in mid-1989. Two more firms recently announced their withdrawal.

NAHB executive director Johan Grotsius said unemployment was directly linked to unrest and the home-building industry was an important source of employment for the unskilled.

He quoted a recent statement from the National Manpower Commission that for every R1m invested in the building industry, 186 new jobs were created, compared with 124 in agriculture and 67 in commerce.

According to the MFA report, the increase in the funds allocated for low-income housing was to be welcomed, but these were still inadequate to meet the demand from first-time home buyers.

MFA believes R150m a year should be budgeted for the first-time home buyers' subsidy.

"The funds to speed up the housing process are available," Grotsius said.

"It is time they were channelled where the need is greatest.

"In turn, this would alleviate the severe recessionary pressure being felt in the industry."
Hitch for low-cost housing schemes as institutions, Blacklist

Commercial as commercial failure, with commercial markets in their commercial stance, Blacklist.

Peter Olson

The construction of a number of high-rise buildings in the city has led to a significant increase in the number of low-income housing schemes in the area. The developers have responded to this demand by building more and more high-rise buildings, which have been criticized for their design and construction. The high cost of these buildings has made them inaccessible to many low-income families, who are forced to live in substandard housing. The situation has become worse due to the current economic downturn, which has led to a decrease in the number of jobs and a rise in unemployment. This has further strained the already limited resources of the low-income families, making it difficult for them to find adequate housing. The government has been criticized for not doing enough to address this issue, and there are calls for stronger measures to be taken to address the housing crisis.
The crux of decentralisation is rationalisation...
Black housing bubble bursts

Potential

The Government has

started taking action to

regulate the housing market

and ensure that it is

stabilized.

Unrest

Violence has erupted in some
communities, particularly in
low-income areas, leading to
property damage and
injuries.

Reason

Many of the protests are

due to the lack of affordable
housing and the high cost
of living in urban areas.

Rising

The number of foreclosed
properties is on the rise,

as the housing market

continues to struggle.

The solution to the crisis

lies in creating more
affordable housing and

improving access to

credit.

With the rising cost of

living, many individuals

are struggling to afford

basic necessities, leading to

a decrease in overall

economic growth.

The government has

introduced policies aimed at

balancing the housing market

and reducing the number of
foreclosures.
Perm refutes claims of 'bond boycotts'...
Thousands of families face housing squeeze

By CHARLES MOGAKOE and Sapa

BLACK housing is faced with one of its major crises following the announcement that eight large housing concerns are gradually pulling out of the township.

The announcement this week by Planning and Provincial Affairs Minister, Hermus Kriel, comes while more than 3 million people are believed to be homeless.

Although Kriel would not name the companies involved, at least seven concerns have indicated they will be shifting from the black to the white market. They are Grinker Constructions, Stocks Housing, Time Holdings, Gough Cooper, Baxter Homes, LTA and Ofentse.

Making the shock announcement, Kriel said the companies were forced to move out of the black areas because of losses incurred through success.

Kriel said financial institutions were refusing to lend money for development in the townships because of increasing bond boycotts.

He blamed the South African Communist Party, the ANC and its allied organisations for the development, and warned people to "realise they are being used for political purposes".

However, Sapa reports that the ANC attacked Kriel for attempting to blame the "dwindling housing crisis on the people's resistance to apartheid."

It stated the lack of housing, welfare, education and social services that existed today were direct result of the policies of apartheid.

"Our people's resistance to apartheid has included rent and service boycotts, consumer boycotts and the total rejection of dummys institutions, particularly the community councils. We have consistently refused to pay for our own oppression," the statement said.

"Since the early 1970s, the Nationalist Party government has virtually stopped all building programmes of racial accommodation for black people. Even the so-called low-income housing schemes built by the private sector are beyond the means of most families."

The ANC said it was the responsibility of any state to provide for all its people. "Housing was a fundamental right. Other initiatives, including the important role of the private sector, should complement state housing programmes, not substitute them."

Furthermore, Minister Kriel's statement that political parties, such as the ANC, have a lot of money at their disposal and should therefore provide housing is preposterous. The solution to the housing crisis lies in a fundamental transformation of South Africa."

"There can be no piecemeal addressing of this issue. Legislation such as the Group Areas Act must be repealed for there to be any meaningful change in access to housing," the statement said.

A statement by the Urban Foundation said it "viewed with concern" the withdrawal of major private-sector building companies from the black market.

Managing director Matthew Nel said the potential to meet the immense housing needs of low-income segments of South African society was limited.

He said: "At the same time the Urban Foundation recognises the difficulties of operating in the current environment and that, without an improvement in three conditions, the potential for private sector home builders to operate viably is severely curtailed."

The Urban Foundation's joint initiative with the Mortgage Lenders' Association of South Africa to establish the Home Loan Guarantee Fund was, he said, an effort to secure mortgage finance for low-income families. "This most productive route to resolving three issues is to promote debate between the housing industry, government and community leadership over both national housing policy issues and detailed operating problems," Nel said.

To stimulate this debate the Urban Foundation will release its proposals for a national housing strategy next month.

"The announcement by Minister Kriel that he has commissioned the South African Housing Advisory Council to prepare a proposed national housing policy is welcomed. It is hoped that this will provide a basis for necessary debate and discussion between all interested parties to develop an effective, widely supported housing process," he said.
Boya explains why he resigned

THE free political activity triggered by the unbanning of organisations in February seemed to sound the death knell of government-created structures and started Tom Boya questioning whether the urban black council concept was worth defending.

Boya, former Daveyton mayor and Urban Municipalities of SA (Umsa) president, resigned from both positions in a surprise announcement to 80,000 residents who packed the local stadium on Sunday.

"For the first time I felt a free man. I had found myself again. I could not go on defending the indefensible," Boya said in an interview at his home in Daveyton yesterday.

Boya said he still saw a role for himself in local government, "but now I will be doing it on the side of the people."

Boya said the growing irrelevance of black local councils and frustrations in dealings with provincial and central government had convinced him that the time had come to leave the arena he had entered 12 years ago.

"On Saturday I attended a meeting of Umsa in Barberton and only eight councillors, out of a membership of 66, turned up." He said they all told of frustrations they had encountered such as the water and electricity cut-offs.

The next day his council was due to address residents at a local stadium but he found residents were at a meeting called by the Daveyton Interim Committee.

Boya said he went to the meeting and listened to the speaker asking councillors to join them.

"A hush fell over the stadium as I stood up to tell the crowd: "We have heard you, gentlemen. I stand up to announce my resignation from my positions as mayor of Daveyton and president of Umsa.""

He said he and three other councillors who had stood up to announce their resignations were carried shoulder-high by toy-toying youths and freedom songs were sung.

Asked about his plans, the former furniture marketing executive said he would make an announcement in a fortnight. In a clear reference to ANC deputy president Nelson Mandela, he said: "There is a man I have to talk to first, but he is at present overseas."

Of the "shoddy" treatment he received from government, Boya said: "When the issue of bridging finance drying up came to a head, 1, in my capacity as president of Umsa, sought a meeting with President F W de Klerk. He ignored me."

"I have had talks with Planning and Provincial Affairs Minister Herms Kriel, TPA Administrator Danie Hough and MEC John Mavuso, pleading for a suspension of the switch off of supplies."

"But even as I was reaching accord with the TPA, I learnt that electricity had been cut off in Daveyton, and the TPA went back on its promises, saying they could only give us R220,000 for our R1.2m wage bill."

Boya said he did not regret being part of a "discredited" black local government exercise.
Faircape Homes hit by instability in black market

The instability of the black housing market had an adverse effect on property developer Faircape Homes' results for the six months to end-June but it has taken remedial action by focusing on middle to upper income group housing.

Interim results published today show that Faircape Homes posted an attributable loss of R1.4m compared with a profit of R1.2m for the same period last year.\(^\text{33}\%\)

Turnover dropped to R13.3m (R18.4m) while a loss of 15.3c a share was reported, compared with previous earnings of 13.7c. No interim dividend was declared.

Joint MD Micheal Vietri said bond repayment boycotts had caused financial institutions to curtail lending to the black market, and the temporary suspension of the first-time buyers' subsidy had compounded matters.

Vietri expected the disposal of Faircape's remaining 37.4% stake in the Health and Racquet Club Holdings Group for R2.95m earlier this month to further reduce gearing.

Net asset value a share rose to 113.6c (77.4c), while total borrowings to total shareholders' funds declined to 2.5 times (3.55 times). The current ratio eased marginally from 1.9 times to 1.5 times.
Pull-out by big builders rocks market

THE withdrawal of eight major private sector home builders from the black housing market is viewed with concern by the Urban Foundation.

Mr Matthew Nell, managing director of the Foundation's residential development division, said it was "shocking that major building companies had withdrawn from the black housing market because of unrest and bond repayment boycotts."

"Without the active and ever-growing participation of the private sector, the potential to meet the immense housing needs of low-income segments of South African society was limited," said Nell.

His sentiments were echoed by Mr Hermus Kriel, Minister of Planning and Provincial Affairs, when he announced the withdrawals.

Kriel also expressed fears that "these private home builders might not return to the market, and warned that it would cost R5 billion to provide housing for the 1.5 million "illegal" squatters, not counting the "legal" ones - and two million backyard dwellers in townships.

The Minister further stressed that the public sector would have to become more involved in black housing because "the Government alone would be unable to supply housing for the nine million additional people expected to become urbanised at the end of the century."

The Urban Foundation has, however, planned to release its proposals for a national housing strategy next month.

Issues

"This will stimulate public debate between the housing industry, Government and community leadership over national housing policy issues."

"At the same time, the Foundation recognises the difficulties of operating in the current environment and that without improvement to these conditions, the potential for private sector home builders to operate viably is severely curtailed," said Nell.

He said the Urban Foundation's joint initiative with the Mortgage Lenders Association of South Africa (MLASA) to set up the Home Loan Guarantee fund for mortgage finance of low-income families remained critical in overcoming one of the most essential conditions for ongoing private sector development - the availability of mortgage credit.

Nell believed that conflicts between communities and the private sector around housing issues will have to be resolved.

"Clearly, these conflicts reflect both misunderstandings and some real unresolved problems."

He however welcomed Kriel's announcement that he had commissioned the South African Housing Advisory Council to prepare a proposed national housing policy.

"It is hoped that this will provide a basis for necessary debate and discussion between all interested parties to develop an effective, widely supported housing process which will assist the full spectrum of South African society obtain adequate accommodation," concluded Nell.
New ANC policy echoes inward industrialisation

of inward incorporation and spatial

As a result of extensive lobbying and campaigns,

ANC leaders are pushing for policies that will

further integrate local industry into the broader

economy. They argue that inward industrialisation

will create jobs and stimulate economic growth

within the country. The ANC believes that this

approach is necessary to address the high levels

of unemployment and poverty seen throughout

South Africa.

The party is calling for an increase in state

ownership of strategic industries, as well as

greater protection for local businesses against

imported goods. This is seen as a way to nurture

development and ensure that economic benefits

are distributed more equitably.

The ANC is also advocating for a greater

focus on education and training, to enhance the

skills of workers and make them more

competitive in the global market. They argue

that this will help to ensure that South Africa

becomes a more attractive destination for

investment.

The party is clear that inward industrialisation

is a long-term strategy that requires significant

investment and commitment from all levels of

society. They are determined to see its success

and believe that it will contribute to a more

prosperous and equitable future for all

South Africans.
though many developers and financiers are
fleeting the black housing market in the face
of violence and co-ordinated bond boycotts,

while others are running for cover, Terry
Power of Standard’s home loans division
confirmed that the bank is preparing to put
in the low-cost housing market
in the next few weeks.

Similarly, JHI’s Natal chairman Trevor
Warman this week announced that the com-
pany will henceforth include black housing
in its residential property marketing activi-
ties. He says JHI disapproves of the
Group Areas Act and that scrapping of the
Act is on the cards anyway, his organisa-
tion will ignore it.

“We want to meet our clients’ needs. If
that involves a house on the Berea or West-
ville for a person of colour, we will handle it.
In theory we would be breaking the law, but
we aren’t particularly worried about it. We
plan to do business openly and upfront.”

Brave words indeed, but whether it will be
practical now remains to be seen.

He explains that any transaction in a
“wrong area” will be registered in the name
of the person concerned. However, pending
the scrapping of group areas, a clause will be
included in the agreement stating that the
sale will be subject to the acquiring of a
permit by the buyer.

“In cases where there are restrictive
clauses, the sale will still go through. But, in
such cases, the buyer will have to take steps
under the Removal of Restrictive Conditions
of Title Act, to have the clauses removed,”
he says.

For the Standard, which will be looking at
providing bonds in the R12 500 to R35 000
range for the first time, it is a move into an

area which has, with the exception of the
Perm, been conspicuously ignored by the
lending institutions.

Power explains: “We’re responding to the
Urban Foundation’s low-cost housing initia-
tive. We expect our system to be up and
running in weeks rather than months.”

He concedes that with violence and boy-
cotts it is a market fraught with dangers. But
he’s comforted by the fact that the founda-
tion will be holding Standard’s hand in the
eyear stages of its involvement.

However, the bank’s step will initially be a
small one.

The level of activity, says Power, hinges on
human resources. Low-cost home lending is
expected to be labour intensive. In the Stan-
dard’s traditional environment a bond appli-
cation can virtually be processed by pressing
a few buttons. Also, most applicants are
familiar with the procedures involved.

“Most of our new customers will never
have owned a home before. They’ll need a lot
of education and training in home owner-
ship. It’s going to be pioneering for all of us.”

He adds that the bank is better prepared
for the low-cost arena now than it was four
years ago. It has learned a lot about the
market through its activities in the R35 000
plus mortgage market.
UCASA president quits post as township mayor

URBAN Councils Association of SA (Ucasas) president Phillip Nhlapo has followed his council in the Middelburg township of Mhluzi and resigned as mayor.

But Nhlapo, as Ucasas's president, has been appointed to the committee which will investigate interim measures to alleviate the pressure on black local authorities and coloured and Indian management committees to resign.

A meeting held to resolve Mhluzi’s financial position had decided, after a local steel company had agreed to pay the council’s R370 000 electricity debt, that the Mhluzi council should resign by today.

Nhlapo said in Johannesburg yesterday: “If everyone has resigned, I will also go. I can’t carry on alone. I am out of local government.

“But now I have been appointed to this new committee at today’s meeting of the Council for the Co-ordination of Local Government Affairs.”

The committee, under the chairmanship of Deputy Provincial Affairs Minister Tertius Delport, will include Department of Planning and Provincial Affairs representatives and one delegate each from the United Municipal Executive (UME), the four provinces, the three own affairs administrations, the National Ad Hoc Committee, Ucasas, United Municipalities of SA and the RSC Association.

Meanwhile, another black local government veteran, Shadrack Sinaba, has also resigned from the Daveyton Town Council.

Sinaba, 71, said yesterday he was quitting because of the way in which local government was being conducted.

“We always seem to be running things from Pretoria down to the people, not the other way round. Nothing that comes from and serves the interests of the people is ever carried,” Sinaba said.

He said he was going into national politics and joining the ANC.

Sinaba’s resignation follows that of former Daveyton mayor Tom Boya and three other councillors.
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The block triangle
GOVERNMENT was considering a new subsidy scheme for the housing of lower income groups. Planning and Provincial Affairs Minister Hermus Kriel said in Johannesburg yesterday.

Speaking at a demonstration of a new housing concept by building company CV Construction, Kriel said government efforts were directed towards a process through which every family might acquire safe shelter by 2000.

Kriel said the SA Housing Advisory Council was reviewing, at his request, government’s housing policy and would advise on the formulation of a national housing policy and strategy for its implementation.

"We are investigating the implementation of a capital subsidising scheme which should greatly assist the lower income groups and at the same time attract private sector involvement," Kriel said.

CHARLOTTE MATHEWS reports the subsidy scheme being considered involves the introduction of a capital grant on serviced stands. The first time home buyers’ subsidy would remain in place.

Planning and Provincial Affairs Department housing planning chief director Neville Carson said R5 000 per application had been proposed.

"It is not yet formally decided but we have reached an advanced stage in discussions," he said.

The scheme should not be confused with the first time home buyers’ subsidy which had run out of money earlier in the year because the number of applications had exceeded expectations.

"One of the aspects we are looking at for this new proposal is how to finance it within the framework of the existing scheme," he said.

Urban Foundation housing policy direc-
Clear policy needed to ease housing crisis

THE Urban Foundation will launch proposals for a national urban housing policy this month, says Urban Foundation residential development MD Matthew Nel.

Nell was speaking at a banquet in Johannesburg last night after being elected 1990 Housing Person of the Year by the Institute for Housing of Southern Africa. Institute vice-president Jan Viljoen said Nell had earned the award for his efforts to promote financial institutions' involvement in the first-time home-ownership market.

Nell said SA was ill-prepared to meet the housing challenges of the 1990s. The housing backlog was at an all-time high and continued to grow.

Public housing policy was obscure. Any hope for clear national policy and strategy was being subordinated to the parochial interests of the own affairs departments.

"In response to higher risk levels, shrinking margins and limited affordability, the private home-building industry is withdrawing. The process of withdrawal is being fastened by sporadic levels of civil unrest as well as uncertainty as to the policy reform in the housing field."

High interest rates and inflation were eroding affordability levels. The situation was exacerbated by violence in black areas, which resulted in work stoppages.

Non-parliamentary groupings were fuelling black communities' high housing expectations by promising the unattainable — conventional homes for all.

Recent mortgage boycotts in the western Cape had made it "extremely difficult" to secure mortgage finance for this market segment. Local government lacked the resources, viability and credibility to facilitate and maintain housing developments.

"Black communities, for so long excluded from market-oriented housing provision, do not understand mortgage finance and are suspicious of the private sector." These suspicions had been strengthened by exploitation and poor selling practices.

The key to resolving the housing crisis was to deliver housing at scale and on an affordable basis. — Sapa.
Billions of rands could be unlocked

Assurers in huge housing finance plan

The life assurance industry is investigating a major new initiative which could release billions of rands for black housing projects.

The plan is considering the creation of a government housing stock which could be traded on the capital markets, as is Eskom and RSA stock.

Because of the political risks involved in black housing, the stock would be managed by a trust which would have access to further government or development funds, such as the R8bn "backlog" funds which were voted in this year's Budget.

These funds would serve to underwrite the trust and ensure the life industry received a market-related return on its investments. The trust would make direct loans to low-income black homeowners.

Life Offices' Association (LOA) deputy director Jurie Wessels confirmed yesterday the LOA had set up a committee to look into "socially desirable" investments.

The committee was looking into housing and other "grassroots" economic development ventures such as small businesses and the informal sector.

He said this was done because of pressure from government, labor, the private sector and political movements for the life assurance and pension funds "to stop chasing paper on the JSE and do more to stimulate the economy and benefit the needy".

Wessels said the availability of money was not the problem, but there was a lack of a suitable vehicle in which to invest.

KEVIN DAVIE

On June 30, the life industry had R37.7bn invested in public sector stocks. The life offices had total assets of R127.7bn at mid-year.

If 10% of these funds were invested in housing stock, R12bn would be released for black housing. At a cost of R20,000 per home, 600,000 houses could be built, but it is doubtful whether land and resources can be mastered to build that many houses.

The disclosure of the life offices' housing investigation comes against the backdrop of discussions between members of the ANC and individual assurers on an informal basis. ANC economist Velile Pillay sparked a public debate on the issue last week when he suggested the life offices invest 5% to 10% of their funds in socially desirable projects.

Life industry leaders Mike Levitt of Old Mutual and Pierre Steyn of Sanlam have said they would not voluntarily invest policy holders' and pension fund members' money in development projects which did not yield a market-related return.

Government transferred its R8bn backlog money to the Independent Development Trust (IDT) in July. Several attempts by Business Day to get the IDT to release details of how it intends spending the money have proved fruitless. In August, IDT chairman Jan Shyn told the African National Assembly in Johannesburg that his intention was to turn the R8bn into R10bn by

Assurers

involving the private sector.

Wessels said investment in low-cost housing would mean a lower than market rate of return, but a high political risk: "We need an investment vehicle to bridge the gap between high and low risk."

The life assurance industry does not believe a capital problem should be placed on the shoulders of just the life industry. If the taxpayer could provide funds (such as the R8bn voted this year) to guarantee loans, this would buy leverage and financial guarantees.

"The guarantees could be given by government or by an organisation such as the Development Bank, the Urban Foundation or a body created for this purpose."

"Such an organisation could, instead of using the funds available to it for direct development, rather use this money to underwrite loans from assurers and other financial institutions, thereby obtaining much larger funds," Wessels said.

The scheme would be targeted at the lower end of the market. The housing stock scheme would obviate the need for new prescribed assets requirements.
Housing goal: ‘State responsible’

By Esmare van der Merwe
Political Reporter

The Urban Foundation today released far-reaching proposals for a new national housing policy and, in a significant shift in its policy, suggested a major role for Government in the provision of houses to urban dwellers.

In a 60-page document — the culmination of five years’ extensive local and international research — the foundation made some imaginative suggestions to overcome the acute housing backlog and provide accommodation for a fast-expanding population.

Mobilise

In a move which could draw criticism from the private sector, which has always campaigned for less Government involvement in this field, the Urban Foundation said the State was solely responsible for the achievement of the national urban housing goal.

It should do this by ensuring the existence of the legal, institutional and practical conditions necessary to mobilise maximum private sector involvement and provide housing itself to achieve the housing goal.

It was also suggested that the Government support the upgrading of existing informal settlements through the provision of infrastructure and services, secure tenure and access to appropriate housing subsidies.

The Urban Foundation’s research on a comprehensive housing policy was undertaken with the backing of the Private Sector Council on Urbanisation, a forum of the country’s major employer bodies and leaders from both urban and business communities.

Among the proposals were the establishment of a single Ministry of Housing in a united non-racial South Africa, emphasis on informal housing and the upgrading of shacks and squatter camps, and the creation of a housing tribunal to handle disputes over the desirability and feasibility of the upgrading of informal settlements.

The foundation meted out harsh criticism of the Government’s current housing policy, blaming the country’s housing crisis on the apartheid system, failed public policy and a lack of goals.

Backlog

It called for the immediate scrapping of remaining discriminatory laws.

"Constraints on housing supply have resulted in the emergence of a large housing backlog of about 1.2 million units for urban black families, resulting in overcrowding, the emergence of unplanned informal housing such as backyard shacks and freestanding settlements, exploitation of the urban poor and corruption in public administration," the Urban Foundation noted.

The success of a new housing policy would depend on the cooperation and involvement of both the public and private sectors as well as communities, it said.
LOA: housing probe is our idea

THE life assurance industry's investigation into the possibility of making billions of rand available for black housing was not in reaction to ANC demands, says Life Offices' Association (LOA) chairman Dorian Wharton-Hood.

Wharton-Hood, who was responding to reports of ANC demands that insurance companies invest some of their huge cash flow into housing and other acceptable, socially desirable projects, said the LOA's investigation was "proactive" and had started some months ago.

"The LOA committee was set up by the industry on its own initiative and not in response to any organisation or person. There had been no discussions with the ANC in the subject," Wharton-Hood said.

As custodians of policyholders' investments, did not have the right to invest their money at anything other than market-related rates.

While it was true the LOA possessed a huge cash flow and assets, it did not have the resources and infrastructure to manage funds for housing and community projects.

"We are not equipped to operate in these areas. Nor is it our role. Another body will have to be formed to act as intermediary."

The LOA committee had not completed its investigations, and its report would not necessarily recommend investment in black housing, Wharton-Hood said. It might regard community projects such as job-creation or black education as more feasible.

-- Sapa.
Crisis

Report says SA can solve housing

NEWS
New plan to beat housing crisis

THE Urban Foundation has proposed a solution to SA's housing crisis which would involve a leading role for the state and a dramatic revision of existing housing subsidies.

The foundation yesterday unveiled the fifth in a series of policy studies which it developed from five years' research and interaction with a coalition of business and community representatives.

In arguing for a national urban housing policy, the 84-page document proposes a single non-racial housing ministry and suggests that the state play a "prime role".

MD of the foundation's residential development division Mathew Nell said yesterday the suggestion that the state should accept "prime responsibility" for the housing policy was a marked departure from the UP's old approach.

He said the reason for the change in the UP's attitude was that the state had a responsibility to create the legal and institutional conditions to mobilise housing development.

Subsidy

But the UP still believed that private initiative, including community developers, utility companies, finance institutions and community organisations would provide the lion's share of SA's housing needs.

The UP has proposed a 14-point plan for a new housing strategy which includes a one-off capital subsidy of R6 000 on serviced sites.

More than half of black urban households are unable to afford even a serviced site in terms of the current first-time home-buyers subsidy.

The UP's scheme would allow 93% of existing households access to housing, Nell said yesterday.

The document says UP research shows that an average of 174 000 housing units per annum are required to house the urban black population between now and 1995.

This translates into an additional gross land need of some 11 800 hectares per annum (assuming a gross residential density factor of 15 units per hectare) — about one-and-a-half times the current size of Soweto.

Other UP proposals are to:

- Formulate a programme with quantitative objectives for providing a full range of housing options in the urban areas;
- Restructure the state's capacity for housing delivery agencies into housing development agencies for which each has accountability for finances and for achieving set objectives;
- The establishment of metropolitan land planning agencies to identify well-located land for low-income housing development — including site, and service schemes;

- Reorganise financing, ownership and cost-recovery for bulk infrastructure on a national basis;
- Install a single, simplified system throughout SA for registering land and establishing ownership;
- Reduce standards for services by local authorities and allow these to be upgraded over time by regional authorities; and
- Encourage financial institutions, pension funds and life offices to set up innovative schemes for both formal and informal housing.

The foundation feels that the metropolitan land planning agencies should have the authority to hear evidence and resolve conflicts between the national housing goal and "more established communities".

Requirements

Nell said a new housing policy should "level the playing field", so that private and public initiatives operated under the same rules and focused specifically on the urban poor.

Although SA needed to build 174 000 houses a year, the actual building requirements were more likely to be in the region of 90 000 units annually, averaged over the next five years.

In order to subsidise these units, the state would have to pay R3,57bn over the five-year period.

The average cost of implementing the UP's subsidy proposals, including a sophisticated revolving finance scheme, would be R514m a year.

The current budget for housing is R973m, which the UP believes is badly utilised and insufficient for low- and upper-income housing.
Non-race housing ministry mooted

A SINGLE non-racial housing ministry and prime State responsibility for addressing the housing crisis are two of the recommendations to emerge from a housing policy document released this week by the Urban Foundation.

The document is part of a series of policy studies developed out of five years of research and interaction by the Foundation and the Private Sector Council on Urbanisation, a coalition of business and community representatives.

Role

While the Urban Foundation places prime responsibility on the State, it believes that maximum private initiative should be mobilised.

"In discharging this responsibility we see a direct role for the state in housing provision," said Mr Matthew Mell, managing director of the Urban Foundation's residential development division.

"The reason for this is our belief that there is valuable capacity for actual housing delivery tied up in various public authorities.

"We must mobilise the full resources in the country to meet the challenge."

At the same time the Urban Foundation questions the ability of South Africa to make any significant impact on the housing crisis without a fundamental change in housing policy.

"We have noted the Minister's commitment to bring this about with appreciation and stress the urgency of completing this task.

"We regard private initiative as including as wide a variety of interested parties as possible - individuals, community organisations, community-based housing agencies, non-governmental organisations, commercial developers, utility companies, finance institutions and employees.

"In this way we believe private initiative will undertake the lion's share of actual housing delivery.

"The Government would need to provide only what private initiative does not take up," Mell said. - Sapa
Pension funds released for black housing

CAPE TOWN — Government has approved an initiative by Old Mutual and the Urban Foundation to unlock millions of rand in pension and provident fund money for use in the provision of black housing.

The initiative proposes the use of SA’s massive pool of retirement funds as leverage to enable widespread home ownership.

It represents one of the most significant breakthroughs in attempts to release institutional funds for development.

In essence, the plan will enable pension and provident fund members to use their investments as backing for and initial repayment of a bank or building society home loan, without compromising the value of their retirement packages.

If implemented, it will make full use of the R20bn Urban Foundation Guarantee Fund established to underwrite lending institutions’ exposure to the lower end of the home loan market. Old Mutual chief operating officer Gerhard van Niekerk said it would allow pension and provident funds to release money for development without sacrificing market-related returns.

If the plan is taken up by other major pension and provident funds, it will make a major contribution towards solving the problem of affordable housing.

Van Niekerk confirmed yesterday the plan had been approved by a high-level Cabinet committee.

For Cabinet to approve the plan, it first had to agree to exempt the Old Mutual from legal guarantees in the Pension Fund Act of 1956 and the Unssuary Act — which had inhibited the use of pension funds as loan guarantees or repayment sources.

Registrar of Financial Institutions Piet Badenhorst said the exemptions would not have to be approved by Parliament.

Key benefits of the plan are that it will provide pension and provident fund members, unable to accumulate the deposit required to access to a lump sum, and ease the initial repayment burden on low-income members.

It will also provide greater security and easier administration for lending institutions as repayments will be collected in bulk through the employer’s salary administration system.

The schemes were designed by the Perm and Old Mutual with the Urban Foundation.

Perm MD Bob Tucker said the Perm’s “salary-linked home loan” would more than double the amount a prospective home-owner could afford to borrow.

Tucker said even if only a small percentage of pension and life assurance assets were used for the new scheme, R10bn could be made available to finance new homes immediately, with a further R2bn each year.

This is a brief outline of how the plan will work: When a pension or provident fund member applies for a loan, the fund’s guarantee fund will be able to finance at three-quarters of the loan amount the remaining 25% of the loan is to be provided by the member.

Van Niekerk estimated the scheme could finance up to 100,000 homes a year.

It has been estimated that each member would contribute in the region of 2% of his or her salary to the scheme.

Pension funds
Using that loan as a deposit, the member will have access to a bank or building society home loan. If 25% of the person’s salary is not enough to cover bond repayments, the shortfall will be made up by extra monthly loans from the fund. The loan granted for the deposit, together with the additional loans, will be structured in such a way that they do not exceed the member's withdrawal benefit entitlement.

Once the member’s salary can support full repayments, the member will start repaying the additional loans to the fund. The interest on the bond and loan repayments will not exceed 25% of salary. The member will continue to make normal pension or provident fund contributions during this phase.

Once the bond is fully repaid, the member will continue to make additional payments to the fund until the additional loans are also repaid. These repayments will ensure full benefits at retirement.

Members will remain eligible for the normal death and disability benefits provided by the fund during this process.

If the member resigns before retirement, the outstanding loan from the fund will be offset against the withdrawal benefit, less tax payments due.

One of the key benefits is that the plan will be to refine specific details in consultation with pension and provident fund trustees, says Henk Beets, Old Mutual employee benefits assistant GM who was instrumental in developing the plan.

One of those details will be to determine an interest rate on additional funds from the fund which will cover fund members who do not use the loan facility from subsidising those who do.
‘Billions’ in the pipeline for housing

HOPE is in sight for South Africa’s homeless — following two unrelated announcements from the local life assurance industry this week that could make billions of rands available for housing.

**Thousands**

A scheme devised by the Urban Foundation and the country’s largest life assurer, Old Mutual, has been given the green light by Government and effectively opens the door for thousands of people in lower income groups to own homes.

At the same time the life assurance industry’s representative body, the Life Offices Association (LOA) confirmed this week that it had set up a committee to investigate “socially desirable” investments which would include housing and other “grassroots” economic development measures.

The LOA has established a committee to investigate low-cost housing as an avenue for investment, follows last week’s suggestion by ANC economist Vella Pillay that local life assurance invest up to 10 percent of their funds in “socially desirable” projects.

**Pressures**

The LOA said, however, that the decision to investigate these specific investment opportunities was not as a result of “pressure” from the ANC but as a result of the continued lack of suitable investments.

Members of the LOA had total assets of R128 billion by the middle of this year and for many years life assurers have experienced considerable problems in finding secure investments for their funds.
The Perm opens door to low-income houses

By DAVID CARTE

IF YOU wish to buy a house, the Perm will help you — by buying a slice of your salary for the next 20 years for a large capital amount, which you use to get a home.

A Cabinet committee agreed this week to let the Perm launch a revolutionary scheme making home ownership easier for everyone with a job.

The mortgage replacement plan, devised over three years in collaboration with Anthony Askler of the Wits actuarial faculty, also allows pension schemes to channel money into housing without compromising their fiduciary responsibility.

**Static**

Pension funds will provide the money and the Perm will administer the scheme, which is available for houses of all prices.

Perm managing director Bob Tucker says: "When you pay off a bond, assuming constant interest rates, the monthly payment remains static in nominal terms. But in real, inflation-adjusted terms, one's contributions start to fall after a few years. Under this system, because one's salary normally rises over time, payments actually rise in nominal terms and — depending on one's pay increases — in real terms as well. For this reason, one can afford a better home with the new plan."

Another advantage is that payments are unaffected by interest rates.

**Homes for the Many:**

An income of R700 a month buys this R28 500 house. Picture: TOM EDLEY

"You won't get the situation where a man buys a house when interest rates are 12.5% and discovers he cannot afford it when they rise to 21%."

Mr Tucker says present formulas allow house buyers to borrow only 17 times their monthly salary. Most blacks earn less than R1 000. They can thus borrow, at most, R17 000, which is not enough for a house.

The scheme makes it possible to "borrow" 40 times the monthly salary — in other words 5.5 times more. A person who could afford a house of R10 000 is suddenly able to get one costing R25 000.

The Perm's proposal obviates the need to save for a deposit — providing employees are established members of the pension fund.

"We stress this is not an ordinary loan. On behalf of the pension funds, we buy a proportion of a man's salary for 20 years. For the buyer, it is actually less onerous to pay than an ordinary bond."

"At present, the home owner's bond payments must not exceed 30% of his salary at the time of grant."

"The average payment in terms of the new scheme will always be less than 20% of a person's salary. Obviating the proportion payable depends on the cost of the house he or she wants to buy and salary. We use actuarial tables to calculate these things."

**Promotion**

Mr Tucker says all contingencies have been anticipated.

"If anyone enjoys rapid promotion and large pay increases and believes he is paying too much for his house, he can convert to an ordinary bond at any time. The scheme will not be unri
cusable."

"If a person changes jobs, no problem. We simply continue to collect a reduced proportion of income. If he is unemployed and cannot pay, his pension is in the scheme and it would be under existing arrangements."

Mr Tucker says the new bond does much to defuse politicalisation of the housing issue. It makes home ownership more accessible to many. At the same time the pension funds' billions can be safely deployed.

"About 9% of urban blacks can afford a R35 000 home. Another 13.5% can afford one valued between R12 500 and R35 000. No fewer than 60% cannot afford a R12 500 house."

**First**

"But huge numbers of the black employed can afford only R10 000. These people could under the new scheme afford a house of R25 000. This could be enhanced if the Government goes ahead with its R8 000 capital subsidy for first-time buyers of serviced sites."

Mr Tucker says pension funds may join the scheme individually or as part of a pool. They can either have a dedicated portfolio of finance for their own members or can take part in a pool of loans to employees of their own and other pension funds.

The Cabinet's committee also approved a plan put forward by Old Mutual and the Urban Foundation to make pension and provident funds accessible to house buyers.

Fund members will be able to use their retirement, investments as backing for initial repayment of a bank or building society loan up to R45 000 without reducing the value of their retirement benefits.

This is an incremental but important step towards exiting mortgage schemes and is different, says Mr Tucker, from the Perm's scheme, which is a world first.

If the Perm and Old Mutual proposals are widely copied, black house ownership could go a long way to heading off demands from the ANC for institutional money for black housing.
**Housing initiatives praised**

CAPE TOWN — New initiatives to broaden the base of home ownership in SA would help to break the logjam that had kept investment funds from flowing into low-cost housing, Urban Foundation housing MD Matthew Nel said at the weekend.

Referring to initiatives devised by the Old Mutual and the Perm to bring home ownership within the reach of millions of low-income pension and provident fund members, Nel said there were many similar initiatives in the pipeline.

He said research conducted by the Urban Foundation and the Old Mutual had indicated that the use of retirement funds could have a significant effect on SA's critical housing shortage.

In one pilot test, the application of the Old Mutual's scheme to a large industrial company in Johannesburg had had the effect of increasing the percentage of its employees with access to a bond on a R20 000 house from 55% to 97%.

The Perm's salary-linked bond repayment scheme, which also relies on backing from retirement funds, will also give earlier and more affordable access to low-income earners.

In essence, both schemes make provi-

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**Housing**

sion for the earliest possible access to a low-cost house on the basis of the assumed repayment potential of future salary increases and savings.

But Nel says that to be truly effective, these initiatives would have to be accompanied by two other developments: successful implementation of the R20m loan guarantee fund which underwrites portion of lending institutions' exposure to the lower end of the market, and the restructuring of government's housing subsidy schemes in favour of low-cost housing.

Reni Besta, Old Mutual employee bene-

fits GM who was instrumental in designing the scheme, says the limit was determined by two factors: the need to target the low end of the market, and the authorities' concern that access for wealthier people could have an inflationary effect on house prices.

“At R45 000 — a price level at which there has not been strong demand in the past — there are few existing houses with prices to inflate. Instead, it should stimulate the building of new homes at that price level,” he said.
A high-level Cabinet Committee has approved a "unique" joint housing plan by Old Mutual and the Urban Foundation, the insurance giant announced last week.

The plan brings the dream of home ownership within reach of tens of thousands of South Africans who could not previously afford it, Old Mutual said in a statement.

The plan was approved on Wednesday, according to the company.

Refined and tested over two years by Old Mutual and the Urban Foundation, the plan provides for the following:
- Avoids cross-subsidisation by members of pension and provident funds not making use of the scheme;
- Participating members still retain the full value of their retirement benefits; and
- There are no low-yield investment penalties involved as in the case of the suggested prescribed assets route.

The following is a brief outline of the scheme according to Old Mutual:
- If the member resigns from employment before retirement, the outstanding loan from the fund is offset against the withdrawal benefit (less any tax payments due). If the mortgage bond has not been fully repaid, the member will be responsible for continuing the rest of the repayments to the bank or building society as would normally be the case.
- The key features of this new approach towards low-income earners are, according to Old Mutual:
  * Members who would otherwise have difficulty in accumulating the required deposit towards the purchase of a home are granted access to a lump sum;
  * Traditional mortgage loan finance is made more accessible because of the availability of a deposit from the pension or provident fund. Because the member is able to draw on additional ongoing contributions to the retirement fund for an initial period, the mortgage bond repayments are made more affordable;
  * While the initial focus of this scheme has been on making homeownership more affordable, it could also be extended to enable members to repay mortgages faster and acquire full ownership of a home much sooner than would normally be the case;
  * There is greater security and easier administration for a bank or building society because repayments are collected in bulk through the employer's salary administration system.

Old Mutual said the following two legal restraints prohibited its plan from becoming operative:
- The first was under the Pension Fund Act of 1956, whereby any loans granted by pension or provident fund members are at the discretion of the fund's board.
- The second provision prohibited the loan of any money without the written consent of the fund's members.

Throughout this process the member remains eligible for the normal death and disability benefits provided by the retirement fund; provident funds to members have to start being repaid immediately.

The Economic Advice Sub-Committee has now agreed that an exemption from this requirement can be granted under the act by the Registrar after considering an application by individual pension funds.

Secondly, the restraints which were imposed on the operation of this scheme by the Usury Act, have also been removed by way of an exemption.

Old Mutual said the scheme addressed some of the most crucial problems of South Africa's housing crisis -- the twin questions of access to funds and affordability of loan repayments". - Sapa
Vision to free millions for homes realised

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* There is greater security and greater administration for a bank or building society because repayments are collected in bulk through the employee’s salary administration system.

Old Mutual said the following two legal restraints prohibited its plan from becoming operational:

* The first was under the Pension Fund Act of 1956, whereby any loans granted by pension or provident fund are restricted to 50 per cent of the annual member’s salary plus a set cap on the loan amount.

* When a new member joins a pension or provident fund and commences contributions to the fund, a withdrawal benefit is accumulated. As soon as the withdrawal benefit is sufficient to provide for a five per cent deposit on a house of a specified selling price, the member can obtain a loan from a bank against the security of their withdrawal benefit (up to 50 per cent).

The member then commences bond repayments, which are limited to a maximum of 25 per cent to 30 per cent of salary. If this amount is insufficient to cover the bond repayment, the deficit is made up by further loans from the pension or provident fund. The loan granted for the deposit, together with the additional monthly loans to assist with bond repayments, are so structured that they never exceed the member’s withdrawal benefit entitlement.

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Old Mutual said the scheme addressed some of the most crucial problems of South Africa’s housing crisis – the twin questions of access to funds and affordability of loan repayments.” - Sapa
The Life Offices Association, representing the majority of life assurance companies in South Africa, has appointed a committee to investigate "socially desirable" projects, including black housing, small business development and education.

The committee, which was formed last May, is the initiative of the LOA members and has nothing to do with the African National Congress, the Pan African Congress or the Government.

It has not held discussions with any of these groups.

This was confirmed by the chairman of LOA, Mr Dorian Wharton-Hood, who told Sowetan Business this week that the committee would make recommendations to the management committee as soon as it had completed its investigations.

However, Wharton-Hood, did not rule out the possibility that they might have discussions with the groups on the matters at a later stage.

**Demands**

For the moment, he added, "we have not held discussions with the ANC on the issues."

The explanation comes in the wake of demands by the ANC that insurance companies invest some of their cash into housing and other "socially desirable" projects.

The ANC has suggested that insurers invest money in low interest rates, and that the LOA has to consider this as an alternative to nationalisation.

Wharton-Hood said the LOA had not been approached on these matters and no discussion had taken place between it and the liberation movements.

It was inappropriate to imply that life insurers' initiative, which could release billions of rand for housing projects, was a result of the ANC's demands.

Both Old Mutual and Sanlam - the country's biggest life insurance companies - have said that they would not voluntarily agree to invest policy holders and pension fund members' funds in development projects which did not yield a market-related return.

It was inappropriate and improper for Old Mutual as trustees to arbitrarily tax the savings of its million members, most of whom were ordinary working people, the company's chairman, Mr Mike Levitt, said this week.

"Only the State should tax savings, after full consideration of the alternatives and short and long-term implications, and subject to democratic review."

"Old Mutual is a mutual society with more than two million members. These members and their dependents look to the proceeds of their life policies for their future financial security - very often their sole source."

"Furthermore, the workers who are members of pension and provident funds, also look into Old Mutual to manage their monies wisely and well."

He said for that reason the company strived to earn the best returns consistent with security and risk on all the assets backing the liabilities under the policy contracts.

"By its activity in investing the monies of its members and clients in infrastructural developments, in long-term risk capital and in other ways, all the investments have gone towards the economic and social development of South Africa," he said.

Beer sales continue to go up despite squeeze

By JOSHUA RABOROKE

SOUTH African beer drinkers continue to spend vast sums of money quenching their thirst inspite of the squeeze in consumer demand and the state of the economy, the SAB's performance for the six months to September indicates.

The group's beer division reports that sales volumes increased by 11 percent to about one-billion litres for the period.

Its contribution to the bottom line climbed to R140 million (R112m) or 64 percent of attributable profits of R214 million (R177m).

The surge in beer sales helped to bolster group turnover by 19 percent to R6.9 billion with earnings up 21 percent to R5.9bn (661c) a share.

The dividend charge was improved by 20 percent to 30c (25c).

SAB chairman Mr Meyer Kahn attributes the 11 percent increase in beer sales to "a fairly aggressive advertising, promotions, keen pricing and good management" - all of which held to increase beer's share of the total drinks market.

The increasing population also helped uplift sales.

Kahn confirmed that SAB, which boasts such diversified entities such as Edgars, OK Bazaars, Amrel, Acoo, Da Gama and Southern Sun in its portfolio, was still planning to spend most of its authorised R1.8 billion capex for the next two years on its beverages division.

He was pleased with the performance of each one of the divisions with the exception of Southern Sun, which from September became a wholly owned subsidiary.

He said uprisings led to the reduction in the number of tourists.
Happy days are here again as the children of Polokong Children's Village in Evaton whooer over R220 000 donated by Samancor Foundation school for the purchase of a microbus and the building of a cottage which will provide lodging for a mother and 10 children.

**Youths deny attack claims**

THE ANC Youth League yesterday denied allegations that its supporters were involved in attacks on members of other liberation movements.

It pledged to continue fighting for a realisation of the ANC's "popular aspirations" enshrined in the Freedom Charter.

Responding to what it called "seemingly fashionable offensive diatribes which evidently seem to undermine the image of our movement" in the press, the ANCYL said in a statement the ANC had no reason to apologise for its track record which had been informed by its non-racist, and non-ethnic position for decades.

ANCYL dismissed as "a sorry statement on concerted efforts towards a free South Africa" the Azanian Students' Movement's allegations this week that ANC supporters were "alway involved in attacks" against other liberation movements.

"It does not help the cause of liberation, in our opinion, to resort to political mudslinging in the quest for questionable ends. We have to repeat here that we have no interest in dissipating our energy in constituency conflicts. What we are about is a united offensive against the apartheid system in all its ramifications.

"This commitment, we have consistently explained, must cut across the entire political spectrum," the ANCYL statement said.

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**Black housing problem tackled**

THIR dramatic events of the past year have had major implications for South Africa and the Urban Foundation, Foundation chairman Mr AM Rosholt said in his annual review.

He said in spite of many setbacks the Foundation had managed to establish a Home Loan Guarantee Fund and launched the Group Credit company as part of a programme aimed at the lower-income group housing.

The company provided loans between R500 and R5 000 to members of savings clubs who have demonstrated an ability to save.

Rosholt said an informal settlement upgrading the Foundation was aiming to achieve basic health and safety and to secure permanent tenure for residents.

"The decision by the Durban City Council, the Independent Development Trust and the Tongaat-Hulet Group to fund the upgrading of the Bester's Camp on the outskirts of Durban and the acceptance by the community that the Foundation manage this project, is seen as a major breakthrough for us."

He said an area which was causing serious concern within the Foundation was its housing utility companies. - Sapa.
ANC plea for sharing of South Africa

THE ANC, in a report just released, has made an urgent plea for a major redistribution of land in South Africa as part of a State-run affirmative action programme, using nationalisation selectively.

The report is a detailed summary of last month’s African National Congress Land Commission workshop, which was closed to the media.

It is the first in a line of comprehensive ANC documents which will form the basis for discussions towards a definitive ANC land policy, officials said.

Mr Derek Hanekom, administrator of the ANC Land Commission, said what was notable about the workshop was that it highlighted the complexity of the South African land issue.

Discussions raised more questions than answers, he added.

Report

The ANC expects its report will contribute to the growing debate on the emotive issue of land in the country - 87 percent owned by whites and the remaining 13 percent by blacks.

There was also an urgent need for a programme of affirmative action regarding the acquisition of land for black people and in support of aspirant black producers.

Importantly though, the ANC said, the majority opinion was that nationalisation of land was not necessarily the only instrument for land redistribution.

The ANC said an example of the thoroughness of the workshop was that delegates went so far as to give detailed proposals on exactly how to compensate land owners whose land was acquired by the state.

Sapa.
WISEMAN NKGUZI

ANC and PAC should fight council elections.

It is necessary for the country to have leaders who are committed to the development and progress of the nation. The political parties, ANC and PAC, should put aside their differences and unite to fight for the council elections. This will ensure the stability and progress of the country.

In the meantime, the two parties should work together to implement the policies and programs that will benefit the people. It is the responsibility of both parties to work towards a better future for the country.

The council elections are an opportunity for the people to have a say in the management of their local affairs. It is important for the two parties to take this opportunity seriously and ensure that the election process is free and fair.

Let us work together to ensure a bright future for the country.
Focus on new divide

BUSINESS DAY, Thursday, November 15, 1980

Matthew Cutler

They're working on front lines to keep the front line.

Focus on new divide.

The red-and-white tape around the new fence marking the boundary between the U.S. and Mexico. It's a divided nation.

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Steyn's trust seeks channels for investment

CAPE TOWN — The R10bn Independent Development Trust is identifying institutions through which to invest funds and route some of its social upliftment responsibilities, chairman Jan Steyn said yesterday.

Addressing Cape Chamber of Commerce members, Steyn said the Loan Guarantee Fund established by the Urban Foundation and the Mortgage Leaders' Association to encourage lending to the lower end of the home loan market, was one institution in which the trust would consider investing some of the funds.

Others under consideration were the two new home loan financing schemes announced by the Old Mutual, in conjunction with the Urban Foundation, and the Perm.

He urged firms to assist the trust with ideas for investment.

"We face remarkable opportunities during the next three or four years of identifying ways in which our own organisations can make a contribution to the development needs of SA," he said.

The help of the church would be enlisted in rural areas where there were no organisational structures through which the trust could work.

But, responding to pressure for detail on how the trust planned to spend its funds, Steyn reiterated that it would not rush into projects and would resist pleas for handouts.

See Page 6
Widening access to home market may not be enough.
Why the private sector can't build low-cost homes

Matthew Nell, Urban Foundation residential development division MD, puts it into perspective:

"A more accurate reflection would be that the private sector has delivered well where market conditions have allowed it to. It has filled the backlog in conventional housing."

Having saturated that top-end market, private developers were expected to go into low-cost housing for the poor.

What has stopped them is the lack of availability of both mortgage finance for low-cost housing and serviced stands of a reduced quality. The insistence on high standards, such as tarred roads and underground cabling, has pushed the prices of houses beyond the reach of the poor, who are most in need of housing.

Nell says the private sector will move into the lower end of the market if conditions are right.

The UP's loan guarantee fund, which will make it easier for financial institutions to lend money for housing at the lower end of the market, will help make the conditions right, he reckons.

For the moment, the private sector is hanging back. It has been put off by the government's handling of the first-time homebuyers' subsidy, and high levels of unrest in the townships.

The uncertainty introduced by the sudden announcement of a cut-back in the subsidy for black first-time homebuyers earlier this year has put developers off the black market. Having put money into stands, they are understandably afraid to have their plans overturned by government decree.

Nell also had some homebills, if harsh, things to say about almost everyone concerned with the provision of housing.

On the private sector's role, he pointed out that higher risk levels, shrinking margins and limited affordability had caused private home builders to withdraw from the market. This was being hastened along by sporadic unrest as well as uncertainty about reforms in housing, particularly on the Group Areas Act and subsidies.

"High rates of interest and ongoing inflation are significantly eroding levels of affordability," he said.

"This situation is being exacerbated by the violence in black areas, which results in work stoppages and higher prices."

Moreover, financial institutions with few exceptions have still to pursue with any enthusiasm the housing segment below R35,000 — despite committing large sums for loans to it.

"The recent mortgage boycotts in the Western Cape have sent shock waves through the financial institutions, making it extremely difficult to secure market finance for this segment."

He said non-parliamentary groupings such as civic organisations, the Mass Democratic Movement and the African National Congress, were fuelling already high housing expectations of black communities by promising what could not be delivered — conventional homes for all.

"The political changes under way further fuel these expectations," said Nell.

He added that while the public sector was to be commended for its thrust into large-scale site and service developments, it tended to underestimate areas "with a significant absence of any cost recovery". This created even greater confusion in poor communities about the real costs of serviced land.

"Black communities, for so long excluded from market-oriented housing provision, do not understand mortgage finance and are suspicious of the private sector. These suspicions have been strengthened by widespread instances of exploitation, poor selling practices and inadequate quality.
Call for new deal to defuse potent issue

By MICHAEL MORRIS
Political Correspondent

GOVERNMENT and ANC negotiators are being warned that unless they formulate a new and more acceptable form of local government for black townships soon, constitutional negotiations will run into trouble.

Negotiators have been called on to draw up a "Pretoria Minute" on local government — a negotiated settlement between the government and the ANC on a new system for running the townships.

As pressure continues to mount on so-called "apartheid local government structures" in black townships like Khayelitsha, Old Crossroads and scores of others across the country, the government is facing demands from various quarters to re-think its strategy for running the townships during the transition to a new political order in South Africa.

Already, township strife and strident demands for an end to the local council system — has strained relations between the government and the ANC to the limit.

Battle lines are being drawn over mass action against township councils around the country.

Today there are ANC-backed protest marches on this issue in Cape Town and in centres in the Transvaal.

Both sides have adopted tough positions and the stage is set for a major clash. The signs are that the negotiation process is in for a bumpy spell.

Reacting to what they perceived to be a serious threat to the negotiation process, Clarence MP Mr Jan van Eck and Groote Schuur MP Ms Dene Smuts, both of the Democratic Party, called for a "Pretoria Minute" on local government.

"Illegal intimidation"

Mr Van Eck said last night: "This should occur at national leadership level so that the whole mess can be resolved. "This should be the top priority now. The total stalemate now threatening at local government level could jeopardise the whole negotiation process. "The whole system is crumbling — only yesterday the entire Atteridgeville Council resigned — and it is clear something has to be done soon."

On the eve of major demonstrations against black local authorities in Cape Town and the Transvaal, Provincial Affairs Minister Mr Hernus Kriel called on councillors to resist demands to resign, calling this "illegal intimidation."
People must prepare to build the new nation

By ZB MOLEFE

The greatest damage that apartheid did to South Africa was to destroy the creativity of blacks. University of the Transkei principal and vice-chancellor Wiseman Nkuhlu said this week.

Delivering the keynote address at the Urban Foundation annual meeting in Johannesburg, Nkuhlu urged: “Blacks should now consider taking over the responsibilities of addressing poverty and unemployment with the government and other interested parties joining in.”

Calling for greater black participation in the management of black areas, he said one of the first priorities was “to engage the energies of the people in meaningful nation-building activities.” These included tackling poverty, unemployment and homelessness.

Earlier, Nkuhlu pointed out that the establishment of non-racial, integrated city councils, incorporating the present racially-based city councils and black local authorities, needed proper planning to ensure that black areas benefited.

“It would be dangerous if this was not properly handled by those with a genuine interest,” warned Nkuhlu.

“There is a great danger that once a non-racial democratic system is established, middle-income blacks will leave townships for better suburbs in the formerly white cities, leaving the ‘Sowetos’ to collapse.

“The time to plan and prepare a better future for all South Africans is now, and that task is too complex and important to be left to a single organisation – be it the government, development institutions, liberation movements or labour organisations.

“The guiding principle must be to find the best solutions to the problems at hand and not to defend ideological positions or sectoral interests.”

Community leader Deborah Mabiletsa received a standing ovation when it was announced she had been elected vice-president of the Foundation’s board of governors.

Foundation chairman Mike Redolfi warned there were no guarantees that the urban and rural poor would benefit from a new and non-racial South Africa. It was going to be a long, hard road rebuilding South African society.
Now SA Property Foundation launches housing programme

THE SA Property Foundation launched a new housing programme at the weekend as the company joined Old Mutual, the SA Perm and the Urban Foundation in exploiting government's recent approval of exemptions to the 1968 Pension Funds Act and Usury Act.

SAPF director Johan Cloete said the "innovative" scheme launched in association with Anrode Construction, a company specialising in low-cost housing, would release "millions of rands tied up in pension and other funds".

The SAPF scheme promised affordability for both the prospective house owner and the investor.

Cloete said the companies had devised a "carefully balanced financial instrument" which assured financial return for the investor and the provision of housing.

On November 8 a Cabinet committee approved the exemptions, presented to Financial Institutions Registrar Piet Badenhorst in May this year by the SAPF, Old Mutual, SA Perm and the Urban Foundation.

The initiative unlocked the use of SA's R17bn pool of retirement funds as leverage for widespread home ownership.

The SAPF estimated 127,000 houses needed to be built each year for the next 20 years effectively to address the housing backlog.

Cloete said its scheme would allow a single person earning R560 a month to increase his the housing bond he was able to service from the R12,000 possible under today's financial criteria to R49,000. Bond repayments were possible for as little as R200 a month, with home owners able to finance fixed-scale repayment increases on an annual wage increase of only 1.5%.

The SAPF intended to concentrate on a niche market, approaching prospective house buyers through their employers.

He said this strategy facilitated the settling of accounts as the SAPF would deal with employers rather than hundreds of individuals.
Violence 'beyond the levels society able to tolerate'

By Al-Ameen Kafar

The removal of racial barriers can now be used more positively to focus on the socio-economic issues of poverty and disadvantage which face our society, says the chairman of the Urban Foundation A M Rosbolt.

In his annual statement Mr Rosbolt said the foundation had responded to the new open environment by seeking more involvement from community leaders in its decision-making. Far wider interaction with political groupings resulted in communities viewing the foundation as a valuable resource, not only in the project field but also in its policy fields.

The past year has also seen violence escalate within the black urban communities. As SA struggles towards a non-racial democracy, the country has to expect conflicts between different groups of people.

"However, the viciousness of this recent violence goes way beyond what society can tolerate — and requires that all leaders commit themselves beyond rhetoric to a peaceful transition."

It was critical to develop a tolerance for other people's views and a mode of settling differences peacefully and through democratic processes. The violence had very negative consequences for the foundation he added, in particular for their housing, utility companies in Natal, Outeniqua Goldfields and the East Rand.

The progress on a number of education programmes had been thwarted.
Low cost housing

The R3-billion allocated by the Government for socio-economic development should be used where the need was greatest.

It should not be used to subsidise houses costing more than R10 000 to R12 000, said Alda Holdings chairman Ms Alda Geffen.

In a statement, she said the funds should be used for the majority of urban blacks who earned between R500 and R800 a month.

"I believe the acute housing shortage in this country and the squatter problem is a time-bomb on the verge of exploding."

Ms Geffen said it made no sense to subsidise black housing in the R20 000 to R30 000 bracket at the expense of the majority who could not even afford repayments on bonds of R10 000.

She said the belief that basic dwellings could not be built for less than R15 000 had been disproved at Orange Farm earlier this year where 3 500 houses were built at a cost of R8 500 each.

The houses consisted of an outer brick wall with tiled or steel roof, no plastering or ceilings and a single dividing wall.

One water tap was shared by 10 houses and pit sewerage would be used until water-borne sewerage was installed.

Eskom had undertaken to bypass the various municipal authorities and enter into direct supply contracts with house-owners at Orange Farm, Ms Geffen said.
Securitisation of home loans: the latest route

MORTGAGE-backed securitisation — the converting of mortgages into negotiable securities — is emerging as a way of channelling part of the life assureds' billion-rand cash flows into low income housing.

This emerges from interviews with leading figures from the life assureds, chartered accountancy firms, merchant banks and the Reserve Bank.

Mortgage-backed securitisation would work as follows: a traditional lender like a building society would offer low value housing loans to low income earners. The resulting mortgages on the building society's book would be sold off to a company known in securitisation jargon as a special purpose vehicle (SPV).

The SPV would stand good for any default on the mortgages, thus providing the building society with the incentive to make the loan in the first place. As soon as the SPV had a sufficiently big pool of such mortgages, it would securitise them — turn them into interest-yielding marketable securities for life office investment.

The SPV would of course have to make the securities attractive investments. This is done by what is known as "credit enhancement", which could take the form of a "more guarantees, or getting third parties like the government or say the Urban Foundation, to top up the interest paid on the paper to make it more attractive.

This is new for some in this theoretical scenario. Firstly, the low income earner gets a loan the building society may not have to lend (low value loans are low margin items, administratively costly and often just not worth the risk).

Secondly, the building society, in selling the mortgage to the SPV, gets the same amount of money back to use again and simultaneously shifts assets off its balance sheet. Key profitability parameters like the capital to asset ratio improve.

Thirdly, the SPV contains the risk in one place, and can use more effectively the billions various parties — from government to the Urban Foundation — are pledging.

The leverage effect is greater, because those billions go much further in guaranteeing a proportion of potential home owners against default, than they would in the building of houses for all potential homeowners.

Lastly, life institutions get negotiable, market-related paper their trustees are perfectly happy to invest in.

The bottom line in this chain of investment is that the money of the life offices on the one end is actually funding home owners at the other — even though neither may actually be aware of it. UBS did virtually the same thing earlier this year when it securitised R250m worth of its better class mortgages.

Deloitte Pinc goldby consultant Robin Marsden supports the securitisation option, saying the whole notion of a government-guaranteed SPV is nothing new. In the US, where more than two-thirds of citizens are home owners, it has been the practice for decades.

It is as the Gimme Mac (from GNMA, or Government National Mortgage Association), Gimme Mac essentially guarantees all mortgages destined for securitisation with the "full faith and credit of the US government" — meaning they are as safe as US Treasury bonds.

There is no shortage of observers who think SA can evolve its own securitisation programme underpinned by its own Gimme Mac. Andersen consulting consultant Fiona Main says SA certainly has the expertise. A senior life industry source says a Gimme Mac structure is the "most likely" outcome for SA.

Registrar of Banka Hennie van Greuning calls securitisation a practical and workable solution to the housing crisis as it addresses the peculiar concerns of all the parties involved.

Calling for a co-ordinated approach, he says: "People should start speaking to each other rather than past each other."

Van Greuning's point finds an echo in the industry, where complaints are heard about a lack of co-ordination as various parties apparently pursue their own solutions.

The Perms Brian Pook is enthusiastic about securitisation as a lending mechanism, but cautions against the feeling that the problem ends once the money has been disbursed. He raises the wider issues of the availability and affordability of the houses themselves.

Aiken & Peat senior consultant Des Hudson worries about the administrative difficulties of a First World concept like securitisation in a Third World housing market.

Mathew Noll, MD of the Urban Foundation's residential development division, welcomes "any effective mobilisation of life office funding into areas of development need".

A widely expressed view is that because securitisation is a market-based solution understood by Western governments, it is a good candidate for foreign aid. The IMF would rather put money into a Gimme Mac than fund say, the Perm's mortgage book.

Senior figures in the life industry say in private that securitisation is high on the agenda. Life Offices Association (LOA) chairman Mike Levitt says: "We have a committee looking at it, but until a definite conclusion is reached, it is inappropriate to talk about it."

Securitisation is relatively new to SA. Financial institutions, life offices and government all believe it may end their quest for a market-based solution to this country's serious housing crisis.

In a unique show of solidarity, the Nations has imposed sanctions on the goldman th at large not only the invasion of the UN prepared to stop the President's all-dream in its tracks.
FW's assurances on local government structures

PRETORIA — President F W de Klerk has given a delegation from the United Municipalities of SA (Umusa) an assurance that local government structures will remain in place until new structures have been developed.

The Umusa delegation led by chairman of the group's think-tank H Ngakane, met De Klerk and Planning, Provincial Affairs and National Housing Minister Heribert Kriel at the Union Buildings yesterday.

Various matters concerning local government issues were discussed, including the role of elected councillors in black local authorities and their intimidation by certain elements in urban areas.

Apart from giving the assurance that existing local government structures would remain in place he also emphasised that all recognised political movements would be involved in any process required to bring about constitutional change. This applied also to local government level.
When the small people fail to pay, the big lenders turn away

As the recession bites, more black homeowners are failing to pay their bonds...and losing their homes.

By MONDeki MAKAKWA

The increase in repossessions is steadily rising as people fall to meet their payments, but most major financial institutions say the trend has not yet reached critical proportions.

Some would argue this statistic illustrates the seriousness of the situation, but the Central Statistical Services has revealed that the number of court judgments relating to debt increased 16.7% percent in the three months up to August as opposed to the same period last year.

The failure to repay bonds has been cited as one of the reasons major developers have pulled out of black townships.

Financial institutions have shown increasing reluctance to lend money to prospective black homeowners.

The newly-formed Soweto Developers and Builders Forum recently slammed financial institutions for Jubilee major developers in an exodus from townships.

This also comes at a time when a debate has begun between the African National Congress and financial institutions about what role the private sector should play in alleviating the housing crisis.

ANC national affairs director Thabo Mbeki says that both the private sector and the government should address the question of affordable housing for poorer people who could not carry the burden of interest rates.

He calls for distribution to be applied in favour of the poor by not applying the same considerations to everybody who needs a home.

The increase in repossessions is confirmed by the National Building Society's public affairs general manager Brian Short.

He says, however, that the NBS has negotiated with various institutions about repayment patterns and a deal has been reached with the civic association in the Cape township of Khayelitsha.

Responding to Mbeki's statement, Short says while he agrees there should be discrimination in favour of the poor, the responsibility for housing should rest on the shoulders of government and not the private sector.

"The government needs to shift the emphasis of housing subsidies from the middle class to the poor. Rather than subsidising houses, the government should apply its subsidy to the acquisition of land, which would then be utilised for low-income housing," he says.

The Standard Bank's home loans division manager Terry Power says in cases where repayment is difficult for people, financial institutions normally try to structure a loan repayment deal with clients and use repossessions only as a last resort.

"If a person can't pay, it can't be paid. It is not in the interest of the homeowner or the financial institution to repossess the house, so we try to work out a manageable timetable for the benefit of both parties. Rarely do we simply repossession without having tried other means to solve our prob-

He adds that the Standard Bank cannot be expected to make any concession on interest rates because they are already 0.5% percent below the prime rate.

Relucting to disclose what percentage of the SBS's loan lenders were black, credit manager of the United Building Society, Poet Kruger, says although there has been an increase in defaulting, it is not significant. He dismisses as "unfounded" ANC banker's expert Vetfa Phalola's argument that banks are largely exclusionary from financial institution funding (see page 47).

"I don't think the ANC has got its facts right. In the short space of time since 1979 that we've been lending money to black homebuyers, we've done relatively well. At the moment our losses to them are well in excess of R1 billion. "This has been achieved despite crime and squatters in the townships and I don't think one can do much better than this," Kruger says.

David Harrison, general manager of the SA Property Building Society's greater Johannesburg region, says there are always some people who are not good at meeting bond repayments during recessions, but this trend has not been dramatic in the past few months.

"The people to whom we have loaned money are those employed in the formal sector and who have a stable salary. We can therefore assess whether a person can repay or not and therefore reduce risk," Harrison says.
old mutual's new pension-linked housing scheme has received strong support from major pension and provident fund clients. nearly 100 major funds responded positively to the scheme at a briefing in johannesburg yesterday. assistant general manager, henk beets, stressed that:

- only the withdrawal benefits and contributions of members who took up the housing option would be used to provide loans to those members. fund members could use their own accumulated withdrawal benefits to assist in financing the deposit and repayment of a home loan.
- the pension benefits of members not taking advantage of the scheme would not be subsidizing those who did as the financing was linked only to a member's withdrawal benefit. nor would the money of individual insurance policy holders be used to provide financing for the scheme.
- members who used the scheme would retain the full value of their retirement benefits.
Lessons for SA in the way South Americans handle slum problems

MARIETTE DU PLESSIS

UNLESS SA succeeds in managing its housing crisis effectively and timeously, many of its residential areas will soon resemble those of the larger South American cities where slums and squalor prevail.

This is the message from Murray & Roberts Construction's housing division executive director Gavin Hardy, who recently returned from a visit to several South American countries.

Hardy said this week he had identified solutions to housing problems in those countries which could be applied to SA, and stressed that government should create adequate infrastructure and serviced sites.

He underlined the advantage of having one housing ministry with a clear policy, as well as the need to clear up the administrative "nightmare" of registration and transfer procedures.

In addition, land had to be made available close to places of employment. Provision should be made for security of tenure, as this would ensure that people built homes of the best standard they could manage.

The private sector could then "take it from there", but nevertheless, building standards and associated costs had to be re-examined.

CSIR statistics showed that about 300 000 units a year had to be built to eradicate the backlog and keep pace with the population growth.

"Except for Chile, the economics of the South American countries are in dire straits — they are experiencing hyper inflation, reduced domestic output and spiralling import expenditure," Hardy said.

Similarly, their populations were growing at an alarming rate, with Brazil's sunshine capital, Rio de Janeiro, being inhabited by 9-million people, 8-million of whom lived in slums.

However, SA could learn from Brazil in that municipalities should concentrate on sewerage and water reticulation so that water and electricity were generally available, he said.

Low income schemes should also be located close to hubs of business, and while informal building and economic activity should be allowed to flourish, squatters should not be relocated.

"Brazil has learnt to accept the inevitability of squatters, and is trying to provide these people with services no matter how rudimentary," Hardy said.
Bond boycotters seen to frighten off financiers

BOND repayment boycott were scaring financiers away from the low-cost housing market, SA Housing Trust (development), GM J de Riddet said in Johannesburg at the weekend.

At the launch of the African Builders' Association (ABA), De Riddet said financiers were also to blame for not ensuring their clients fully understood the legal intricacies of buying, building, and financial contracts.

**Consequences**

Political opportunism had "played an important role" in most instances involving such boycotts.

He said most boycotters did not understand the consequences of their actions.

"Typically, the situations are approached within the framework of the wage negotiation process associated with the labour union movement."

Many boycotters believed they could approach renegotiation of their loans to suit altered circumstances. In the same way wage disputes were approached in industry.

De Riddet said financial institutions did not take enough care to ensure their clients fully understood their contracts.

Builders were also guilty of neglecting these responsibilities.

There was evidence that builders used "undesirable selling practices".

There had been a significant breakdown in clients' confidence in financiers.

"This was especially caused by construction quality defects," said De Riddet.

"In my humble opinion, bond boycotts are therefore a symptom of badly managed risk."

ABA president Joaas Mogale said his association, an affiliate of the Foundation for African Business and Consumer Services (Fabcos), had affiliates in the Transvaal, Natal, eastern Cape and Ciskei.
More councillors quit under pressure

By Esmare van der Merwe
Political Reporter

A staggering 40 percent of black local authorities nationwide have been paralysed by mass resignations of councillors as pressure for the abolition of the discriminatory third-tier government system mounts.

In the last month alone, 80 councillors have resigned countrywide, according to statistics provided by provincial authorities.

In addition, 40 percent of the country's 262 black local authorities have collapsed, 13 of them in the last month. Most are being run by province-appointed administrators.

The system, the target of severe community pressure which often involves intimidation and violence, could face another test in coming weeks. The Civic Associations of the Transvaal (Casta) will meet again on Sunday to discuss new methods of forcing further resignations of councillors.

Cast assistant general secretary Cas Coovadia said one mooted tactic was to boycott businesses owned by councillors.

Another was for township residents to "go to the councillors and say 'We have come to collect your resignations' and then to see what their reactions are'.

Asked to respond to suggestions that the remaining councillors be called in by someone of the stature of Nelson Mandela and be asked to resign, which would cut out force and intimidation, Mr Coovadia said: "No councillor in his right mind can still believe that he was elected democratically."
Development trust allocates R160m

The Independent Development Trust (IDT) had approved R160m worth of funding for a range of housing, education and health projects, IDT chairman Jan Steyn said yesterday.

Steyn said in a statement approval for the projects had been secured particularly quickly without compromising the IDT's commitment to consulting the community on the issues involved.

The IDT allocated R11m in support of a credit company to provide small loans for the supply and upgrading of informal housing.

IDT finance director Jannie Kitshoff said yesterday the scheme could be the first by an institution in Africa to facilitate the mobilisation of small loans to lower-income families for housing purposes.

IDT housing director Ben van der Ross said the focus would be on "site-and-service schemes and starter housing".

Steyn said the IDT was negotiating a R70m loan with the Urban Foundation to ease its ability to provide shelter for the very poor, but stressed that the Foundation itself would be required to raise R110m from financial institutions and that funding was "conditional on "maximum community participation ... on all aspects of the projects".

Matthew Curtin

He said much of the funding had been allocated to educational projects.

The IDT allocated R10m to technical education and was investigating the possibility of a national loan scheme for funding tertiary education for disadvantaged students in particular.

The trust had already contributed R3m of a R5m package for the Vuselagwe Trust's programme to rebuild schools and classrooms destroyed recently in the Eastern Cape.

Steyn said almost R6m had been earmarked by the new IDT health division.

Kitshoff said the IDT began operations in August after R2bn had been transferred to it by government in mid-July "to meet the development needs of the poorest of the poor in SA".

Steyn said the IDT was "a funding and catalytic agency and not in the business of making handouts or giving taxpayers' money back to supplement state budget deficits."

"The temptation to pour money into a problem has not worked anywhere in the world, and certainly not in Africa. We have had to resist some very vocal pressure to take this easy route."
THE Independent Development Trust (IDT) yesterday announced it had approved a number of new projects in education, health and housing in excess of R160 million, including the support of a credit company to provide informal housing.

In a statement released in Cape Town, the IDT said R11 million had been allocated in support of a credit company aimed at stimulating the supply and upgrading of informal and low-income housing.

According to the IDT director of finance, Mr Janie Kitshoff, this could be the first institution created in Africa which can facilitate the mobilisation of small loans to lower income families for housing purposes.

The IDT became operative in August this year after R2 000-million had been transferred to it in mid-July to meet the development needs of the disadvantaged in South Africa, the statement said.

A substantial loan of R70 million was also being negotiated with the Urban Foundation to facilitate its ability to provide shelter for the disadvantaged.

**Housing**

“This is intended to put the Foundation in a position where it can provide much-needed housing in lower market segments than is generally the case at present,” IDT housing director Ben van der Ross said, adding the focus would primarily be on ace schemes and “starter” housing.

IDT chairman Jan Steyn stressed the funding was conditional on maximum community participation being secured on all aspects of the projects.

The Foundation would also be required to raise R100-million from financial institutions for this purpose.

In addition, the Foundation had undertaken to run educational/informal programmes to inform would-be home owners on its projects on matters such as security of tenure, ownership and affordability, he said.

The Foundation would also be obliged to establish non-profit initiatives to provide communities and individuals with effective consumer protection against bad products and services in this market, Van der Ross said. - Sapa
High noon for councillors looms

By Helen Grange

As pressure mounts on black town councillors countrywide to resign, it is only the bravest who are "sticking it out" in administrations which are slowly being stripped of their power.

Violence and death threats against black councillors in recent months have escalated, and have resulted in scores of councillors giving up their posts in spite of high unemployment.

In Atteridgeville, Pretoria, where violence against black councillors has been particularly intense, only three councillors remain — unable any longer to make decisions without a quorum.

"There has been a lot of violent activity here, and the majority of the councillors have resigned. Houses have been firebombed and threats have been made," said Harry Motolong, spokesman for the Atteridgeville council.

The council could now only do the administrative work and could not make decisions.

Attack

In a report on political violence, the South African Institute of Race Relations said black town councillors and policemen had been a major focus of violent attacks this year.

At least 22 policemen and six councillors had died in "first strike" violent attacks in the first seven months of the year.

The institute had counted at least 409 attacks on the persons or property of black councillors between the beginning of the year and the end of July. These included 87 attacks on homes of black councillors.

At least 462 councillors had resigned to date, in most cases giving intimidation as the reason, and black local authorities outside the homelands were operating with only two-thirds of their seats filled.

With civic associations stepping up the campaign against black councils, the few remaining councillors face possible further danger.

However, the acting president of the United Municipalities of South Africa (Unusa), Henok Ngakane, has said the organisation's members would not bow to pressure. "It is better to die in the battle than to die running away," he said.
Bid to protect home buyers

The drastic shortage of low-cost housing had resulted in "desperate" black consumers who were often exploited by unscrupulous developers, the Urban Foundation's housing policy director Jill Strelitz said yesterday.

"The foundation is currently working together with other organisations in thinking through possible initiatives and positive proposals that could be undertaken to help protect the consumer," she said.

Possibilities such as face-to-face talks with the buyer needed to be facilitated by financial institutions, and contracts needed to be checked so that they were not exclusively geared to the developer, she said.

An alternative was to draw up a standard contract, which would protect the developer and the consumer and would be enforced by the financial institutions. However, this was a difficult task and a way still had to be found to make it feasible.

Financial institutions set their own standards and requirements for housing structures but problems arose because of shoddy workmanship by the contractor.

The Urban Foundation residential dwellings division MD Matthew Nell said yesterday the foundation did not see any contradiction between affordability and quality. "We believe that with the reduction in specifications both as regards services and finishes, an adequate house can be provided ... which can be upgraded later to include ceilings, plastering, electricity and bathroom fittings when these can be afforded."

The SA Perm manager housing division Ian Jones said when a loan was applied for, the Perm did a valuation and held face-to-face interview to try to explain what home ownership would entail.

However, often before the Perm was approached for advice, the contract had been signed, binding the person legally, he said.

The Perm also had minimum requirements as to the structural stability and habitability of the proposed dwelling, which were enforced, he said.
Red tape snags low-cost housing

PROBLEMS facing low-cost housing are being ignored, says Roy Marcus, managing director of Abacus Technologies and former Wits University dean of engineering.

Abacus, marketer of Symodule, is consultant to Symo Corporation which has developed a cheap modular building system which can be put up in a day.

Professor Marcus says the Symodule system is easily transportable, upgradeable, expandable, robust and aesthetically acceptable.

The steel frame, gypsum panel system enables a 50m² house to be built for R12 000.

Professor Marcus says: "SA needs about 800 000 houses. At least 60% of the homeless cannot afford a house. The problem is serious. But there is no single government department to deal with the problem."

- Various departments have their fingers in the pie, causing confusion, red tape and delays.

Professor Marcus believes there is too great a divide between the shack dweller who needs a roof over his head and the certification process, the Mantag certificate.

The Mantag certificate, administered by the Agreement Board of SA, sets stringent quality requirements for non-conventional dwellings.

Inadequate

Unconventional houses on the other hand have to meet Mantag specifications. The solution to SA's housing problems lies in unconventional means.

"We have to find a way to bridge the gulf between the family in the shack and the Mantag requirements."

Professor Marcus suggests that the Government and the private sector get together to identify criteria for low-cost housing.

"Affordability and structural requirements will have to be considered."

Conventional housing needs a large investment in inspectors to monitor on-site construction as well as the quality of materials used."

Professor Marcus says anything that excludes the use of bricks and mortar.

"The product that comes out of the Mantag process ensures that people have a medium- to high-quality home. But Mantag requirements are so high that they inflate the price of housing."

Professor Marcus says there are no adequate procedures to monitor the construction of conventional houses.

"Anyone can build a brick and mortar house without any checks. Often, sub-standard materials are used, resulting in large cracks or sinking foundations."

By Charmain Naidoo

ROY MARCUS: Roof for the homeless. Picture: KOBUS BODENSTEIN

speedy construction of houses is required.

"The Symodule system can be upgraded to full Mantag specification, but it can also start out at a relatively basic level."

"It is prefabricated, so all quality control procedures are carried out in the factory. Symodule dwellings can be extended as the affluence of a family increases. The family can buy more panels and make additions to the house.

"The system can be used for schools and clinics."

Double-storey accommodation can be built."

Professor Marcus believes that the European concept of people living above their business could become popular in SA.

Symodule is being used at Orange Farm — the Transvaal Provincial Administration's official squatter camp.

Abacus Technologies won a contract this week to provide accommodation modules for 1200 construction workers at Sun City.
Economy’s ability to deliver must be governed to ensure that the country’s recovery is robust and sustainable. The government must ensure that the economy’s ability to deliver is not compromised by short-term political considerations. The government must also ensure that the economy’s ability to deliver is not undermined by the current economic policies. The government must also ensure that the economy’s ability to deliver is not undermined by the current economic policies.

Kevin Davey
Guide homes policy
To deliver must
Economy’s ability

The government must ensure that the economy’s ability to deliver is not compromised by short-term political considerations. The government must also ensure that the economy’s ability to deliver is not undermined by the current economic policies. The government must also ensure that the economy’s ability to deliver is not undermined by the current economic policies.

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To deliver must
Protection for low-cost home buyers sought

TALKS aimed at entrenching consumer protection for low-cost home buyers, co-ordinated by the Legal Resources Centre (LRC) and the Urban Foundation (UF), are under way, the parties involved said yesterday.

LRC director Geoff Buttender said the centre, community support groups and other institutions were investigating effective consumer protection for the housing market.

While the parties were some way from agreeing on definitive proposals, there was progress towards addressing “the vast problem”.

All six NRC offices in SA dealt with people “exploited and over-reached” by unscrupulous developers.

He said the major cause of the problem was the housing shortage itself, which produced “desperation buyers” particularly susceptible to exploitation.

The Foundation said yesterday it and the LRC were co-ordinating a forum of interested parties including support groups like the Legal Aid Bureau (LAB) which would devise a consumer protection strategy for implementation in 1991.

The foundation warned in its housing policy document released earlier this year that a serious constraint to housing delivery was “the negative perceptions that many low-income families have of the role of the private sector — specifically the excessive occurrence of exploitation and malpractice” by some developers.

LAB housing advice project director Brian Leveson said yesterday it was gratifying to know the foundation and other interested groups were collaborating to stamp out malpractice in the housing market.

Since the LAB began a pilot advice project this year, it had interviewed 1 200 clients who gave details of exploitation at the hands of developers.

The most common grievance was would-be home owners losing deposits, in one case R27 000, which they had given to developers who did not have fidelity certificates.

Leveson said the problem required a multi-disciplinary approach: legal support, consumer education and legislative amendments.
The poor can solve SA’s housing problem

By NANCY SEIJAS

The poor people themselves know how to solve their problems, far better than any elite group of politicians, business people or intellectuals. It’s just that the elite hardly ever ask them.

One who did was Hernando de Soto, the now famous Peruvian academic and author of The Other Path. He found that the Peruvian poor are not helpless or resource-less - as poor people everywhere are often made out to be, particularly when it comes to housing. In Peru, the poor are acquiring land and building houses for themselves. But they’re doing it all illegally. Expensive regulations and kilometer-long red tape have shut them out of the legal land and housing market.

Warning

The same thing has happened to the poor of South Africa: they could solve the housing crisis themselves, if only the law allowed them to. We should take a warning from the Peruvian story: poor people there have resorted to what De Soto calls “invasions” of state and private land - a dangerous and conflict provoking practice. And now, after the poor have “invaded” the land, they are pushing the government to give them full freehold rights and to liberalize urban development and land use laws.

To solve our own housing crisis but avoid the invasions, we in South Africa should restore full freehold rights to the people, release government land for urban homesteading and liberalize development laws right now. Free of all our expensive regulations and controls, poor people here would end the housing shortage peacefully and quickly. For evidence, here’s a brief history of what the Peruvian poor have done, followed by a plan that would let South Africans do it better.

About a hundred years ago, de Soto writes, homeless Peruvians started breaking the urban development laws - bribing officials to relax regulations, building houses without permits and doing shady deals, and so on. In short, they built houses, despite bureaucracy, red tape and high costs that stood in their way.

Pretty soon the “formal sector” caught on. That is, legal, established urban developers started ignoring regulations as well, not only bribing public officials but leaving public works unfinished and not providing the services required by regulations. This wasn’t for low-income housing - it was for the rich.

By the 1920s these urban developers branched out into the low-income market. The poor cared even less about services, public works and regulations. They bought homes, and started slowly to provide services themselves. The government tried to stop them, and failed.

What followed from these developments (and from the concurrent explosion in informal sector trade and informal job creation in the cities) was a rural migration that would transform Peru. Over the next 30 years, waves of rural migrants flooded the Peruvian cities, all looking for jobs, homes and shelter.

This began an era of what De Soto calls “invasions”, both “gradual” and “violent.”

The lesson for South Africa? Get out of people’s way. The first step is to scrap the Land Acts and the Group Areas Act, which the government has already promised to do. The next steps:

- Give all South Africans living on government owned land, including homestead and Trust land, formal freehold title to that land. For example, give Sowetans the houses they live in, in a formal transfer of title. Then repeal, or drastically reduce, building regulations and town planning schemes, to allow people to build whatever they want on their land, from businesses to houses to flat blocks. Where there is no proper survey or record of subdivisions of government land, offer to recognize any “stand” boundaries the people themselves may designate.

Freehold

- Where squatters are living on government land, give them freehold title to it. Encourage homeless people to homestead on designated state land, and offer to recognize any record of subdivisions and individual title deeds they may keep themselves, as the Peruvian informals did.

- Allow people to buy land in syndicates, as blacks often did after the Anglo Boer War. Groups of blacks, sometimes 50 strong, pooled their resources and bought land together. They must have succeeded in buying a significant amount of land, because black syndicates were outlawed shortly after the first Land Act was passed.

- Stop giving white farmers cheap and easy credit for loans, subsidised by the state. The larger the loan they can get, and the cheaper then can get it, the more they are willing to pay for agricultural land. That drives up the land price. But don’t compound the problem by offering the same treatment for blacks, and allowing black elites to drive up the land price.

- Simplify our complex and expensive deeds registry system; allow competing private companies to offer title deed insurance, as they do in the United States; repeal mandatory conveyancing tariffs; repeal stamp and transfer duties; liberalise land survey and let private surveyors compete freely; in short, get rid of all the artificial costs the government imposes on the process of buying land. They only put land further out of poor people’s reach.

- Repeat town planning schemes and building regulations, especially around the cities, and let people develop whatever they want on their property.

In short, let’s not wait for building regulations, town planning rules, agricultural land use regulations and urban development laws to become de facto obstacles, as they have in Peru. Don’t stop at apartheid land laws: repeal all land laws that discriminate against the poor, and make land and housing too expensive. We could transform urban development from the highest, bureaucratic nightmare it is today into a booming, competitive industry for small and big businesses.

Instead of “invasion”, we’d see urban homesteading on state land. We’d see land changing hands between blacks and whites, as selling land to developers for low-cost housing became lucrative. Squatter camps would grow into villages, with houses, cafes and businesses. Townships would grow into cities, with high rise buildings, banks, shopping centers and flat blocks. And loss making white farms would become efficient, either owned by other whites, blacks or some combination of the two syndicates.

When looking for a solution to any poverty crisis, the best place to look is to the poor themselves. Don’t try to “lead” the poor to a better life, with all sorts of new programmers, laws and regulations to give them what someone else had decided they need. Follow them, to the solutions that really work.
Bid to pressure owners to release land for housing

by BRIAN POTTINGER

THE government is considering a proposal by the Development Bank for the imposition of a special levy on vacant land which is suitable for residential development.

Owners of such land would be expected to pay an "availability charge" for bulk services like electricity, water, roads and sewerage disposal — even if they do not intend developing their land for residential purposes.

The aim would be to put pressure on owners of suitable land in urban and peri-urban areas to make way for residential development — particularly for the urban poor.

If accepted by the government, the proposal is likely to hit the mining companies the hardest as they own tens of thousands of hectares of vacant and undermined areas in peri-urban areas.

Major property and construction companies also have considerable land holdings in the urban areas.

The levy is part of a much wider package which the Development Bank has submitted to the government aimed at dealing with the country's housing crisis — which now includes five to seven million squatters.

A new government housing strategy is expected to be announced next year.

The Development Bank package comprises "sticks", such as the availability charge, and some "carrots" such as a capital subsidy for site and service schemes.

Proposals have also been made for consultations with the private sector in identifying suitable land and changing zoning regulations.

Other suggestions — already reported — include "one-off" subsidies for serviced sites. The bank is also suggesting that a percentage of GDP be devoted to housing every year — ideally 4.5 percent.

Johan Kruger, general manager (urban development) of the bank, told the Financial Express this week that the finer details and costs of the availability charge scheme had not yet been worked out — but conceded it was likely to be "contentious".

Mr Kruger said he believed the bank's proposals were more rational than the land tax proposals of, for example, the ANC.

"We do not want to tax land for the sake of taxing land. Our proposal says that where there is government expenditure to increase the value of the land, the owner should be expected to make a contribution to cover that."

Comment from mining houses was unavailable.

John Hilge, director in the Department of Planning and Provincial Affairs, confirmed various proposals were under consideration.

Rational

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Construction
industry faces
tough times

UPMARKET housing, informal building activity and large organisations are the only sectors of the building and construction industry that will show some resilience in 1991, industry spokesmen say.

Generally, the outlook is bleak. Oval financial director Justin Millar said: "The economic and socio-political conditions, together with high interest rates and inflation, will make it a fairly difficult year."

"The expectation is that interest rates will come off in the first quarter but it will be only a small drop and that will not have a significant effect on the housing market."

He said the lower and middle end of the housing market were hard hit, although the upper end was still buoyant, especially in Cape Town.

Murray & Roberts CE Dave Erizak said most big operators should do reasonably well in 1991 because their order books stretched a year ahead.

"Infrastructure and roadworks are really flat as government spending has dropped right off. A lot of people have withdrawn from the low-cost housing market because it is difficult to achieve profitability with the violence and disruption, high interest rates and red tape."

"In the current economic climate there are still a lot of institutions looking for high quality commercial properties to invest in."

Halflie financial director Peter Swatton said trading had been flat in the past few months.

FPG group MD Ted Hodgins said the group was budgeting a further decline of 3% to 4% in cement sales. "We see our business being kept up largely by residential building and the informal sector."

He said there was a lot of work for non-residential buildings but these contracts would end in mid-1991.

...from
Interest rate drop could boost housing

THE decline in interest rates forecast for early 1991 will assist the housing sector of the building industry from mid-1991 onwards, but non-residential building activity is expected to drop sharply, the latest report from Medium Term Forecasting Associates (MFA) says.

At the same time estate agents are forecasting that residential property prices will hold throughout 1991 but increases will be restrained by political factors.

The MFA believes SA will see slower growth in exports in 1991, but the relaxation of sanctions will encourage an inflow of new investment capital.

This, with a milder foreign debt burden, will build up reserves, causing greater domestic liquidity and eventually lower interest rates.

The trough of the current business cycle will be reached in the second half of 1991, the MFA believes.

Abolition

After that the years leading up to 1995 will experience more favourable economic growth rates.

Most estate agents say the abolition of the Group Areas Act in the first half of this year will increase demand for houses in all areas. But Basil Eik director David Miller believes prices will not rise until the second half of the year.

Durban’s Brick Estates branch manager Bobbie Fraser says there has already been a lot of movement into white areas in the vicinity of Durban and as soon as the GAA is lifted, hundreds of people will move. Affordability is not a problem.

“Think it will affect houses at the lower end of the market in areas such as Bez Valley, Westdene, Newlands and Mackenzie Park in Benoni,” De Huisemark direc-

tor Bruce Andrews says.

The MFA says, however, that a sharp drop, from a high base, is forecast for investment in non-residential building projects in 1991.

Many projects are reaching completion and new work will be scarce.

Commercial property began 1990 on a fairly buoyant note with rentals and prices still rising. From around July the trend line began to flatten.

According to the latest quarterly figures available from the SA Property Owners Association, vacancy levels in A and B-grade commercial properties are rising and landlords are offering incentives to attract tenants.

As retail companies have so far turned in good operating results, retail property has been less affected by the downturn than other property markets.

But in August, RMS Syfrets MD retail division Pat Finnegan said retail rents had reached a plateau and were unlikely to rise over the next two to three years.

Although there is little major office development in the pipeline, projects due for completion in the next year or two include Liberty Life’s new office block in Braamfontein and the Stocks & Stocks Brampton development.

Work has also begun in Parktown around the area of the Sunnyside Hotel by Sage. New Reserve Bank buildings are planned for Johannesburg and Durban.

The trend in office development all year has been very much away from speculative projects.

Large developments are taking place in phases so that the capital risk is low and one phase has to be fully or mostly let before the next is begun.
Umsa warns of civil war

The United Municipalities of South Africa have urged councillors, who have been the victims of a mass campaign calling for their resignation, to physically resist and defend themselves against "the enemy".

In a New Year's message to councillors, Umsa's acting president, Henock Ngakane, said yesterday: "We are aware that the strategy of our enemy is a method of petrol and fire, to bring others to a blood-curding fear."

He also announced that Umsa and its rival, the United Council Association of South Africa, would either amalgamate or form an alliance in January.

Ngakane said the leaders of the campaign would regret the end result of their "foolish" action, which would be the creation of a "second Mozambique and Angola revolutionary war".

Fear

He said: "Councillors, the feared war of necklace is still on against you. The call on all councillors is to resist, and gain courage in durable and loyal stand."

Ngakane accused the National Party government and the ANC of having founded negotiations on "the brittle soil of exclusiveness", adding that the experience and skills of councillors were needed for negotiations on a new municipal system.