PROCEDURES FOR THE REMAINDER OF THE CYCLE

Policy decisions during the remainder of the first five year cycle

The forecast is nearing completion.

It should be emphasized that the forecasts committee's projections for an overall...
Sorting out public and service sectors

A SPOKESMAN for Privatisation Ministry Dawie de Villiers said at the weekend that a distinction should be drawn between the terms "public service" and "public sector".

Referring to a report in Thursday's Business Day on massive growth in public service staffing he pointed out the growth had taken place in the public sector.

This included the public service (government department staff) and parastatals such as Eskom and Iscor. He said De Villiers who is conducting a probe into public service rationalisation, had no comment on the latest Central Statistical Service figures which showed there were 32 077 more public sector employees between the third quarter of 1987 and September last year.

This brought the total number of public sector employees to 1.7 million.
15 000 posts 
‘unaccounted for’ — govt

Johannesburg. — Figures released by Central Statistical Services show an unaccounted-for increase of 15,000 posts in the provincial administrations in one year, despite denials by the provinces that significant numbers of new posts have been created.

According to the latest CSS report last week on the growth of the public sector, there was a massive overall growth of 82,077 employees between the third quarter of 1987 and September last year, bringing the total number of public sector employees to 1.7 million.

CSS has now accounted for the growth by releasing figures which show that the biggest growth was in the provincial administrations (up by 33,000, from 196,000 in 1987, to 229,000 last year) and the civil services of the homelands (up by 23,000, from 162,000 to 185,000).

However, the CSS figures show that the 33,000 new posts in the provincial administrations have been matched by a reduction of only 18,000 central government posts, leaving 15,000 posts unaccounted for.

The total number of posts in the provincial administrations rose from 196,000 to 229,000 over the same period. Of these, 76,690 were white, 31,197 coloured, 6,623 Asian and 114,620 black. The increase of 33,000 posts included 10,000 additional posts for whites, 21,000 for blacks and the remaining 2,000 split between coloured people and Asians.

The Cape Provincial Administration reportedly employed some 18,000 new staff members during 1987. According to a representative, the rearrangement of posts from central government to the provincial administrations accounted for the increase in posts. She declined to comment further, however.
Politics makes it difficult to hire scientists

GERALD REILLY

PRETORIA — The perception abroad of the SA political situation eliminated the possibility of recruiting suitable foreign scientists on a permanent basis, Agricultural Deputy Minister Kraai van Niekerk said yesterday.

Speaking at the SA Society of Plant Pathology annual congress at Cape Town University, he said it was also unrealistic to expect to recruit leading scientists in the light of restricted funds and the shortage of research leaders.

On an “overabundance” of agricultural faculties at SA universities, Van Niekerk said it was claimed this led to duplication and dilution of forces.

“The question can be asked whether full departments of plant pathology at each of four faculties of agriculture can be justified or afforded,” he said.

Fewer and better-equipped departments with adequate personnel and funds were needed.

The departments would also have to ask to what extent they were responsible for the shortage of research leaders.

In contrast to the 50s and early-60s, promising researchers were not being sent abroad for post-graduate study.

He said it remained to be seen whether sources of finance would be available in future to relieve the constraints on the researcher.
PRETORIA - A decline in the 381 000 public servants appointed in terms of the Public Service Act was possible if demands for new and sophisticated services were made by the private sector, Commission for Administration Secretary Ian Robson said.

Robson was reacting to the latest Central Statistical Service (CSS) figures which showed between September 1987 and September last year the numbers employed in the public sector - it included Sats and the Post Office - increased by more than 32 000 to a total exceeding 1.3 million.

He said strict measures were being applied to contain personnel growth in the service. These included central control over the creation of new posts and an intensive programme of function evaluation.

"At the same time, possible privatisation of public sector functions would help contain growth. In time, the measures should lead to a reduction of certain personnel," he said.

On balance, however, it seemed the numbers of certain personnel categories would continue to grow, he said. Almost half of SA's growing population was 19 or younger.

The CSS spokesman said the growth in the central government could have been in the defence or police force.

A commission spokesman was not prepared to comment in depth on the CSS figures, saying the commission preferred to rely on its own statistics, which would be released later in the year in its annual report.

He said some of the additional posts could be accounted for by employment creation and charity programmes.
PUBLIC SERVANTS WANT ANOTHER PAY INCREASE

PRETORIA — Public servants wanted provision made in the Budget for increases later this year, the Public Servants Association (PSA) said.

It said they also wanted a bigger allocation for market-related earnings in specific occupations in the service.

Public sector workers got 15% pay hikes from January — hikes which will cost an additional R4bn in the new financial year.

Last year, an amount of R400m was allocated for occupational differentiation which, PSA GM Hans Olivier said, "was insufficient to meet the need for adjustments in certain key areas in the service.

"We are still not keeping pace with earnings levels in the private sector and, until adjustments are made, we will continue to lose skilled staff."

Olivier said representations were made at the end of last year on the need for a bigger allocation for occupational differentiation as well as for more adjustments to general salary levels during the new financial year.

The 15% granted at the start of the year still left government workers well behind equivalent workers in the private sector.

Olivier agreed with Commission for Administration retiring chairman, Johan de Beer that, in real terms, government workers were worse off than five years ago. Increases had failed to keep pace with inflation.

Olivier also agreed with De Beer that government workers could be lagging by as much as 20%-25% behind the private sector.
Parents outraged at principal’s appointment

By Yusi Kama

PARENTS at Mbekweni, near Paarl, are opposed to the appointment of a white principal at the township’s Simon Hebe High School.

In a heated meeting organized last night by the Department of Education and Training (DETT) for the election of members of the school’s management council, parents demanded to be told why Mr G Visser had been appointed principal.

They said they could not understand why the former principal, Mr T Nzuza, had been made a deputy.

DETT representative Mr H Jumba, who chaired the meeting, said Mr Nzuza had been offered the post of principal at another school in the Peninsula which he had declined.

Parents were concerned about the absence — except for Mr Visser — of members of the teaching staff at the meeting.

“There has never been a meeting like this before at this school,” said one speaker.

“When we discuss school matters, teachers need to be here,” another.

“CRACK THE SYSTEM”

To Mr Jumba’s response that the meeting was for parents only, rather than for a parent-teachers’ body, another speaker remarked: “Then Mr Visser should also be kicked out of this meeting because to us he is just another teacher, not a principal.”

Another speaker said teachers were regarded as parents when it came to school matters, for their advice was always crucial.

Mr Jumba persuaded the parents to take part in the management council and “crack the system from inside”.

Most parents, however, said they felt the structure would be as ineffective as the school committee was before it.
Government bows to demand for golden handshakes probe

By PETER FABRICIUS, Political Staff

The government has bowed to public and political pressure for an inquiry into pension and golden handshake payouts to MPs and political officials who leave office under a cloud.

It announced yesterday that the Cabinet had asked Parliament to appoint an ad-hoc joint committee to recommend in what circumstances pension benefits to MPs and political officials should be withdrawn.

The move follows a wave of scandals and has been widely welcomed by opposition groups, who this week put several motions to Parliament calling for an investigation. Mr Harry Schwarz, PFP spokesman on finance, said: "I think the announcement that some action is to be taken is welcome."

"What has to be done is ensure that whatever recommendations are applied, there must be no political implications. Misconduct must be independently established by a court of law or an independent commission."

"We must be careful it does not become a political weapon. If decisions are made by a group of politicians sitting in judgment on colleagues, that would be wrong."

Mr Schwarz said apart from the proposed loss of pension benefits, a code of conduct and the compulsory disclosure of financial interests should be investigated.

Solidarity chief whip Mr Yunus Moolla, who was to move a motion in the House of Delegates calling for a revision of the pension rules, also welcomed the step, saying that it was important that it had been taken.

"WHY SO LATE?"

Mr Fane Jacobs (CP Losberg) who moved a similar motion in the House of Assembly, said the step was to be welcomed.

"But one wonders why the government has come up so late with this proposal."

"Surely they should have acted immediately when the matters of Mr Peet de Pontes and Mr Pietie du Plessis came to light?"
Kiss of death?

Undaunted by criticisms of the "Info Song" and its voting squirrels campaign, the Bureau for Information is expected this month to launch a R5m campaign to promote deregulation, privatisation and free enterprise. The bureau and advertising agency Bates Wells of

INFO CAMPAIGN

Pretoria are keeping mum until a press conference scheduled for February 16, four days before the newspaper and television campaign, is set to begin.

It is understood the campaign will eschew animated cartoon characters and instead show scenes of black taxis, hawkers, and the low-regulation Kew Enterprise Centre outside Alexandra to demonstrate how a free economy makes everybody better off.

Of course, it's essential that such a campaign be convincing, especially to blacks whose participation in the capitalist economy has been circumscribed by many years of apartheid and over-regulation.

And it's difficult for a government that's given us the Group Areas Act, the Land Act, high and rising taxes, two dozen agricultural boards, unequal education, exchange control, import surcharges, bannings and censorship to hold itself out as a champion of free enterprise.

The important thing, therefore, is that the campaign looks to the future — that it ac-

PPI MOVES UP

Average PPI increase for 1988 was 13.2%, says Central Statistical Service following 13.5% in 1987, 19.5% in 1986 and 16.8% in 1985. Most impact last year came from locally produced commodities, dearer on average by 13.8%.

Going up

12-month increase in PPI, reported monthly

imported commodities rose 11%

In the year to December the index rose 14.6%, against 14.1% in November. The monthly increase was 0.9% (0.5%).

Steel was up 5%, followed by textiles and made-up goods, at 4.1%.

knowledges that apartheid and free enterprise are not compatible partners and that capitalism is part of the reform process.

Some economists fear there is a danger the campaign will backfire among blacks unless this approach is made very clear.

"They'll say we were right in the first place. Apartheid goes hand in hand with free enterprise, just as radicals have told us," a lot of good work has been done to persuade blacks that genuine free enterprise is the sensible alternative to apartheid." He is anxious that this campaign does not jeopardise it.

So the campaign, we hope, will say free enterprise is something SA is heading towards, not something it enjoys today — that, SA's problems have been caused historically by government meddling and the absence of free enterprise.
Letters

Being placed at not OK

Control of posting

PRESIDENT’S OFFICE

J. ROYX, Secretary General State Presidents’ Office

The misappropriation
PSA calls for 43% senior pay gap to be narrowed

Own Correspondent
PRETORIA — The Public Servants’ Association wants the big salary pay gap between directors-general and their deputies and other senior civil servants to be narrowed.

In its official organ — the Public Servant — the PSA says that before occupational differentiation in 1983, the salary difference between deputy director and a director was a mere 75%.

In 1984 the gap, widened to 21%, and after the latest revision of management echelon salaries it increased to between 22% and 45%.

And it claims its investigation has shown that deputy directors are between 20% and 60% behind competitive market-related sectors in remuneration.

This “serious disparity” was bound to lead to increased resignations.

The salary adjustments for senior personnel would have to be given the highest priority possible during the new financial year.

The gap was even more impressive when deputy directors’ exclusion from the motor car finance scheme and having a salary scale instead of a fixed annual salary were taken into account.
SAP overspent on luxury cars

The government has spent R193 848 extra since 1980 by providing senior police officers with more luxurious cars than they were entitled to.

This was disclosed yesterday by the Auditor-General, Dr Joep de Looër, in his report on general affairs activities, which was tabled in Parliament yesterday.

He said R193 848 had been incurred in unauthorised expenditure by the police.
State debt increases by R10.1bn
Political Staff

TOTAL state debt in South Africa rose by 22%, or R10.1 billion, to R56.2bn in the year to March 31, 1988, the auditor-general, Dr Joop de Loor, said in his annual report yesterday.

Dr De Loor said that of this, R50.7bn was long-term debt and R5.5bn temporary debt.

The ratio of temporary debt to total debt on March 31 last year was 9.62%.

In the year under review, long-term debt rose by R8.8bn and temporary debt by R1.3bn.

External debt comprised 2.02% of the total state debt, compared to 3.43% the previous year.
Treasury to repay billions by year's end?

Johannesburg — Treasury is likely to repay part of the billions of rands it owes the Reserve Bank on forward cover losses — incurred by the Bank for Treasury's account — at the end of this fiscal year.

Senior officials said Finance Minister Barrie du Plessis was "seriously considering" the repayment of part of the debt, estimated at R6bn. Du Plessis declined to comment, saying it was an issue which would be addressed in the Budget.

However, monetary officials said government was expected to end the fiscal year with a "small surplus" in the bank, which could be used towards the forward cover debt. The exchequer's balance with the Bank was R6bn at the end of January — a record high.

Economists said the effect of a repayment on the economy would be restrictive because it reduced potential government spending.

The Bank incurred heavy losses on forward cover provided to the banking sector last year because of the declining rand. Importers were taking cover while exporters were holding off.

Reserve Bank Governor Gerhard de Kock last year described the forward losses as an "involuntary increase in central bank credit creation," which had boosted money supply growth.
Auditor-General lists losses of 1987/88

R70-m went down Government drain

By Peter Fabricius, Political Correspondent

CAPE TOWN — Theft, bungling, unauthorised expenditure, accidents and other losses cost more than R70 million in the general affairs state departments last year, the Auditor-General, Dr Joop de Loor, noted in his audit report, tabled yesterday, for the 1987/1988 financial year.

The losses ranged from the R175 738 for a vessel stolen from the navy to the R18 783 367 which motor vehicle accidents cost the Defence Force, police and Department of Transport.

"Fruitless expenditure" totalled about R1.5 million.

Replanned

This included R964 999 wasted by the SA Tourism Board on offices that had to be replanned because they did not come up to specifications.

"Unauthorised expenditure" totalled R1 933 082, including R193 848 overpaid to senior police officers for more luxurious cars than they were entitled to.

Dr de Loor listed nine examples of misappropriation or theft totalling R3 417 365, including R225 193 fraudulently obtained from the Unemployment Insurance Fund by public and staff, R315 401 stolen from the police and R361 177 stolen from the SADF.

Dr de Loor found that R3 746 393 had been lost to the state because of cancellations or variations of contracts.

Under "losses", he totalled more than R50 million, including R36 217 058 lost by the SADF. This included R36 029 damage to an aircraft after a collision with a vehicle and R359 053 damage to an aircraft as a result of a "serious and avoidable" accident.

Dr de Loor listed more than R56 million in losses in various departments and statutory bodies, although some of these figures were duplicated in his listings under thefts and misappropriations.

A major loss not included was the R18 783 367 expenditure caused by motor vehicle accidents in the Defence, Police and Transport Departments.

The greatest loss was in police vehicle accidents which cost R8 721 301 in direct damage, payouts for injuries and legal costs. Defence vehicle accidents cost R3 024 222 and Transport Department accidents R7 037 844.

Dr de Loor's report covered only the audits of the general affairs department and statutory bodies. Separate reports are to be produced on other departments and bodies.
State debt increases by R10,1bn

Political Staff

TOTAL state debt in South Africa rose by 22%, or R10,1 billion, to R58,2bn in the year to March 31, 1988, the auditor-general, Dr Joop de Loor, said in his annual report yesterday.

Dr De Loor said that of this, R50,7bn was long-term debt and R5,5bn temporary debt.

The ratio of temporary debt to total debt on March 31 last year was 9.8%.

In the year under review, long-term debt rose by R8,8bn and temporary debt by R1,5bn.

External debt comprised 2.02% of the total state debt, compared to 3.4% the previous year.

SOMEbody seems to have benefited from South Africa’s involvement in Angola, according to a list of gifts by the state mentioned in the Auditor-General’s report for the 1987/88 financial year.

The Defence Force and the Police appear to be the main donors and unnamed “friendly” countries the main benefactors.

The SADF donated more than R4 million in arms and ammunition. The report also records that the SADF lost R361,771 through theft.

The police presented R34,000 worth of security gifts to neighbours including police dogs.

Among other gifts presented by different departments were R57,000 worth of blankets to the Natal Emergency Fund by Prisons.

SAP overspent on luxury cars

By BARRY STREEK

Political Staff

The government has spent R193,448 extra since 1980 by providing senior police officers with more luxurious cars than they were entitled to.

This was disclosed yesterday by the Auditor-General, Dr Joop de Loor, in his report on general affairs activities, which was tabled in Parliament yesterday.

He said R193,448 had been incurred in unauthorized expenditure by the police.
Big jump in state sector

The figures, reported by Sapa yesterday, show that by September there were 1.7-million public sector employees and the wage bill had reached R6,75m.

The R688m increase comes in spite of last year’s public sector wage freeze. All government workers will receive a 1% across-the-board increase effective from January 1.

Late last year, Finance Minister Bar-
end du Plessis announced a petrol price rise of 10c a litre from January 16 to
contain the deficit. Ninety percent of the increase will go towards financing addi-
tional state spending — mainly on sala-
dies and wages.

A racial breakdown showed that average salaries of whites had increased from R2 013 to R2 207, blacks from R679 to R759, Asians from R1 541 to R1 616 and coloureds from R88 to R94.

Privatisation Minister Dawie de Vil-
liers, who is charged with investigating rationalisation of the civil service, could not be contacted yesterday.

In an earlier interview, he said the
civil service had not grown out of pro-
portion as the average annual increase in the period between 1977 and 1987 was 3%.

MARC HASENFUSSE reports that the PFP’s finance spokesman Harry Schwarz said the increase in employees in the public sector was “unwarranted and unjustified unless the increase takes place in sectors like black teaching where it is most needed”.

PFP Southern Transvaal region chairman Brian Goodall said the increase showed how “hollow” government promises were to cut back on state bureaucracy.

“The government should be increas-
ing the role of the private sector and decreasing the public sector’s role, but instead it does the opposite,” Goodall said.

CP spokesman Clive Derby-Lewis said the increase was “another example of NP doublespeak.

“Whatever they say and what they do are two different things. They have lost control of the situation.”
State blows R70m on theft and bungling

By PETER FABRICIUS
Political Staff

THEFT, bungling, unauthorised expenditure, accidents and other losses cost more than R70-million in the "general affairs" State departments last year.

Auditor General Dr Joop de Loor noted these losses in his audit report tabled in Parliament yesterday for the 1987/1988 financial year.

The losses ranged from the R176,738 for a ship stolen from the Navy to the total of R18,783,367 which motor vehicle accidents cost the Defence Force, police and the Department of Transport.

"Fruitless expenditure" totalled about R1,5-million including R96,999 wasted by the SA Tourism Board on offices which had to be replaced due to failure specifications.

"Unauthorized expenditure" totalled R1,933,682 including an amount of R193,848 overpaid to senior police officers under the subsidised motor transport scheme because they were given more luxurious cars than they were entitled to.

Dr de Loor listed nine examples of misappropriation or theft, totalling R3,417,365 and including:
- R2,251,193 fraudulently obtained from the Unemployment Insurance Fund,
- R315,401 stolen from the police, and
- R301,177 stolen from the Defence Force.

Peanut butter

Dr de Loor found that R3,746,393 had been lost to the State because of cancellations or variations of contracts.

These ranged from the R150,000 lost in a contract to supply peanut butter, to an estimated R1,7-million lost in transport contracts for the supply of fuel and stores.

Under "losses", Dr de Loor totalled over R50-million, including a whopping R36,217,058 lost by the Defence Force.

This included:
- The R36,029 damage to an aircraft after a collision with a vehicle,
- R385,053 damage to an aircraft as a result of a "serious and avoidable" accident.

Dr de Loor listed over R56-million in losses in various departments and statutory bodies, although some of these figures were duplicated in his listings under thefts and misappropriations.

One of the major losses not included in this list was the R18,763,367 expenditure caused by motor vehicle accidents in the defence, police and transport departments.

The greatest loss was in police vehicle accidents which cost R8,721,501 in direct damage, payouts for injuries and legal costs.

Dr de Loor's report covered only the audits of the "general affairs" department and statutory bodies.

It excluded the three "own affairs" administrations, SA Transport Services, Posts and Telecommunications, the four provincial administrations, 21 agricultural control boards, 16 regional service councils and the governments of the self-governing territories.

Parliamentary reports, page 6
Minister asks for R18,3bn

Political Staff

FINANCE MINISTER Mr Barend du Plessis yesterday called on Parliament to give its approval for an advance of R18,3bn to fund state and provincial spending over the first few months of the new financial year until the main Budget is passed.

This total amount, contained in the Part Appropriation Bill, tabled yesterday, is considerably higher than 1988's part appropriation. The R15,2bn requested for central government and the administrations for own affairs is 16,5%, or R2,2bn, more than the R13bn requested this time last year, while the R3,1bn for the provinces is about 3,3% up on the amount provided for in the Act.

As is usual, Mr Du Plessis gave no details yesterday of how he intends spending the appropriation. He said more clarity with regard to expenditure would be given next week when the Additional Appropriation Bill is tabled, while revenue and financing would have to await the main Budget in four weeks' time.

Mr Du Plessis stressed that it was still too early to provide any meaningful data on government's finances for the 1988/89 financial year. Nevertheless, leading indicators suggested SA achieved an overall growth rate of some 3% during 1988.

Mr Du Plessis said it was encouraging to note that SA ended 1968 with an estimated R2,3bn surplus on the current account of the balance of payments, overriding the fears expressed earlier in the year that it would move into a substantial deficit — heading the country into another international currency crisis.

He said the major contribution to this gratifying performance came from merchandise exports, excluding gold.

A disappointing element of the economy last year was the capital account, where the net outflow rose to about R6,5bn, increasing SA's net capital outflow over the past four years to about R25bn.

Mr Du Plessis said details of this large outflow of capital were not yet available, but it is known that the major part represented outflows on account of items not subject to the debt standstill arrangement.

He noted that despite the commendable performance of the current account, the country's foreign exchange and gold reserves remained under pressure, with the weighted value of the rand against all foreign currencies depreciating by about 13% during the year.

Another disappointing development which gave rise for concern was the unduly large increase in the money supply. Owing to an exceptionally large increase in domestic credit extension by the banks, the targeted upper limit of 16% set by the Reserve Bank was far overshot — despite several increases in the bank rate, Mr Du Plessis concluded.
CAPE TOWN — Unauthorised Government expenditure totalling R1 933 082.89 for the 1987/88 financial year was reported by the Auditor-General in his annual report tabled in Parliament today.

Unauthorised police expenditure totalled R103 848.82 for operating expenses overpaid since 1988 to senior officers’ subsidised motor transport scheme.

This was because “contrary to the relevant instructions, they were provided with more luxurious cars that should have been provided for non-general government use only”.

Unauthorised Defence expenditure amounted to R1 069 234.27, of which R594 834.20 was a warrant voucher issued in March 1986 “for the purchase of mobile dwellings, ablution and offices which were only received between April and August 1985”.

Incorrectly computer-calculated housing subsidies, implemented without the necessary approval and reported as unauthorised, accounted for an extra R74 000.07 during the 1986/87 and 1987/88 financial years.

The Department of Agricultural Economics and Marketing accounted for R558 000 of the unauthorised expenditure, with the payment in the year of R370 000 and R189 000 in connection with the phasing out of two prison outposts. This had not been done in terms of the requirements of the Exchequer and Audit Act.

The Department of Environment Affairs accounted for unauthorised expenditure of R20 000 for grants-in-aid to the National Veld Trust and the Habitat Board without the necessary authority. — SAPA.
The SADF donated more than R4 million in arms and ammunition. The report also records that the SADF lost R361,777 through theft.

The police presented R34,000 worth of security gifts to neighbours including police dogs.

Among other gifts presented by different departments were R37,000 worth of blankets to the Natal Emergency Fund by Prisons.
Private sector jobs probe to shift?

Political Staff

ADMINISTRATION and Privatisation Minister Dawie de Villiers seems set to move responsibility for privatising public sector jobs away from the Commission for Administration.

At the moment De Villiers' privatisation unit is responsible for co-ordinating the impending privatisation of parastatals while the Commission has been investigating which public sector jobs can be handed over to the private sector.

However there is a growing feeling that more progress can be achieved if the section of the Commission which is investigating privatisation of public sector jobs is moved to the special unit. The belief among leading officials is that the Commission cannot be responsible for both administration and privatisation. The functions should be separated.

The Commission has come under fire from some ministers for dragging its feet on privatisation.

De Villiers said in an interview that the unit would play an ever increasing role in co-ordinating and implementing the privatisation programme.
De Villiers ponders privatisation shift

CAPE TOWN — Administration and Privatisation Minister Dawie de Villiers seems set to move responsibility for privatising public-sector jobs from the Commission for Administration.

His privatisation unit is responsible for co-ordinating the impending privatisation of parastatals while the commission has been investigating which public-sector jobs can be handed over to the private sector.

There is a growing feeling more progress could be achieved if the section of the commission investigating privatisation of public-sector jobs were moved to the special unit. The belief among leading officials is that the commission cannot be responsible for both administration and privatisation.

MIKE ROBERTSON

The commission has come under fire from some Ministers for dragging its feet on privatisation.

De Villiers, in an interview, was careful not to be seen as criticising the commission because he believes that for the programme to succeed it is essential to take people with him.

He said, however, the unit would play a bigger role in co-ordinating and implementing the privatisation programme. It had developed an expertise and it would be silly for every other department to try to "discover the wheel".

There was no intention to build a new bureaucracy at the unit. Instead the services of the private sector would be utilised.

The unit was responsible for identifying any area where jobs could be taken over by the private sector. If there were difficulties it would be his task to take up the matter with the Minister or department concerned.

"You have in many cases some scepticism and resistance from people who do not believe certain functions should be privatised and need some convincing."

He has, however, had good cooperation from ministerial colleagues. In most cases, once the unit had identified an area to be privatised, it was not necessary to put pressure on departments or directors-general.

"A top manager is not afraid of his job. Even if his responsibilities are passed on, if he has done his job well he will have no difficulty in going on to do something else."

Detainee numbers remain a secret

Political Staff

LAW and Order Minister Adriaan Vilok yesterday refused to disclose the number of people who were detained in terms of the emergency regulations.

He said neither government nor the SAP were in favour of detaining people "at random".

Replying to a question by Helen Suxman (FFP Houghton), Vilok said the number of people detained varied from "day-to-day".

Vlok to reply on Asvat killing

Political Staff

CAPE TOWN — Law and Order Minister Adriaan Vilok may give an indication tomorrow of the progress of police investigations into the murder of Dr Abu-Baker Asvat in Soweto last month.

Vilok will speak in the House of Delegates tomorrow in a 15-minute "interpolation" in response to a question tabled by Mahmoud Rajab (PPP, Springfield).

Although Vilok has limited speaking time, he may reply to the question for three minutes and then reply for three minutes at the end of the interpolation.

Rajab will be able to respond for three minutes and then other MPs or Vilok, will be able to speak for up to two minutes a time — but Vilok is restricted to two speaking opportunities other than his first statement and his final reply.

The interpolation procedure, which was used for the first time yesterday, is aimed at providing an extended opportunity for questions and replies to specific issues and may be used only on delimited occasions after press parties.

Worrall cha
Big spenders spoil Barend's books

CAPE TOWN — The Cabinet decision to raise civil servants' pay has severely undermined Finance Minister Barend du Plessis's attempts to restrict government spending.

Estimates of additional government expenditure, tabled in Parliament on Friday, show the state has overshot its budget for improving civil service salaries by a massive R35.9bn — 151.8%.

This additional expenditure is more than 30% of government's total extra spending of R176bn (4.5% higher than R38.8bn estimated in the Budget) in the current financial year.

Foreign Minister Pik Botha is also asking for an extra R123m to fund pay hikes for civil servants in TBVC states.

'Du Plessis is asking for R18m to fund improvements in condition of service for Inland Revenue staff. The provinces want an additional R137.7m to fund the 15% pay hike they gave their staff.

All of this amounts to an extra R612m which government will want taxpayers and other revenue sources to fund. The good news is Du Plessis has managed to impose fiscal discipline on some Cabinet colleagues.

Govt big spenders spoil Barend's books

President P W Botha and Ministers in charge of National Education, Education and Training, Manpower, the Commission for Administration, Home Affairs, Transport, National Health, Environment Affairs and Water Affairs all managed to restrict department spending to budgeted estimates.

All departments, with five exceptions, restricted spending to less than 2% above budget.

Defence Minister Magnus Malan is the biggest spender among the exceptions. He wants R460m, 26%, of additional spending.

Of this R260m is needed to pay for the extra troops and equipment used to defend SA bases in Namibia after withdrawal of troops from Angola in percentage terms the biggest overspender, after civil servants, is the Information Bureau's Stoffel van der Merwe. The bureau was 74%, or R23.4bn, over budget.

Agriculture Minister Gsyling Wem- nel's department was 42%, or R30bn, over budget to "stabilise the agricultural sector and the prices of agricultural products".

The Foreign Affairs Department was 86%, or R167.8m, over budget. Of this R126m was to pay for salary increases for TBVC civil servants.

The Trade and Industry Department was 37%, or R45.8m, over budget. This was due to an additional R16m payment to the Small Business Development Corporation. Some of the extra expenditure was offset by savings.
Pay hikes push govt spending over limit

Political Staff

THE cabinet decision to hand out “election sweeteners” pay hikes to civil servants has severely undermined attempts by the Minister of Finance, Mr Barcend du Plessis, to restrict government spending.

Estimates of additional government expenditure tabled in Parliament on Friday show the state has overestimated the amount it budgeted for improving civil service salaries by a huge R535.9m or 15.1%, despite Mr Du Plessis doing more than any minister of finance in past decades to try to impose fiscal discipline on his more spendthrift cabinet colleagues.

This additional expenditure on civil servants amounts to more than 30% of the government’s total extra spending of R1.76 billion (4.5% higher than the R$8.9 billion estimated in the main budget) in the current financial year.

But the thickening up of an already flabby bureaucracy does not end there. The Foreign Minister, Mr Pik Botha, is asking for an extra R23m to fund pay hikes for civil servants in the independent homelands (TVBC) states. Mr Du Plessis himself is asking for R13m to fund improvements in conditions of service for Inland Revenue staff. And the provinces want an additional R197.7m to fund the 15% pay hike they gave their staff.

All this amounts to an extra R613m, which the government will be looking to taxpayers and other revenue sources to fund.

Restrict spending

The good news from the estimates is that Mr Du Plessis has managed to impose fiscal discipline on some of his cabinet colleagues. President P W Botha and the ministers in charge of national education and training, manpower, the commission for administration, home affairs, transport, national health, environment affairs and other affairs all managed to restrict departmental spending to the budgeted estimates.

With five exceptions the rest of the departments managed to restrict their spending to less than 2% above the budgeted estimates.

Of the exceptions, the Defence Minister, General Magnus Malan, is the biggest spender, asking for R490m or 26% of additional government spending.

Of this, R350m is needed to pay for the extra troops and equipment used to defend South African bases in Namibia after the withdrawal of troops from Angola.

A further R17m will be used to pay for the withdrawal of South African troops from Namibia. In all the withdrawal from Namibia is expected to cost the SADF R200m, but the rest will be funded out of the budget for the next financial year. The reason for the high cost is that removal companies are charging the SADF about R100 000 to move four families from northern Namibia to South Africa.

In percentage terms the biggest overspender, after civil servants, is Dr Stoffel van der Merwe’s Bureau for Information. The bureau, which hopes to sell private enterprise to the populace by way of an advertising campaign — which at least some senior ministers believe to be unnecessary — is a massive 74% or R23.4m over budget.

Of this extra spending R3.2m is to pay for the “squirrel” campaign during the municipal election, R2m for the free enterprise campaign and R13m for the film industry scheme that took over from the Department of Trade and Industry.

Agricultural subsidies

The department of the Minister of Agriculture, Mr Greyling Wentzel, was 9.5% or R30m over budget. All of this was due to the government’s inability to come to grips with another of its privileged interest groups, farmers, and was paid out in subsidies to “stabilise the agricultural sector and the prices of agricultural products”.

The Foreign Affairs department was 6.8% or R167.6m over budget. R36.6m was to pay for unexpected costs arising out of the Namibian Angolan peace talks, a fall in the value of the rand and the expansion of South African representation abroad.

The Department of Trade and Industry was 3.7% or R43.6m over budget. This was entirely due to an additional R76m payment to the Small Business Development Corporation. The extra expenditure was to some extent offset by savings in other areas of the department.
CAPE TOWN — Finance Minister Eberhard du Plessis yesterday defended the R1bn pay hikes government handed to civil servants, saying it had acted to “avert” a threatening manpower crisis.

He also told Parliament the deficit before borrowing as a percentage of the GDP was expected to be lower than the 4.5% predicted in last year’s Budget. There were sufficient additional income and loan receipts to fund the spending of the extra R2,59m he was asking for in the Additional Appropriation Bill.

MIKE ROBERTSON

The total cost of the pay hikes, announced before the municipal elections, amounted to more than R1bn. Of this a sum of R53m was included in the main Budget, leaving Du Plessis to ask Parliament for an extra R53m to fund them.

Du Plessis said government had acted to increase civil servant salaries because the demand for manpower by the private sector was drawing skilled and experienced labour away.

Speaking during the committee stage of the debate on the Bill, Administration and Privatisation Minister Dawie de Villiers said government had satisfied itself before agreeing to the pay hikes that they could be funded out of additional revenues and there would be no need to raise taxes.

He said with six weeks to go to the end of the financial year, revised total expenditure was expected to be R64.56bn. Over-expenditures were expected to be R2.59bn.
SCHWARZ HITS AT CLAIM OVER PAY INCREASE

CAPE TOWN — PPP finance spokesman Harry Schwarz yesterday ridiculed Finance Minister Barend du Plessis's claim that the R1bn pay increase handed to civil servants was necessary to avert a manpower crisis.

"If government was forced to hand out large increases to stop staff leaving during a mild upswing in the economy, what would it have to do if SA ever had a boom," Schwarz asked.

Government was paying for its failure to educate and train enough people in the past, Schwarz questioned how much higher salaries for senior civil servants could go. A director-general now earned just under R360,000.

Du Plessis's explanation was not satisfactory. There needed to be more debate as to why the salary increases were brought forward.

CP finance spokesman Casper Uys suggested the timing of the increases was linked to the municipal elections.

Replying to the debate, Du Plessis said that in his department alone 10 economists had resigned prior to the pay rises. The SADP and the departments of Justice and Education had suffered similar losses.

It was only as a result of the pay rise that the state had retained the services of valuable officials.

Turning to the sale of part of the state's share in favor to the IDC, which Schwarz had earlier criticised as being an unsatisfactory way of raising money, Du Plessis said the IDC had been overcapitalised. The Development Bank, HRDC and housing institutions had been undercapitalised, and "what we did was effect the better distribution of available capital".

In future, the top priority for the application of funds raised by privatisation would be to reduce public debt.
Defence, education, civil service

Du Plessis needs further R2,59-bn

The Minister of Finance, Mr Barend du Plessis, yesterday asked Parliament to appropriate an additional R2 591 million for the current financial year.

He told Parliament the additional expenditure over the estimated R93 965 million budgeted was due to R2 741 million overspending and expected savings of R150 million. The additional amount was 4.8 percent of the expected total expenditure in the main Budget.

The additional appropriation was read a first time with the support of the Houses of Representatives and Delegates, but it was approved only after a division (81 in favour and 32 against) in the House of Assembly where it was opposed by the Progressive Federal Party and the Conservative Party.

Salaries, pensions

The major part of the over-expenditure was derived from two or three items which included the improvement in service (salary) conditions for civil servants, higher pensions, changes in the security situation and the higher cost of public debt.

Explaining the reversal of the State President's announcement early last year that there would be no general salary increases for public servants, Mr du Plessis said that there had been a "marked increase" in the private sector's demand for qualified and skilled labour and that this demand was satisfied by drawing the required labour from the public sector.

"Acting responsibly and in order to avert a threatening manpower crisis, the Government had no alternative but to advance by three months the general salary adjustment that was to take place on April 1 1989."

He said another notable and unforeseen expenditure was brought about by the changed security situation in Namibia and Angola which brought additional expenditure for the SA Defence Force amounting to R460 million.

Mr du Plessis said South Africa's biggest spending Government departments were among the most important.

Hitting back at the Conservative Party's claims that State spending was still "unacceptably high" and that the Government had failed to meet its spending targets, Mr du Plessis said the "big spenders" in the economy included the Department of National Education and the Department of Defence.

A meaningful cut in expenditure would have to be a vast sum, but would the Conservative Party be prepared to make cuts on this scale, he asked.

"The Conservative Party must look at the biggest spenders in the economy. National education is the biggest. Are they prepared to cut that or not?"
SA can be proud of only eight cases of dishonesty — Durr

There were only eight cases of dishonesty, involving a total of R34,000, in the House of Assembly Administration during the past year, the Minister of the Budget Mr Kent Durr said yesterday.

Replying to debate on the administration's part appropriation, he said South Africa could be proud that it had public servants of such a high quality.

The amount involved in the eight cases represented only 0.0004 percent of the administration's R6 billion budget and was a small proportion of the R1.92 million worth of Treasury cheques handled.

Three of the amounts in the eight cases had been recovered and two officials had been fired.

The real test of corruption was not whether one found crooks in government but how society reacted to people like that and whether the system found such behaviour repulsive.

The fact was that the Government did, and would root out any dishonesty.

Mr Durr said the CP spokesman on economic affairs, Mr Clive Derby-Lewis, would tear the heart out of South Africa if his recent proposal that South Africa stop exports of strategic minerals to the United States were adopted — Saps.
ASSOCOM call to Du Plessis

Staff Reporter

ASSOCOM has challenged the Minister of Finance, Mr Bar- end du Plessis, to reduce government spending to 26 percent of the gross national product.

Addressing a meeting of the newly formed Tygerberg Chamber of Commerce and Industry in Parow yesterday evening, Assocom president Mr Sidney Matus said that at one of a series of meetings with several Cabinet Ministers, the association had challenged Mr du Plessis to reduce government expenditure by one percent.

Such a decrease would help eliminate the current downswing in the economy, reduce inflation and make available money to implement reform, Mr Matus said.

The reduction in government spending was essential because "while most other countries are containing their inflation, it would appear that we (South Africa) will reach something like 15.5 percent in 1989."

According to Mr Matus, "the rationalisation of taxation envisaged by the Margo Commission has not materialised" and only measures to collect more tax to accommodate more government spending have been implemented.

The result was that South Africa faced "the threat of increased interest rates and a deteriorating balance of payments."

Mr Matus pointed out that consumer spending was increasing at a faster rate than the economy was growing. The lack of capital formation internally, the inability to borrow overseas and high government expenditure had mitigated against any reduction in taxation.

"We will have to dedicate ourselves to economic reform but this is not possible without political reform," he said.

"We need to get more people, other than whites, into the taxpaying net and in order to do that we have to develop our economy over a broad spectrum of all population groups."

"TIGHT" BUDGET

Mr Matus said that to maintain the balance of payments, the government would have to "cool" the economy by higher interest rates, addressing bank credit and by producing a "tight" budget.

"We (Assocom) do not believe that Mr du Plessis's Budget will include tax relief," he said.

He hoped the Budget would not be influenced by a possible election, which Assocom believed it would not be beneficial to South Africa to delay.

Meanwhile, Mr du Plessis said in an interview with The Argus Political Staff that South Africa was paying the penalty for too rapid growth in demand and too much credit last year.

"Too many individuals lived beyond their means last year," he said.

Not only had people lived on too much credit, but far too much had been imported, placing a squeeze on the balance of payments.

The growth in demand had also been responsible for some inflationary pressure.

BOOM AND BUST

Mr du Plessis emphasised, however, that the government had no intention of allowing a boom-and-bust situation.

He declined to speculate on whether the interest rates would continue to climb, saying any comment from him could cause the market to react.

Much now depended on whether the economy cooled down.

He said economic growth had to be structured to make the country less dependent on imports.
Deficit to fall by R2,5bn

Incompetent management of public finances has stranded the monetary system in an unprecedented way. In line with past trends, most of the paper needed to finance the public-sector borrowing requirement (PSBR), budgeted at R10bn for the 1988-1989 fiscal year, was issued in the second quarter of the fiscal year.

Traditionally, Treasury experiences negative cash balances in this period, and into the third quarter. The problem is that this fiscal year is turning out to be anything but traditional, mainly because revenues for the first 10 months are up almost 50% on last year. This, together with a 38% increase in tax revenues, has left the Treasury with a surplus of R2,5bn.

Crude, annualised, that means revenues are exceeding estimates by R5bn. Given traditional public finance methods - that gives back what it did not think it would take - that R5bn could be used for a myriad of things. Assuming spending was exactly on target (which it never is), it would cover a full 50% of the PSBR.

Alternatively, the GST rate could have been cut from 12% to 5% for the entire fiscal year. Or, no less than 12 troublesome imports - from stamp duties to mining leases - could have been abolished, still leaving R1,2bn cash in the bank. In reality, of course, taxpayers should not expect a cent of their cash back. Indeed, if anything, there are (groundless) rumours that the GST rate is in line for an increase. Even cursory inspection of the Exchequer accounts suggests completely the opposite.

In the event, the Exchequer closed January with a cash balance of R4,2bn - the highest ever. This amount, which closely mirrors the margin between revenue estimates and actual outcome, is in itself significant. It is more than enough to cover the additional R2,7bn spending asked for in the recent Appropriation Bill, and then cut the PSBR to R7,5bn.

Why did Treasury’s computers get revenue estimates so wrong? Apart from macroeconomic reasons, such as higher than expected growth and heavy consumer expenditure, there were a number of straighter reasons. Prominent among these is the phasing out of the debtors’ allowance for GST.

Thus, ostensibly introduced to prepare vendors for VAT, remained in force as the chances of VAT arriving in 1989-1990 dwindled to zero. Revenue spokesmen say the phasing out has garnered hundreds of millions of extra rand.

In the sense that it is a one-off, it does not bode well for possible tax reductions in the fiscal year ahead. Revenue spokesmen say that MTC revenues have not wildly exceeded estimates, despite speculation to the contrary from the private sector when the retroactive impast was announced in the March Budget.

Another significantly underestimated area is fringe benefits tax, where several major phasing-in concessions are running out. Housing, for the biggest perk, will only be phased in over the next two years.

But the real gains are from increases in imports announced during the year - for other reasons. Import surcharges were increased by up to 60% to "protect the balance of payments." On the evidence, they have done nothing but protect the BoP, they have certainly fuelled inflationary pressures.

The fuel levy (there is no GST on fuel) was increased by about 10% in January, ostensibly to help balance the books, but really to get a handle on the fortunes of the burgeoning black taxi industry.

Says Nedbank’s Ted Osborne: "There are structural weaknesses in the forecasting model. But there has never been anything like this year’s miscalculations."

Osborne argues that the over-issue of government stock "in excess of what was required for PSBR means a tremendous drain on the whole economic system."

So while the average taxpaying unit will see out the fiscal year having paid 25% more tax than a year ago, monetary policy will be anything but smooth in the months ahead. And though the Exchequer account may go into 1989-1990 with R2bn cash, this is no signal for tax cuts. Official policy may be that if consumer spending can be this strong with such a tax burden, an even greater tax burden can be handled.

INTEREST RATES

Quick-step

For once Reserve Bank Governor Gerhard de Kock moved fast in response to bad news. Money supply figures for January (Economy February 23) showed strong growth in M3 persists, and trade figures indicate demand for imports remains high. So last week saw a formal 1,5 percentage point increase in Bank rate - or an effective one percentage point increase in the key rediscount rate to banks - to 16% (see “New Wave”).

Many would argue the latest move, like the earlier ones, is too little too late.

But, though inadequate increases in interest rates in the past 16 months may have built up inflationary pressures, there is an important difference in the timing of the announcement. Unlike last year’s moves, which came only after weeks of lobbying from the banking sector, this came spontaneously from the Central Bank. Perhaps the absence of State President P W Botha speeded up the decision-making process, allowing the Bank to move when a move was due.

By raising the rediscount rates, De Kock has made accommodation, and consequently
THE NATIONAL MOOD

The rewards of movement

With the country's leadership in a vacuum, reform has again become a subject for respectable debate. It has become an option again — not a policy as frayed as those promises to trim public-sector spending and the size of the civil service; and not an issue demanding electoral judging because of fears of the Right.

Not that fears of the Right have abated — but the empty shops of Boksburg and Carletonville have had a powerful effect on the minds of all but the most devoted advocates of Conservative policy in all its full blighted flower.

In SA, a change of administration has seen men ascend to power tempered by the effects of what it means to carry out apartheid in the real world. They are accordingly labelled reformers — they know well enough that we cannot cut ourselves off from the world. Interest rate differentials with our trading partners, the foreign debt situation — these alone weave us into the world economic web. So what should FW de Klerk do?

Apartheid comes down to more than the Separate Amenities Act — it rests on race classification and the Land Act. The first provides the basis of the "new" constitution and the Group Areas Act; the second the geographic parameters of the homelands policy with its concomitant penalty of denationalisation of SA citizens.

The longer these inequitable laws are used to divide and rule, the longer the system remains unstable — with periodic upheavals to be dampened by security actions which have in turn led to infringements of human rights. The world's punishment — sanctions, disinvestment, the diplomatic and trade chill — makes matters worse, because everyone becomes poorer in a contracting economic climate.

Apartheid and the responses to it cannot be overturned overnight. Even were we to scrap race classification and the Land Act and have a one-man, one-vote constitution (that is, witness the abduction of Afrikaner hegemony in favour of blacks), it would be a long time before the essential ingredients of stability and economic rectitude persuaded the multinationals to return, or the capital boycott was ended.

Nonetheless, if reform means anything, it means movement — towards a freer society, politically and economically. The one is contingent on the other. Movement, at the very least, would foster at least some capital inflow, and perhaps slow the capital outflow.

The world's lenders are short of good borrowers — notwithstanding the strength of the OECD. While movement in reform will inevitably fail short of notional black majority rule — perhaps for decades — it could well be enough, if it is sincere, to encourage Swiss and German bankers, for example, to reconsider their policies on SA.

It is not enough to instruct the police not to prosecute those who break the Separate Amenities Act — as has already been done — while the law remains on the books. That law should go — it should not be a local option to exclude children from public parks on the basis of their skin colour. Perhaps Boksburg and Carletonville might even secretly welcome such a reprieve for their pockets.

Much the same applies to the Group Areas Act. Price — the market — could most efficiently determine who lives where, from Houghton to Crossroads.

But then we come down to race classification, perhaps the final hurdle — and the one which will take longest to resolve. So long as people's destiny is warped from birth, everything else can go and the basic structural inequality would remain. Yet if, one by one, the apartheid laws can topple — and they can, and do, generally after social trends have outpaced them beyond policing — then race classification can go too.

At the least, the major political task of the FW de Klerk administration will be to indicate movement towards repeal of the fundamental race laws; and the bolder it is about the direction it intends to take, the greater will be the reward in terms of regaining access to the world in many senses, not least the financial one.
HOUSE OF DELEGATES

INTERPELLATIONS
The sign * indicates a translation The sign used subsequently in the same speech, indicates the original language.

Own Affairs
M L Sultan Technician Vice-Rector dismissed

1 Mr M RAJAB asked the Minister of Education and Culture
Whether the Vice-Rector of the M L Sultan Technion whose name has been dismissed by the Minister's Department for the purpose of his reply, was dismissed in 1988 as a result of a report submitted to the council of the said technion, if so, (a) who drew up the report and (b) what recommendations did it contain?

The MINISTER OF EDUCATION AND CULTURE Mr Chairman, the reply is No The Vice-Rector was not dismissed His probationary appointment was not confirmed as a result of a decision of the council based on an assessment and report on the Vice-Rector by the Rector Therefore (a) and (b) fail away

Mr Mr RAJAB Mr Chairman, I hope that the hon the Minister is aware that we are dealing with the dismissal of a man who was actually employed in the Department of Education and Training as a senior deputy education specialist I hope he realises that we are dealing here with a man who was at one time rector of a teacher training college in the Cape as well

Such a man, after careful selection by a selection committee was in fact appointed In terms of the rule he had to serve a probationary period Is the hon the Minister aware that we are dealing with the dismissal of a man who was actually employed in the Department of Education and Training as a senior deputy education specialist I hope he realises that we are dealing here with a man who was at one time rector of a teacher training college in the Cape as well

Is he aware that as a result of this protracted negotiation which took place between the legal representatives of the gentleman concerned and the council, an amount of something like R118 000 was lost to the council?

I should tell the hon the Minister how the R118 000 has been made up There is R20 000 which was paid to the council allowed for relocation, both in the first instance and in the second instance when he was sent back to Pretoria A further amount of R30 000 was given as a leave grant for services not rendered for the period that we are talking about, but an amount of R1 000

The CHAIRMAN OF THE HOUSE Order I have to interrupt the hon member His time has expired

Mr M SHAH Mr Chairman, my time has been allocated to the hon member for Springfield

Mr M RAJAB Mr Chairman, I notice that Solidarity has been allocated a minute, but I will take their time as well [Interruptions]

I was just asking the hon the Minister whether he was aware of the fact that, because somebody overlooked the regulations, the gentleman concerned was paid an amount of R20 000 as five months' salary, from May to the end of December, in order for him to find suitable employment elsewhere My concern is whether we can afford to lose that amount, whether they simply because the procedures are not being followed and simply because there is a possibility of insecurity I would like to hear the Minister's answer on this before I continue

The MINISTER OF EDUCATION AND CULTURE Mr Chairman, I want to tell the hon member for Springfield that I am aware of all the factors that led up to this termination I also want to tell the hon member whether he knows that this technion is an institution which is controlled by an autonomous council which determines its own policies I would like to hear the hon the Minister of Education and Culture is responsible for a subsidy to that technion I am aware of that as well and I am sure that the hon member is also aware of that fact It is therefore understandable for the technion to probe into the day-to-day workings of an autonomous institution except under exceptional circumstances One of these circumstances could be a matter referred to the Minister by the council itself The Minister would then be bound to take action I want to reiterate that I am aware of all the facts that led to this termination

Debate concluded

Public servants encouraged to improve qualifications

2 Mr J V IYMAN asked the Minister of Local Government and Agriculture
(1) Whether public servants employed in his Department are encouraged to improve their qualifications, if so, what incentives are given,
(2) whether such public servants who go on study leave receive their normal remuneration

The MINISTER OF LOCAL GOVERNMENT AND AGRICULTURE Mr Chairman, the reply to the first part of the question is as follows Yes, in the case of studies at technions, registration, tuition and examination fees are paid from State funds In the case of university studies, Public Service bursaries are offered by the Commission for Administration

Study leave is granted on a 50-50 basis, for example public servants are entitled to one day's special leave for every day vacation leave approved In addition, officials studying on a part-time basis are granted a day's special leave for each day on which they write an examination plus a day's special leave to prepare for each such examination

On successful completion of his course of study the officer will qualify for a cash reward of either one or more salary notches which is equivalent to house salary increment and which is payable in accordance with the personnel administration standard for the relevant occupational class

Secondly, the payment of full or part-time remuneration is dependent on the number of days of vacation leave the officer has to his credit, for which purpose study leave is granted on the basis referred to above If he has no vacation leave to his credit he can obviously not benefit from the 50-50 basis

Mr J V IYMAN Mr Chairman, I would like to find out something from the hon the Minister It is common knowledge that the Department of Agriculture is tremendously short of trained personnel in the field of agriculture At present his department does not even have a Director They are making extensive efforts to recruit a suitably qualified person within the South African context

What I would like to know from the hon the Minister is whether the field technicians who are presently employed in his department are being given the opportunity to attend universities at department's expense Are they entitled to paid leave Most of the men are married They are granted leave and some of them are granted bursaries but while they are away at university they are not being paid I understand that they are studying without pay and at their own expense It is obvious that any student or other human being—ever any farm animal for that matter—is to eat in order to live Why is it so that these employees go on study leave they are not paid their full normal salary After all, they are entitled to the department and the nation as a whole It is an asset to have fully trained experts in the field of agriculture The hon the Minister is eager and anxious to improve the number of Production of the farmer Farmers They need training

[Time expired]

Mr Mr RAJAB Mr Chairman, I welcome the statement made by the hon the Minister in this regard I was a little surprised by my hon colleague's question as I understand his question he wanted to know whether incentives where provided by the department The hon the Minister has in fact indicated that is the case

As I understand the comments made just now by my hon friend, he did not know whether the normal remuneration also applied As I understand this, this is the position that applies in every department

Mr J V IYMAN You understand wrongly

Mr RAJAB Well, if the hon gentleman tells me that I am wrong, I will accept it

Mr J V IYMAN You are wrong

Mr RAJAB He did not come here this afternoon with any concrete facts I am surprised at that hon gentleman because he should know better He should come to this Chamber with concrete facts and tell us where the hon the Minister is wrong I do not want to hold a brief for the hon the Minister but that hon member has not proved his case [Time expired]

Mr J V IYMAN Mr Chairman I would like to
obtain more specific information from the hon Minister this time. A gentleman who has just gone on leave was categorically told by the department—I have the correspondence to prove it—that it is unpaid study leave. He is entitled to study leave but he will not be paid. I hope that information also satisfies the hon member for Springfield.

A full-time employee of the department has gone on unpaid study leave.

That is my concern. When someone from the Public Service goes on study leave he is not paid, and if the hon Minister did say that they are paid, then the hon the Minister is wrong. I call that misleading the House. I have facts and figures here. [Time expired]

Mr M Y BAIG Mr Chairman, on a point of order. The hon member has said the hon the Minister is misleading the House. That is unparliamentary language.

The CHAIRMAN OF THE HOUSE Order! What were the hon member’s exact words?

Mr J V YMAM Mr Chairman, I was merely reacting to what the hon member for Springfield said. I said that the hon the Minister made a statement in this House that public servants employed in his department are given study leave while being paid in full, then that is a misleading statement.

The CHAIRMAN OF THE HOUSE Order! The word “misleading” in that context is not unparliamentary.

Mr M RAJAB Mr Chairman, I do believe that in the interest of justice, it is incumbent upon the hon member to let this House have the particular information that he has. I believe that he should disclose it in this House. That hon member has had two bites of the cherry and he has not yet given us the information on which he relies. Apart from not disclosing his information, he has told us that if that was the reply of the hon the Minister then the Minister is misinformed. If the hon the Minister is misinformed, I would like to ask the hon member where he is misinformed. He must please tell us.

The MINISTER OF THE BUDGET Mr Chairman, the hon member for Camperdown needs to be informed that any member of the staff of the administration who is on leave or on special study leave, is paid his full salary. He also receives funds for his registration and studies. Where the hon member got his information from, I do not know. I am at a loss to understand that he should have been informed about it in this manner.

Mr M RAJAB Is the hon member for Camperdown misinformed?

The MINISTER Mr Chairman, it is a known fact that the State as an employer encourages its employees to better qualify themselves and to advance in their particular fields. We in the administration have always assisted those students or groups to improve their qualifications or who want to specialise in their particular fields. In addition to that we grant them special leave on a 50-50 basis and, if the classes are in the daytime, we also grant these employees special leave. In addition to the encouragement the Administration House of Delegates give, the Commission for Administration also helps to entertain such applications. We naturally place a high premium on training.

Mr J V YMAM Mr Chairman, will the hon member take a question?

The CHAIRMAN OF THE HOUSE Order! The hon the Minister is replying and he will not take questions now. The hon member must please resume his seat.

The MINISTER Mr Chairman, I think the hon member for Camperdown is particularly interested in the Department of Agriculture, where we have two technicians, Messrs V Chetty and K Govender. [Time expired]

The CHAIRMAN OF THE HOUSE Order! That brings us to the end of interpellations. At this point I want to appeal earnestly to the Whips to please see to it that the presiding officers have a complete list of speakers in front of them in advance.

GROUP AREAS

39 Mr S S VAN DER MERWE asked the Minister of Justice:

(a) How many persons were prosecuted for contraventions in terms of the Group Areas Act in 1988 and (b)(i) what was the outcome, and (b)(ii) which magisterial districts were involved in each case?

The MINISTER OF JUSTICE

I caused enquiries to be made at the various Magisterial Districts and according to them the information is as follows:

(a) (i) (Outcome) (b) (ii) (Magisterial District)

1 R300 admission of guilt Bloemfontein
2 Guilty Sentence of R300 00 or 3 months' imprisonment plus a further 3 months' imprisonment suspended for 1 year Ficksburg
not ready available No special record in the form of a register is kept in this connection and the required information cannot be ascertained without performing a considerable volume of work, which is deemed unjustified.

Self-governing territories/independent Black states: land incorporated

127 Mr J J WALSH asked the Minister of Education and Development Aid

Whether any land made available for occupation by Blacks since 1936 has subsequently been incorporated or to be incorporated into self-governing territories or independent Black states, if so, (a) what area of land, (b) which such territory or state was involved, and (c) when, in each case?

The MINISTER OF EDUCATION AND DEVELOPMENT AID

All the required information is not ready available as no special record in the form of a register is kept in this connection. The present total extent of the independent states and self-governing territories given hereunder, includes land which was set aside for occupation by Black people in terms of the Black Land Act, 1936 (Act 27 of 1936), as well as land released in terms of the Development Trust and Land Act, 1936 (Act 18 of 1936), which belongs to individual Black people. Tribes, the South African Development Trust and the various Black governments.

Transkei — 4 287 000 Ha
Bophuthatswana — 4 214 737 Ha
Venda — 708 897 Ha
Ciskei — 794 827 Ha
KwaNdebele — 2 399 958 Ha
Gazankulu — 796 789 Ha
QwaQwa — 99 276 Ha
KaNgwane — 505 615 Ha
Lephalale — 2 927 697 Ha
KwaZulu — 3 239 522 Ha

Irrespective of the above-mentioned areas of land already included into the areas of jurisdiction of the various states as indicated the Government is also engaged in the systematic addition to the different states of a further 330 000 hectares consisting of properties of the South African Development Trust, Tribes owned land and land belonging to individual Black people.

B279E

The MINISTER OF EDUCATION AND DEVELOPMENT AID

Yes, the required information however is

Abrahams, Mr T— General Affairs
Constitutional Development and Planning, 45

Langley, Mr T— General Affairs
Defence, 227

Barnard, Dr M S— General Affairs
National Health and Population Development, 7

Rajab, Mr M— General Affairs
Law and Order, 51, 117

Burrows, Mr R M— Own Affairs
Education and Culture, 94, 259

Own Affairs
Education and Culture, 41, 187, 275

Chairman of Minster’s Council, 10:
Health Services and Welfare, 169

De Jager, Mr C D— General Affairs
Finance, 57

Reddy, Dr J N— General Affairs
Water Affairs, 207

Gerber, Mr A— Own Affairs
Chairman of Minster’s Council, 163

Snyman, Dr W J— General Affairs
Foreign Affairs, 137

Iyman, Mr J V— General Affairs
Economic Affairs and Technology, 303

Suzman, Mrs H— General Affairs
Law and Order, 62

Johnson, Mr J D— Own Affairs
Chairman of Minster’s Council, 163

Van Gend, Mr J B de R— General Affairs
Justice, 142
JOHANNESBURG. — The biggest slice by far of what is expected to be a R65-billion budget this week will again go to pay the country's expanding bureaucracy.

Based on a total pay-out to government personnel in the 12 months to the end of September last year of R15.8bn, the Minister of Finance, Mr Barend du Plessis, will have to make provision for a pay bill of around R20bn which is near to 30% of the national income.

And if the government reverts to the old system of pay hikes to 12 months, he will have to provide for new increases in the last three months of the financial year.

The Public Servants' Association and other exchequer personnel including teachers will press for a new round of pay increases from January next year.

The 15% pay hike granted from January this year will add R4bn to the total pay-out in a 12-month period. Exchequer personnel include state department and provincial administration workers, personnel of the self-governing territories, parastatals, such as the CSIR, SABS, Mintek and the HSRC.

It also includes the personnel of the universities and technikons.

And according to the latest central statistical services figures, there were 510,882 working for the central government and 229,136 for the Provincial Administration at the end of September last year.

The total of 740,018 was 15,391 more than at the end of September 1987.

Working in own affairs departments were 176,254 and in general affairs departments 327,409.

The civil services of the self-governing states employed 185,313 compared with 161,944 the year before.
AND HOUSING Mr Chairman, I forgot to answer the second part of the question.

The Development and Housing Board, following the recommendation by the Committee, comprising of the department's representatives from the Johannesburg region, the Chairman of the Coloured Management Committee, a nominee of the City Council of Johannesburg, a town and regional planner of the department's head office and the Vice Chairman of the Executive Committee of the Development Board, approved of business 4061 being sold to a certain Mr J C Pretorius to accommodate such activity as the City Council in consultation with the town planners may determine.

The hon members asked several other questions which were not part of the original question I cannot reply to them. We will take them up from Hansard the questions they asked and, in the debate on my Vote next week, answers will be given.

I just want to repeat what was said. Factually neither the Ministry nor the department concerned at any stage issued authority to a person to sell residential sites belonging to the Development Board. If the people went to a person and they gave them money, they must take that person to court. That person was involved in the transaction. The regional office, according to information I have received, issued no authority to sell any plots in that particular area to any person. These are private transactions and the people concerned must take the persons to court who sold those plots fictitiously to them. It has nothing to do with this department.

THE CHAIRMAN OF THE HOUSE Order! A moment ago I mistakenly referred to the hon member for Matroosfontein as the hon member for Elsies River. I am sorry, it is the hon member for Matroosfontein who made the mistake.

Mr V SASS It is the Chair that made the mistake.

THE CHAIRMAN OF THE HOUSE Order and (a) whom and (b) what will be the purpose of these recommendations, (2) whether any decisions have been taken in this regard, if not, (a) whether and (b) when is it anticipated that decisions will be taken, if so, (i) when, (ii) what decisions and (iii) what were the reasons for these decisions?

The MINISTER OF LOCAL GOVERNMENT, HOUSING AND AGRICULTURE

1. Yes
   (a) (i) After proclamation and acquisition of land
   (ii) No finality has been reached

2. No
   (b) 2 500–3 000 erven
   (c) ±300 hectare

Riverlea Extension 1 area: housing development

*2 Mr C J KIPPEN asked the Minister of Education and Culture

Whether any applications from suitably qualified (a) primary and (b) secondary school teachers for posts at schools under his control were refused by his Department in 1988, if so, (i) why, (ii) how many in each case and (iii) in which regions?

The MINISTER OF EDUCATION AND CULTURE

(a) No
(b) No

If posts are not readily available the names of unsuccessful applicants are placed on waiting lists at regional offices.

Saint Martin's Trust Area

*3 Mr T R GEORGE asked the Minister of Local Government, Housing and Agriculture

Whether it is the intention that the Saint Martin's Trust Area be utilized for housing development if not, why not so (a)?
Public servants ‘disappointed’

By DEBORAH SMITH, Pretoria Bureau

It was disappointing that the Minister of Finance, Mr Barend du Plessis, had failed to address the issue of market-oriented salary adjustments in crisis sections of the public service, the President of the Public Servants Association, Dr Colin Cameron said.

Reading to the Budget Speech, he said 107 career groups had been identified as “crisis careers” in which market-oriented salary adjustments would have to be made in the coming year.

Dr Cameron said the Association had calculated that public servants would be 20 percent behind the private sector on April 1, using 1984 as a base year.

“In light of these circumstances the Association will have to approach the Government asking them to improve the market position of salaries in the civil service,” he said.

He referred to the impossible tax burden on employees which would be taken a step further with the March 1 phase-in of taxation of fringe benefits. In addition, increases in the cost of living were helped on by rising petrol prices, tariffs for public services and interest rates.

These increases had to be seen in the light of increased salary demands which would put pressure on the civil service.

The increase in GST would be welcomed if it resulted in a decrease in direct personal taxation, said Dr Cameron, adding that another benefit was that it broadened the tax base.
Our own government does far more damage to the economy than sanctioneers ever will. Indeed, South Africa's enemies must often ask themselves: who needs international sanctions when we’ve got Pretoria?

FACT of South African life somewhat obscured by this week’s budget details is the huge amount taxpayers fork out to pay for the country’s expanding bureaucracy.

In pay cheques, perks and benefits alone, the public service consumes something like a third of the budget, or R20–25 billion plus.

It has been estimated there is one public servant for every 27 people in the country. This, say analysts, is where the problem of excessive government spending should be tackled.

Shrink the bureaucracy and government spending will fall dramatically, is the call from economists and finance writer Don Caldwell in a new book, South Africa: The New Revolution, which has just been published by the Free Market Foundation of Southern Africa.

In an interview this week, he said his arguments were underlined by the fact that trends against which he warned had been continued once more in this week’s budget.

There is not a single commitment to cut back on the cost of the bureaucracy, the ballooning debt continues, and there is more hidden taxation. But at least the rise in GST, which I don’t support, is honest.

His book contains an incisive criticism of government financial and economic policy. He presents a case for the government to stop getting the country further into debt, to abandon its own apartheid-based economic sanctions, and to take drastic steps to cut down expenditure on Pretoria’s overgrown bureaucracy.

He says there are three costs involved in having a huge army of bureaucrats: the cost to taxpayers of paying their salaries; the cost to businesses and individuals of complying with their regulations; and the investment and economic growth that never come about because of the rules they enforce.

He suggests the latter two costs, though impossible to quantify, must be even higher than the public service salary bill.

"This means it would be economically wiser to pay civil servants not to work. The goal, then, should be to shrink the public sector, even if it’s costly in the long run."

In addition to privatizing, therefore, the answer should be to pay government employees to quit.

"Institute a hiring freeze and give all who work for the government 24 months’ salary if they leave the civil service and not return. That gives a civil servant two years to find a private-sector job, study, retrain, or go into business for himself."

"If he finds a private-sector job immediately, he gets two years of high living."

Caldwell envisages that the first two years of such a programme will make government spending begin to fall dramatically. Lower taxes, he says, would spark investment and growth, while civil servants would find a booming, unshackled economy in which to find work.

"Clearly, the budget can be balanced, government spending reduced in, and the full cost of government made evident — if Pretoria can be persuaded that it doesn’t have to throw money at every problem it has created."

Caldwell also lashes out at the government’s thirst for hidden taxation — most taxpayers would be appalled to find out the sneaky ways the government robs them, besides the obvious personal income tax and retail GST.

He notes the Margo Commission recommended in August 1987 that personal income tax be lowered and a broad tax on business (the Comprehensive Business Tax) be imposed.

"The government, though rejecting some of Margo’s specifics, has agreed to move towards more indirect — that is, hidden — taxation and away from direct taxes paid by individuals. Only those trying to hide the cost of government can consider this a victory for tax reform."

The author argues that people pay all taxes Pretoria can say it is collecting tax from corporations — as opposed to the man-in-the-street — but the tax is paid, in the end, by consumers, workers, investors and owners.

"You cannot magically soak business to raise taxes painlessly. A business is nothing more than a collection of people. Those people will themselves pay the tax through lower wages or will try to pass it on in the form of higher prices (to customers) or reduced dividends (to investors)."

Indirect taxes, according to Caldwell, are a boon to government, because people see nothing but the true cost of government spending. They decree themselves that they are getting something for nothing.

He suggests South Africa should abolish all hidden, indirect taxes — corporate income tax, mining taxes, stamp duties, interest and customs duties, the value-added tax that’s replacing GST — and institute instead a simple, visible tax on personal income or a low general sales tax.

Visible taxes would put "an easy-to-read price tag on the cost of government."

The government would then be more likely to curb spending than to raise the tax rate — "everybody would immediately feel the burden of the government’s profligate ways."

The author points out that under the present system, politically favoured projects — not those consumers want — are undertaken. Politically favoured businesses are not the most competitive; get government contracts. Select groups benefit at taxpayers’ expense.

In this process the country grows poorer.

Pretoria gets away with it mainly because the cost of government is hidden. The people see the buildings, jobs, and services the government provides, but never know the full cost — "it feels as if we’re getting a bargain."

Hidden tax, however, is only one way the government hides the cost of its undertakings. Other ways are by printing money to pay the government’s bills, and by running up debt, and so passing on the cost to future generations.

Caldwell says the first step South Africans should take towards the path of prosperity is to stop blaming the crumbling economy on foreigners and sanctions.

“Our own government does far more damage to the economy than sanctioneers ever will. Indeed, South Africa’s enemies must often ask themselves: who needs international sanctions when we’ve got Pretoria?”

PRETORIA, the author asserts, has "self-imposed sanctions" that extend far beyond restrictions on foreign trade. The Group Areas Act, licensing laws, zoning, agricultural boards, are all sanctions that South Africa imposes on itself.

Like international sanctions, Pretoria’s own sanctions amount to an intervention in the country’s economy by way of restricting trade and investment.

"A disinvesting American company can hurt. But the damage is insignificant compared to that caused by preventing blacks from investing in land and agriculture, preventing entrepreneurs from doing business in their homes and workshops, and so on.

"High taxes, high inflation, nationalized industry: these also restrict growth far more than international sanctions."

The author suggests South Africans should attack the home-grown problems — caused by Pretoria’s economic regulations — rather than waste time arguing with pro-sanctions foreign politicians.

The issue of excessive government spending, the author says that without a balanced-budget rule there is no constraint on politicians and bureaucrats. They don’t have to put a price-tag on their promises.

Meanwhile voters think they are getting something for nothing because spending rises faster than taxes.

"The result: we end up with more government than individuals are actually willing to pay for."

"Shrink or sink: Public service threatens the ship"
President's men get hefty pay rises

Political Staff / May 7

THE President's men and women have been given hefty pay rises.

The top nine public servants at Tuyanhys, listed last year as earning R59 299 and more, are listed in this year's budget as receiving R80 000.

A presidential spokesman said today personnel expenditure had increased 22.8 percent from R2,5-million to R11,6-million.

"This increase can be ascribed to normal annual salary increases, general salary adjustments for the Public Service and new remuneration dispensations for certain professional categories," the official said.

He noted that salaries for the top two brackets of Tuyanhys employees were "slightly in accordance" with Public Service rules.

The President's department had 186 posts last year, not all filled. The Budget shows that they have been whittled down to 169.

Of those 43 will be earning between R40 390 and R79 999, 46 between R19 800 and R40 390, 57 between R8 000 and R19 789 and 16 below R8 000."
Civil servants ask for more

Own Correspondent

PRETORIA — The Public Servants' Association wants the government urgently to review and raise the R50 million set aside for occupational specific salary increases.

A spokesman said here dissatisfaction has spread throughout the sector.

At a meeting here on Wednesday night the PSA's board of directors stressed the R50 million spread across the more than 700 000 exchequer personnel corps was obviously far too little.

"The need to raise the earnings of certain key groups in the service to halt private sector staff raids was urgent," the spokesman said.

The commission for administration with the PSA, the meeting was told, identified 107 of the 500 occupation groups in need of market-related salary hikes.

"During the 1988/89 financial year R450 million was allocated to specific adjustments — "and even this was inadequate measured against the need", PSA general manager Mr Hans Olivier said.

And the Teachers' Federal Council emphasised the growing backlog in teachers' earnings in a statement on Wednesday.

The teachers council has commissioned a study by consultants to investigate teachers' pay relative to earnings in other areas of the public sector.
President's men 'to get 20.4% pay hikes.'

OFFICIALS in the office of the President would receive an average 20.4% salary increase in terms of the Budget, secretary-general J P Roux said yesterday.

He was responding to a Business Day report which estimated that 169 members of the office would get 43% more in terms of the budget.

Business Day calculated the personnel costs of the President's office would increase by R2.1m from R9.5m while the number of posts was being cut from 196 to 169 — an average pay hike of R20,000 an employee, from R45,474 to R69,088.

The report said the figures included remuneration and salary increases for members of the President's Council and the Namibian administrator-general's office.

Roux said R4.79m of the R11.87m budget for personnel costs during the 1989/90 financial year was allocated for members of the council and the administrator-general's office.

Average estimated salary, including housing benefits, bonuses and allowances, was expected to increase from R573.8 to R643.01 this financial year.

He ascribed the increase to normal annual salary increases, general salary adjustments for the public service and new dispensations for certain professional categories. The officials would have received the same increases if they had worked in any other government department.
Programme 2: the INSIDE story

AS WAS promised, Business Day has pursued the question why personnel costs under Programme 2 of the Department of Development Aid’s budget for the coming year are reflected in the estimates of expenditure at 60% more than last year. The answers received from Director-General G. van de Wall are complex but illuminating, and we set them out as a contribution towards a proper public understanding of the rising costs of government.

Firstly, Van de Wall says, some staff costs have been reallocated from one programme to another: Costs for Programme 2 have soared from R2,1m to R3,4m, while staff costs for Programme 1 have dropped by about R4m. The figures have been further distorted by accounting adjustments made in the additional appropriation, and meaningful comparisons will not be possible until the next additional appropriation has been presented to Parliament. However, the reallocation of costs is part of the answer.

This raises the next question: the department as a whole has budgeted to increase spending by only 13.6% on last year’s figure, but its personnel costs are budgeted to rise by about R45m, or 30%. This is better than the 60% rise shown for Programme 2, but it is nevertheless substantial.

The explanation, to paraphrase, is that about two-thirds of this increase, or R30m, is accounted for by four sets of “normal” salary increases across-the-board increase given to public servants last year in a fit of executive generosity, the additional 7% given to teaching staff, the so-called “occupational-specific” increases (a curious practice whereby the job descriptions of certain public servants are changed in order to pay them higher salaries, although their jobs remain the same) and the annual “notch” increases. Together, these categories represent an increase of about 20%.

The rest — R15m or 10% — is due to accounting adjustments of one kind or another. About R15m is earmarked for additional staff required to run hospitals and health services that came “on stream” during the year, and which was not therefore reflected in last year’s Budget (it cropped up in the additional appropriation). Another R1m is earmarked for such additional staff to run hospitals and health facilities that came on stream during the coming year. The alternative, of course, would be to leave new facilities standing empty.

That leaves R6m unaccounted for. This, says Van de Wall, is essentially a bookkeeping correction. Salary increases for staff seconded from other departments — notably the Department of Health — were erroneously allocated last year to the wrong departments, and this entry straightens out the error.

The same explanation is put forward for the apparent increase in the number of officials occupying the top “salary bracket” (now above R100,000) from nine last year to 46 this year; last year’s figure was simply a mistake.

That’s the story, folks, straight from the horse’s mouth. I

BUSINESS DAY REPORTER
Pension buy-back concession for 6 500 civil servants

Own Correspondent

MORE THAN 6 500 civil servants have been given the green light by the cabinet to buy back pensionable service in terms of the old, much-criticised provisions — which have been held responsible for most of the R20bn or more in total deficits the state pension funds are now saddled with.

The cabinet decision was disclosed in an announcement released in Cape Town yesterday by Dr Willie van Niekerk, Minister of National Health and Population Development, who said the concession applied to all those civil servants who had applied to buy back service before September 21, 1987.

Changes to the buy-back formulas announced in February last year were back-dated to that date.

A spokesman for Dr Van Niekerk’s office estimated last night that about 6 500 civil servants could benefit from the concession if they took up their rights.

The estimates do not match the official figures published in the department’s own annual report for 1987, tabled in Parliament last year. The report shows that a total of 33 484 civil servants had applied for the buy-backs before the changes were introduced were entitled to them in that they were a part of their original terms of employment.

He nevertheless called on Dr Van Niekerk to explain how this concession was going to be paid for, and whether he had ideas of tapping the special R1bn contingency fund established in this year’s Budget.

Mr Harry Schwarz — a vociferous critic of the state’s various buy-back schemes — also said that those who had applied for the buy-backs before the changes were made were entitled to the benefits of the original arrangements.

But PPP finance spokesman
A NEW law is to be introduced this year to make provision for some trade union rights in the civil service, the Commission for Administration has disclosed.

The measure, in the form of an amendment to the Public Service Act to provide for collective bargaining, could dramatically change labour relations in the civil service.

The commission said the draft system was approved by the cabinet last year and the proposed legislation would be tabled in Parliament this year.

It added that the need for collective bargaining, in one form or another, for the public service was first emphasised by the Wiehahn Commission, which recommended that the principle of collective bargaining 'rights for personnel in the public sector be accepted.'

The cabinet then instructed the commission to investigate the matter further.

'Solutions had to be found to meet the public sector's circumstances.'

"This system of bargaining would have to do justice to the needs and interests of both the state as employer." The commission said a design for a possible bargaining system was developed and made available to "the recognised staff associations" for consideration and comment. The staff associations commented extensively and made proposals.

"Contributions were also obtained from other experts and in this way a system was developed which was acceptable to both the commission and the staff associations. This was then submitted to and accepted by the cabinet."
37% work for 'own affairs'

By Barry Streek
Political Staff

Over 37% of the 957 607 civil servants in South Africa last year were working for "own affairs" departments or racially defined administrations.

This is disclosed in the 1987 report of the Commission for Administration, which has been tabled in Parliament.

The commission said 191 041 civil servants were working in the three own departments, including those employed in terms of the provincial ordinances, while a further 167 082 were in the administrations of the six non-independent homelands.

This means that 358 133 civil servants were in racially defined segments of government service.

These figures exclude those employed in the administrations of the four independent homelands.

The commission also disclosed that nearly half of the people employed in the public sector — 458 411 — were black, of whom 167 082 were working in the non-independent homelands.

Last year, there were 945 624 whites in the public sector, 121 109 coloured people and 32 283 Indians.

The commission said that in terms of the widest possible definition of the public sector, including the SA Transport Services, the post office, parastatal institutions and public corporations, 1 668 million of the economically active population of 10 657 million were working in the public sector.

Among the 730 828 in the central government and provincial administration, 23% were labourers, 24% educators, 10% nursing personnel and 19% were personnel of services departments, while 24%, in about 520 occupational classes, were in the remaining categories.

In the 12 months between September 30, 1987, and September 30, 1988, the number of people employed by central government and the provincial administrations increased by 12 324.

"This represents a growth of 1.7% for the period concerned, and is appreciably lower than the growth of 10.5% which took place during the period September 30, 1988 to September 30, 1987," the commission said.
Call for constraints

Cyclical changes, internal structural problems and pressures from abroad require economic measures that "might be unpopular," according to parliament's influential Joint Committee on Finance. In its report on the Budget, tabled in parliament last week, the all-party committee (effectively controlled by the National Party) says it is "concerned" about the state of the economy.

The committee hears evidence in camera for a week after the Budget is presented. It doesn't make recommendations on party-political issues or issues on which members don't agree, but usually "mentions" a number of matters concerning the economy.

This year it urges parliament to note that the Commission for Administration gave evidence recommending that parliament refuse to ratify over-expenditure or unauthorised expenditure by State departments except in "very exceptional circumstances."

"The committee takes note of the opinion given in evidence that procedures for (State) departments to obtain further funds under the additional budget should be stricter."

It also "requests" the monetary authorities to try to ensure that the increase in money supply keeps in the 14%-18% target.

The committee believes that, where appropriate, the role of the State should be reduced. State expenditure should be cut in real terms "having due regard, however, to priorities and the needs of the underprivileged." There should also be stricter control of aid to independent homelands to ensure funds are used for the intended purpose.

On the other hand, the committee expressed concern at:

☐ Under-manning of financial accounting sections in some State departments;
☐ Lack of funds that has resulted in 2,500 posts in the police force being left vacant;
☐ The "unsatisfactory staff position" in the Air Force, particularly regarding air crews and technical staff, and suggested "urgent steps" to deal with the matter; and
☐ The plight of the consumer considering, inter alia, SA's "financial concentration."
HOUSE OF ASSEMBLY

(3) The House of Assembly shall consist of 320 Members elected for the period of 4 years by the people of the Federation, subject to the provisions of this Act, and shall hold its first meeting on a date fixed by the Lieutenant-Governor in Council.

(4) The Legislative Assembly shall consist of 120 Members elected for the period of 4 years by the people of the Federation, subject to the provisions of this Act, and shall hold its first meeting on a date fixed by the Lieutenant-Governor in Council.

(5) The House of Assembly and the Legislative Assembly shall be constituted and shall have the same powers and functions as are specified in the Constitution of the Federation.

(6) The House of Assembly and the Legislative Assembly shall have the same powers and functions as are specified in the Constitution of the Federation.

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(72) The House of Assembly and the Legislative Assembly shall have the same powers and functions as are specified in the Constitution of the Federation.
State urged to link the
Public Service's budgets
with productivity tests

By Michael Chester
The Economic Affairs Committee of the
President's Council has been urged to start a
crackdown on State over-spending by insis-
ting that all government departments must
run the gauntlet of new acid tests on their
budgets.

The National Productivity Institute (NPI) yest-
eryard listed the excessive cost of the Public
Service as a main cause behind the rebellion
against high taxation and its impact as a disin-
centive on initiative.

Executive director Dr Jan Visser told a busi-
ness seminar in Johannesburg that the NPI be-
lieved that radical new moves to curb taxation by
boosts in productivity needed to be tackled at
State President level.

First move

A first move should be to instruct the Treasury
to insist that all future Budget allocations to gov-
ernment departments should depend on proof of
better performance.

The exercise should be made one of the spear-
heads of new strategies to counter South Africa's
flagging economic performance and reverse
trends of higher and higher taxation which were
snuffing out individual enterprise. The Treasury
should call in outside experts if necessary to set
fixed new targets that the director-general of
each government department must reach to jus-
tify allocations from the national Budget.

In the process, each government department
needed to provide proof of better productivity
from its team of civil servants.

The aim of the exercise, said Dr Visser, should
be to scale down the expenditure of the public
sector — and in turn scale down the level of di-
rect taxation that was needed to foot the bill.

Once the programme inside the civil service
was under way, new strategies should be
launched to improve productivity at all levels of
the economy. The urgency was shown in new evi-
dence that living standards inside South Africa
had been slipping an average of 1.7 percent a year
since the start of the 1980s while standards over-
seas had surged ahead.

In contrast, living standards had climbed by an
average annual rate as high as 3.3 percent in
Japan and an even higher 5.7 percent in Taiwan
— in patterns closely linked to productivity.

While average wages in South Africa's manu-
facturing sector had bounded ahead by no less
than 1500 percent since 1969, static or even slack-
ening productivity had resulted in all the gains
being wiped out by inflation. Dr Visser argued
that wage increases must more and more be
linked to productivity — but with stress on assur-
ances that workers draw benefits as well as
shareholders and corporate profits.

Global studies now proved beyond doubt that
productivity was the key not only to living stan-
dards but also to the pace of new job creation.
### BUDGET VOTE: HOME AFFAIRS

#### PRESENTATION ACCORDING TO STANDARD ITEMS

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<td>Miscellaneous expenditure</td>
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</table>

1 Departmental and miscellaneous receipts 66,482
   1988/89 officials earning K50,000 and more — 25
   1989/90 officials earning K50,000 and more — 15

Source: Estimates of Expenditure
Insufficient new job opportunities created

By Sven Lunsche

Over the past eight years the public authorities have been responsible for close to 82 percent of new job opportunities, writes Sanlam in its April Economic Survey.

The rise in public sector employment was achieved despite the fact that both the South African Transport Services and the Department of Posts and Telecommunications cut down their staff by no less than 66,000 over the period.

The private sector has also curtailed job opportunities drastically over the period 1980 to 1988, and only the construction industry emerged as a net creator of jobs last year.

The overall increase in official employment figures was mainly recorded in 1987 and 1988, when it rose by one and 1.5 percent respectively, after it had hardly shown any improvement over the preceding five years.

Official unemployment figures, although not an accurate reflection of the real situation, point to the improvement in the economy since 1986.

Since June 1986 the number of registered unemployed whites, coloureds and Asians has declined from some 81,600 to 49,200 in October 1988, Sanlam reports, adding that over the same period black unemployment (excluding TBVC countries) decreased from about 1.2 million to around 805,000.

According to figures supplied by the Central Statistical Department this represents a decline from 19.4 percent of the economically active population to 12.1 percent.

However, Sanlam says that official statistics on employment and unemployment have proven to be totally inadequate.

"That insufficient job opportunities are being created becomes apparent when one looks at the broader South African labour situation, that is, taking into account the independent national states," Sanlam comments.

Since 1970 the economically active population grew by just under three percent, considerably faster than the approximate one percent annual growth rate in employment by the formal sector (see graph).

"This means that the economically active population increased by around 2.8 million during this period, whilst only about 606,000 job opportunities were created in the entire formal sector."

"If this situation continues, the gap between the economically active population and employment by the formal sector will widen every year."

Economically active population versus employment by formal sector (TBVC countries included)
Civil servant army
12 000 up in 1988

By Deborah Smith
Pretoria Bureau
The number of people employed by the central government and provincial administration totalled 730,828 in September last year — an increase of over 12,000 compared to the previous year, according to the annual report published by the Commission for Administration.

These figures represented a 1.7 percent growth rate for the year, which was substantially lower than the 10.5 percent increase between September 1986 and 1987, said the report.

PROMISES
Dr Andreas Wassenaar, former chairman of Sanlam, said it was obvious the Government was not cutting back on appointments despite promises to rationalise and trim the civil service.

He said the only way to cut current expenditure was to cut the numbers employed, as salaries could not be reduced and the only way to do this was to cut back on appointments, because people could not be fired.

A comparison with the 1987 figure revealed that personnel in the general affairs departments decreased by over 15,000 to 319,461, while provincial administration personnel increased by over 29,000 to 220,326.

Personnel movement was mainly due to transfer of health services personnel to the provincial administrations.

The number of educators employed by central government decreased by 0.8 percent, while nursing personnel remained reasonably constant.

About 24 percent of those employed were educators, 23 percent were labourers, 10 percent were nursing personnel and services departments made up 19 percent.

The remaining 24 percent consisted of about 520 occupational classes.

Sapa reports that because of an alleged civil service "freeze" no new posts had been added to the Department of Manpower's training programme for unemployed people since 1985.

M-Net fees for subscriptions up
Monthly M-Net subscription fees would increase.

PRETORIA — The country's five top public servants earned more than R130 000 in salary last year, according to the Commission for Administration.

If the 15% pay hike from January is added, they will earn a basic R186 000. Perks could add up to one-third of basic pay.
Ticking off the good years earns a watch

PRETORIA — Public servants are to get another perk. They will be awarded high-quality wrist watches for long and unblemished service.

About 13 000 who have never had a serious ticking off qualify for timepieces.

The Commission for Administration magazine Publico says a total of 86 000 will benefit under the new reward system.

To get a watch each will have to have 30 years service. After 20 years government workers will get certificates and the cash value of 10 days' leave.

□ Our Political Staff reports from Cape Town the multimillion-rand scheme for long-serving public servants was yesterday described by opposition spokesmen as absolutely crazy.

DP finance spokesman Harry Schwarz said: "It must be an April's fool joke. It can't be true."

Schwarz said the DP would like to know on what basis the government hand-out was being made and who was paying for it.

He added: "I assume the taxpayer. This is not in the Budget. Everyone is getting something before the election except the consumer."

The DP spokesman on public servants' pay, Jan van Gend, said: "This is obviously one of the first salvoes in the line of election lollies."

He added: "The lower echelons of the public service are rather badly treated compared to those higher up the ladder. One would have thought expensive watches were not what people needed in the way of long-service awards."

"I would rather have seen contributions built into proper service benefits," he said.
Cost of bureaucracy still on the increase

GERALD REILLY

PRETORIA — SA's public service continued to expand last year — and so did the bureaucratic costs, Commission for Administration figures released yesterday indicate.

They show an increase in exchequer personnel of 13,746 to 857,607; and in total salaries by R807m to R12,653bn — and no general increases were granted in 1986.

Spending on salaries and related expenditure rose from R4,8bn to R5,6bn — an increase of R1,86bn.

Of the exchequer personnel, 7,230,828 were in administration departments, up by 12,325 compared with 1985; 167,890 in self-governing territories, up by 2,202; and parastatals down by 789 to 60,827.

Total personnel spending increased by R4,38bn to "about" R20bn between 1986 and 1987, with no figure given for 1986.
VETERAN civil servants—all 80 000 of them—stand to receive an estimated R95 million in Swiss watches and leave-for-cash exchanges in terms of a cabinet-approved bid to reward their service with "something more tangible".

The new scheme, devised by the Commission for Administration last year and rubber-stamped by cabinet by the first week in December, means that 12 000 government servants with 20 years of service will each get a R750 Tissot watch this year.

They will also be allowed to cash in 15 days of leave.

It replaces long-service recognition which came in the form of certificates signed by President P W Botha when he was the prime minister. These came with lapel badges.

The Johannesburg-based firm of Goodman Brothers (Pty) Ltd, the country’s largest watch wholesalers, landed the estimated R6-million watch contract in January this year, it was established yesterday.

Ms Jean Sarby, strongroom manager for Goodman Bros, said the contract consignment of Tissot watches had not yet arrived from Switzerland.

She referred all queries to Mr Phillip Menkies, a director of personnel development systems in the Commission for Administration in Pretoria.

**Footing bill**

While Mr Menkies could not be contacted, a public relations officer in the Ministry of Administration and Privatisation, Mr Frinkie Odendaal, confirmed the deal.

Mr Odendaal said the Commission for Administration was footing the initial bill but that in future "every relevant department would have to budget for the new scheme."

"Obviously the figure is very high at first and will come down next year," he said.

Civil servants with 20 years service (88 000 of present) will qualify for a certificate (this time signed by their relevant minister) and 10 days of cash-for-leave.

Civil service sources yesterday helped establish that a lower-middle management employee is paid about R131 a day, meaning that if all took advantage of the offer the figure would exceed R60 million.

Mr Odendaal denied claims by opposition party spokesmen that the unprecedented scheme was an "election sweetener". He was unable to give the date of cabinet approval.

"But it was decided long before any election became currency," he said.

Mr Harry Schwarz, Democratic Party spokesman on finance, said the scheme "must be an April Fool's joke. It's absolutely crazy—it can't be true!"

He said it was not included in the budget and demanded to know on what basis the handout was being made.

The DP's spokesman on public servants' salaries, Mr Jan van Gend, said: "This is obviously one of the first salvoes in the line of election Volleys."

He added: "I would rather have been informed of contributions built into proper service benefits."

Dr Colin Cameron, national head of the Public Servants Association, could not be reached for comment last night.

Mr Odendaal said the leave-selling scheme was "taxable" and meant to save money on cash paid out in accumulated leave when people retired.
New reward plan for long service

Keeping a watch on public servants

Pretoria Correspondent

About 12 000 public servants will be rewarded for service of 30 years or more — with new wrist-watches.

They are among more than 68 000 public servants expected to benefit immediately from a new long-service reward system which has been introduced.

For the first time, 20-year service will be acknowledged, and those Government employees (including teachers) with 30 years behind them will be eligible for a gift — a wrist-watch.

An article in the public service magazine, Publico, explains how the new system works.

After 20 years, a public servant will receive a certificate and the option to have in cash the value of up to 10 days of available holiday leave.

About 68 000 people are expected to benefit immediately.

Ten years on, with 30 years' service, the reward is another certificate and the choice of the cash value of up to 15 days' leave, and a wrist-watch.

The awards will be made for long and unbroken service only.

All employed in terms of the Public Service Act, including former provincial personnel now transferred to or incorporated in the public service are eligible.

Lapel badges

In the past, public servants received long service certificates only after 30 and 40 years.

They received silver or gold lapel badges.

Personnel associations put pressure on the Commission for Administration to replace the old system with one which carried "more prestige", as well as a higher monetary value.

Long service reward systems used in private and semi-State organisations were examined, and senior staff consulted.

Among the suggestions considered were holiday trips, pens, cuff-links, tea services, jewellery and paintings.

But it was decided that watches — because of traditional associations with long-service, suitability for men and women, easy administration, and the possibility of bulk discounts — would be most suitable for those with long service.

The watches will be bought from a well-known Swiss manufacturer and are described as being of high quality.

The certificates are described as choice — "a proud decoration for the recipient's office'.

The commission was "forced to count cents very carefully", and describes the new system as the most which can be justified in the present economic situation.
AMENDMENT OF SCHEDULE 1 TO THE PUBLIC SERVICE ACT, 1984 (ACT No. 111 OF 1984)

Under the powers vested in me by section 6 (3) of the Public Service Act, 1984 (Act No 111 of 1984), I hereby amend, in accordance with the recommendation of the Commission for Administration, Schedule 1 to the said Act with effect from 1 February 1989, by the substitution in Column II for the words “Secretary: Commission for Administration” of the words “Director-General: Office of the Commission for Administration” and the substitution for the words “Provincial Secretary”, in the sequence in which they appear in that column, of the words “Director-General: Provincial Administration of the Cape of Good Hope”, “Director-General: Provincial Administration of Natal”, “Director-General: Provincial Administration of the Orange Free State” and “Director-General: Provincial Administration of the Transvaal” respectively.

Given under my Hand and the Seal of the Republic of South Africa at Cape Town this Tenth day of April, One thousand Nine hundred and Eighty-nine.

P. W. BOTHA,
State President.

By Order of the State President-in-Cabinet:

D. J. DE VILLIERS
Minister of the Cabinet.
Civil service: Collective bargaining

Political Correspondent

Civil servants are to be given "collective bargaining rights" in terms of a Bill introduced in Parliament yesterday. The legislation will not apply to educators—a bill with a similar objective for educators is currently being prepared.

But the cabinet will still be able to refuse the implementation of any agreement although it will be obliged to give full reasons for doing so to the Public Service Central Bargaining Council (CBC).

The Minister of Administration and Privatisation, Dr Dawie de Villiers announced yesterday that the Public Service Amendment Bill would provide collective bargaining rights for remuneration and certain conditions of service.
Bill to give civil servants a 'real say'

By Shirley Woodgate

Public servants have been warned that the Public Servants Amendment Bill does not ensure they will be able to claim reasonable increases in future.

"There will never be enough money to suit everyone's demands," said Mr. Hans Olivier, general manager of the Public Servants' Association.

The Bill, introduced in Parliament yesterday, gives public servants collective bargaining rights on salaries and certain conditions of service. These rights will be exercised in a new council, the Public Service Central Bargaining Council.

'REAL SAY'

Mr. Olivier said it meant that public servants now had greater responsibility to come forward with relevant matters to the CBC, on which they would serve.

He welcomed the legislation, saying it was the association's brainchild.

"Two years ago our annual general meeting decided to make urgent appeals to the Government and we were promised we would be given an outline of plans before June last year. We now have a real say where it matters," he said.
Public servants set to seek more

PRETORIA — Pressure on government for a new round of public sector wage and salary increases at the year’s end will increase as the election nears, say senior government workers.

Government has already spread pre-election largesse across a wide front with big concessions for farmers and public servants.

Of the 1.653-million public-sector workers, about 700 000 are voters.

NP defectors among them could have a decisive influence in some constituencies, DP Transvaal chairman Douglas Gibson points out.

The softening up process, which had obviously started, would continue until election day — either September 6 or 13, he said.

Government had never hesitated to play fast and loose with taxpayers’ money to advance its election prospects.

Promises of pay adjustments to slow down possible defections in the public sector were, therefore, well within the limits of NP strategy.
Public servants win right to collective bargaining

CAPE TOWN — Public servants are to be given "collective bargaining rights" in terms of a Bill introduced in Parliament yesterday.

Minister of Administration and Privatisation Dawie de Villiers announced yesterday that the Public Service Amendment Bill would provide collective bargaining rights for remuneration and certain other conditions of service.

The legislation will not apply to educators, but a Bill with a similar objective for them is being prepared. Cabinet will still be able to refuse the implementation of any agreement, although it will be obliged to give full reasons for doing so to the Public Service Central Bargaining Council (CBC).

Bargaining rights will be exercised in the CBC.

De Villiers said in a statement that public servants were excluded from the main provisions of the Labour Relations Act, and the recognised staff associations could only advise the Commission for Administration on salary and other conditions of service issues.

He said the staff associations had several times requested the right of collective bargaining.

The Commission for Administration and staff associations had developed a system for collective bargaining which had been submitted to Cabinet and now formed the basis for the Bill.

De Villiers said the CBC would have equal numbers of representatives from employer and staff associations, and decisions would be taken by consensus.

Disputes

It was envisaged that decisions of the CBC would be contained in agreements binding on both employer and staff, and that only the Cabinet would be able to refuse the implementation of such an agreement.

Provision was also made for external settlement of disputes by an impartial outsider under certain circumstances, De Villiers said.

Badenhorst agrees.
PRETORIA — The number of public sector employees continued to grow last year — but there was a decrease in the number of white employees, according to the Central Statistical Service in Pretoria.

The total number of people employed in the public sector had grown to 1,688,522 by the end of the fourth quarter last year, compared to 1,670,437 the year before.

The number of whites decreased from 627,959 to 626,567 during this period — but there were increases in the number of Asian, coloured and black employees.

Average salaries and wages per month had increased to R1,408 from R1,303, and those of whites to R2,338 from R2,181.

Asians' salaries averaged R1,728 (R1,900 in 1987) by the end of last year, those of blacks R790 (R706) and coloureds earned an average of R1,040 (R950). — Sapa
Public servants warn of crisis for 100 career groups

The Argus Correspondent
PRETORIA. — More than 100 career groups in the public service are in deep water, and the R50-million allocated for salary differentiation will not be enough to get them out.

This is the warning from the Public Servants' Association (PSA), which has presented the Commission for Administration with a priority list of groups which need a slice of the R50-million budgeted for salary differentiation to survive.

Mr. Hans Olivier, general manager of the PSA, said the association would discuss with the Commission for Administration remuneration of public servants, including differentiation according to need and a possible general salary increase.

Although such discussions are not likely to take place until much later in the year, Mr. Olivier denied they would in any way be linked to a general election.

Opposition political parties have suggested that the National Party government may try to "buy" public servants' votes with promises of more money, but the PSA feels an election could — because of possible government concern at opposition criticism — thwart its efforts for a better financial deal for public servants.

But public servants were very optimistic about the new Central Bargaining Council (CBC) introduced in legislation before Parliament this week.

At present public servants, through staff associations such as the PSA, only advise on salaries and service conditions but the CBC could open the way to better labour relations, greater job security, and a market-related remuneration policy for the public service.

An editorial in the latest issue of Public Servant, official magazine of the PSA, questions whether the government had been serious in its support of the policy of market-related remuneration, or whether moves made to date were mere "window dressing".

Adjustments to the salaries of air traffic controllers came only after extensive media coverage of a "crisis" situation, and the PSA has expressed concern that similar situations will be allowed to develop in other career groups.
Public sector numbers keep on growing

Gerald Reilly

IN spite of last year's pay freeze in the public sector, total earnings for the year continued to escalate — as did the number of workers, Central Statistical Services (CSS) figures showed.

It said the number of workers increased by 28,155 last year to a record total of 1,686 million.

In the quarter ended December, they earned R7.09bn — up by R580m on the total payout of R6.60bn in the same quarter a year before.

Decreased

This was an increase of about 6% over the third quarter last year and an increase of 9.7% compared with the last quarter in 1986. Average salaries and wages increased by 7.5% in the 12 months to December.

During the year, central government workers decreased by 15,836 to 511,221 but their pay rose by R11.67bn to R2.21bn in the last quarter of last year compared with October-December 1986.

However, the number of workers in the provincial administration increased by 30,671 to 227,748 and in that quarter, their earnings increased by R121.46bn to R655.07bn.

The CSS said the increased numbers in provincial administration was due mainly to the devolution of health functions to provinces.
PSA welcomes salary council

PRETORIA — The Public Servants' Association (PSA) has welcomed the new salary negotiating machinery to be set up by government, but some senior state workers have reservations.

Administration and Privatisation Minister Dawie de Villiers this week introduced a Bill in the House of Assembly providing for a public service Central Bargaining Council (CBC).

What is troubling some state workers is that the Cabinet can, in the last resort, nullify a recommendation of agreement reached by the CBC, which consists of equal numbers of staff and employers.

However, PSA MD Hans Olivier said the new system was a great advance on the previous arrangement where the PSA was just that — an adviser to the Commission for Administration.

"Now the issue of salaries and service conditions can be negotiated on a new plan with a more effective input by staff associations."

"The deal is similar to that handed to Sats workers, in which the labour council, consisting of equal numbers of union and management representatives, negotiates on salaries and service conditions. Here, too, the Transport Minister has a veto."

GERALD REILLY
Govt plans to slash salary bill by R563m

CAPE TOWN — Government plans to slash R563m off its annual salary bill by scrapping 60 000 public sector jobs in the next three years.

First details of plans to hand over the running of gardening, catering, cleaning and nursery services to the private sector were released by Administration and Privatisation Minister Dawie de Villiers during his budget vote on Friday.

De Villiers said the privatisation of these services would take place over three years and would affect 36 000 jobs.

A spokesman for his department said that a total of R360m had been budgeted for these services this year.

Scrapped

De Villiers said the Commission for Administration had also identified 1 617 posts in 22 government departments that would be scrapped.

A further 19 665 posts had been identified for possible abolition in the near future. The total expenditure attached to these posts amounted to R260m. Besides the saving from the scrapping of posts an additional income of R26m would also be realised, De Villiers said.

The actual saving achieved by government by doing away with these posts will be greater than R360m a year, but with the services being contracted out to the more efficient private sector, it is expected to be substantial.

Among the departments where jobs are to be abolished are Trade and Industries, Agriculture, Agricultural Economics and Marketing, Public Works, Home Affairs, Foreign Affairs, the own affairs administrations and the provinces.

An Administration and Privatisation spokesman said public servants whose jobs were done away with would either fill vacant posts in other departments or be retrained for new jobs. Government would also assist them in finding jobs in the private sector. Only as a last resort would the public servants be fired.

With regard to the privatisation of cleaning and other services, the spokesman said that based on experience in Swaziland it was anticipated that natural erosion would result in 25% of employees leaving in the next three years.

Negotiations had already been held with private sector companies and it was anticipated that they would take on up to 60% of the employees on receiving contracts to provide the services for government.

Government had also held discussions with the SBDC, which would play a role in motivating some state employees to start their own enterprises to provide services to the state.

The remainder would be retrained for new jobs in the civil service or be transferred to fill vacancies in departments like defence, which would continue to provide their own catering and other services.

The spokesman said some departments were already set to privatise various functions. The Cape Province would soon privatise silviculture, the House of Representatives was ready to privatise gardening services, while the Transvaal Provincial Administration would soon start a pilot scheme for private companies to provide meals to between six and eight hospitals.

De Villiers said progress was also being achieved in improving productivity in the public service. A total of 100 quality circles were in operation and had already realised savings of R40 000.
Plan to slash salary bill by R563m

Govt to scrap 60 000 jobs

Political Starr

Government plans to slash R563m off its annual salary bill by scrapping 60 000 public sector jobs in the next three years.

First details of plans to hand over the running of gardening, catering, cleaning and nursery services to the private sector were released by Administration and Privatisation Minister Dawie de Villiers in his budget vote on Friday.

De Villiers said the privatisation of these services would take place over three years and would affect 30 000 jobs.

A spokesman for his department said that a total of R360m had been budgeted for these services this year.

De Villiers said the Commission for Administration had also identified 1617 posts in 22 government departments that would be scrapped.

A further 19 905 posts had been identified for possible abolition in the near future. The total expenditure attached to these posts amounted to R293m. Besides the saving from the scrapping of posts an additional income of R26.3m would also be realised, De Villiers said.

The actual saving achieved by government by doing away with these posts will amount to less than R563m a year, but with the services being contracted out to the more efficient private sector, it is expected to be substantial.

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De Villiers said progress was also being achieved in improving productivity in the public service. A total of 130 quality circles were in operation and had already realized savings of R140 000.---
10 percent increase for Sats workers

Pretoria Correspondent

About 180 000 South African Transport Services workers are to get a 10 percent general increase from July 1.

The increase — interpreted as an election sweetener — is expected to incite other public-sector groups to push for their demands to be met.

Sats workers got a 12 percent increase eight months ago, while public servants received 15 percent from January 1.

BETTER DEAL

But in spite of this increase, the backlog in public-service salaries, compared with those in the private sector, was at least 20 percent, a Public Servants Association spokesman said.

Thus, coupled with the Sats increase, meant the Government could not expect other public servants not to urge for a better deal for themselves as well.

He said all employers, including the Government, would have to look at market trends and the high inflation rate and, if realistic, see that salary increases were needed.
Civil service row over women’s pay

The Argus Correspondent

PRETORIA — The Public Servants’ Association (PSA) has called for an urgent inquiry — and possible legislation — to end salary discrimination against women in the service.

This follows a detailed investigation by The Public Servant, official journal of the PSA, which showed that the government could be “saving” R35 000 a year on the salary package of an average married woman working for a government department.

With 45 percent of all temporary and 46 percent of all permanent posts in the public service filled by women, the total “saving” could run into billions each year.

Housing

The biggest direct saving was an estimated R6378 a year on housing benefits. A married woman was excluded from the 100 percent housing loan and subsidy worth an average R531.50 a month.

She could also not register her partner or minor children in the medical aid scheme, and this could save the government up to R87.80 each year in contributions.

Savings on the pension benefits of each woman employee could accumulate to R67 454 over a 20 year career, the Public Servant said.

The wife of a man who died after less than 10 years of service would be entitled to a gratification, equivalent to his final annual salary, while the benefits the widower of the married woman member would receive (via her estate) would be equivalent only to those she would receive on resignation.

Good morals

In a public service career spanning 20 years, the extent of financial exploitation of a woman could amount to R700 000 or more, the Public Servant said.

The article also pointed to other areas of exploitation because of a policy of “good morals”.

While married women were usually refused paid maternity leave and had either to resign their posts or take accumulated holiday and unpaid leave to have a baby, men were given special leave on full pay for study, sport and other activities.

And while unmarried women were excluded from maternity benefits, the wife of a married man in the public service could qualify — even if she had been pregnant before their marriage, the article said.

Regardless of a woman employee’s skills and capabilities, she would not achieve the same level as a man, borne out by the fact that not one woman had reached the position of director-general in government departments.
GENERAL NOTICE

NOTICE 459 OF 1989
OFFICE OF THE COMMISSION FOR ADMINISTRATION

It is hereby made known for general information that the Public Service Amendment Bill [B 92—89 (GA)] was referred to the Joint Committee on Home Affairs on 2 May 1989.

The Joint Committee desires all persons or institutions who wish to submit written evidence on the subject of the Bill to submit such evidence not later than 21 May 1989 to the Secretary of Parliament, P O Box 15, Cape Town, 8000. Should any person wish to give oral evidence before the Committee, he should indicate his intention before that date as well.

(12 May 1989)
The House of Representatives

May 18, 1983

The Minister of Education and Culture

Questions

Department of Education and Culture

Is the amount of education and culture funds, which were transferred to the Department of Education and Culture, from the Department of Local Government, used for the education and culture sector, transferred to the Department of Education and Culture, as shown in the House of Assembly's financial statements for the fiscal year 1982-83?

Is the amount transferred from the Department of Education and Culture to any other department in the administration of the Government?

Is there any unutilized fund in the Department of Education and Culture?

The Minister of Justice

1005

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Is there any unutilized fund in the Department of Education and Culture?
Man-day loss leaders

ALTHOUGH the man-days lost to the public sector fell from about 2-million in 1987 to 200 000 in 1988, it was still No 2 in the 1988 loss stakes.

So says Frank Horwitz, professor of business administration at the University of Cape Town Graduate School of Business, in the IPM Journal.

The large loss of man-days in the public sector can be seen when compared with the overall number in 1988. Last year, total man-days lost fell from 8.2-million in 1987 to under 1.5-million.

The public sector therefore accounts for about 25% of all the man-days lost last year.

Professor Horwitz believes there are several possible reasons for the high level of industrial action in the public sector, which took place before the Government passed legislation to provide for collective bargaining in public servants.

"Traditionally, collective wage bargaining has not taken place in the public sector in the same manner as in the private sector. Most parts of the public sector are excluded from the Labour Relations Amendment Act (LRAA)." Pressure from unions who operate in both public and private sectors, such as the South African Railway and Harbour Workers Union (Sarwhu), to have a common industrial relations system operating in both sectors are becoming more pronounced.

Professor Horwitz says the question of whether to extend the LRAA to cover all sectors or only agriculture, is a political hot potato.

The Government seems loath to alienate such a large section of its support base.

"Whatever the outcome of increased pressure by the unions, the intention of the director-general and the findings of the Commission for Administration, it can be expected that levels of industrial activity in these sectors will increase, rather than abate, with the main challenge being the convergence of private and public sector IR systems."
THE MINISTER OF WATER AFFAIRS

Mr. Speaker, the project will be completed. All that remains is to finalize the construction of the water tower and to ensure the connection to the grid. The project has been funded by the national and provincial governments. The estimated cost is R15 million. The project is expected to start in January 2023 and to be completed by December 2024.

The project will benefit the local community and will improve water supply to the area. It is expected to provide water to approximately 20,000 people.

Mr. Speaker, I move that the project be completed as soon as possible.
PW to get R14 500 a month

By BRUCE CAMERON

Political Staff

PRESIDENT Botha's retirement benefits, apart from the R300,000 he received five years ago when he changed from being Prime Minister to President, will be a monthly pension of R14,500.

A spokesman for his office said today that Mr Botha was not entitled to a further gratuity for his term as President, as reported at the weekend.

In terms of the constitution he was entitled only to a pension equal to his salary.

All other members of the government and MPs, however, have every year of service taken into account when drawing both pensions and gratuities.
Government expenditure soars by 28%.

Finance Staff

The increase in the civil servants salary bill by an average 15 percent this year caused government spending to surge by 28 percent in the first month of its 1989/90 fiscal year.

The latest Government Gazette shows that spending in April was 28 percent at R36.41 billion compared with the same month last year. And over the first quarter of the 1989 calendar year, when the rise in public servants wages first took effect, government spending was about 30 percent higher than in the same period the previous year.

This contributed largely to the continued high rise in gross domestic expenditure (GDE) — Reserve Bank figures released recently showed that GDE was six percent up in the first quarter — and according to the monetary and fiscal authorities justified the recent economic austerity package.

The pay package also caused money supply figures to be inflated over the period.
Chamber calls for independent probe into State spending

Business Staff

CAPE TOWN Chamber of Commerce president Mr Anthony Coombe has called for an independent investigation into government expenditure to test and verify the effectiveness, essentiality and efficiency of State spending.

Speaking at the 123rd annual meeting of the chamber last night, Mr Coombe said business people were "losing faith in the government's ability to contain its expenditure within reasonable bounds".

He said the exposure of wasteful and inappropriate spending by the Auditor-General, and criticism of the cost inefficiency of Own Affairs administration by the Administrator of the Cape, were pointers to areas of profligacy in State spending which the country could not afford.

The increasing use of retroactive legislation, which started with retrospective tax legislation, had spread to import surcharges.

The Deputy Minister of Economic Affairs was now threatening importers with retrospective dumping duties.

Import surcharge

An example was that of the import surcharge in the medical and dental field which a month ago was withdrawn retrospectively to August 1983, and then reintroduced last week at the slightly lower rate of 15 percent.

He said Cape Town was recognised as having taken the lead in dismantling apartheid in South Africa, and the more positive and relaxed climate had unquestionably given the region a more competitive advantage over other parts of the country.

Dealing with the future of Robben Island, Mr Coombe said that once the Victoria and Alfred waterfront project was underway, "I say quite categorically that Cape Town wants its island back".

Mr Coombe said neither the Department of Defence nor Prisons wanted Robben Island yet Prisons had clung doggedly to it.

The Western Cape's peculiar strengths made it a "winning region" within South Africa, and the local economy was expected to show strong growth in the next decade, said the 1989 report of the chamber.

Wesgro, which promotes economic growth in the Western Cape, had analysed the region's strengths and weaknesses and had concluded that three fundamental economic shifts which occurred during the last half of the decade had severely affected economic prospects in the Western Cape.

First, the fall in the rand's value favoured producers of manufactured commodities for export, many of which were located in the Cape.

Second, the international technological revolution was swinging the development focus to high-tech industries which were less dependent on raw materials and industrial plant and more dependent on skilled people.

In this context, the Western Cape had already established itself as the centre of research excellence, and was fast establishing itself as the creative centre of South Africa.

Third, the report said, the Cape's rapid population growth had created opportunities for infrastructural development and boosted the size of the local market.

- The chamber said the absence of an acceptable general sales tax exemption system for tourists was causing concern. It supported the idea of a system that would provide for the exemption of sales from GST or VAT of all goods valued at more than R100, and which would involve a tax refund at the point of exit.
Slowdown hinges on govt spending

OWN CORRESPONDENTS

JOHANNESBURG. — Restrictive measures taken earlier this month to curb domestic spending and imports could succeed in cooling the economy, only if government spending is held in check.

Institutions have welcomed the move of May 5 in slowing the pace of money supply growth and credit creation, but warn a slowdown hinges on government spending.

Standard Bank in its latest review says the package has the influence to dampen the “probably unduly optimistic mood” which previously prevailed.

This could be the package’s most important benefit, because a slowdown in nominal growth has far less painful consequences for the real economy if it is widely anticipated, the review says.

However, the ultimate deciding factors over whether a recession later this year and in 1990 can be avoided, will be whether government spending can be checked, if the gold price recovers and whether foreign capital inflows occur.

“If none of these happens, there would be little choice but to go for austerity and very low domestic expenditure next year.”

First National Bank (FNB) says in its April edition of SA Perspective that the general election promises continuing high government spending.

“The government’s wish to maintain economic growth momentum for political reasons cannot be underestimated.”

These realities are likely to support a continuing buoyancy in most sectors of the economy, through to at least the third quarter, FNB says.

“While the interest-rate sensitive sectors continue to give the impression of easing, especially the property market and furniture, it is as yet not rout.”

Sanlam in its latest economic survey notes a marked drop in car sales in comparison with a year ago and a noticeable deceleration in the growth rate of real retail sales are signs that the economy is “cooling down.”

Other indicators of a slowing down were the drop in the volume of merchandise imports and a more sluggish rate of increase in manufacturing production.

However, the level of general economic activity remained high and owing to substantial wage and salary adjustments, the continued high inflation expectations and the sustained favourable state of consumer and business confidence, there was a real possibility that expenditure would continue to grow at a rate that would place excessive demands on the balance of payments.

However Sanlam said they believed the latest action could bring about the necessary cooling down of the economy – provided it was supported by strict discipline as regards government spending.

Given the low levels of foreign reserves, it is clear that, on the whole, the balance of payments will continue to be a real problem area.

Sanlam estimated that the current account would achieve a surplus of roughly R4000 million this year, but most of these funds would have to be used for the repayment of foreign loans.
GOVT SPENDING UP AGAIN

JOHANNESBURG — High government expenditure fuelled overspending in the economy this year and inflated the money supply. The latest Government Gazette statement of spending and revenue showed spending in April was R6.41 billion — 28% higher than the same month last year.

The director-general of finance, Mr Gerhard Frieser, said: “The civil servants’ salary increase is the main reason for April’s spending growth.”

But he warned against interpreting the 28% rise in spending in April as a signal that the new fiscal year was set for an overrun on the budgeted increase of 15%, as the first month.

In the first four months of this year, government spending placed additional liquidity into the hands of the private sector — increasing domestic demand at a time when the economy should be slowing down.

The Minister of Finance, Mr Pieter du Plessis, noted “relatively high seasonal government expenditure” as one of the reasons why another economic package had been necessary this month.

The Government Gazette statement shows defence spending was 60% up on the same period last year, at R530m.
Govt pushes up spending another 28%
A TOTAL of 211 of the 3951 posts in the eight most senior levels in the civil service were occupied "by people of colour" as at December 31 last year.

This emerged from a reply given yesterday in the House of Assembly by the Minister of Administration and Privatisation, Dr Dawie de Villiers, to a question from Mr Roger Barrows (DP Pinetown).

But Dr De Villiers said no people of colour were employed in the eight most senior levels in the departments of Home Affairs, Trade and Industries, Justice, Agricultural Economics and Marketing, Manpower, Mineral and Energy Affairs, Environment Affairs, Public Works and Land Affairs, Development Planning, Development Aid, Transport, and Water Affairs, or the Commission for Administration, the Auditor General, the Office of the State President and the Orange Free State Provincial Administration — Sapa.
Erring MPs may lose hefty handshakes

By BRUCE CAMERON
Political Staff

GOLDEN handshakes should be forfeited or reduced if members of parliament are found guilty of a criminal offence, dishonesty or abuse of position, a parliamentary committee has recommended.

However, the committee said members should not lose other pension rights.

But the committee has found that a further general investigation should be held into the pensions and gratuities of MPs, saying it had not had the time to do so.

A further inquiry should also be held into recommendations of the Advocate-General, Mr Justice P J van der Walt, that a code of conduct for MPs should be drawn up. It should also study the question of whether MPs should disclose their financial interests.

The parliamentary investigation was appointed after public anger when The Argus exposed the generous benefits being paid to MPs and ministers who had left parliament under a cloud.

Allegations

For example, Manpower Minister Mr Pietie du Plessis, who resigned to defend allegations against himself and his family of improper dealings, was given a golden handshake of at least R250,000 and a monthly pension of at least R10,000.

Mr Amichand Rajbansi, fired in the wake of the James Commission report and who is under investigation by the Attorney-General of Natal, received an immediate R70,000 gratuity and a monthly pension of R2,500 on top of his parliamentary salary.

If he does not return to parliament he will receive a further golden handshake of at least a further R150,000 and a monthly pension of at least R10,000 a month.

Mr Peet du Pontes, who resigned as MP for East London City and is being investigated by the Attorney-General fol-
Adding up those golden handshakes

EVER since the Nationalists came to power after Word War 2, our country has gone from crisis to crisis, whilst the country's cost of living and inflation rate has gone through the ceiling, our reputation has gone through the floor!

While the man in the street is constantly being called upon to dig deeper into his pocket, to tighten his belt, make sacrifices for the country, the "fat Nats" have been voting themselves salary increases, incredible pension benefits and golden handshakes, in addition to their other perks such as cheap mansions, luxury cars, free rail and air travel, free post and telephones, etc., while the opposition, realising that they too are to benefit, merely raise faint squeals.

While these gents haggle over reform, a pipe dream while the Nationalists are in power, let us not be fooled by the sweet double talk of the National Party leader, the economy of the country once respected in world markets, now faces a lack of foreign confidence never before experienced in its history! The rand has sunk to a level where ordinary South Africans are confused to the last, while Cabinet Ministers, politicians and senior civil servants are enjoying overseas trips and luxurious accommodation.

As for a leaner government, the Public Service has swelled into a grotesque ever-growing and hungry monster which the taxpayer is forced to maintain.

While prices are increased in the event of surpluses, be it red meat, dairy products, etc., the control boards are busy disposing of such surpluses at bare prices in foreign markets, thereby forcing the hard-pressed man in the street to pay for their inefficiency and antiquated marketing methods.

It has been indicated that President Botha is due to receive a further R116 000 golden handshake on top of the R200 000 he received five years ago when he changed from Prime Minister to President, and a pension of R14 500 per month during his lifetime! Excluding his salary, perks etc., and taking his life expectancy of 10 years, this little deal is going to cost the taxpayer R2 808 000.

The gravytrain is just as generous with:

- Mr Chris Heunis
  - Golden handshake = R450 000
  - Pension R10 000 pm x 12 = R120 000 pa
- Life expectancy 10 years = R1 560 000
- Stoffel Botha
  - Golden handshake = R260 000
  - Pension R10 000 pm x 12 = R120 000 pa
- Life expectancy 10 years = R1 284 000
- Greylng Wentzel
  - Golden handshake = R300 000
  - Pension R10 000 pm x 12 = R120 000 pa
- Life expectancy 10 years = R1 284 000
- Piet du Plessis
  - Golden handshake = R280 000
  - Pension R10 000 pm x 12 = R144 400 pa
- Life expectancy 10 years = R1 440 000
- Dane Steyn
  - Golden handshake = R230 000
  - Pension R10 000 pm x 12 = R120 000 pa
- Life expectancy 10 years = R1 200 000

Added to these are Piet Pontes, Amchand Rabbanji and a number who would undoubtedly either retire before, or lose their golden ticket in the forthcoming election.

RIPPED-OFF TAXPAYER
Tokai

It is so saddening to read the article on the plight of our pensioners who contributed to the development of this our great land.

We also read about appallingly paid teachers and nurses and get a long saga from the Ministers concerned that times are hard and the usual propaganda.

However, if times are so hard the government can quite easily blow R50-million on two new Boeing jets for SAA and can squander another R80-million on gold watches for civil servants' loyalty and can write off a R470-million maize debt — probably for farmers' loyalty — yet on our very doorstep old people are eating dog food in order to survive! This whole situation is a disgrace.

Therefore the only solution is to vote out these squanderers on September 6.

D HADDON
GOVERNMENT FINANCES

Revenues leap 35% in April

Tax revenues surged in April, the first month of the 1989-1990 fiscal year, rising 35.25% above last April to R3.7bn. This echoes the R750mn underestimate of final revenues for 1988-1989 made on March 15, only two weeks before the end of the fiscal year.

Before the outcome for April was known, Nedbank's Edward Osborn said: "This revenue out-turn (for 1988-1989), being much higher than expected could be an early indication of a significant understatement of revenue expectations for the 1989-1990 fiscal year."

"There would appear to be serious flaws in the estimates for 1989-1990, particularly in respect of revenue from customs surcharges and customs duties."

While March's increase on a year ago was only 21%, April's 35% is extremely worrying, given that the estimate for the year is 16% Exchequer officials point to several factors, mainly still-high domestic expenditure but the fact is that this period saw several increased impost - 1% on GST, 10% loan levy (still to come into the accounts), fuel levy and further import surcharges (yet to come into the accounts).

On the other side, Exchequer spending rose by 28.3% in April on a year ago - grossly in excess of the 15% budgeted for the year. The figures give a crude public-sector borrowing requirement of R2.7bn.

But the Exchequer balance, which opened at R1.7bn on April 1, increased to R1.9bn on April 30 by extensive issue of TBs and other stock. Says Trust Bank's Nick Barnardt: "The authorities should use the Exchequer balance actively in managing the money market in the coming months. They don't want the market to become liquid too soon. Pressure will be eased only after there are clear signs that the economy has cooled off and the BoP is looking better."

As George Huysamen's Louis Gildenhuys argues, one month's figures are just that, and no sure indicator of what will happen in the full year. While it is common cause that a major distorting factor in April was defence spending increasing 60% to R930m, there is also the question of civil servants' pay.

April 1989 was the first month of the so-called public-sector pay freeze. This April reflected a general pay increase, bonuses, notches increased and all the other idiosyncrasies that attach to civil servants' pay.

ECONOMIC OUTLOOK

Turning tide

For more than a year, the authorities have been trying to coax the economy into a soft landing. Loth to risk a re-run of the previous recession, they applied pressure through a series of cautious Bank rate increases - from 9.5% in March 1988 to 17% last month - and a variety of restrictions, including import surcharges of up to 60%. But spending on manufacturing and export trade figures, which are just muddling along, has been dropping sharply in April from May, though both are still up from January-February. Importers have responded little to restrictions and are still churning, though below November's R3.83bn high.

So fears for reserves remain. It will be a while before the beneficial effects of slowing growth work through. Meanwhile, the ill fortunes of gold compound our problems.

The coincidence is reminiscent of August 1984, when a three percentage point increase in Bank rate to 21.75% coincided with the outbreak of unrest that triggered a crisis of confidence.

It is, of course, impossible to anticipate factors that lie outside the ambit of policy and it's easy enough to look back on events and pinpoint the time when the authorities should have acted firmly to constrain spending growth. But it wasn't difficult to see at the time. Plenty (the FM included) urged government to let rates rise to cut demand for credit when growth showed its first signs.
CoL could force demands — PSA

PRETORIA — Spurting living costs could force the Public Servants’ Association (PSA) to demand new pay hikes before the end of the year, PSA GM Hans Olivier said yesterday.

The PSA board of directors meets here next month. At the top of its agenda is government workers' ‘worsening plight’.

Olivier said public sector pay had been linked to the private sector, and on that basis and after professional monitoring of the situation, “we had a backlog of 20% at the end of the first quarter this year.” This took into account 15% increases granted from January.

Other sources said the clamour for pay increases in the public sector would become louder as the September 6 election approached.

One NP source said government was not in the vote-buying business, but political realities combined with justification could see government softening on the public servants pay issue.

Last week it was disclosed that top public service earner — the Auditor-General — pockets a R182,236 salary. This did not include an annual bonus, housing subsidies or other valuable perks.
Badenhorst in line for R14m handshake

JOHANNESBURG — Mr Piet Badenhorst, Minister of Health Services and Welfare in the House of Assembly and MP for Oudtshoorn, has decided to retire as minister and MP.

Mr Badenhorst, 58, who has represented the constituency in the House of Assembly for 17 years, will receive a golden handshake of about R253 000.

Calculations show he will also receive a pension of about R9 300 a month.

In a statement Mr Badenhorst said he would not withdraw from public life.

He would not specify what he would do after the general election but said: "There are indications I will serve in another capacity."

INCISIVE TALKS

Mr Badenhorst is the sixth minister who will not be eligible for re-election on September 6. The other five, all members of the Cabinet, are Mr. Chris Heunis, Mr Greyling Wentzel, Mr. Darel Steyn, Mr Stoffel Botha and Mr Pietie du Plessis.

Mr Badenhorst said in a statement: "After serious consideration and incisive talks with office-bearers from the National Party in Oudtshoorn, I decided not stand for re-election.

"It was a privilege to represent the constituency, since April 19, 1972, for seventeen years in Parliament. For half of this period, from October 7, 1980, I was attached as minister and deputy-minister to different ministries and thus did not live in Oudtshoorn."
Privatisation 'will not cost civil jobs'

DURBAN — Public servants would not lose their jobs during the process of privatising public services, Administration and Privatisation Minister Dawie de Vilhers said yesterday.

At the opening of the sixth Public Servants' Union AGM here, he said, however, that privatisation of any activity would have to be compatible with government's constitutional and socio-economic aims.

On job opportunities for Indians, De Vilhers said deliberate steps would have to be taken to use Indians in the House of Delegates' more senior administrative posts. — Sapa
PW's salary and pension are tax-free

OWN Correspondent

JOHANNESBURG — President PW Botha does not pay tax on his salary — unlike leaders in the United States or Britain.

As most citizens struggle to file tax forms before the June 6 deadline, Mr Botha and his wife Elize enjoy exemption under Section 10(1)(c) of the Income Tax Act.

Further, once retired, the president's pension, and that subsequently paid to his widow, remain tax-free.

However, any income from their investments or property will attract tax, Ernst & Whinney partner Mr Ken Walton says.

Bureau for Information figures reveal Mr Botha earned R173,811, including R33,379 in allowances, which were also tax-free, last year. Whereas a top executive may earn almost double this, after tax his net earnings will be in line with the president's.

Mr Walton says it is difficult to assess the wealth of the president as his income never comes under public scrutiny.

However, in the US, where the president is probably the most highly-paid of all world leaders — earning $200,000 (about R536,000) a year — his income tax returns can be published.

Mr Walton explains that under the Freedom of Information Act in the US, Americans are entitled to demand a wide variety of information from government about their country — including publication of their president's income tax return.

The Reagans' published tax returns for the year ended December 1987 shows their largest asset to be a ranch in California. The remainder of Mr Reagan's income was derived from trust funds set up in 1961 when he had to realise his share investments prior to inauguration as president.

In the UK, the only person excluded from tax is the queen. The prime minister, Mrs Margaret Thatcher, who is entitled to a salary of £53,000 (about R277,700), has in the past few years declined pay rises and draws the same salary as her cabinet ministers of £51,000 (about R224,200) a year.
Industry group to probe country's public finances

The South African Federated Chamber of Industries (FCI) is to undertake a detailed study of the country’s public finances.

The FCI says emphasis will be placed on government expenditure, which is accepted as being one of the root causes of inflation.

The study will also focus on proper management processes in government.

The FCI said, “The purpose of the study will not be merely to point out deficiencies in regard to the public finances but rather to use the factual evidence obtained to arrive at logical suggestions for a sound normative framework for public finances in South Africa.”

The FCI said the main reasons for the investigation were:

- Government's excess expenditure over budget estimates during the current decade averaged at 7 percent, which, said the FCI, indicated a serious lack of budgetary control.

- Preliminary research had shown that South Africa had become a high tax country compared to its main trading partners and this needed to be quantified accurately — Sapa
STATE BUILDINGS

Just money pits

Spending on three multi-million rand State building projects in Cape Town has increased by 75% from an original estimate of R42m to just over R74m.

The cost escalations are listed in a Public Works Department (PWD) memorandum tabled in parliament by Public Works Acting Minister Dawie de Villiers. They are:

☐ Additions to the parliamentary complex which provided a joint debating chamber and more offices. The cost has escalated from R24m to R36m;
☐ The second and third phases of the restoration of the Castle. The cost has increased from an initial R6m to R17m. The cost of the fourth phase is estimated at R12m. The estimated cost of the first phase of the restoration was R3m, putting the total cost so far at R32m; and
☐ Additions to the SA Natural History Museum. The cost has risen from R13m to R21m.

PWD Director General Piet van Blommestein says the escalation in the cost of the additions to parliament is due to tenders being called for on provisional quantities because of the "urgency" of the project. In the case of the Castle, initial estimates were based on "the vaguest of details" and in the case of the museum there was general escalation due to the duration of the project and inclusion of additional work not planned for initially.

The memorandum also reveals increases in the estimated cost of other State building projects including an escalation from R3m to R22m in the cost of additions and alterations to Louis Botha Airport in Durban. This is due, however, to a major reassessment of "accommodation requirements" at the airport because of increased traffic, says Van Blommestein.

At the P W Botha Airport in George the cost of extensions to the terminal building and fire station has increased from just over R1m to nearly R7m.

Van Blommestein says the original estimate, made in 1993, was based on "the facts known at the time."

The memorandum also lists other multi-million rand projects being undertaken by the PWD, including:

☐ Housing and recreational facilities for SA diplomats in Ma-

puto at a cost of R14m. Van Blommestein says the project comprises 19 houses, a recreation club building, an ablution block, a squash court and security and infrastructural services;
☐ A new head office for the National Intelligence Service at Rietvlei near Pretoria at a cost of R58m;
☐ Offices for the Geological Survey Division of the Department of Mineral and Energy Affairs, including a forensic laboratory for the SA Police at Silverton at a cost of R40m (original estimate R30m); and
☐ Offices at Verwoerdburg for the Commission for Administration at a cost of R73m (original estimate R65m); in Bloemfontein at a cost of R16m, and at Plattekloof near Cape Town at a cost of R21m.

Provision is also made in the memorandum for R158m for "unforeseen services" which arose in the 1988-1989 financial year. The amount is 75% more than the figure for the previous year and includes R51m for Defence, R12m for the purchase of buildings or construction of new buildings for the SA Police and for periodical courts, R54m for the Department of Prisons, R29m for various "building complexes, office blocks and miscellaneous services," and R29m for the "protection of buildings."

Commenting on this, Van Blommestein says PWD provides for the accommodation requirements of most "General Affairs" departments. The departments, however, decide on the priority of a particular service. The PWD is prescriptive only in so far as the number of services are concerned that can be provided within the financial limits laid down by the Treasury. The R158m for "unforeseen services" is the anticipated final cost of such services.

Spending on "unforeseen services" is mainly due to the promotion of services previously a lower priority on the building programme, urgently needed buildings, or the purchase of suitable buildings instead of constructing them from scratch.

"Expenditure on unforeseen services does not impose an additional financial burden on the Exchequer as evidenced by the reduction in real terms in the department's budget for buildings and structures," he says.

Restoring the Castle... R32m so far
JOHANNESBURG's town clerk receives an annual package worth — at market value — R200 000. Taxable value is approximately R150 000.
The main elements of the package are a R99 496 salary, council-provided accommodation in a house worth an estimated R1m, a R1 440 annual entertainment allowance, a car loan at 13.5% of up to R28 000 and pension and medical aid benefits.
In addition, the holder of the position qualifies for reimbursive travel and telephone allowances.

Executive
According to tax consultants the taxable value of the package is approximately R160 000. The town clerk would pay approximately R40 000 tax in 1989/90 — but the package's market value was its attraction, said one consultant.
Rent-free accommodation in the council-owned Houghton house represented a monthly saving of between R5 000 and R10 000, and the car loan was 6.5% below prime, representing a monthly saving of R476.
A senior council spokesman said the town clerk's remuneration should be compared with that of a private sector executive running a company with a R1.5bn annual turnover.
Management consultants specialising in senior executive placement said the package would be a reasonable one for the CFO of a mediumsized company with R25m to R30m annual turnover.

The source believed that the salary-to-package proportion in the town clerk's package was low, in the private sector, perks usually represented 30% of the total package.
Inland Revenue in Johannesburg said they did not comment on individual's tax positions.
The town clerk's remuneration is set by the Board on Remuneration and Service Benefits of town clerks, which is currently reviewing the basis of remuneration.
Remuneration in the highest grade, into which Cape Town and Johannesburg town clerks fall, is equivalent to remuneration of deputy directors in the public service.
Local authorities are prohibited from paying any employee more than their town clerks.
President PW Botha earned R173 811, tax free, last year.
Businessmen are needed in govt — Gant

MIKE ROBERTSON

EXCESSIVE state spending on ideologically skewed projects had brought SA to its economic knees and the only solution was to get businessmen into government, David Gant, the DP candidate in the Helderberg constituency, said last night.

Speaking in Somerset West, Gant, a prominent Western Cape businessman, said industry had been warning government for years of the consequences to be expected from its gross economic mismanagement.

The Helderberg seat is being vacated by Constitutional Development Minister Chris Heunis, who won it by 39 votes from DP co-leader Denis Worrall at the last election.

"Sanctions and disinvestment aside, crippling taxation and the outflow of capital are bringing us close to a state of economic stagnation," Gant said. "Unemployment flowing from this represented an SA time bomb which was the greatest possible threat to the security of the state."

With increasing unemployment and a rising birthrate it was difficult to persuade South Africans that capitalism provided the best economic system for all, he said.

By professing to be proponents of free enterprise, but instead practising socialism and self-interest, the NP was doing immeasurable damage to the process of convincing blacks of the merits of capitalism.
Wasteful public spending slated

WASTEFUL and ineffective spending in the public sector and a disregard for rules and regulations had caused deep concern, former Auditor-General Gerald Barrie said yesterday.

Speaking at an Institute of Directors in Southern Africa conference on business ethics and morality, Barrie said fraud, theft and embezzlement were not as prevalent in the public sector as might be expected. The prevalence of rules and regulations made it difficult for public officials to deviate from the narrow path.

"However, over the years, wasteful and ineffective spending of funds, a disregard for rules and regulations and at times neglected internal control measures have caused deep concern," he said.

The way in which officials conducted the affairs of the now-defunct Department of Information from 1973 to 1977 was the most outstanding example of this, he said. Secrecy was the reason this situation had been allowed to continue for so long.

Performance auditing of the use of public monies was recently introduced to the Auditor-General's office. But serious staffing problems were inhibiting its application, Barrie said.

Barrie said: "Unfortunately at present the Auditor-General has a major problem in that about 40% of the 600 state auditor posts are vacant. As recently as 1988 a nation-wide recruitment campaign failed to produce any results."

He said internal controls in the public sector were "to put mildly, inadequate."
Political appointments in public service denied

Pretoria Correspondent

Political loyalties of public servants do not play a role in their chances of appointment or promotion to top posts, says the Commission for Administration.

Reacting to criticism of increasing politicisation of the public service, the commission denied the appointment of directors-general could be seen as "political!"

And Public Servants' Association president, Dr Colin Cameron, vouched that appointments and promotions were made on the basis of merit, and not politics.

In an inaugural lecture this week, Professor Donovan Marais of the Unisa department of political science said the Government had increasingly tightened its grip on the public service.

Professor Marais said top officials' appointments had to be approved by the relevant Minister, which opened the door for political appointments.

They were required to swear an oath of secrecy, and information released by departments often reflected an obsession with Government policy. Increasing public exposure, and television appearances, showed support for Government policy, he said.

Dr Cameron said Professor Marais's comments were his perceptions and interpretations of the situation in the public service.

Professor Marais declined to comment on the reaction to his lecture.
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‘No bias’ in choice
of top civil servants

The Argus Correspondent
PRETORIA. — Political loyalties of public servants do not play a role in their chances of appointment or promotion to top posts.

Reacting to criticism of increasing politicisation of the public service, the Commission for Administration denied the appointment of directors-general could be seen as “political”.

In his reaction, Public Servants Association president Dr Colin Cameron said top public servants had to have an understanding of the government because they were obliged to carry out its decisions. But he denied that appointments and promotions were made on the basis of merit, and not politics.

Party-politics
In an inaugural lecture this week, Professor Donovan Marais of the Unisa department of political science said the government had increasingly tightened its grip on the public service, especially in the PW Botha era, and party-politics was a reality “here to stay” in the public service.

Professor Marais said top officials were appointed on a five-year contract basis, and their appointments had to be approved by the relevant minister. This opened the door for political appointments.

They were also required to swear an oath of secrecy, and information released by departments often reflected an obsession with government policy. Increasing public exposure, including television appearances, showed support for government policy, he said.

The commission said term appointments were not political but provided a “mechanism for renewal” at a level “where extremely high requirements are set”. Terms could be shorter than five years, but could also be extended, with the approval of the individual and the minister concerned.

All senior officials, as well as other public servants who dealt with confidential matters, had to swear an oath of secrecy, “or make an appropriate affirmation”.

The purpose of this was to ensure that officials realised they were not at liberty to disclose information to which they may have had access during the course of their duties.

Dr Cameron said Professor Marais’s comments were his perceptions and interpretations of the situation in the public service.
R1-bn of government pensions go private

Finance Staff
About R1 billion of public service pension fund money will be freed for new investment once the Finance Bill, which was passed in the last parliamentary session, becomes promulgated.

The total cash in the government service pension fund is estimated at R5.2 billion this fiscal year, of which R1 billion will be moved away from the Public Investment Commissioner to private fund managers.

According to newspaper reports this morning four institutions — Corban, Old Mutual, Southern Life and Standard Merchant Bank — have been selected out of 24 applicants to manage R250 million each once the bill is promulgated.

But, while investment in futures and options will be allowed, no money can be diverted into equities and fund managers will only be able to invest 75 percent of their money into government stocks and 25 percent into semi-gilts.

This will change dramatically when hundreds of million rand, invested in the Sats pension fund, are also thrown open to private institutions for fund management.

According to the Finance Bill, this money can now be invested in equities and other investments and the Johannesburg Stock Exchange could see a significant share of this money.

The government service and the Sats pension funds are plagued by massive deficits and the greater flexibility allowed in managing the funds through the privatisation process should result in better returns and a subsequent reduction in the shortfall.
STATE FINANCES

The last straw

Even the most diehard government supporter must surely be coming to realise that SA simply can’t afford Nat economic mismanagement any longer. The latest State revenue and expenditure figures (see Economy) must surely be the final evidence of this, to anyone who still needs it.

Perpetual railing against wicked international bankers and the total onslaught are all very well, but the sorry fact is that, even apart from them, government is unable to keep its own house in order.

We are continually told that we mustn’t read too much into a single month’s figures. Eventually that excuse wore thin with the repeated inability to meet self-imposed monetary targets; it did with inflation (remember that single-digit target?), soon it will with the State finances, too.

At a time when we need less government and when privatisation and deregulation are accepted policy, we are still transferring resources from the private to the public sector. Chris Stals admits elsewhere in this issue (see Leaders) that the recent corporate loan levy was designed to do just that. And Dawie de Villiers is still going around reassuring civil servants that privatisation will not mean job losses.

What cloud-cuckoosland do our top policymakers live in? Bluntly, we can no longer tolerate fiscal policy and demand management that put the burden on the private sector in both good times and bad, while the public sector goes on expanding in numbers and improving its employment conditions relative to the private sector. Nor can we tolerate the fiction that privatisation will not mean job losses, nor the slow pace of deregulation and erosion of inefficient, expensive protected vested interests in so many sectors.

(In parenthesis, of course the FM accepts that we need more teachers and nurses, but there must be offsetting cutbacks elsewhere. Don’t tell us it can’t be done; Sats has disproved that. There’s no reason to think other public-sector “utilities” are any more efficient than the old Sats, to say nothing of the redundant government departments whose sole function seems to be to interfere with the workings of the market, or individual freedoms. And after September 6, we can save quite a few highly paid posts in the State President’s office, too.)

The fact is that, even had international conditions been more favourable, the policies of the National Party would still have brought progressive, if slower, impoverishment.

Conservative Party policies, on the other hand, would bring progressive, but somewhat faster, impoverishment. We believe businessmen are becoming increasingly restive at this government’s apparent inability to address either the political or economic problems that face us.

We hope they will express this through the ballot box on September 6. It wouldn’t be scaremongering to call it the last chance.
BALANCE OF PAYMENTS

Trading down

If economists needed any encouragement to cut projections for the current account they got it last week, from the May trade figures. Imports soared to a record R3,9bn, up R200m from April, despite tough curbs in the past few months to slow the economy and deter imports. And exports, supposed to be boosted by the sinking rand, dropped from R4,51bn in April to R4,36bn.

A narrowing trade surplus, R456m compared with R817m in April, raises concerns that the current account surplus will shrink so much it won’t meet debt payments this year. That could mean another tightening of the economy by Pretoria to reduce capital spending further and limit imports. 

At the beginning of the year, Bank of Lisbon economist Fred Costa e Silva projected the current account surplus would top R3bn. Now he’s projecting R2,5bn. “Devaluation of the rand is not helping exports as much as I thought it should I expect agricultural and metal exports to be up but it’s just not enough. If gold drops below US$350, the surplus could drop below R2bn.”

Sanlam’s Johan Louw predicted a surplus of R4,4bn and has trimmed that only slightly. “We might still make R4bn, given a substantial cooling off in the economy later in the year,” he says. “The only worrying factor is the gold price, but the rand is also weakening so that is making up for it. We still hope gold will rebound later in the year.”

Econometrix was conservative in its projection — R2bn — and is sticking to it. “The rand is performing much as we expected,” says economist Tony Twine. “But the abso-
BOARD NOTICE 56 OF 1989
TOWN CLERKS' COUNCIL

DETERMINATION OF QUALIFICATIONS AND EXPERIENCE

In terms of the provisions of section 8 (a) (ii) read with section 18 (3) of the Profession of Town Clerks Act, 1988 (Act No 75 of 1988), hereinafter referred to as "the Act", the Town Clerks' Council, after consultation with the Education Advisory Committee defined in Section 1 of the Act and after consideration of the objections and comments submitted in terms of section 29 (1) of the Act, determines:

1. That for registration as 'n professional town clerk and prospective town clerk the minimum educational qualifications and practical experience shall be as follows:

(a) A relevant Bachelor's degree or up to and including 31 December 1992, any other relevant educational qualification approved by the Council in each case, plus

(b) membership of the Institute of Town Clerks or, up to and including 31 December 1992, any other relevant professional institute or society as approved by the Council in each case, plus

(c) 10 years relevant practical experience.

For the purposes of this provision and provision 4 hereunder—

(i) membership of the Institute of Town Clerks, or any other relevant professional institute or society referred to in paragraph (b) above, is deemed to be an educational qualification, and

(ii) relevant with regard to a Bachelor's degree, educational qualification, professional institute or society and practical experience, means the Bachelor's degree, the educational qualification, the professional institute or society and the practical experience relevant to the theory and practice of local government and the functions of a Town Clerk, as contained in section 28 of the Act.

2 A person may not be appointed as Town Clerk of a local authority which has been classified in Grades 1 to 15, as contemplated in section 18 (3) of the Act, unless he has been registered as a professional or a prospective town clerk.

3 Any person appointed on or before 5 July 1989 as a Town Clerk of any local authority graded 1 to 15, as contemplated in section 18 (3) of the Act, and who does not comply with the provisions of 1 above shall in terms of section 21 (2) (b) be registered as a registered Town Clerk.

4 That in terms of section 20 (3) (b) of the Act general exemption is granted to each local authority—

(a) in grades 1 to 9 as contemplated in section 18 (3) of the Act, to appoint a person as town clerk, notwithstanding the fact that he is not registered as a professional, registered or prospective town clerk, provided that such person shall meet the undermentioned educational qualifications and practical experience in respect of the undermentioned grades in which local authorities have been divided in terms of section 18 (3) of the Act.

GOVERNMENT GAZETTE, 23 JUNE 1989

RAADSKENNISGEWING 56 VAN 1989
RAAD VIR STADSKLERE

BEPALING VAN KWALIFIKASIES IN ONDERVINDING

Ingevolge die bepalinge van artikel 8 (a) (ii) saamgelee met artikel 18 (3) van die Wet op die Beroep van Stadsklere, 1988 (Wet No 75 van 1988), hierin "die Wet" genoem, bepaal die Raad vir Stadsklere na oorlegpleging met die Onderwysadvieskomitee slegs om skryf in artikel 1 van die Wet, en na oorweging van die beswaren en kommentare wat ingevolge artikel 29 (1) van die Wet ingediens is.

1 Dat 'n persoon oor die volgende minimum opvoedkundige kwalifikasies en praktiese ondervinding vir registrasie as 'n professionele stads-, of 'n voornemende stadsklker moet beskik:

(a) 'n Toeplaslike Baccalaureus-graad of, tot en met 31 Desember 1992, 'n ander toepaslike opvoedkundige kwalskafwet in elke geval deur die Raad goedgekeur is, plus

(b) lidmaatskap van die Instituut vir Stadsklere of, tot en met 31 Desember 1992, enige ander toepaslike professionele instituut of vereniging soos goedgekeur deur die Raad in elke geval, plus

(c) 10 jaar toeplaslike praktiese ondervinding.

Vir die doeleindes van hierdie bepaling en bepaling 4—

(i) word lidmaatskap van die Instituut vir Stadsklere of enige ander toepaslike professionele instituut of vereniging bedoel in paragraaf (b) genoem 'n opvoedkundige kwalskafwet te wees, en

(n) beteken toepaslik met betrekking tot 'n Baccalaureus-graad, opvoedkundige kwalskafwet, professionele instituut of vereniging en praktiese ondervinding die Baccalaureus-graad, die opvoedkundige kwalskafwet, die professionele instituut of vereniging en die praktiese ondervinding wat betrekking het op die teorie en praktiek van plaaslike regering en die funksies van 'n stads-, soos vervat in artikel 28 van die Wet.

Dat 'n persoon as stadsklker van 'n plaaslike owerheid wat in Grade 1 tot 15 soos bedoel in artikel 18 (3) van die Wet ingedeel is, aangestel mag word nie, tenys hy as 'n professionele stadsklker of voornemende stadsklker geregistreer is.

3 Dat 'n persoon wat voor of op 5 Julie 1989 as 'n stadsklker aangestel is van 'n plaaslike owerheid wat in grade 1 tot 15 soos bedoel in artikel 18 (3) van die Wet ingedeel is en wat nie aan bepaling 1 voldoen nie, ingevolge artikel 21 (2) (b) van die Wet as 'n geregistreerde stadsklker geregistreer moet word.

4 Dat algemene vrystelling ingevolge artikel 20 (3) (b) van die Wet verleen word aan elke plaaslike owerheid—

(a) wat in Grade 1 tot 9 soos bedoel in artikel 18 (3) van die Wet ingedeel is, om 'n persoon as stadsklker aan te stel ongewag deur hy as 'n professionele stadsklker, voornemende stadsklker of geregistreerde stadsklker geregistreer is, mits hy ten opsigte van die onderstaande grade waarin plaaslike owerhede ingewy het artikel 18 (3) van die Wet ingedeel is, oor die onderstaande opvoedkundige kwalskafwete en praktiese ondervinding beskik:
PSL facing tough report

THE widespread network that keeps me supplied with information I'm probably not supposed to have has come up with another winner — a management report on the Public Servants League (PSL).

The report's findings draw a picture of what is almost a classic model of the bureaucratic style of union.

The league has been around for more than 20 years and claims about 40,000 members falling under the Commission for Administration, mostly in the lower grades of the service.

Like other staff organisations in the State area, it has often been criticised for not playing a more assertive role in representing member interests and in recent years has been subjected to internal strain and rumbles, especially since more active unions have started recruiting members among State employees.

At Groot Schuur, one of the larger branches, the league is also being "white-anted" by the National Education, Health and Allied Workers' Union, a Cosatu affiliate whose members played a major role in industrial action at the hospital last year.

The consultants' report set out to identify the major problems facing the PSL, analyse their cause and recommend possible solutions.

Although it warns that the material should be viewed in conjunction with comments made at discussions, without which incorrect conclusions could be drawn, it all seems fairly basic.

For a start, there are about 20,000 paid-up members, or about 23 percent of potential membership which the report concludes is due to ineffective recruitment.

The consultants' findings on the PSL's mission and goals are that it has unrealistic constitutional objectives, diverse views about ideal goals and no formal development of functional goals in support of its mission, and concludes that achievement of some objectives is impossible.

Findings on strategy are that there has been little formal long-term strategic planning, its constitutional goals have not been translated to short-term operating goals, poor marketing of benefits to members with a majority of membership being based on insurance benefits, and slow adaptation to changes in the labour legislation environment.

They found the PSL's structure was top heavy and inappropriate with poor management control systems. The management information system was undeveloped, financial administration system incomplete and control of expenditure authorisation inadequate.

When it comes to bargaining power, the report found that the PSL had "sub-optimal" power, a result of its low percentage representation, low public profile, direct involvement of its decision-maker in negotiations and restrictive legislation.

Steps have, however, been set in motion to eliminate some of the maladies and start a five-year plan which includes "significant progress towards a public service collective bargaining system similar to that provided by the Labour Relations Act."
Public service to ask for 15% rise

JOHANNESBURG — The board of directors of the Public Servants' Association of South Africa (PSA) has resolved to submit urgent representations to the government for a general salary adjustment of 15% as well as for the voting of additional funds for "occupational differentiation.

This was resolved at a meeting, a press statement from PSA said yesterday.

"Representations will simultaneously be submitted for the adjustment of civil pensions. The average annuity of a pensioned member of the government service pension fund is presently R15,078 per annum, and that of widows, R6,306 per annum.

According to the statement, the real value of the annuity of civil pensioners on June 1, 1989 was as follows:

- Retirements from 1965 to 1973: 61.9% to 89.2%
- Retirements from July 1, 1973 to end of 1975: 51% to 57.2%
- Retirements from 1976 to 1985: 58.7% to 70.4%

"In addition to a 12% adjustment which was granted on November 1, 1988, SATS staff will receive a further salary adjustment of 10% effective from July 1, 1989," said PSA general manager Mr Hans Olivier.

SAPA
Public servants are to demand new salary rise

Pretoria Correspondent

Public servants are calling for a 15 percent salary increase and an adjustment of pensions.

The Public Servants' Association (PSA) is to ask the Government for a second pay adjustment this year.

This follows a meeting of the PSA board of directors in Pretoria at which details of a salary survey were discussed.

In a statement yesterday, the PSA said the Government had failed in its policy of occupational differentiation and public servants earned 17 percent to 46 percent less than counterparts in the private sector.

The survey indicated that South African Transport Services (Sats) workers would get an additional 10 percent from July 1, and employers in the private sector would grant increases of 14 to 18 percent during the year.

The only remedial action would be another general salary adjustment, said the PSA.

PSA general manager Mr Hans Olivier attributed the failure of the occupational differentiation policy to insufficient funds allocated for public service salaries.

A total of R50 million was allocated during the current year.

Thus, he said, would be enough to adjust only the salaries of 27 occupational classes.

There were 179 occupational classes, he added, which had received no real improvements in the past three years.

Referring to the plight of public service pensioners, he said the average annual annuity was R15,000 a year.
Govt to pay R60 pension bonus

Political Staff

GOVERNMENT has decided to pay a R60 bonus to all social pensioners irrespective of race.

The bonus will be paid in October and is to be funded out of the R1 billion Contingency Fund created in the Budget.

In all, R120m will be paid out of the fund which, when it was established, critics said would be used for "election sweeteners".

Representations

Finance Minister Mr Barend du Plessis said in a statement that since the Budget the government had received urgent representations, in particular from the three Ministers' Councils, to consider either increasing social pensions or paying a bonus.

Mr Du Plessis said 2,143,000 pensioners would receive the bonus.

DP Finance spokesman Mr Harry Schwarz said it was now obvious that pensioners should welcome regular elections because it meant they at least got something from the government.

He welcomed the fact that the bonus was to be paid to all pensioners irrespective of race, but said that R60 in today's inflationary climate, while welcome, was an extremely meagre amount.
Privatisation: scrapping of posts outlined

PRETORIA — Significant progress had been made in government's aim to strip the public service of all activities which could be served by the private sector, communal services for administration chairman Piet van der Merwe said yesterday.

The structure of the entire public service could change, he said.

Recently announced was the privatisation of catering, cleaning and horticultural services. Currently 38,000 public servants were employed by these services.

Projects

The contracting out of road-building and maintenance would reach 75% by 1994/95. An annual budget of R2.2bn and 32,000 workers were involved in these activities.

In addition to functions already approved for privatisation, more than 80 postable projects were in the pipeline. Duplication and overlapping of functions in the public service was a cause for concern, but rationalisation during 1979/80 much had been done to eliminate this.

He pointed out a personnel standstill was imposed in the service in 1978 in an effort to curtail staff expenditure. Since then a large number of posts had been abolished.

During last year the net result of all establishment changes was a reduction of 3,286 posts. The commission also recommended nearly 500 officers for early retirement.

In the drive towards greater productivity, work programming and financial incentive schemes had been implemented.

van der Merwe said in determining public service salaries, the point of departure was the levels of pay and other service conditions in the general labour market.

Job security enjoyed by the professional group in the service was taken into account.

He stressed that public service salaries did not lead the market, but followed it.
PUBLIC servants who already receive annual housing subsidies totaling about R335m are to get a further R30m in interest assistance this year.

Administration and Privatisation Minister Dawie de Villiers said yesterday public servants would receive interest subsidies of between R40 and R80 a month from June to the end of the financial year.

The announcement follows hard on the heels of government's decision to pay R150m from its R1bn contingency fund in bonuses to social pensioners.

Opposition spokesmen said the timing of both announcements was clearly linked to the election.

Government sources said more than R500m of the contingency fund had been allocated in the first quarter of the financial year.

A spokesman for De Villiers's office said it was not certain whether the interest subsidies for public servants would also come from the fund, they could be funded from savings by the Commission for Administration.

Public servants at present receive full interest subsidies on mortgages up to R50,000. A public servant with a R50,000 mortgage receives an interest subsidy of R516 a month.

A total of 94,000 public servants receive the subsidies and qualify for the supplementary payment. The spokesman said it was expected that R30m would be spent on the supplementary subsidies in the 10 months to the end of the financial year.

De Villiers said interest rates on mortgages had reached high levels, which had brought financial pressure to bear on personnel in the public sector, pressures that could not always be accommodated within normal monthly budgets.

"Government has therefore decided to institute a supplementary monthly housing subsidy to alleviate this financial burden and to ensure that personnel in the public sector are not exposed to situations where they no longer can afford to keep their existing houses," he said.

The supplementary subsidies would vary between R40 and R80 a month, depending on outstanding loan balances.

De Villiers said as interest rates decreased, the supplementary subsidy would be reduced and then phased out.

"The supplementary housing subsidy is aimed at partially subsidising the interest rate on outstanding debt in excess of R50,000." DP finance spokesman Harry Schwarz said. "It looks as if the R1bn kitty is being syphoned off one day at a time in a way which is very convenient for government from an election point of view."

Schwarz said it had to be asked why, if government felt it necessary to assist public servants, it had not done so at the time of the Budget.

Instead of adopting a total approach to dealing with the country's economic problems in the Budget, government was catering for special interest groups, he said.

MIKE ROBERTSON

Comment: Page 6
R30m gift to public servants

Political Staff

PUBLIC servants who already receive annual housing subsidies totalling some R334 million are to get a further R30m in interest assistance this year.

Administration and Privatisation Minister Dr Dawie de Villiers announced yesterday that public servants would receive interest subsidies of between R40 and R80 a month from June until the end of the financial year.

The announcement follows hard on the heels of the government's decision to pay R125m from its R1 billion contingency fund in bonuses to social pensioners. Opposition spokesmen said the timing of both announcements was clearly linked to the coming election.

Government sources said that more than R500m of the contingency fund had been allocated in the first quarter of the financial year.

Mr De Villiers said it was not certain whether the interest subsidies for civil servants would also come from the contingency fund. It was possible that the subsidies could be funded from savings by the Commission for Administration.

At present, civil servants receive full interest subsidies on mortgages up to R50,000. A civil servant with a R50,000 mortgage receives an interest subsidy of R516 a month.

A total of 54,000 civil servants receive the subsidies and qualify for the supplementary payments. The spokesman said it was expected that R30m would be spent on the supplementary subsidies in the ten months to the end of the financial year.

Dr De Villiers said that interest rates on mortgages had reached high levels which had brought financial pressure to bear on personnel in the public sector.

'These pressures cannot always be accommodated within normal monthly budgets,' he said.

He added: 'The government has therefore decided to institute a supplementary monthly housing subsidy to alleviate this financial burden and to ensure that personnel in the public sector are not exposed to situations where they no longer can afford to keep their existing houses.'

Dr De Villiers said that as interest rates decreased, the supplementary subsidy would be reduced and gradually phased out.

Democratic Party finance spokesman Mr Harry Schwartz said: 'It looks as if the R1bn kitty is being syphoned off one day at a time in a way which is very convenient for the government from an election point of view.'

To page 2

From page 1

'Cheap Times 7/7/89'

'Sweetener for public servants'

Mr Schwartz said it had to be asked why, if the government felt it necessary to assist civil servants, it had not done so at the time of the budget.

'What about the ordinary man in the street and his problems which are far bigger than those of civil servants?'

Instead of adopting a 'total approach to dealing with the country's economic problems in the budget, the government was now providing for special interest groups.

When the government created the multi-million-rand 'slush fund', Mr Schwartz said the money would be used for buying votes, 'and this seems to be what is happening'.

'The next thing you know, the government will be exchanging R10 cash for each vote,' he added.

Mr Keith Wakefield, national president of the Institute of Estate Agents, said the supplementary subsidy was 'inflationary and comes at a time when everyone should be sticking to their budgets. Who will look after the private sector?'

Mr Peter Gastrow, MP for Durban Central and DP spokesman on manpower, last night slated the announcement.

'The hand-out is so blatant it is cheap,' he said.

'If the government is out of those hand-outs, makes one wonder why the Electoral Act has a clause preventing candidates from treating voters and the like.'

'It is an indication that all other messages of political persuasion by the government have run out and instead of being a sign of confidence, this is one of desperation.'
Mystery oil spill soils 88 penguins

Staff Reporter

AN inexplicable oil spill this week sooted 88 Dyer Island penguins

Conservationists are puzzled by the spill which recurs annually without any apparent source, affecting hundreds of penguins on this east-coast island.

The 88 jackass penguins were yesterday removed from the island by members of the SA National Foundation for the Conservation of Coastal Birds (Sancob) and caged for rehabilitation at the foundation's Bettyville rescue station.

Rescue station manager Mr Andre Meyer yesterday said neither Sancob nor scientists could explain why oil-soaked penguins had been found on the island each June for the past four years.

Rough seas

Citing June figures of oil-soaked penguins found on the island east of Danger Point, Mr Meyer said that 153 birds were contaminated in June 1986, 49 in 1987, 48 in 1988 and 88 this year.

Rough winter seas and strong currents could have swept the deadly crude oil from deeper water, said Sancob honorary secretary Mrs Eva Vorster.

BUSINESS BRIEF

Gold (Ldn close) $284.75
Gold (NY close) $281.75
Rand R2.6650
FT index (close) 13015.00
BD 100 3150.50
Dow Jones 2487.00

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PUBLIC servants are pleased with the R30 million "interest assistance" the government will give them on their home loans — but now they want more.

Mr Hans Olivier, general manager of the Public Servants' Association, yesterday welcomed the R40- month supplementary housing subsidy announcement yesterday, but complained that the present R50 000 limit — beyond which bondholders are not subsidized — was too low.

Few three-bedroomed houses cost less than R50 000, he said, and therefore the current limit was too low.

Over the years, this association had made representations several times for an increase in the limit, and it regarded the announcement as a response to its requests.

The chairman of the Teachers' Federal Council (TFC), Professor Hennie Maree, complained that the subsidy limit had not been increased since 1983.

"Utenable position"

"A large number of government employees who were compelled to obtain mortgage bonds of R50 000 and more, are at present in an untenable financial position — especially a large number of young people."

The TFC had been negotiating with Mr F W de Klerk to lift the limit, and for "interim emergency procedures" for those with bonds over R50 000.

"Certain understandings have been reached with the Minister of National Education," Mr Maree said.

"The benefit as announced is unfortunately not in keeping with the arrangements agreed to. Therefore the representations of Council were only partially successful."

The granting of an additional housing subsidy to public servants was another "election ploy," the Conservative Party said yesterday.

CP spokesman on Administration and Privatization, Mr Franie Jacobs, said the NP Government was trying to evade the impression it was helping civil servants, but it was the taxpayers who were in fact carrying the financial burden of the new subsidy.

The Democratic Party candidate for the Florida constituency, Mr Norman McCartan, also noted the move as a "vote-gathering tool" for the NP.

"NP talk unsurprising" — Page 2

PUSS IN BATH

The Western Cape Cat Club will hold its 61st Championship Cat show today at the Gordon's Beach Lasebeek Park, Mowbray. Receiving the full treatment, in addition to the show, is "Red Baron" a red Persian groomed by Mr Williams at a parlour in Sea Point.

Picture: Glenn

Cancer risk for mil

LONDON — Women who regularly consume milk, yoghurt and cheese run a far greater risk of developing cancer of the ovaries than those who avoid dairy products.

Experts at the Harvard School of Public Health said in the Lancet Medical Weekly, released today, that the risk of milk drinkers getting ovarian cancer — three times greater than for women who did not drink milk. A total of 285 cancer sufferers.
Public sector seeks promise of hikes by year-end

PRETORIA — Public sector staff associations are maintaining pressure on government for undertakings of pay hikes before the year-end.

Post Office workers are demanding 20% pay hikes from July.

But Communications Minister Stoffel Bosha told a Postal and Telegraphs Association delegation this week he could give no assurance of across-the-board raises in the immediate future.

However, he said, salaries were continually adjusted to match private sector pay levels.

The teaching profession is also agitating for pay adjustments before the year-end. Teachers got a 7% increase last December and a general 13.5% public sector rise in January.

The pay issue and "inadequate", housing benefits were raised again recently in talks between the Teachers' Federal Council and National Education minister F W de Klerk. Further talks are expected soon.
Public servants to press for immediate pay rise

PRETORIA — The Public Servants' Association (PSA) will meet Administration Minister Dawie de Villiers before the end of the month to press for immediate 15% pay rises for 750,000 central government and provincial workers.

PSA directors claimed that civil servants' salaries were running 20% behind the private sectors' at the end of the first quarter this year, even taking into account the 15% increase given to all public sector workers in January.

PSA GM Hans Olivier said the PSA was also pushing for improved housing benefits. The R50,000 ceiling for mortgage interest subsidies was unrealistically low and failed to take into account the escalation in property prices.

Also on the agenda would be the "pathetically" inadequate amount set aside for occupational differentiation increases in the Budget.

Meanwhile, the Teachers' Federal Council is giving urgent attention to linked associations' demands for salary adjustments. A meeting with National Education Minister F W de Klerk is expected soon.
GENERAL NOTICE

NOTICE 862 OF 1989
PUBLIC SERVICE BURSARY SCHEME.— BURSARIES FOR 1990

Purpose
The purpose of the Public Service Bursary Scheme is to enable selected candidates to equip themselves for positions in the entry grades in the Public Service.

General information
Bursaries for full-time study are granted from funds of the Office of the Commission for Administration. The bursaries are not to exceed the following amounts per year.

(a) Full-time study

(i) Universities

Actual tuition and residence fees plus R1 380 (Non-residents — an amount in lieu of residence fees equal to the minimum amount applicable at the particular university.) Maximum amount of bursary is R6 900.

(ii) Technikons and Colleges

Actual tuition and residence fees plus R1 040. (Non-residents — an amount in lieu of residence fees equal to the minimum amount applicable at the particular institution.) Maximum amount of bursary is R5 100.

(b) Part-time study

(i) Universities

Actual tuition fees plus R380. Maximum amount of bursary is R2 000 at residential universities and R1 300 at UNISA.

(ii) Technikons and Colleges

Actual tuition fees plus R270. Maximum amount of bursary is R1 140.

Bursaries for part-time study are available only to officers in the Public Service.

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ALGEMENE KENNISGEWING

KENNISGEWING 862 VAN 1989
STAATSDIENSTBEURSSKEMA.— BEURSE VIR 1990

Doel
Die doel van die Staatsdiensbeurs-skema is om gekeurde kandidate in staat te stel om hulle vir betrek- kings in die toetsezone in die Staatsdiens te bekwaam.

Algemene inligting
Beurse vir voltydse studie word toegeken uit fondse van die Kantoor van die Kommissie vir Administrasie. Die grootste van beurse is hoogstens die volgende per jaar:

(a) Voltydse studie

(i) Universiteite

Werklike akademiese en losiesgeld plus R1 380. (Nie-koshuisgangers — laagste bedrag losiesgeld deur betrokke universiteit gehef.) Maksimum bedrag van beurs is R6 900

(ii) Technikons en Kolleges

Werklike akademiese en losiesgeld plus R1 040. (Nie-koshuisgangers — laagste bedrag losiesgeld deur betrokke insanse gehef.) Maksimum bedrag van beurs is R5 100

(b) Deeltydse studie

(i) Universiteite

Werklike akademiese geld plus R380. Maksimum bedrag van beurs is R2 000 t o.v. resi- densele universiteit en R1 300 t o v. UNISA.

(ii) Technikons en Kolleges

Werklike akademiese geld plus R270. Maksimum bedrag van beurs is R1 140.

Beurse vir deeltydse studie is slegs aan beamptes in die Staatsdiens beskikbaar.
Public servants ask for wage increases

Own Correspondent

PRETORIA — A Public Servants’ Association delegation came away from a meeting yesterday with Minister of Administration Dr Dawie de Villiers with little more than vague promises.

Dr De Villiers told the delegation it would “probably” not be possible to grant general salary increases in the service during the current financial year.

Public sector workers got their last increase in January — 15% across the board.

Dr De Villiers said, however, that specific occupational adjustments would be within the financial capabilities of government.

PSA president Mr Colin Cameron said Dr De Villiers was asked for a 15% general salary increase in the current financial year.

Salary increases were the order of the day in the private sector and the gap between the two sectors was widening. The general salary rise in January had helped stem the exodus of well-trained personnel but resignations were again on the increase.
Public sector pay bill ‘up 27%’

JOHANNESBURG — Official figures show that the public sector pay bill has risen by 26.9% since March last year, despite the government’s refusal to increase civil servants’ salaries by more than 13% in the past 12 months.

In the same period from March 1988 to March 1989, full-time staff numbers in the departments for own and general affairs and the provincial administrations rose by only 2.2%, according to figures supplied by the Central Statistical Service.

The figures are part of a breakdown of employment and salaries and wages in the entire public sector, which includes parastatals, universities, agricultural marketing boards, self-governing homelands, local authorities and public corporations. It employs 1,688,639 people.

The quarterly gross salary, wage and bonus cost of the public sector has risen to R7.3 billion (quarter ending March 1989) from R6.2 billion (to March 1988). Overall employment in the sector dropped by 0.6%. Average salaries and wages for the entire sector, at current prices, have risen by 20.2% compared to the 1988 quarter ending March.

Some categories of public sector workers have had special increases. 22% for teachers in January 1989 and 12% for SATS workers in September 1988.

Civil service employees now represent 43.7% of the public sector employees. A year ago, the number was 43.0%.

However, though numbers are dropping, civil service salary costs have risen faster in the past year than those of the public sector as a whole.

(Figures by R. Grange, 11 Camp Rd, JHB.)
Govt income racing ahead of Budget

Own Correspondent

JOHANNESBURG — Government revenue is racing far ahead of Budget with fiscal drag and continued strong domestic demand swelling the coffers. Central Statistical Services (CSS) figures released at the weekend show Exchequer revenue in the first four months of the current fiscal year was 41.3% higher than the same period last year. Government has budgeted for an increase of 16% in revenue for the full financial year.

The massive increases in government revenue have helped swell the Exchequer's bank balance to a record R9.2bn — almost four times the amount it had at the Reserve Bank a year ago.

The tax windfall has raised fears that a repeat of the previous fiscal year's overspending is on the cards. In 1988/89, government spent its extra revenue and ended the year with an 18% increase in spending instead of the budgeted 12.6%.

CSS figures for government expenditure indicate government is already spending at a faster rate than the previous fiscal year. After four months, it has already spent 34.8% of its R105bn budget — compared with only 31.7% in the April-to-July period last year.

Democratic Party finance spokesman Harry Schwarz said "Much of the extra revenue will probably be used for public service salary adjustments. An increase for teachers seems likely."

It would be prudent, however, to use extra revenue to reduce the need to borrow on the capital market. "If government is using tax as a policy measure to cool domestic demand, it would make sense to use that extra income to reduce the deficit before borrowing. I expect this to happen to some extent, although part of the extra revenue will be spent," Schwarz said.

The revenue breakdown for the first four months is not yet available, but CSS figures for the period April-to-June show income tax (excluding gold mines) rose by 40.4% from the previous year.

Economists said this reflected fiscal drag and continued strength in the economy. Schwarz said direct taxes should have been reduced in the Budget to compensate for the effects of inflation. The petrol levy, too, could be reduced.

CSS figures show income from the fuel levy was up 77.9% to R361.6bn in the first three months of the fiscal year compared with last year.

Proof of a buoyant economy was evident from General Sales Tax receipts, which rose at a much higher rate than inflation (39.7%).

Surcharge receipts rose by 183.8%. Government has reaped R378.2m in import surcharges in the first three months of this fiscal year — mainly reflecting the raising of surcharges in August last year.
ECONOMIC OUTLOOK

Getting the wheels down

While private consumption expenditure peaked when it rose an annualised 5.5% in the third quarter of 1988, consumption by general government was steady in the fourth quarter and rose "very strongly" in the first quarter of 1989.

In the first quarter, Reserve Bank Governor Chris Stals says in his (maiden) annual address to shareholders this week, the rapid rise in real government expenditure was "the principal factor accounting for the temporary resurgence of aggregate real gross domestic demand." The increase of more than 5.5% (in) real government consumption expenditure from the second quarter of 1988 to the second quarter of 1989 stands in contrast to the mild decline in aggregate real GDE during that period." How does this square with Barend du Plessis' claims that government spending is being held back?

Stals points out that in the second quarter, government expenditure fell significantly. It is essential that this continues. As Stals has already pointed out (FM August 25), high government expenditure in 1984-1985, while GDE was declining, was unfortunate and should not be repeated.

Not surprisingly, the summing up of the economic outlook in the Bank's annual report released this week is cautious. "Output and spending trends in the first half of 1989 were still compatible in general terms with the broad projection for 1989 that underlay the monetary authorities' adoption of a target rate of growth for M3 of 14%-18%" By mid-August, "little uncertainty remained that domestic spending and production activity were cooling down.

However, there are serious reservations. "In the light of certain untoward balance of payments developments - notably the sharp further drop in the dollar price of gold in the first half of 1989 - doubts could still be entertained whether spending and output were in fact slowing down at an appropriate speed and to the requisite extent."

The point is reiterated. "By the early third quarter, doubts could still be entertained whether the landing in prospect might not turn out to be too soft or too long-drawn out from the point of view of a comfortable handling of the balance of payments and foreign reserve situation."

Stals speaks also of the need to confront inflation. "In 1985-1987 inflation was not regarded as a priority because of pressing short-term problems and "indeed, some inflation was perceived as forming part of the unavoidable adjustment process which the economy had to undergo" - a debatable point. In 1988, however, the authorities "recognised the emerging danger of a new escalation in inflation."

With a new phase of economic consolidation under way, the main emphasis of monetary policy has been switched to the curtailment of inflation." Stals declares himself determined to bring down growth in money supply to the target range of 14%-18%. "Positive real rates of interest should be maintained and the foreign reserves strengthened to afford the authorities more freedom of action in the management of the rand."

The report discusses unusual flows on both capital and current account since the imposition of financial sanctions in 1985. Despite the 1986-1988 upswing, it says, the current account has stayed in surplus, except for a fleeting dip "into a marginal deficit in the first quarter of 1988." It compares the "cumulative current account surplus from the beginning of the upswing in the second quarter of 1986 to the end of 1988 (which) amounted to 3% of the concurrent GDP" with a 2% of GDP surplus in the expansion of 1978-1981 and a 1.6% deficit in the mini-boom of 1983-1984.

The quarterly average surplus (seasonally adjusted annual rate) of R2.3bn in 1989 represents a significant shrinkage from previous surpluses of R5.9bn, R7.2bn, R6.2bn and R2.9bn since 1985. However, if these reserves are replenished, we can expect the surplus to strengthen as import demand declines.

When this happens, the report claims, the outlook for the rand will be more upbeat. In 1988 they were 7.5% higher than in 1987 and in the first half of 1989 "strengthened further at a seasonally adjusted but annualised rate of 16%, from their average level in 1988. The rand value of merchandise exports - incorporating the effect of exchange rate depreciation on export volumes as well as on the rand equivalent of foreign export proceeds - rose by 25% in 1988 and at a seasonally adjusted and annualised rate of 25.5% in the first half of 1989 from its average level in 1988."

However, despite the unusual success in keeping the current account surplus relatively high through a period of economic expansion, the balance of payments is under pressure. Unexpectedly heavy outflows of capital in the four quarters to 1989 exceeded current account surpluses of a seasonally adjusted annualised R5bn in the second half of 1988, and R2.3bn in the first half of 1989. In 1988, net inflow of capital not related to reserves totalled R6.5bn. "Thereby 1988 became the first year since 1985 in which the outflow of non-reserve related capital exceeded the surplus on the current account."

In the first half of this year, the outflow reached R2.9bn.

Long-term outflows, R1.1bn in 1988, were at the same level in the first half of 1989. This was due to maturation of bearer bonds and notes; rather than any fundamental economic impetus, says a Bank spokesman. Heavy outflows also resulted from non-

![Graph](image)
residents being net sellers of securities.

Outflows of short-term capital (including unrecorded transactions) were R5,5bn in 1988 and R1,8bn in the first half of 1989. This at least was a great improvement, presumably due to the success of various inducements to borrowers to seek overseas funding.

"A substantial portion of outflows in 1988 appears to have represented switching from foreign to domestic sources of trade financing, on the basis of anticipated declines in the effective exchange value of the rand." However, a R450m increase in 1988 foreign asset holdings (much of it related to export promotion) contributed to the outflow.

As a result of these outflows, at a time when the current account surplus narrowed, total gross foreign reserves dropped from their high of R8.7bn (US$4.2bn) in August 1987 to R6.7bn (US$3.8bn) at end-1988. By end-June they recovered in rand terms to R7.4bn but dropped further in dollar terms to $2.7bn. Recent reserves have been equivalent to 1.5-1.75 months' imports of goods.

After a 3.1% gain in the rand's trade-weighted value in 1987, it fell 16.6% in the 10 months to October 1988 and a modest 3% thereafter. Deceleration in the decline was due to a recovery between October and January and a mild reversal in the unit's fortune since it hit a record low against the US dollar of R2.8743 on June 15.

The overall tenor of the report and governor's address suggest further action on the economic front is likely. Both inflation and balance of payments problems indicate interest rates will have to go higher if they are to remain positive. And unless they are positive, they are an invitation to South Africans to borrow, consume and import.
The empire strikes back

Jan Burger, chairman of the Johannesburg Management Committee, takes exception to the FM's cover story of August 4 — "To Laugh Or To Cry" — which criticised the management of the city.

The comment that Johannesburg's deficits are met from "savings built up over the years when there was no loss" is hopelessly misleading.

The council has, since time immemorial, followed a financial policy based on the bringing and carrying forward of surpluses (or deficits) from one financial year to the next. This is a current situation, which mainly affects only two or three immediately consecutive financial years.

What has happened is merely that some of the operating deficit relating to 1988/1989 has been financed from an income surplus generated in the previous financial year; and the same is expected to apply to the 1989/1990 financial year.

It is also incorrect to suggest that I have attempted to attribute the so-called harsh increases in the latest budget solely to "the general economic malaise." The Johannesburg City Council is not unique in experiencing problems of this nature. I stand by my statement that our budget for the present year is eminently sound.

The accusation that we do not budget properly or keep proper controls is absurd.

The budgets are prepared by the various heads of departments, in consultation with review committees which are composed of the council's most senior officials, and the draft estimates are then presented to the Section 60 committees (Planning & Environment, Health and Housing, and so forth), on which councillors from all political parties serve, for consideration.

The estimates, in whatever revised form, are considered by the management committee, whereafter they must be approved by the full council.

As far as controls over expenditure are concerned, the review committees mentioned above, the management committee itself, and various officials, most pertinently the City Treasurer, all exercise continuous control over all the major income and expenditure facets of the budget.

The evident obsession of various persons with the council's budgets for civic entertainment and floral decorations is a little difficult to fathom.

These items represent an infinitesimal fraction of a percent of the operating budget, and, were they omitted entirely, would not have had a perceptible impact on any of the council's tariffs or rates.

The provision for the overseas guests program is similarly not a major budget item, and, furthermore, has been debated at length in the council chamber and through the medium of the press. This programme has helped us to forge invaluable links with foreign mayors, councillors and leading figures from various professions, and has proved of considerable assistance in the council's overseas loans negotiations.

And briefly:

The question of a municipal security department for Johannesburg has been debated at length, and this could be the embryo of the municipal police force, the need for which has been widely propagated.

John Pearce is not a law unto himself, but is subject to exactly the same code of conduct as any other official or head of department.

The management committee will do everything in its power to limit the financial burden which ratepayers will have to bear for the Civic Theatre.

The management committee advisory committee is not a sinister "cabal" but is simply a corporate management team.

Delegation of authority to officials is a normal process, and an inevitable part of the efficient administration of a city as large as Johannesburg.

It does not represent any devious attempt by officials to usurp the governing function of elected councillors.

The average increase in the council's budget is not 20%, as stated by your reporter, but 17,3% for the operating budget. This compares very favourably with the projected inflation rate for the next 12-month period — conservatively estimated at 18%-19%.

The deficit on the bus service is mentioned in your article as though it is a novel occurrence. Nevertheless, your reporter has failed to notice that the last time the Transport Department achieved a surplus was in 1944/1945.

Moreover, in 1977 the management committee pegged the deficit on this service at 40% of its annual operating budget (in line with the recommendations of the Drieszen Report). This ratio has been maintained ever since that date.

The special contributions to Jomed and the pension fund are an annual institution, and merely represent the council's share of the financial commitments of these bodies, and;

The Remuneration of Town Clerks Act is solely designed to control remuneration, and there is no proof that it has in any way hampered the privatisation process.

The quality of the city's financial administration is best evidenced, I believe, by the evident confidence which the business community has in the prosperity of our city. No better proof of this confidence is needed than all the highly visible building activity taking place in the CBD.

The FM replies:

In preparing the article the FM was referred to an official of the Johannesburg city council, acting town clerk. Mathe confirmed its factual accuracy after requesting certain changes.

Nowhere in our article do we suggest or imply that Burger attributes the increases solely to the general economic malaise. However, this is virtually the only explanation he gives in his budget speech for the increases.

The article notes that the council has been accused, "particularly by the DP, of overspending, of failure to budget properly or to keep proper controls." Though Burger believes these accusations are "absurd," they have nevertheless been made repeatedly and particularly in relation to the renovations of the Civic Theatre.

The FM approached one of the largest construction firms on the Reef to analyse the costs involved in renovating the Civic Theatre in 1986/1987 estimated at R27m and now believed to exceed R100m. Though this firm confirmed that surcharges on stage equipment are high, and do account for many cost rises, it believes it likely the original estimates were either badly budgeted, unrealistically or poorly researched.

The attention given to the Civic Theatre was not excessive; the R37m allocated to its renovation this year alone represents 10% of the entire capital budget of R382m.

The FM said that the amounts for civic functions and entertainment and floral decorations seemed reasonable for a city like Johannesburg, but that comparisons with other big metropolitan cities are important to place them in perspective. While the R1m allocated for the overseas guest programme may well not be a major item, it is nevertheless a substantial amount spent on a project that should not form part of municipal endeavour.

The Security Department, over which there is total secrecy, consumes R25m of taxpayers' money without accountability.

A code of conduct which allows an official to undertake other employment while on leave is in need of reassessment.

Burger's argument that "the Transport Department last achieved a surplus in 1944/1945" in no way justifies the present expected deficit of R28m. If anything, it highlights the inadequacies of the service.

The 1989/1990 budget and Burger's budget speech give no indication of how the special contributions to Jomed and the pension fund improve the situation of lower-paid pensioners.

This amount (R30m) is merely reflected as an additional allocation to staff benefits which means that in total more than a third of the R1.4bn operating expenditure budget is set aside for salaries, allowances and staff perks.

A better gauge of the efficiency of the city's administration than the extent of present building activity is the faster pace at which the business districts of satellite towns have grown.
PSA makes demands

Public servants want New Year break

Pretoria Bureau

Public servants are agitating for a holiday over the Christmas/New Year period.

This has been revealed in the report of the Public Servants Association's executive committee, to be presented to the PSA's annual meeting in Pretoria on September 25.

The report says that various general service conditions were submitted to the Commission for Administration — the body which controls the public service — for discussion.

One is for the introduction of a "Christmas recess" and another that a shift allowance to be introduced "to compensate for the inconvenience caused by working shifts".

Overtime

The PSA also says the maximum salary to which overtime pay is calculated should be increased, a housing loan scheme implemented and a motor vehicle loan scheme for officials at Assistant Director and higher levels introduced.

Subsistence allowances should also be revised, while benefits to assist officials stationed at isolated centres "with regard to visits to larger centres for medical reasons and to purchase basic essentials" be introduced as well.

In the meanwhile, the PSA has also been told by the Commission for Administration that recommendations regarding leave of absence by public servants had been received. The PSA asked for the introduction of maternity leave, special leave for officials in isolated areas, compassionate leave and leave during official transfers.
SA needs long-term economic strategy

By AUDREY D'ANGELO
Financial Editor

SA cannot afford to enter a decisive stage of its political development with a struggling economy, Nic Schoeman of the University of Pretoria's Department of Economics told Cape Town business people yesterday.

It was vital to have a long-term strategy providing continuous economic growth which would lift everyone's standard of living - getting away from the business cycles SA has grown to expect.

Schoeman was speaking at an economic presentation organised by the Central Merchant Bank (Senbank) at the Mount Nelson.

Pointing out that the public sector was taking a disproportionate share of SA's skilled human resources, and that government spending was too high, he said that "the private sector should serve as the engine of growth to provide higher material welfare on a continuous basis."

The government should play a supportive role and strict rules should be applied to "the critical elements of government action, like monetary and fiscal policy."

A government which broke these rules should be expected to resign.

Schoeman said that even if SA achieved a period of political stability this alone would not necessarily lead to a growth rate which would permit a steady improvement in per capita welfare.

A well thought out, but simple, long-term strategy was necessary. His department believed that SA was capable of a growth rate of more than 5% a year.

The composition of the SA population, and an historically skewed pattern of income distribution, urgently require that long-term economic growth be sustained at a significantly higher rate than the rate of population growth.

"Only then will it be possible to keep up the morale of those who earn high incomes, at the same time improving the material welfare of the entire population significantly.

His department's solution was "essentially a supply-side approach, where the private sector is the engine of growth and the public sector play an important, well-planned role."

However, Schoeman continued "If the private sector is really to bring about long-term growth at a high level it must be committed firmly to the SA economy.

"To achieve this, the government must find ways and means to ensure lasting political stability. It must protect property rights and guarantee economic freedom to all citizens.

"And it must provide certainty and stability in respect of its own monetary, fiscal and other economic policies. More than ever, official monetary and fiscal policies should be bound by strict rules."

SA's unemployed, informal economic sectors of the economy should flourish and the supply of goods and services would then be expanding on a continuous basis."
‘Wim’ will put vim in public service

ONE of South Africa’s most formidable business executives, Dr W J “Wim” de Villiers, is to be placed in charge of the public service and privatisation.

A highly qualified engineer who specialises in management and productivity, Dr de Villiers is renowned for his no-nonsense manner and a highly impressive string of achievements in the private sector and in giant parastatal organisations.

Yesterday his appointment to the Cabinet was hailed by South Africa’s leading businessmen, who saw the somewhat unexpected move as an indication that President-elect F W de Klerk was determined to introduce greater efficiency in South Africa’s vast public service and to trim its oft-criticised numbers.

The president of the Johannesburg Stock Exchange, Mr Tony Norton, endorsed the move towards appointing experienced businessmen to the Cabinet “has got to be good news.” He added that Dr de Villiers had been involved in the government’s privatisation programme for some time and was a good choice.

Dr de Villiers is a man of high integrity and experience in the privatisation process,” said Barlow Rand chief executive Mr Warren Clowilow. “The appointment will strengthen the Cabinet.”

WEATHER AND TIDES

By MANDY JEAN WOODS and JACQUES MAGLIOLI

Resigned

A Freestate engineer who has introduced important changes in gold-mining techniques and, while at LTA, played a major role in forming the consortium that constructed the giant Cahora Bassa hydro-electric scheme in Mozambique.

Later he joined Sanlam and was, among other things, the architect of the takeover of Union Corporation by General Mining, of which he became executive chairman.

He resigned in 1982 after a difference of opinion with the late Dr Fred du Plessis, chairman of Sanlam. Tan then State President, Mr P W Botha — who, as Minister of Defence, had asked Dr de Villiers to assist with the modernisation of Armour and the Atlas aircraft corporation — snapped up his services

Investigation

He was given special assignments to investigate the polices and structure of SA Transport Services, the Post Office and, most recently, health care services.

He also undertook an extensive investigation of the giant parastatal Eskom, which led to the appointment of a new chairman, Mr John Maroe.

He has also served as a special advisor to the Government on privatisation.

The new Cabinet is:

Mr PIK BOTHA — Min. Development and Planning
Mr GERT KOTZE — Min. Energy Affairs, and Pub.
Mr KOBE COETSEEL — Min. of Development of Agri.
Mr GEOUGN MALAN — Min. of Water Affairs
Mr GERT KOTZE — Min. of Water Affairs
Mr GEORGE BARTLETT — Min. of Water Affairs
Mr JACOB DE VILLIERS — Min. of Water Affairs
Mr JACOB DE VILLIERS — Min. of Water Affairs
Mr JAN DE VILLIERS — Min. of Water Affairs

Last names of all Members of Cabinet in order of importance.
Public servants ‘play crucial role in new SA’

Pretoria Correspondent

The success of the “new” South Africa lies in the hands of the public service, says Dr Piet van der Merwe, chairman of the Commission for Administration.

Public servants had a crucial function in reconciling between the race groups, discussions and negotiations, economic growth and development, the handling of unrest and the promotion of peace.

The public service needed to maintain high ethical standards and be attractive to the young, capable and talented so it could be restored to the organisation it should be.

Speaking at the annual general meeting of the Public Servants’ Association (PSA) in Pretoria yesterday, Dr van der Merwe called on public servants to build up the public’s confidence in the public service because a break of confidence would jeopardise any government’s chances for success with plans for a “new” South Africa.

He said public servants should also strive to promote confidence in the economy, without which South Africa would land on the “ash-heap”, he said.

Temporary solution

Referring to the call by PSA president Dr Colin Cameron for a minimum general salary increase of 20 percent in April, he said general increases were only temporary solutions. Inflation had to be brought under control as it was the cause of dissatisfaction.

The commission was looking at occupational differentiation which could be extended to differentiation within certain groups, with higher salaries paid for example to those in the expensive PWV-area.

Dr van der Merwe had a special appeal for those “willing to degrade and destroy the public service” to consider living in a situation where there was no faith in government or its leaders and institutions — including the courts and education systems.

Dr Cameron criticised the media for its apparent attempt to discredit the Government and its officials in “one-sided, biased and often distorted” reporting, in order to create the impression of inefficiency or that public servants were “fat cat bureaucrats”.

By Norman Chandler, Pretoria Bureau

Public servants want a minimum salary hike of 20 percent — and they want it next April.

This was said at the annual meeting of the Public Servants’ Association (PSA), which began in Pretoria yesterday.

Dr Colin Cameron, who was re-elected president of the PSA, said in his presidential address that it was now common knowledge that public servants’ request for a 15 percent general salary increase in the current financial year had been turned down because of lack of funds.

Similarly, the policy to address remuneration issues by means of occupational differentiation has failed and lost its credibility because of lack of funds.

“We will naturally now have to negotiate earnestly for a general salary increase of at least 20 percent from April 1 1990 if we wish to maintain the least semblance of a market-related remuneration packet,” Dr Cameron, who described pay negotiations as “demoralising and even degrading,” said.

He also called on the government to reach a finality on privatisation “so that stability could be restored” within the public service because the current situation was causing problems in terms of loyalty, enthusiasm and dedication.

Many officials were more interested in how quickly they could retire than in loyalty and service.

He also called on the media to promote the public service.

The idea that public servants were “merely fat-cat bureaucrats” had to be changed, Dr Cameron said.
Public servants want minimum pay rise of 20 percent

The Argus Correspondent

PRETORIA.—THE Public Servants' Association (PSA) wants a minimum 20 percent salary increase in April, and a radically revised remuneration policy.

This would include abandoning uniform salary scales for different professional and artisan groups, changes in the hierarchical structures of government departments, and giving greater acknowledgment of personal achievement and productivity.

In a hard hitting speech at the opening of the annual meeting of the PSA in Pretoria yesterday, the president, Dr Cohn Cameron, also called for the government to reach finality on its privatisation programme so stability could be restored to the public service.

He claimed the situation was bad for enthusiasm, dedication and loyalty and many senior officials were interested only in how quickly they could retire.

He said the public service also had serious management problems and that a dynamic and efficient public service would have to have greater management autonomy, especially in regard to its personnel and spending.

Although the PSA supported the principal of privatisation, if taken to excess, where the private sector provided a "First World" service leaving the public service with the "Third World" service, it would become even more difficult for the public service to attract and keep staff.

Dr Cameron said it was clear that conventional approaches to remuneration had not managed to establish a satisfied and stable corps of public servants.

The system of achievement awards were inadequate to combat the selective drainage of able and ambitious young public servants and Dr Cameron said a major requirement was to maintain a balance with the remuneration policies of statutory bodies and particularly state corporations.

He described as "demoralising" and even "degrading" the PSA's annual process of negotiations for a better pay deal and said the time had come to find "new ways" to solve the problem.
Public servants will ask for a 20% pay increase

PRETORIA — The Public Servants Association (PSA) was committed to “earnestly” negotiating for a 20% general salary increase from April next year, PSA president Colin Cameron said here yesterday.

In his address to the PSA’s AGM, he stressed that it was needed if a semblance of a market-related remuneration packet was to be maintained.

The request for a 15% pay increase during the current financial year had been rejected because of lack of funds.

Cameron stressed the policy of occupational differentiation had failed and lost its credibility year after year for the same reason.

“Major discrepancies have developed and we implore the authorities to rectify this position by immediately addressing it to all those categories that have not yet been assessed during the past three years.” In the medium and long term, the conventional approach to pay had failed to satisfy the stable corps of effective public servants.

Year in and year out they were forced to go through the demeaning and degrading processes of negotiation when the role of the PSA should have been one of consultation with the authorities.

To solve the “modest” problem would demand innovative and even radical thought and action.

Pay and other service conditions should be in equilibrium with statutory bodies and state corporations. He had no vendetta against state corporations but it was undeniable that service conditions for similar personnel often differed greatly.

Cameron said a deliberate effort was being made to discredit government and its officials and to give the impression that improper benefits and inefficiency were rife in the public service.

This was clear from a survey of Press reports over the past year, he said.

Obligation

He called on the media to stop their “one-sided, biased and often distorted reporting”.

“Every government department and the mass media has an obligation to do more to promote the image and activities of the public service,” he said.

Most work done by public servants was a service and of a benevolent nature, but the public perception was public servants were merely fat-cat bureaucrats. It was imperative this image should be changed.

On privatisation Cameron said this was supported by the PSA as long as it did not result in monopolies, and became an easy mechanism to channel public money into private pockets.

Cameron said the negative effect of privatisation on the morale of personnel in the service was a source of great concern. With the introduction of personnel freeze in the service, privatisation could have a demoralising impact on personnel. It was disturbing that so many senior officials had one thing in mind — to retire as soon as possible.

Stressing the need for good administration Cameron said without this it would be fruitless to go through all the planning and consultation exercises only to find out in practice the system would not work because of a lack of the basic principles of good administration.

It was hopeless to try to motivate people if the basic principles of good administration were neglected.

On the free market system Cameron said this had a tendency to result in an accumulation of wealth by a relatively few persons and organisations. However it was a generator of jobs and encouraged initiative and productivity.
GOVERNMENT NOTICES

STATE PRESIDENT'S OFFICE

No. 2120  27 September 1989

ASSUMPTION OF OFFICE OF STATE PRESIDENT

It is hereby notified for general information that Frederik Willem de Klerk DMS has in accordance with the provisions of section 11 (1) of the South Africa Constitution Act, 1983 (Act No 110 of 1983), made and subscribed the oath of office as State President and assumed the office of State President with all the powers, duties and functions pertaining thereto on 20 September 1989.

GOEWEREMENTSKENNISGEWINGS

KANTOOR VAN DIE STAATSPRESDENT

No. 2120  27 September 1989

AMPSAANVAARDING VAN DIE STAATSPRESDENT

Hierby word vir algemene inligting bekendgemaak dat Frederik Willem de Klerk DVD op 20 September 1989 ingevolge die bepaling van artikel 11 (1) van die Grondwet van die Republiek van Suid-Afrika, 1983 (Wet No 110 van 1983), onthul en onderteken het en die ampt van Staatspresident met al die bevoegdhede, pligte en funksies daaraan verbonden, aanvaar het.

No. 2121  27 September 1989

AANSTELLING VAN MINISTRÉS EN ADJUNK-MINISTRÉS

Hierby word vir algemene inligting bekendgemaak dat die Staatspresident kragtens artikel 21 en 27, saamgekeer met artikels 20 en 21 van die Grondwet van die Republiek van Suid-Afrika, 1983 (Wet No 110 van 1983), die volgende persone as Ministré en Adjunk-ministré aan gestel het:

KABINETMINISTRÉS

- Mr. Reoht Frederik Botha DMS MP as Minister of Foreign Affairs
- Dr. Gerrit van Niekerk Vltpoen DMS MP as Minister of Constitutional Development and of National Education
- Goud Mogens André de Mendel Molan SSA OVDG SD SM MP as Minister of Defence
CIVIL SERVICE SALARIES

Back to the trough

It is not only the timing of public servants’ latest pay demand that is so offensive, but its wording. For Public Servants Association president Colin Cameron in the same breath to demand a 20% pay rise (well above most private-sector increases) and call on the media to stop “undermining” the public service by “constantly harping on its ‘fat cat’ image” is breathtaking arrogance.

When he goes on to warn of the “dangers inherent in excessive privatisation,” the underlying message becomes a little clearer. Civil servants may well be concerned that their conditions of tenure and job security — despite recent much-needed reform, still more cosy than most private-sector employers offer — may not survive privatisation.

Truly, that’s one object of the exercise.

Nobody would question that there are many competent, dedicated workers at all echelons of our public service. Nor that, if we are to attract the teachers, nurses and policemen we need, they must be adequately rewarded.

But calls for a blanket 20% pay rise (which, bitter experience has shown, usually ends up closer to 25% or 30% after notched and other special increments) fly in the face of not just economic logic but plain common sense.

For as well as all those hardworking professionals, anybody who’s ever dealt with a government department knows they also provide sheltered employment for all too many drones who would scarcely be employable in the private sector and whose main “function” appears to be make-work interference in an economy and society which would run much better if left alone.

Bluntly, we must scrap this nonsense of national civil service pay negotiations and awards. No broad benchmark can be reasonable, some workers merit more, others less.

Civil servants must brace themselves for the impact of privatisation on employment levels. Even without it, bodies like Sats have shown just how much fat there is in the public sector that can be shed without impairing service.
Salary-by-size: Councillors favour plan

By PETER Denny

The United Municipal Executive (UME), which represents white local authorities throughout the country, ‘favour’ linking the remuneration of councillors to the size of the towns and cities they serve.

Some councillors believe that in the larger municipalities, allowances paid to councillors could virtually double if this new scheme comes into effect — and ratepayers would have to pick up the tab.

Executive committee chairman Mr Richard Friedlander, Cape Town’s representative on the UME, did not mention any figures, however, when he was asked by Mr Neil Ross whether the UME had recently considered proposals to increase the amount of allowances paid to councillors.

Mr Friedlander said the UME had considered various alternatives “to establish a fair formula on which councillors’ remuneration could be determined on a scientific basis”.

“One of those favoured was that the remuneration of councillors be coupled to the grading of the local authority concerned in a manner similar to that in which the salaries of town clerks are coupled to such grading.”

According to Cape Times records, the basic salary for a town clerk in the top grade, Grade 15, is R29 495 a year. Cape Town is a grade 15 local authority. Cape Town’s mayor currently gets an allowance of R4 000 a month and ordinary councillors get R1 000 a month.

Mr Friedlander said the proposals were currently under consideration by the Council for the Co-ordination of Local Government Affairs — a statutory body comprised of delegates of all colours from local, provincial and central government.

R138 000 for cycle paths

Municipal Reporter

Funds of R138,000 will be made available this financial year for the completion of the Bicycle Demonstration Project in Rondebosch, Newlands and Claremont. Planning for other cycle paths is under way in

- Haaspan Road, between Mowbray and Pinelands
- Athlone
- Cavan Road, Wynberg
- Milner, Kromboom and Kipling roads
- Kalk Bay, Clovelly and Fish Hoek
- Sea Point and Green Point, possibly along Western Boulevard
20% public sector salary increase

‘will cost R3,6bn’

PRETORIA — The 20% pay increase demanded by public sector workers would cost R3,6bn and increase government’s salary bill to R22bn, economists said at the weekend.

According to the commission for administration, in the year to September last year the payout totalled R15.859bn — an average salary of R16,562.

The 15% given to all public sector workers from January this year added another R2,4bn to the total wage and salary bill on an annual basis.

Afrikaans Handelinstituut vice-president Tom de Beer said after a meeting of the AHF executive committee that the 20%, if granted, would have far-reaching implications for the whole economy.

Even taking the increase in the CPI over the past 15 months into account the demand was big, especially taking into account, too, that notch rises would also be given during the year.

Public Servants Association GM Hans Olivier said the PSA was bound to a policy of striving for market related salaries.

GERRY REILLY

“In our demands we follow the lead given by the market. We ask for no more and no less than market related adjustments.”

It was ridiculous too, to lay the blame on the public sector pay bill for the country’s chronically high inflation rate, he added.

Meanwhile De Beer warned against big upward adjustments in the private sector.

Economy

The delicate balance of the current account of the BoP could be disturbed and the fight against inflation made even more difficult.

On the national economy De Beer said it had begun to slow but, not as fast as planned.

Consumer spending was still high in spite of the level of interest rates.

The demand for credit was also still strong, particularly in the corporate sector. Imports showed little indication of declining and the rise in the money supply remained disturbingly high.
'Public sector pay rise would cost R3,6bn'

Own Correspondent

PRETORIA — The 20% pay hike demanded by public sector workers would cost R3,6 billion and increase the government's salary bill to R22bn, economists said at the weekend.

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The 15% given to all public sector workers from January this year added another R2,4bn to the total wage and salary bill on an annual basis.

The Afrikaans Handelinstuut (AHI) has joined the chorus of protest against the 20% pay hike demanded by government workers in the 1990-91 financial year.

AHI vice-president Mr Tom de Beer said after a meeting of the executive committee in Pretoria at the weekend that the 20%, if granted, would have far-reaching implications for the whole economy.

Even taking the increase in the CPI over the past 15 months into account the demand was high, especially taking into account, too, that notch rises would also be given during the year.

Public Servants' Association general manager Mr Hans Olivier said the PSA was bound to a policy of striving for market-related salaries.

It was ridiculous to lay the blame on the public sector pay bill for the country's chronically high inflation rate, he added.

Mr De Beer warned against big upward adjustments in salaries and wages in the private sector.

The delicate balance of the current account of the BoP could be disturbed and the fight against inflation made even more difficult.

On the national economy, Mr De Beer said the economy had begun to slow but not as fast as planned.

Consumer spending was still high in spite of the level of interest rates. The demand for credit was also still strong, particularly in the corporate sector.

Imports at this stage showed little indication of declining and the rise in the money supply remained disturbingly high, he said.

[Signature]
Fears over public servants' pay call

From DEREK TOMMEEY
The Argus Correspondent

JOHANNESBURG — The call by the Public Service Association for a 20 percent pay rise has sent ripples of alarm through business circles.

This is both on account of the effect it could have on business payrolls and because it would presage another spending spree by the government at the expense of hard pressed companies and individual taxpayers.

The public sector's pay demand comes at a time when much of business is already being squeezed by the government's measures to curb consumer spending.

Fears have been expressed that the country might have to endure a further squeeze this time next year because overgenerous public pay rises had wiped out the good achieved by restraints so far.

The pay call has drawn a sharp response from the Afrikaanse Handelsinstituut (AHI), which represents most Afrikaans businessmen.

RESTRAINT NEEDED

AHI vice president Tom de Beer said that between now and the end of the year the government and the private sector must expect to be confronted by a flood of claims for salary and wage increases.

But it was necessary in the national interest that restraint be exercised since large increases in wages and salaries could damage the balance of payments and seriously harm the fight against inflation.

The call by the Public Service Association for a 20 percent rise in basic salaries and wages would have far-reaching implications for the whole of the economy, he said.

He pointed out that even given the rises in consumer prices in the past 15 months, the figure of 20 percent looked on the high side when one took into account that public sector increases also resulted in an additional increase in the wage scales.

He said the ultimate measure (of public service wages and salaries) ought to be the total salary and wages account of the state, considered in relation to the number of employees.
Eat, drink and be merry

Greed, delegates at a winelands conference on Ethics and the Public Sector agreed, is a human failing that will always be with us. And since greed, not need, is the well from which corruption springs, we should accus-
tom ourselves to the idea that we will never be rid of it. The question is how best to contain it.

The fact this conference took place at all testifies to the widely held perception that SA is enjoying more corruption than can easily be explained by greed alone. Thus the first task the conference set itself was diagnos-
tic: how much corruption is there in the country and what factors contribute to a climate in which corruption flourishes?

Immediately one encountered disagree-
ment. Auditor-General Peter Wronsley said the whole idea of widespread corruption (in the public sector) is not right, and it's not fair. He distanced himself from "the idea that everybody is getting on to the gravy train because disaster is just around the corner."

Not a day later, however, the retired Jus-
tice Victor Hiemstra had the following to say: "There is a strange atmosphere in the land, as if people have no faith in the future and consequently want, as soon as possible, to make as much money as possible. By the time they are discovered, they reason, the whole affair will have collapsed anyway."

There was an atmosphere of "let us eat, drink and be merry, for tomorrow we die," said Prof Lourens de Plessis.

If there was disagreement as to the quan-
tum of corruption, there was more consensus as to causes. Delegates were anxious to avoid joining the "blame it all on apartheid" band-
wagon, but there can be no escaping that apartheid, more than any other factor, cre-
ates a climate in which corruption flourishes. Some years ago, Johan Degenaar popular-
ised the notion of apartheid as a form of "structural violence." On the basis of what emerged at this conference, it could also be said to be a form of structural corruption — a system whose very existence encourages corruption of both a moral and political kind.

South Africans have always been attracted to the idea that passing a law is a good way of solving a problem. But as Lourens du Plessis noted, "personal and communal mo-

rality can and will be more decisive than the law in determining the incidence of corrup-
tion in a society. Even the most stringent laws against corruption are in themselves but empty shells, if not backed by personal and communal convictions averse to this kind of misdemeanour."

When it comes to laws and remedies, the country isn't lacking (see below). But, as was implicit in various speeches, the country is seriously lacking in the sort of moral and political consensus necessary to make a framework of laws efficient. As philosopher Willie Esterhuyse pointed out, a community gets the public office bearers it deserves. "A community which doesn't record public mor-
al protest and which doesn't value the mainte-
nance of central moral-ethical norms and values, will be a community without office bearers with a high sense of responsibility and integrity."

Though Esterhuyse doesn't say so, it is to state the obvious that SA fits that definition comfortably.

What is true at the moral level is even more the case when we get to politics. The broad aim of government is to further the national interest. In the local context, how-
ever, landsbelang is normally an excuse for taking a secret decision to further a sectional interest. A system which pursues sectional interests in the guise of the national interest is obviously corrupt. Worse is the fact that a system, like SA's, where secrecy and coer-
cion are commonplace, is exactly the sort in which corruption flourishes.

As David Welsh noted, "the need to per-
suade is the obverse of the power to coerce. Politicians who have to use powers of persuas-
on are simultaneously likely to be politi-
cians who are accountable; and accountabil-
ity is the outstanding feature of political systems in which power is properly circum-
scribed."

The second aspect of the conference con-
isted of examining formal remedies avail-
able for combating corruption and malad-
ministration. The legal arsenal is already impressive: Section 19 of the Government Service Act of 1984 which deals with mis-
conduct; the Advocate-General Act of 1979 which deals with the dishonest, unlawful and improper uses of public monies; Section 54 of the constitution which deals with minis-
ters convicted of criminal offences; and the State President's power to appoint commis-
sions of inquiry.

One of the more interesting contributions came from the Auditor-General, Peter Wronsley. He noted that if a minister was convicted of an offence and given a heavy sentence, but with the option of a fine, then he was entitled to stay on as an MP. Wronsley suggested that any minister or MP found guilty of a criminal offence is not fit to serve in parliament.

He also pointed out the serious deficiency whereby the constitution offers no sanction against a minister or MP found guilty by a commission of inquiry of irregular or scan-
dalous conduct. He said that when a com-
mission explicitly said a person was not fit to hold a public office which required integrity, then such a person certainly wasn't fit to sit in parliament.

Wronsley made the further point that, in his view, the taxpayer lost far more money through the lawful pursuit of dubious goals and the uneconomical, inefficient and ine-
effective pursuit of good goals, than from "chiselers." Retired Auditor-General Joop de Loor agreed, pointing out that with the trend towards increasing examination of the effectiveness with which goals were pursued, auditors were playing a larger role.

The man most obviously responsible for formulating and maintaining acceptable ethical standards in the public sector is Ad-
vocate-General Piet van der Walt. It was thus interesting to hear him say that current guidelines for the protection of the integrity of the government were inadequate. He called for legislation similar to the Ethics and Government Act in the US. The other interesting point to emerge from his speech was the proposed broadening of his investi-
gative powers to allow him to play more of an ombudsman's role when citizens feel they are wronged by a State body or official.

Judge Hiemstra looked at the role of com-
missions of inquiry. He noted that their effi-
cacy in fighting corruption depended upon the commissioner and, in particular, the ad-
vocate of the commissioner who was "the axis around which everything turned." Govern-
ments often don't listen to the recommenda-
tions of commissions — "if Erika Theron had been listened to, coloureds would be throwing fewer stones today."
Public sector wages leap R1bn in year

GERALD REILLY

PRETORIA — Public sector workers were paid a huge R7,8bn in the second quarter of the year — an increase of more than R1bn compared with April-June last year, Central Statistical Service figures show.

This is nearly R3bn on an annual basis — a total that could rise to around R4bn if public sector workers get the 20% salary rise they have asked for.

However, the total numbers employed decreased by 12 397 — mainly because of staff cuts in public corporations including Sat’s and the Post Office.

The statistics show the civil services of the self-governing states continue to expand. At the end of June they employed 196 290, an increase of 16 972 compared with June last year. They were paid R508,9m — an increase of R168,8m.

The figures show that the central government also continues to expand. Its workforce increased by 7 720 to a high of 336 615.

And they were paid R1,75bn for the three months — R374m more than in April-June last year.

More workers were also employed in the own affairs departments. They increased by 2 451 to a total of 184 546 and were paid R1,1bn — up R229m.

Central government and the provincial administrations combined employed 748 669 — up by 11 217 on last year at end-June. Total payout jumped by a huge R746,7m to R3,7bn.

Sats decreased its workforce by 5 874 to 178 307 — and the three months’ pay bill amounted to R921m — a decrease of R45,4m.

Post workers at end-June totalled 94 449 — a decrease of 324 and they were paid R433,5m — an increase of nearly R85m compared with April-June last year.

The number of workers in public corporations dropped by 41 487 at the end of June to 134 964 due to privatisation. Public corporations workers’ earnings also fell sharply by R187,5m to R795,8m.
Public service shrinks — but wage bill swells

The Argus Correspondent

PRETORIA — The public service workforce has shrunk steadily as a result of privatisation — but the salary bill for the second quarter of this year is R1 billion more than in the same period last year.

In the three months to the end of June, the number of public servants dwindled by 1.2 percent to 1.681 million people, according to figures released by the Central Statistical Service.

Biggest decreases

The biggest decreases followed privatisation exercises in the public corporations — enterprises in which the State has a major interest. These cut the number of public servants by 40,662 in the first six months of this year. The number of South African Transport Services employees decreased by 976 and in the Post Office by 771.

In the same six months the average salary in the public service increased by an average of 12.6 percent while that in the public corporations rose by 18 percent or R305 a month.

In general affairs departments the number of employees swelled by 10,476 between December and June while own affairs staffs increased by 910 members. The Transvaal Provincial Administration employed 314 more people and city councils 2,299.

According to the statistics, the average monthly salary in the public sector was R1,587 in June.

This represented an increase of 7.6 percent over the March 1983 figure, 12.6 percent over December 1982 and 15.5 percent over last June.

The highest salaries were paid to whites: they earned an average of R2,578 a month, followed by Indians (R2,060), coloureds (R1,257) and blacks (R822).

Scientific councils

The highest-paid staff in the public sector were those on the scientific councils: they earned R3,436 a month. Whites on these staffs earned an average of R4,120 a month, Indians R2,847, coloureds R1,851 and blacks R2,255.

The lowest salaries were paid to blacks in own affairs departments (R490 a month in June), blacks in local authorities (R673) and blacks in parastatal institutions (R610).

The average total salary bill was R2,542 million a month.
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The Argus Correspondent

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Scientific councils

The highest-paid staff in the public sector were those on the scientific councils: they earned R3,458 a month. Whites on these staffs earned an average of R4,120 a month, Indians R2,847, coloureds R1,651 and blacks R1,285.

The lowest salaries were paid to blacks in own affairs departments (R490 a month in June), blacks in local authorities (R673) and blacks in parastatal institutions (R610).

The average total salary bill was R2,642 million a month.
Dr Cameron was recently re-elected president of the 60,000-strong association. It will be his last year at the helm.

He thinks the association can claim, as its biggest achievement during his term of office, a greater awareness of how important the public service is — and a realisation of the need for quality rather than quantity in personnel.

Dr Cameron says that in spite of a generally poor public image, notice is being taken by the public service today than ever before.

He recalls his first association congress in Port Elizabeth, when a small announcement in a local newspaper had elicited an exciting response.

But today, he says, the association often makes front-page headlines and features prominently in radio and TV bulletins.

To him it is particularly important that the government „is now sitting up and taking notice” of what the association says and does on behalf of public servants.

One of the reasons for the change in media treatment has been the higher profile he and the association have deliberately sought.

Another, he believes, is the fact that he has prepared to take a firm stand on behalf of public servants.

"Yes, probably I have provoked a bit, but my aim in this capacity — as also in my job as a public servant — has been to give the best service I can.

"My aim is certainly not to undermine the public service. I’ve played clean, and kept within limits,” he says.

During his time with the association, Dr Cameron says a comment often hears him saying: “The public service is the backbone of the country.”

He is aware of the public sector in the country, and how it is perceived by the general public. He believes the public service is the key to the country’s development, and that it should be supported and improved.

Dr Cameron is a firm believer in the importance of the public service, and he is committed to ensuring that it receives the support it needs to function effectively. He is determined to work towards improving the public service, and he is confident that, with the help of the association and its members, this can be achieved.
Government spending 59% 'over budget'

GOVERNMENT spending in four years between 1982 and 1985 was 59% higher than budgeted and the key question was whether President F W de Klerk had the muscle to control his colleagues, Mr Jasper Walsh said yesterday.

President De Klerk's commitment to bringing government finances on to a sound footing by promising to exercise greater financial discipline has to be welcomed, he said.

"However, the key question is: Can he deliver?" Mr Walsh, the Democratic Party's deputy finance spokesman, asked.

"Do he and his Minister of Finance have the muscle to control their cabinet colleagues?"

This discipline had not been in evidence in recent years, Mr Walsh said.

"For the four year period 1982 to 1985, government spending was budgeted to increase by 12.4% on average.

"Actual expenditure increased by 18.7% per annum - 59% higher than the rate budgeted.

"President De Klerk will have to convince us by his actions that he can control the public sector.

"He will then, I believe, find he has a willing partner in the private sector."

President De Klerk had also placed a high priority on the need for interaction between political and economic developments, but he faced a "catch 22 situation."

"Is he prepared to abandon rigid adherence to costly and divisive racial group structures in the economic and political interests of all South Africans?" Mr Walsh asked.
FW pledges to wield the axe on spending and jobs

From ALAN DUNN, Political Staff

Johannesburg. — President De Klerk today announced his intention to reduce the size of the Public Service to cut Government spending.

"Fiscal goals would demand significant restraint to government expenditure and, consequently, to the rate of employment," he told the Financial Mail's conference in Johannesburg today.

Economising on the use of especially highly skilled labour fitted into the overall economic strategy.

It was therefore necessary, as he had done in forming his Cabinet, to rationalise functions and diminish posts and expenditure that had to be applied throughout the public sector.

"This is not to say, however, that we will blindly apply across-the-board cuts in expenditure," Mr De Klerk said.

"Top quality"

"Neither does this mean that public officials must be ill-paid. The tasks ahead and the expertise are such that we need top-quality people in the public sector and they will have to be remunerated according to their responsibilities."

The challenge in the economic field was, in a sense, similar to that in the political field.

"We have to create a climate in which all the incentives that we have will be put to constructive use.

That was why government was committed to a free-market system, why it was privatising and deregulating, why it was phasing out tax and loan schemes that would prevent and even reverse an excessive share of government expenditure in the economy."

Mr De Klerk said clarity on
Call on govt to control spending

By AUDREY D'ANGELO
Financial Editor

ECONOMIC surveys by Old Mutual, Senbank and Investec all stress the need for government expenditure to be controlled more strictly if the inflation rate is to be curbed.

Old Mutual chief economist David Mohr and the Investec survey both warn against bringing down interest rates too soon, and forecast further increases in the inflation rate before it peaks.

But Senbank chief economist Johann du Plessis warns that the economy has now reached the stage where there is a danger of "overkill". He points out that high interest rates themselves can push up inflation.

Mohr—who says he still believes a 2% growth in gross domestic product (GDP) is possible this year—says that there should be a structural adjustment in economic policy with a view towards curbing inflation in the long run.

He advises the authorities to "guard against a premature and excessive relaxation of the overall economic policy approach if and when the economy exhibits clear signs of a slowdown".

Admitting that "this kind of approach could possibly result in a more severe than expected downturn in the economy than would otherwise have been the case", he says that the potential long-term benefits would far outweigh the short-term sacrifices.

With the foreign exchange reserve position still vulnerable, and firm upward inflationary pressure, he considers "the overall economic policy stance ought to remain restrictive until substantial relief has been achieved in these areas".

Although this implies "a further cooling of economic activity next year", Mohr says that the "relatively favourable prospects for the international economy will result in the expected downturn being less severe than those in 1985/86 when total real gross domestic expenditure (GDE) fell by no less than 12.6% from its peak.

"Besides the fact that our (non-gold) export volumes ought to benefit from sustained world economic growth, a repetition of the sharp falls in international commodity prices in the 80s seems unlikely"

However, he warns that "this relatively optimistic view of only a marginal decline in both private consumer spending and fixed investment in 1990 is based on the assumption that the government sector will succeed in keeping its spending under control."

This would prevent a repetition of the situation in the 1985/86 recession when the private sector had to bear the brunt of the adjustment burden.

"In these two years real government consumption spending rose in total by no less than 7.5% so that the rest of real domestic expenditure had to fall by 10.5% in order to effect the desired contraction in total domestic spending levels."

"Should the government sector fail to control its spending in 1990, pressure would once again be exerted on the private sector via much more stringent policy measures."

"Under these circumstances the prospects for private consumer expenditure and fixed investment would be much less favourable"

Inflation seen at 16%

IF government consumption expenditure is not strictly controlled the Reserve Bank's attempts to curb inflation will fail, the Investec Focus on the Economy, prepared by the asset management division of Metalboard, warns.

The report also says that it will take several years to achieve a significant reduction in consumer inflationary expectations.

"Inflationary expectations are reflected in wage demands and must be lowered for a permanent subsequent reduction in recorded inflation rates."

"The immediate outlook for inflation remains bleak. Statistical factors may subdue the magnitude of increased rates of inflation released for the remainder of this year."

"Nevertheless we reiterate our view that inflation will rise to over 16% by the end of 1990, and that the exorbitant money supply growth over the last 18 months will prevent a meaningful reduction in inflation occurring early in 1990"
Steward says a rationalised bureau will not compete with private-sector services but aim to provide a centralised communication service on which other State departments will be able to draw — for a fee. Though sales to the private sector are envisaged, the bureau’s main target market will be government.

He points out the bureau already provides high-cost services to various State departments but is not paid the full value. The aim is to change that.

For example, he says, the Department of Foreign Affairs pays only for the printing costs of the bureau’s SA Panorama publication and not for other work in it. The same applies to publications made available to other departments.

Steward says the bureau won’t compete with private sector advertising agencies and market research organisations but, for a fee, will provide State departments with guidelines, research and advice before they embark on campaigns or projects. “We want to be more cost and client conscious,” he says.

A more commercially orientated bureau may succeed in deflecting some of the political flak it has attracted since its establishment three years ago. It has been attacked from both the Left and Right for allegedly promoting NP aims rather than the State (admittedly a difficult division to determine, particularly in SA). This year, the bureau was allocated R48m, 66% more than three years ago.

President F W de Klerk did away with the Information portfolio in his new Cabinet, indicating, perhaps, an acknowledgement of the divisive nature of the bureau and an acceptance that its functions must be reassessed. The bureau now falls directly under De Klerk.

Former Information Minister Stoffel van der Merwe said this year the bureau had three main functions: dissemination of information and policy reviews through publications (of which nearly 36m copies were published last year); to “communicate with the population of SA at grassroots level” and deal with foreign guests of the Department of Foreign Affairs, and liaison with the national news media.
Women public servants want fair deal

The Argus Correspondent.

PRETORIA — Women in the public service do not believe they are getting a fair deal.

Women still hold half the posts in the public service, but fewer than one in 10 are in senior positions. A survey undertaken by the Human Sciences Research Council (HSRC) for the Commission for Administration suggests that they are not at all happy about it.

"Neither the body will release the survey report or comment on the findings," it is understood. It recommends a more flexible working situation where women could take extended maternity leave, work from home and work part-time, and where day-care facilities could be provided for their children.

It also apparently suggests to the Commission that if there is nothing official or unofficial to stop women who want to get to the top from doing so.

DISSATISFACTION

A spokesman for the Commission for Administration confirmed that it, as central personnel institution, had commissioned the research and was now studying the findings.

However, the report would not be released as it was not a public document, he said. He said however that there were no differences in the conditions of service for men and women public servants.

The survey may, however, indicate a worrying level of dissatisfaction with the conditions of service in the public service, and the fact that efforts being made by women were not seen to be recognised.
Councillors get R1.7m less

Due to increases in remuneration of President's Councillors, the State was saving about R30 000 a member, or R1.7m a year, a statement from the President's Office said yesterday.

The R15 000 a year salary, R150 a day subsistence allowance on days when the councillors were sitting, the R250 for each sitting, of which there were 60 a year and R4 600 annual pension contribution brought the 56 councillors' package to R46 300 a year.

Councillors used to receive R251 per sitting and R100 subsistence allowances. The increases, decided this month, were backdated to September this year.

President FW de Klerk cut back on costs of the President's Council in September, down-grading the positions to part-time posts and almost halving their salaries.
Freeing a staple industry

Elimination of subsidies will hike prices — making deregulation essential

Bread was at the news again this month. On November 1, government raised the price of a standard loaf for the third time in 15 months. Consumer groups cried foul and supermarketiers scored a PR coup by promising to lower the price of bread in their stores.

But the controversy surrounding the bread price is certain to be in the news for a while yet. For one thing, steeper and more frequent price increases are expected in the months ahead as the season of Agriculture continues to phase out its multi-million-pound bread subsidies.

Net result will be a longer battle over how much to deregulate the bread industry. Next week, a government committee has its first meeting and it will take some time before the subsidies end — scheduled for the end of the next budget year — and the debate will start.

That isn't the only comment lacking at the bread front. One went out on a fact-finding trip to nine countries to study how other governments handled bread prices, and is conducting a two-year study to develop a food and nutrition strategy for SA. Its report is due at the end of next year — three months before the bread subsidies are supposed to expire — and its recommendations will influence government decisions to settle the price for, when bread is a staple food.

Yet the absence of a decision and uncertainty and inconsistency of agricultural policy, both in SA and internationally, has already hit the bread box. On one side are concerns that the free market will not provide quality bread, and on the other, the same groups that hold the contracts to buy “government bread” now say the standard loaf is low.

On the other are those who worry that, without some form of government intervention, wheat farmers will suffer quality will decline, and the price of a loaf will go up.

The clock is ticking. Under the 1959 government decision to follow the recommendations of yet another committee, the 1986 Davies commission, to begin phasing out bread subsidies. Their cost had been large — nearly R27 billion in the 195/64 financial year. And there was the political fallout from the collapse of the price of bread in government stores, Pretoria go the blame, even as it was forced to raise it — not the supermarkets, bakers or wheat farmers.

The plan called for a three-year phase-out. Government has missed that target because it won't stick to its budget. Last year, it called for a 45% cut in bread subsidies (to R108m), but government ended up spending an additional R12m. This year, the budget was again cut — to R58m — but then another R12m was added before the year's subsidies ran out.

“Next year we are looking at the 45% cut,” says Van Zyl, earning bread prices to hit the dough. “We will be able to cut the level of subsidies to 25% of the 1959/64 level.”

Yet the bread question still remains. The price ceilings have prevented competition, but they also make it harder for producers to cut costs, thereby increasing the risk of further price increases.

But wheat Board officials strongly disagree. “It's a myth to say that the price of bread has not gone up,” says Van Zyl. “It has gone up every year. We have had to pay farmers more because of the increase in the cost of producing wheat.”

Wheat farmers are also concerned. “We are worried about the price of bread,” says a farmer. “We have to get a good price for our wheat to make a profit.”

The bread question is not just about price. It's also about quality. “We are looking at the price of bread to the consumer but we are also looking at the price of bread to the farmer,” says Van Zyl. “We are trying to achieve a balance between the two.”

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Breaking bread with the government

Who gets the money from each loaf

<table>
<thead>
<tr>
<th>Source of Agriculture</th>
<th>White</th>
<th>Brown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers (for producing the wheat)</td>
<td>32.7</td>
<td>38.6</td>
</tr>
<tr>
<td>Farmers for baking the wheat into flour</td>
<td>24.7</td>
<td>27.0</td>
</tr>
<tr>
<td>Millers (for turning the wheat into bread)</td>
<td>35.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Manufacturing and distribution</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Transport</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Retail margins</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Total</td>
<td>103.7</td>
<td>96.3</td>
</tr>
<tr>
<td>Market government subsidy</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Selling price of a loaf</td>
<td>100.0</td>
<td>98.3</td>
</tr>
<tr>
<td>Wheat costs as percentage of the price of a loaf</td>
<td>69.8%</td>
<td>67.2%</td>
</tr>
</tbody>
</table>

Wheat costs as percentage of the price of a loaf

In 1959, wheat costs were 43% of the price of a loaf. Now, they are 54%. This means that farmers are getting a smaller share of the price of a loaf.

Breaking bread with the government

Government support costs are an important factor in the price of bread.

The government supports farmers by paying them a subsidy for each loaf of bread they produce. The subsidy is calculated based on the cost of producing a loaf of bread, and it is paid to farmers regardless of whether or not they sell their bread.

For example, the government pays a subsidy of R1.45 to each baker who produces a loaf of bread. This subsidy is added to the price of the loaf, and it is paid to the baker by the government.

The price of bread is then set by the government, and it is paid to the baker by the government. The government also pays a subsidy to the baker for each loaf of bread that he sells.

The government support costs are an important factor in the price of bread, and they are expected to increase over time as the government continues to support the bread industry.

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Concern voiced about cutting of Treasury control over spending

DP Finance spokesman Harry Schwarz has expressed concern about the removal of some Treasury control over spending of departments, but has welcomed changes designed to bring about greater efficiency in the Finance Department.

In a statement yesterday he said decisions on priorities of expenditure were often "not mere management decisions", but had important political implications.

Priorities of expenditure had to be carefully planned and decisions taken had to be changed at the highest level only.

There had been many examples of "lack of adequate financial control", and matters would get worse without meaningful input from Treasury.

Schwarz said another factor was the unnecessary expenditure of surplus departmental funds near the end of a financial year to avoid repayment into General Reserve Funds.

Basic safeguards of financial control had to be maintained in the light of reports on Education and Planning Department activities.

Statutory

"In view of the changes, one must envisage that the role of the Auditor-General and of the Public Accounts Committee should become more proactive," Schwarz said.

He applauded the decision to make the Financial Institution Office a statutory body outside the Public Service.

However, banks and building societies might have to be brought under such a body, as would the methods of liaison between such a body and the Reserve Bank.

An example of the problem was the Usury Act, which not only policed adherence to the law but also fixed maximum interest rates.

Schwarz said insurance companies were having an increasing impact on the financial sector, meaning coordination between the Reserve Bank and the Registrar of the Financial Institution was vital.

Another matter of concern was the personnel position in the Finance Department.

He said Director-General Gerhard Croeser and fellow senior colleagues were "capable and experienced", although he lamented the shortage of skilled personnel within the department.
Plea for blood donations

By Jacqueline Myburgh

The South African Blood Transfusion Service has appealed to donors to donate blood before they go away on holiday, in anticipation of a shortage of blood over the festive season.

Mr Bill Nortman, senior technical officer for the service, said an increase in blood usage was expected as a result of road accidents, shooting incidents and Christmas parties, the last usually involving cut glass.

"Although routine surgery drops during the holiday period, these demands more than compensate. "We are currently only just meeting our demands for blood and not replenishing the banks" - the biggest problem facing the service over the holiday period was that regular donors would be away.

Mr Nortman added that holiday-makers could donate blood at other services, but his experience was that people did not feel like donating blood while on holiday.

He said no-one had ever died because of a lack of blood, but one could not exclude the possibility.

"We came pretty close to it this year. We can always bleed staff and family, although it is not an ideal situation," he said.

For details of blood donation drives at major shopping centres later this month, or other information, contact the Blood Donors Clinic at (011) 660-6417.

General manager of The Star and chairman of the ACE steering committee, Mr Jolyon Nuttall said they were delighted by Barlow Rand's decision and their offer of providing expertise at so many different levels of the undertaking.

Another member of the steering committee, Alexandra resident, Mr Martin Ramokgadi said "We have waited a long time for a dream to become a reality. Now our young people can't wait for the college to open."

Department of Finance is streamlined.

The Department of Finance has been restructured to streamline operations and to improve financial discipline in Government.

The Treasury and Public Finance branches have been scrapped and their functions taken over by three new branches - financial planning, financial relations and financial supervision.

One of the main aims appears to be to give greater responsibility to the spending sections of other Government departments, especially since the Government has decided to appoint private sector expert financial administrators to improve controls.

Finance Minister Mr Barend du Plessis said the changes would enable the department to gear itself to present day circumstances and respond to new needs, particularly the need for greater financial discipline.
Croeser's cube

Far-reaching changes announced on Tuesday in the Department of Finance are intended to "streamline operations," says Director-General Gerard Croeser. "We are eliminating duplication of services, redistributing skills and changing the department's culture."

Though no posts have been abolished, the restructuring eliminates a layer of management in the subdepartment, policy.

The changes were decided on some time ago but their release was delayed pending the inquiry of the Van der Horst Committee into the "role and functional slot of the Office of Financial Institutions." This previously fell under the chief executive director policy, though not in the subdepartment, functions... but to avoid confusion, as a general rule, further references to the Treasury will be limited."

The announcement follows earlier news that Janie Jacobs, now senior deputy governor of the Reserve Bank, will take over as special economic adviser to the minister of finance from February 1. He was due to retire at the end of next year, but has been granted early retirement to enable him to take up his new post, held by Chris Stals between May and August.

Jan Lombard will take over as senior deputy governor from March 1, until the end of 1991. His term as deputy should have ended in August 1990.

Chris de Swardt, who holds the key post of registrar of banks & building societies within the Bank, has been appointed deputy governor from March 1. No decision regarding his replacement will be made until early in the new year.

Jacobs's role as chairman of the Financial Markets Advisory Board is not likely to be affected by these decisions.

TAX CONCESSIONS

Phased

Tax concessions on certain building society, Post Office and Treasury investments are to be phased out from March 1. Some compensation will be offered in that interest rates, as fixed by the minister of finance, will be in line with market rates. Exceptions are Post Office savings and Telebank investments, where the taxable portion of interest will not be market-related.

Originally, the elimination of the concessions was to coincide with lower tax rates but as yet there is no clear indication that these will be in place when the phasing out is completed.

Institutions which have had a competitive advantage in the retail market will presum-
The buck stops where?

Gerrit Viljoen is a very civilised man — and, who knows, he might have for us, under his mortar board, the constitutional settlement that so eluded poor Chris Heunis. But the administrative mess, negligence, irregularity and downright crockery in the department over which he levitated cannot be just brushed aside.

He must be given substantial credit for taking swift action to expose what occurred, the implications of which are not yet over. The implied judgment of the Van den Heever Commission was that he had been rather naive. The question remains, however, whether it is good government and administrative practice to leave the matter there.

The point has been made that parliamentary tradition in this country does not require a minister to resign if his department was rotten under him and he did not know and was not directly implicated. That is not necessarily good.

First: precisely who is responsible, especially if the top civil servants are also implicated? This could be a serious void. Second: it is a tradition that is hardly likely to encourage ministers to seek out administrative excellence. Indeed, there are going to be ministers who deliberately walk about their departments blindfolded as a form of prophylactic.

And, third: having presided in ignorance over maladministration and negligence — and displayed poor judgment — in one department, will a minister who disclaims responsibility simply transport these shortcomings to another portfolio? Bluntly put, is it possible that what Viljoen did not see in the Department of Education & Training he will not see in the Department of National Education?

If the Van den Heever Commission is anxious to prevent a repetition — which its recommendations suggest is the case — then it should reflect a little more in its final report on ministerial responsibility.

Another point that arises from the commission’s findings is the waste that has taken place in an important department. Officials have been employed of limited intelligence and little integrity. This, as well as the financial extravagance of questionable projects, suggests that Pretoria is on shaky ground when it claims that expenditure on education is too important to cut. Clearly less could be spent more effectively.

No one expects amiable Gerrit to tear his hair and wear sackcloth. But, really, for him to be promoted to a more important Cabinet post after the DET mess does not enhance the fine judgment that the State President has displayed so far.
OWN CORRESPONDENT

JOHANNESBURG — Government revenues at R42.8bn increased 39% year-on-year for the first eight months of the fiscal year to end-November. The budgeted increase for the year as a whole, set in the March Budget, was 10%.

Figures published in the Government Gazette on Friday showed the amount collected in the first two-thirds of the year is 75.5% of the budgeted total for the year as a whole. Comparable analysis of spending shows an increase of 25.4% against a budgeted 18% for the full year, to R42.8bn. This leaves a deficit before borrowing of R1.3bn, sharply down from R4.9bn a year ago.

The end-November deficit before borrowing is about 13% of the full amount budgeted for the year. Inland Revenue income increased 151.1% in November on the same month a year ago. Overall revenue for the State Revenue Account was up 117.6% to R7.3bn, from R3.4bn in November 1998.

Spending for November was 30.8% up on the same month a year ago to R5.6bn. Eight months' total spending at R42.8bn was 66.8% of the budgeted R64.1bn for the full year.

Including the R1bn contingency reserve, which swells overall budgeted spending to about R65bn, eight month spending was 65.9% of the budgeted total.

Detailed spending figures for the first eight months show defence spending 28.6% up to R6.2bn. Police spending was up 34.9% to R1.8bn. Spending for the statutory amount for finance increased 56.9% to R10.3bn.
PUBLIC SECTOR GOVT. - GENERAL

1990
Public pay hike decision looms

Own Correspondent

PRETORIA — The cabinet will have to take a R1bn decision early next month — the cost of giving state personnel an expected 15% pay hike in the new financial year, according to sources here.

Paying the one million personnel in the state departments, the homelands public services and parastatals takes an increasingly bigger bite out of the budget — more than 25% of the total every year.

The Public Servants' Association (PSA) has asked for an across-the-board increase of 20% from April 1.

Based on the R16bn paid in salaries and salary-related expenditure in 1988, and taking into account the 15% salary increase from January last year, the 1989 payout exceeded R18,5bn.

Assuming a 15% increase — the 20% demand is likely to be rejected — the total needed for salaries in the new financial year would be around R22bn.

And when other benefits are added, including medical aid, housing subsidies, car benefits and overtime, the total could rise by another R4bn.

The PSA says that in April it will be 15 months since its last increase.

Meanwhile, economists say it has become "critically urgent" that the enormous slice taken from the budget to fund SA and homelands bureaucracies be drastically reduced.

Xerox boss shot by ex-employee

PARIS — The president of Xerox-France was shot and seriously injured yesterday at the end of a seven-hour hostage drama in which he and four other employees were held at gunpoint by a former employee.

Mr Olivier Groues, president of Xerox-France, was last night in a critical condition.

The gunman, Mr Daniel Vielle, 45, was taken into custody immediately after the shooting in the company's offices on the 20th floor of a skyscraper in the La Defense business district of Paris.

Mr Vielle was said to be seeking more money from his dismissal five years earlier — Sapa-AP
Regret at objections

THE Speaker of Parliament, Mr Louis le Grange, has described the objections to the appointment of National Party MPs as chairmen of all 14 of the Joint Standing Committees in Parliament as "regrettable."

None of the parties had informed him of their objections to the appointment of the chairmen, Mr Le Grange said, and it was regrettable that they had raised the matter by way of a public statement without first availing themselves of the customary parliamentary channels.

He was reacting to the statement this week by the Labour Party, Solidarity, the Democratic Party and the National People's Party, protesting against the appointment of only Nationalist MPs as chairmen of the committees.

Their objections were also supported by the Conservative Party.

The Rules of Parliament required the Speaker to appoint the chairmen of Joint Committees.
Public servants edgy over govt plan

PRETORIA — The prospect of a speed-up in government's privatisation programme this year is causing anxiety in the public service, according to sources here.

Aggravating this growing insecurity felt by some government workers is the determination of Administration Minister Wam de Villiers to reduce the country's bureaucracy to at least some of its fat.

De Villiers said recently he would work closely with all Cabinet ministers concerned with the economy to develop a better system of co-ordination, monitoring and management in the service.

And backing him are the two private sector experts appointed last year to sharpen efficiency levels in the service — ISM's Jack Clark and Gescor's Tom de Beer.

A Commission for Administration spokesman said they had helped develop a financial management system which was now being implemented.

GERALD REILLY

Trade and Industry Minister Kent Durr said recently the policy of decentralisation was under close study.

There were large amounts of money involved, he said, and it was necessary to look critically at the situation.

Sources pointed out it was not only large amounts of money involved, but large numbers of bureaucrats administering and dispensing lucrative incentives.

An editorial in the latest Public Servants Association magazine complains of the uncertain career prospects in the service and the destructive and unfounded criticism often aimed at government workers.

The PSA claims the freezing and abolition on posts in the service has resulted in a 9% staff shortage and a saving of R400m a year for government.
Govt aims at big civil service cuts

From GRETA STEYN

GOVERNMENT is implementing a rationalisation programme aimed at saving hundreds of millions of rands in spending by slashing the size of the civil service.

With the help of private sector consultants, a large scale investigation is underway to pinpoint activities that could be provided by the private sector, rather than the civil service. Merchant banks, accounting firms and academics are helping to create a leaner civil service.

Director of privatisation in the office of the Commission for Administration Kallie Saayman said yesterday the employment of thousands of civil servants and at least hundreds of millions of rands in government spending were affected.

"New savings plans are currently being drawn up by teams headed by directors general of government departments. Private sector consultants, including Tom de Beer of Gencor and Jack Clarke, formerly of IBM, are team members."

Apart from these major programmes, about which details are not yet available, a few smaller programmes are already underway.

The main target of these smaller operations is cutting services by the government for the government. One of the first items on the agenda this year is likely to be the scrapping of the government's own transport service, or the "government's garage"—a service with an annual budget of R400m and assets of about R300m that could be sold.

Saayman yesterday said the government was currently finalising plans for its internal transport service. "The suggestion is that transport is left entirely up to the departments to arrange through contracts with the private sector."

Another major thrust is in catering, cleaning and gardening—all functions that, Saayman said, need not be performed by civil servants.

"The saving through 'privatisation' of these three services is clear from the number of civil servants employed in them—38,000—a number we want to reduce dramatically."

These services would be phased out over a period of three years and it was hoped small businesses would benefit from the move.

Another programme was in the Department of Public Works, where workshop activities such as maintenance of government buildings were already being placed in private hands. And a study is being done in the Department of Water Affairs to improve efficiency and find ways in which engineering and other services can be farmed out to the private sector.

Another area where "privatisation" was already taking place was forestry.

"If after these programmes have been completed we have not materially reduced the number of civil servants, we will know we have failed," Saayman said.

The move to create a leaner civil service is an extra source of business for private sector management consultants. Merchant banks Finansbank and SMB and accounting firms Pim Goldby, Deloittes Haskens and Sells, Price Waterhouse and Arthur Andersen are known to have pitched for the business.

In the case of the government's garage, the input of four consultants was used, including that of Price Waterhouse. Pim Goldby was involved in the Public Works rationalisation. SMB and Deloittes are finalising a study of Water Affairs.
Consultants aid in civil service trim

GOVERNMENT is implementing a rationalisation programme aimed at saving hundreds of millions of rand in spending by slashing the size of the civil service.

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GRETASTEYN

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These services would be phased out over a period of three years and it was hoped small businesses would benefit.

Another programme was in the Department of Public Works, where activities such as maintenance of government buildings were already in private hands.

A study in the Water Affairs department aims to improve efficiency and find ways in which engineering and other services can be farmed out.

The move to create a leaner civil service is an extra source of business for private sector management consultants.

Merchant banks Finansbank and SMB and accounting firms Pim Goldby, Deloitte Haskins and Sells, Price Waterhouse and Arthur Andersen are known to have pitched for the business.

In the case of government's garage, four consultants' input was used, including that of Price Waterhouse. Pim Goldby was involved in the Public Works' rationalisation. SMB and Deloitte are finalising a study of Water Affairs."
Govt is expected to hold down pay

PRETORIA — Public servants fear that government could use modest pay hikes this year to demonstrate its determination to cut the enormous costs of administration.

The increases are expected to be made known by Finance Minister Barend du Plessis in the Budget on March 14. The Public Servants Association has asked for a 20% increase for nearly a million exchequer personnel. This would cost government an estimated R60m.

Speculation in the public service now is that increases will be between 15% and 15%. However, provision is expected to be made for significant increases for key personnel where the shortage of professional and skilled workers is causing serious concern.

‘Inadequate’

In the current financial year R50m was set aside in the Budget for "career differentiation" increases. The PSA condemned this as inadequate, claiming it indicated a lack of understanding for the critical staff situation in vital areas of the service.

PSA GM Hans Olivier said last week that many resignations in the past 12 months had justified the PSA’s stand.

Well trained personnel — the core of the service — were being lured away to the private sector with higher salaries and better service conditions.

“We hope this time round there is a greater appreciation of the problem, and that a substantial amount will be allocated for these special increases,” Olivier said.
Decision soon on saving govt pension fund

A GOVERNMENT decision on a ministerial committee's recommendations regarding the rehabilitation of the ailing Government Service Pension Fund (GSPF) is expected soon.

The committee was established in 1986 by the then Health, Finance and Privatisation Ministers. GSPF chief director Japie Visser said the report of the committee dealt with questions such as the scale of benefits and the effects of early retirement.

The problems of investments restricted to prescribed assets and the crucial issue of the level of funding were also highlighted.

"Cognisance was also taken of the effect of the privatisation process on the fund," Visser said.

Yesterday Business Day received a complaint from a senior civil servant about the withdrawal of pensions and gratuities by retrenched SADF members. He said this would affect the GPSA detrimentally.

He said early retirement meant pensioners were withdrawing more from the fund than they had contributed.

Existing members were subsidising their pensions. This would mean the fund would eventually have more pensioners than contributors, he said.

The approximately 2,300 people to be pensioned off or given early retirement would be able to get additional service up to a maximum of five years according to an established formula plus an extra year for each four years served for those who have worked 10 years or more.

Government was not telling the taxpayers the truth about the state's liability to the fund, postponing "the evil day" when taxes would have to be increased to make up the shortfall, he said.

Being legislatively limited to investments in prescribed assets, the GSPF was not only not achieving adequate returns but was also providing the government with low-cost financing, he said.

In reply, Visser said a step away from the restriction of funds to prescribed assets was the channelling of R100 to four financial institutions.
EX-PRESIDENT FW DE KLERK: "I was asked by the President of the Council to deliver a letter to the Minister of Finance expressing our concerns about the proposed salary increase."

"Our financial situation is precarious, and any increase in salaries would place an undue burden on our coffers. We understand the need for an increase, but we must ensure that our financial sustainability is maintained."

"Mr. de Klerk agreed to our request and assured us that the increase would be carefully reviewed to ensure that it does not exceed the necessary amount."

"We appreciate your understanding and look forward to a positive outcome."
Minority protection ‘part of new deal’

Voting rights for all on horizon – Viljoen

The new South Africa which President F W de Klerk was creating would ensure all its citizens a full and equal franchise in an undivided multiparty democracy, Minister of Constitutional Development and National Education Dr Gerrit Viljoen said yesterday.

But an effective form of minority protection was needed “as a component of the new power-sharing”, he added.

Speaking in the debate on the President’s opening address, he said the Government had taken a risk in making its announcements on Friday. Outstanding and unresolved problems could now be straightened out through negotiation.

“It would be petty to make further demands in terms of a ‘shopping list’ To respond with an all or nothing approach would be fault-finding and cowardly.”

Dr Viljoen challenged the ANC to relinquish violence unequivocally and to make its influence felt in peaceful politics.

“This new South Africa is not mere sweet-sounding rhetoric,” he said. “The outlines and essential traits of this initially vague concept are becoming clearer and more sharply defined.”

“This new South Africa broadens the basis of democracy so as to ensure to all its citizens full and equal franchise and other political rights within an undivided, multi-party democratic state.”

The new South Africa was committed to the removal of the remainder of apartheid and guaranteed to all its inhabitants equal rights and opportunities through constitutional protection of human rights and of groups and minorities.

Undivided

“One of the most important shifts in emphasis of the policy of the National Party has been the acceptance of the concept of one nation in an undivided South Africa,” he said.

The concept of minority or group protection would have to comply with democratic and nondiscriminatory requirements, otherwise it would obviously not pass the test of the negotiation process, Dr Viljoen said.

On the one hand was the legitimate claim of all the country’s citizens, and in particular its black population, to full voting rights up to the highest level of government.

“This must be acknowledged and accepted,” he said.

“On the other hand there is the justifiable need and demand of minorities, in particular the whites, for constitutional protection against domination and for guarantees of a meaningful share in political decision-making.

“And between these two aspects, through peaceful negotiation, by give and take, an acceptable compromise must be achieved by reconciliation.”

The problem was compounded by demands for black majority rule in a unitary state, which was unacceptable to the NP.

“The practical realities of our country demands an effective form of minority protection as a component of the new power-sharing,” Dr Viljoen said. – Sapa
Govt must reassure on rights – DP

It was in the interests of the National Party and South Africa that the NP issue a declaration of intent on political rights, said the DP's Parliamentary leader, Dr Zach de Beer.

He said this declaration need not reveal every detail of the NP's policy and certainly not its negotiating plan.

But mistrust remained after Friday's speech by the State President, and people in extra-parliamentary movements were seeking reassurance.

Dr de Beer said there was some confusion over the NP's attitude on the vital issue of political rights.
Wastage, poor control under fire

Auditor slams handling of state finances

CAPE TOWN — A scathing report by Auditor-General Peter Wronsley on the administration of government finances in general affairs departments and state-controlled bodies was tabled in Parliament yesterday.

He said he was unable to give unqualified audit opinions on four government departments — Development Aid, Education and Training, Public Works and Land Affairs and Police — and two statutory bodies — the National Parks Board and the SA Development Trust.

In regard to three other statutory bodies — the Black Compensation Fund, the National Pension Fund and the National Housing Fund (Blacks) — he was not able to even express an audit opinion because of the late submission of financial statements as well inadequate information furnished by accounting officers.

Wronsley also criticised the shortcomings in financial management, where possible wastage amounted to "several millions of rand", high car allowances paid to seconded officials in the KwaZulu Government, as well as irregularities and lack of control in several departments and statutory bodies.

He described the failure of many black authorities to comply with statutory audit requirements as "alarming".

Factors to emerge from the Auditor-General's report were:
- Government spent R3.2bn on the ten homelands during the financial year. Almost a quarter of this total, R1.8bn went to KwaZulu mostly under the Development Aid vote, although R3.6m was spent under the police vote and R1.2bn through the SA Development Trust.
- Sales tax revenues of R12.9bn were 27% up during the 1988/89 financial year, representing 28% of the total ordinary revenue of the State for the year.
- Government will have to write off loans totalling R5.7m, granted to Gencor and ASCI, to investigate the viability of synfuel projects.
- The Central Energy Fund (CEF) lent R20.9m to Gencor for financing of Phase I for development and Phase II for testing of a potential plant for the production of synthetic fuel from torbanite.
- It also lent R6.2m to ASCI to test the potential of a plant for the production of synthetic fuel from coal.
- The buyback of pensions by civil servants had added a further R3.9bn shortfall to state pension funds. Government had decided not to make the additional shortfalls good at present and attention would be paid to the shortfalls when gross actuarial shortfalls were dealt with.

He said that in the year of reporting profits and losses of R10.5m and R3.4m respectively had been made on realisation of investments by the funds.

Wronsley said an actuarial assessment of the Government Service Pension Fund had shown that the shortfall had risen by R2.1bn from R16.8m at the time of the previous actuarial report. Provided there were no unfunded improvements of benefits the pension fund would be fully funded only by the year 2018.

Servicemen staff shortages are hampering the work of the Auditor-General in checking how government departments are spending taxpayers' money.

Unauthorised expenditure totalling R18.2bn took place in the Defence vote and R18.9bn in the Finance vote in regard to the SA Mint.

Wronsley's report, his first since he succeeded Joep de Loor as Auditor-General on September 1, is the strongest in recent years. In his introduction, he said the purpose of his report was to report on matters which, in his opinion, were of significance to Parliament. "Reporting in this manner, however, un-
Control of govt funds under fire

By BARRY STREEK, Political Staff

A SCATHING report by the Auditor-General, Mr Peter Wronsley, on the administration of government finances in general affairs departments and state-controlled bodies was tabled in Parliament yesterday.

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Mr Wronsley also criticised the shortcomings in financial management, where possible wastage amounted to "several millions of rand", as well as irregularities and lack of control in several departments and statutory bodies.

He described the failure of many black authorities to comply with statutory audit requirements as "alarming".

Unauthorised expenditure totalling R165,343 took place in the Defence vote and R185,975 in the Finance vote in regard to the South African Mint.

Mr Wronsley's report, his first since he succeeded Dr Joep de Loer as Auditor-General on September 1, is the strongest in recent years.

He said cognizance had to be taken of criticism expressed by the Van den Heever Commission of Inquiry concerning the absence of machinery by which state employees can report irregularities without fear of victimization.

"A system which guarantees the confidentiality of an informant and rewards him on the same basis as that used by the Directorates of Inland Revenue and Customs and Excise of the Department of Finance to expose tax evaders may require further attention," Mr Wronsley said.

- The government spent R6.2 billion on the ten homelands during the 1988/89 financial year, the report disclosed.
- The government will have to write off loans totalling R27.1 million granted to Gencor and AECL to investigate the viability of synfuel projects. The government has decided not to go ahead with the projects.
- An audit inspection found that senior, seconded SA officials working for the KwaZulu government drew up a motor subsidy scheme which was more generous than the system applied in South Africa.
Allow private sector to invest govt pension funds, DP says

CAPE TOWN — The sooner the investment management of government pension funds, which had an actuarial deficit of R23bn in 1998, was transferred to the private sector, the better for the taxpayers of SA, Democratic Party pension expert Brian Goodall yesterday.

Self-administered funds had a return of 18.76% in 1987, but the return on state-controlled funds was 9.35%.

"For every rand contributed by a self-administered fund, it generated R1.52 of income," Goodall said during the mini-Budget debate. "For state-controlled funds the figure was 96c."

The difference in investment returns meant the increase in income for the General Services Pension Fund would be R2bn a year.

"It was the practice of the Registrar of Pension Funds to declare a private sector pension fund to be financially unsound if the value of the assets of a fund was less than 90% of the accrued liabilities."

"The 1988 actuarial valuation of the General Services Pension Fund showed that its assets were equal to 41% of its actuarial liabilities, if you take into account fund increases."
Call to slash govt bureaucracy

STANDARD Bank economist Nico Cypionka has called for government to slash
the size of the bureaucracy to prove it is
serious about curbing spending and trim-
mong the role of the state in the economy.

He says government has managed to cut
capital outlays and maintenance.

"The performance...though laudable,
is not yet evidence of a meaningful, re-
structuring of government's finances," he
said.

Describing the bureaucracy of central
government as a massive problem, he not-
ed the staff complement grew by 2.6% in
the year to September 1989, "higher than
employment growth in the private sector".

The number of civil servants in the self-
governing states, excluding the TBVC
states, according to Central Statistical Ser-
vice, rose by 6% to September 1989 and
accounted for more than 30% of central
government's staff complement. Their sal-
ary bill rose by a massive 42.8%.

Another development Cypionka re-
gards as disconcerting is the employment
explosion by agricultural marketing
boards, up 11%, with salaries up 29%.

Growth in the total public sector wage
bill (up 20%) was restrained by the small
rise in that of public enterprises (4.3%).

Central government's wage bill, by con-
trast, rose by almost 30%.

See Page 3
Civil servants dismayed at 10% increase

CIVIL servants are not happy with their 10% pay rise.

According to the Public Servants' League (PSL) and the Public Servants' Association, the increase is not enough.

The general secretary of PSL, Mr Bernard Wentzel, said the allowance was 80% below the inflation rate. The government had ignored the league's investigations which had concluded that an increase of 20% was the minimum acceptable.

The chairman of the Public Servants' Association, Dr Colin Cameron, said he was dismayed by the increase. He said the association had, after an extensive study of the situation, suggested a 20% increase and an additional sum to address the imbalances that existed in certain categories within the sector.

* Bear the brunt

Mr Wentzel said that compared with the private sector, for which the minimum wage was now R800 a month, public servants were still earning as little as R300. For these people the allowance would have practically no effect.

The low increase would have a negative impact on the work attitude of public servants, he said, and many resignations could be expected.

* "We do not accept the government's statement that there is no money for bigger increases."

Further "urgent representations" would be made to the Minister of National Health and Population Development on behalf of the association's members.

An Athlone police detective, who did not wish to be named, called the Cape Times yesterday to express dissatisfaction. He said he and his colleagues worked long hours every day and over weekends, a fact which was not being recognised. The minister, who had let them believe increases would be of the order of 20%, was now going back on his word. Already, he said, at least six of his colleagues were talking of "buying their discharge".

Nurses and teachers, on the other hand, have accepted their allowances with gratitude, saying that while its non-pensionable nature may be a disappointment to those about to retire, the increase will help stem the outflow of staff from these professions.

The Teachers' Federal Council yesterday said the decision was "acceptable".

Pay hikes get 'yes' votes from MPs

Political Staff

MEMBERS of Parliament have added themselves salary increases of just on 10% — 8% more than the non-pensionable allowance announced yesterday for the civil service.

President F W de Klerk announced a new deal for MPs which will push up their remuneration package to R155 000 a year.

However, ministers who are currently on about R180 000, will receive an increase of only 7.5%.

From April 1, MPs will earn R1 000 a month more, pushing their salaries up to R57 000. They will also be able to claim on the loss of expenditure up to R18 000 a year in constituency sec- retarial and administrative costs, enjoy subsidised cheap housing in Cape Town and participate in a car scheme which provides a new car every four years.

They are also entitled to about 20 free flights on SAA a year while paying only 20% of the full fare for others.

Cabinet ministers' salaries will increase to R132 579 a year, added to which is a R26 615 reimbursable allowance, while deputy ministers will now earn R94 085 plus R28 116.
'FAT CAT' POLITICIANS

Public service up in arms

Weekend Argus Political Staff

THE move by politicians in voting themselves a 25 percent pay increase has drawn widespread anger.

At the same time public servants are up in arms at the "nearly" 20 percent, given them by the government which at the same time urged big business to follow suit with the same "scale and constraint".

The full extent of the politicians' increase concealed in the bureaucratic language of official statements, has done more than anything in recent times to give the ruling establishment a "fat cat" image in the eyes of the public.

President F.W. de Klerk, in a statement yesterday, referred to a "structural salary adjustment amounting to an extra R12,000 each a year for politicians" from cabinet ministers to ordinary MPs.

In addition, they will get the general 10 percent increase for public servants according to other government sources.

NATIONWIDE PROTESTS

The 47,000-strong Public Servants' League is planning nationwide protests and mass meetings, according to spokesman Mr. Neville Petersen.

Speaking from Pretoria, where a meeting to discuss protest action was being held, he said: "We are perturbed about the whole situation, and a placard demonstration will be held after the meeting.

There has been talk of possible industrial action as several public service sectors have condemned the 10 percent "increase in a 'messy', disgraceful and unacceptable".

The protest will also be raised at a scheduled meeting of the powerful Public Servants' Association (PSA) executive committee in Pretoria on Monday, and black public servants living below the official bread-line may also show their objection through strike action.

PSA chairman, Dr. Colin Cameron, said today: "We are shocked, dismayed and concerned. We have told the minister unambiguously that theOWL will not be acceptable."

Speaking from Pretoria, Dr Cameron told Weekend Argus he accepted there could be valid reasons for the larger increases granted to MPs and cabinet ministers, but similarly there were "valid and sound reasons why larger increases should also have been granted to public servants."

Cabinet ministers and MPs are to get a double salary increase - a total of about 25 percent more for MPs and 17 percent more for cabinet ministers.

This will push MPs' salaries up from R75,000 to about R94,000 a year, while the R158,000-a-year that cabinet ministers now earn will rise to over R181,000. The double increase was confirmed by sources, including one in the cabinet.

Last week Most MPs and members of the government approached last night would not comment, although one new MP said he felt rather ashamed to get such a big increase after serving as an MP for only a few weeks.

However, those who were prepared to comment justified the increase. They said nurses, policemen and other occupations would also be getting increases over and above the general 10 percent.

According to Mr. Jan van Eck, DP MP for Claremont, the increase was "timely". He said an MP had many expenses and "it is no wonder that so many work on large overdrafts".

EMBARRASSING

He said it was embarrassing that MPs had to vote for their own pay increases, and he welcomed the announcement that the government was giving attention to legislation to create a statutory body which would decide on politicians' salaries.

In a statement issued through the Bureau for Information, President de Klerk said the government was giving attention to the creation of a statutory body which will determine the remuneration of political office bearers in future and thereby remove this issue from the political arena.

Members of parliament had to incur abnormally high costs to earn their salaries, the statement read.

This included the cost of maintaining two houses and additional expenses involved in alternative arrangements for the education of their children.
Tax cuts on the way

By ANTHONY JOHNSON
Political Correspondent

The government yesterday promised South Africans a "substantial" cut in personal tax - starting with next month's budget - and announced a 10% pay hike for nearly a million civil servants from April 1.

Teachers will be getting an additional 12% pay boost from March 1, while further increases - backdated to April 1 - are being announced for certain categories of public servants such as nurses, police and security personnel.

Parliamentarians at the level of an MP or higher will receive R115,000 more a year amounting to an increase of 13.5% for MPs and 7.5% for ministers.

Members will also have their secretarial and allowance office allowances increased from R10,000 to R11,000 a year - boosting the annual package for an ordinary MP to R11,000.

The improved remuneration package applies to everyone who is paid by the exchequer - and excludes railways and post office staff and local authorities, who have separate sources of income.

'Moderate' increase

'Announcing the 10% non-pensionable allowances for civil servants, the Minister of Administration and Privatisation, Dr. Winnie Mandela, said that increased - along with the rise in personal tax - would "make a contribution to the improvement of the living standard of civil servants.'

He said the government realised that the general increase was 'a modest one' but that it was the maximum that could be afforded when the need to curb government expenditure is also taken into account.

He immediately added "It is also important to bear in mind that government is committed to implement, over a period of time, a substantial decrease in personal income tax. It is foreseen to start this process in the forthcoming budget.'

MPs 'high costs'

In a separate statement, the Minister of Constitutional Development and National Education, Dr. Gerrit Viljoen, said that the 10% allowance from April 1 was in addition to the March 1 increase announced for college and school related educators.

Pensions will also be made available to university and technicians for salary adjustments.

Announcing the increase for parliamentarians, President F. W. de Klerk said the increases had been implemented after consultations with all the political parties represented in Parliament.

Mr. de Klerk said the increase was a recognition of the government's commitment to give further attention to legislation for the establishment of a statutory body which would determine the remuneration of political office bearers and therefore avoid that issue from the political arena.

He said attention needed to be drawn to the fact that MPs had to incur substantially higher costs to earn their salaries. MPs did also not receive an annual increment, a 12th cheque or house.

Post Office employees will also receive a non-pensionable increase. However, the Minister of Mineral and Energy Affairs and Public Enterprises, Dr. Nokwe, said it would not exceed 16% of the Post Office's salary bill, and that he would not be affected by the increased costs.
CAPE TOWN – The R12 000 a year across-the-board salary increase, plus 10%, granted to MPs and Cabinet Ministers at the weekend will raise the annual amount paid to parliamentarians to more than R30m.

It was confirmed at the weekend that in addition to the increases announced by President FW de Klerk on Friday, the parliamentarians would also qualify for the 10% non-pensionable allowances granted to all public servants.

This means the 31 Cabinet Ministers receive a total salary package of R185 600 a year which includes an allowance of R38 615 — equivalent to an 18% increase.

The 13 deputy Ministers will receive a package of R134 100, including an allowance of R32 116. Ordinary MPs will receive a salary of R94 500 a year, equivalent to a 28% increase.

In addition they are entitled to participate in a car scheme which effectively provides a free medium-sized vehicle over four years. They receive 18 free return flights a year and thereafter pay 20% of the cost of a flight. They also receive cheap housing while Parliament is in session.

De Klerk also announced that the amount that directly elected MPs could claim for running constituency offices would be increased from R10 000 to R18 000 a year.

The increases announced by De Klerk amount to a 7.8% increase for Ministers and a 15.9% increase for ordinary MPs.

De Klerk said the increases were in line with a report of the Schlebusch commission of inquiry into the remuneration of political office-bearers.

Government, he said, was giving attention to the creation of a statutory body which would determine the remuneration of political office-bearers in future.

He wished to draw attention to the fact that MPs had to incur abnormally high costs to earn their salaries.

MPs did not receive an annual increment, a 13th cheque or housing loans.
Public servants are up in arms

Dismay at politicians’ double rise

Staff Reporter and Political Staff

Public servants are angered by the additional 16 percent increase granted to Members of Parliament.

Dr Colin Cameron, in his most strongly-worded statement in 11 years as president of the Public Servants Association, warned of a “shave of face” from dissatisfied public servants.

The executive of the Public Servants’ Association (PSA) was meeting in Pretoria last night to decide on a plan of action regarding the 10 percent increase for civil servants and the “lavish” increases for MPs.

At meetings of public servants in Johannesburg, George and East London, there has been deep dismay that public servants were getting only 10 percent from April 1.

The government has defended the double pay increase for politicians by saying it is necessary to attract “competent” people into politics.

The double increase will push MPs’ salaries from R275,000 to about R540,000 a year and Cabinet Ministers’ pay from R185,000 to about R318,000.

The chairman of the Commission for Administration, Dr Piet van der Merwe, has said that many public servants will also get notice to increase their pay, pushing them up the scale.

Political issue

Parliamentarians do not receive housing subsidies or a lottery cheque.

They also do not receive a kilometre allowance and MPs representing rural constituencies have to cover distances.

It is not our terrain to comment on the validity and merits of increases to parliamentarians, that is a political issue,” said Dr Cameron.

“We are concerned with what affects our members’ lives.

If you argue, as Dr de Villiers does, that to encourage professionals to embark on a political career you have to offer attractive remuneration, then the same argument is valid for attracting capable people into public services.

“The magnitude of the increases granted to parliamentarians’ pay increase forgot that it was a high risk to go to Parliament. The average career lasted only a little more than seven years,” said Dr Cameron.

The latest increases did not fulfill the recommendations of the Schiebush Commission, which investigated politicians’ pay a few years ago.

If the best professionals were to be attracted to politics the remuneration package could not be too unattractive.

He said it was almost impossible for MPs to supplement their income.

UK MPs do well on perks

LONDON — British MPs earn £26,720 (about R517,408) a year but can boost that to £110,000 (R540,000) with perks.

They enjoy free first-class travel with British Rail, a generous mileage rate, cheap food and drink, poll tax exemptions and much more. All these helped soften the blow recently when British Airways moved to end one of the MPs’ favourite perks — being able to fly first class when paying only economy fares.

Free rail travel deals are worth up to £10,000 (R44,000) a year, with wives also allowed free travel. MPs also get a secretarial allowance which many hand over to their wives.

Cabinet Ministers have a basic salary of more than £50,000 ($220,000) and similar perks to the MPs — London Bureau.
Use PO services with care, says council

Consumer Council director Mr Jan Cronje said while he welcomed the possibility of better services, it was a pity some tariff increases were higher than the inflation rate. Concessions for pensioners have been welcomed by the Johannesburg Association for the Aged.

See Page 13.
Threats of strike action and go-slows

Public servants want pay increase doubled

Own Correspondent
CAPE TOWN — Public servants are demanding the Government double their April increases.

And there are threats of strikes, protest marches, resignations or go-slows if demands are not met.

The Public Servants’ Association (PSA) — with 63,000 members the largest of the four associations of public servants — decided at an executive meeting in Pretoria to urge a reasonable pay increase of at least 20 percent — instead of the 10 percent non-pensionable increase announced on Friday.

The executive also called an extraordinary annual general meeting of all PSA branches in Pretoria on April 9, to decide on further strategies.

The 46,000 strong Public Service League (PSL) is to apply for permission for three protest marches to coincide with meetings in Cape Town, Knysna and Outshoorn on Saturday.

Mr. Malcolm Domingo, national chairman of the PSL, said he would also be asking for an urgent audience with State President F.W. de Klerk on the salary question.

The PSL’s demand is also for a minimum of 20 percent across-the-board.

The black public servants association, the Institute of Public Servants (IPS), has warned of strikes if there was not a significant increase in the basic minimum wage for labourers, as well as a 20 percent general increase.

Price hikes
IPS general secretary, Mr. Herbert Nthele, said the IPS had 15,000 members, most of them earning just R240 a month. For them the 10 percent increase represented a meagre R24 a month.

“Now can a man live on R240 and that R24 extra he gets means nothing with the price of basic food like bread and milk going up all the time,” he said.

The IPS negotiated for a minimum wage of R290, with an average 20 percent increase for other public servants.

Representatives of public service associations met with Dr Wim de Villiers, Minister of Administration and Privatisation, in Cape Town on Friday, and were unanimous in their condemnation of the 10 percent non-pensionable increase.

In a statement yesterday, the PSA general manager, Mr. Hans Olivier, said the reasons for the small increase, as put forward by Dr de Villiers, were “hard to accept.”

He said the Government as an employer had not kept its word to public servants, who had been promised market related salaries.

Instead, individual public servants were being made victims of the Government’s moves towards privatisation.
Strike threat over pay rise

Staff Reporter

CIVIL servants could consider strikes if the government sticks to its 10% pay hike.

The multiracial Public Servants' League (PSL), which represents 46 000 government employees nationwide, has threatened to take strike action if the government does not improve its increase offer within three months.

At a mass meeting held in Paarl on Saturday, PSL general secretary Mr Bernard Wentzel said all PSL members nationwide should mobilise their forces for a "mass strike" against the increase.

A mandate should be given by members to the PSL to call an urgent meeting with the State President, to demand his immediate veto of the increase. He would be given three months to respond.

More resolutions on action to be taken would be made at the March 3 meeting and the placard demonstration at the Gordon's Institute, Mowbray.

Mr Wentzel called on the government to "abolish apartheid ideologies which would inevitably lead to the lifting of overseas sanctions". This would reduce inflation.

MPs "ought to be ashamed of themselves" for improving their own salary packages while their colleagues in lower ranks were still earning "slave salaries" like R500 a month. This proved that corruption existed within the state service, he said.

Saturday's meeting, attended by about 200 Paarl PSL members, was followed by a placard demonstration.

Meanwhile, the Public Servants' Association (PSA) executive committee is to meet tonight over the pay increases.

PSA general manager Mr Hans Olivier said anger among state workers had been aggravated by the lavish increases granted to Members of Parliament. They would get a 15% pay hike in addition to the 10% general public servants' pay increase.

Government workers found this totally unacceptable, he said, especially against a background of the appeal made by Finance Minister Mr Barend du Plessis and Reserve Bank governor Dr Chris Stals last week for restraint in the granting of wage and salary increases.

"Their attitude is an extreme of hypocrisy to appeal for restraint when unrestrained increases are granted to about 450 MPs," Mr Olivier said.

There were thousands of civil servants who would become soft targets for the Conservative Party.

He said the public service had been running on a 9% staff shortfall. The funds saved because of this in salaries should have been used to grant realistic increases.

He said it was obvious the policy of career differentiation in the service had failed miserably.

There were key groups in the service whose special circumstances had been ignored for at least seven years.

"They have been using us as a battering ram against inflation when in fact public service pay has only a marginal influence, if any at all, on the price spiral," he said.

A serious consequence of the unacceptable pay rise would be an acceleration of resignations from the service.

There were professional and skilled workers whose earnings in the service were half or less of what was being paid to similarly qualified workers in the private sector.

The result would obviously be a deterioration in the quality of state services, Mr Olivier said.
Modest pay increase applauded

Government's salary bill is set to rise by about 13% — or about R3bn — in the next fiscal year in spite of the modest general pay increase for civil servants announced at the weekend.

Economists, while applauding the decision, note that the general pay rise of the civil service to only 10%, hasten to point out the effective increase will be more. Nominal increases, special adjustments and the continued rapid expansion of the service will drive the wage bill higher. Government's target is for overall spending to shrink or remain the same in real terms in next month's Budget. A 15% increase in its wage bill, which accounts for about a third of total spending, will compel major cutbacks in other areas to keep overall spending in line with or below the inflation rate.

Economists were pleased the general rise in civil servants' salaries of 10% was well below last year's 15%. In addition, the 10% increase in defence spending, interest payments and transfers to the homelands will help cushion spending. Rand Merchant Bank economist Rudolf Gouws said the relatively low salary adjustment augured well for next month's Budget.

"An overall increase in government spending of 11%-12% in the next fiscal year seems likely," he said. This could be negative in real terms. Old Mutual's Rian le Roux described as "surprisingly low" the 10% general rise, but noted that the civil service will probably grow in size, and this could add another 1% to the wage bill with notch increases and special adjustments taking us to a possible 16% rise in the overall spending on salaries and wages. Standard Bank's Nico Cypenkonke repeated his call for government to stop the growth in the bureaucracy.

Pay increase

From Page 1

"I agree we need more nurses, teachers and policemen. But there are other areas where staff numbers can be reduced and we see no evidence of this happening. In the meantime, government spending is being cut in the wrong places."

Nedcor's Edward Osborn said the obvious effort to contain spending on salaries and wages was an attempt to demonstrate government was earnest about fighting inflation.

Announcing the 10% wage adjustment on Friday, Administration and Privatisation Minister Wum de Villiers said: "Given the government's example in this regard, I appeal to the private sector to handle possible salary increases with the same zeal and constraint." He said government realised the general increase was a modest one, but it was the maximum that could be afforded.
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HOUSE OF ASSEMBLY

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* The information given applies to permanent accommodation only. Where it seems as if the number of pupils exceeds the actual capacity the pupils are housed in temporary accommodation which can be utilised elsewhere as the need decreases at a certain point.

(2) 22 January 1990

School buildings constructed

16 Mr R M BURROWS asked the Minister of Education and Culture

(a) How many school buildings were constructed or caused to be constructed by his Department in 1989 and (b) what was the average capital cost of (i) constructing these buildings and (ii) construction per pupil in (aa) primary and (bb) high school?

The MINISTER OF EDUCATION AND CULTURE

(a) 4,

(b) (i) R3 235 884,75

(b) (a) R3 997

(b) (bb) R6 867

Matriculation examination: results

17 Mr K M ANDREW asked the Minister of Education and Culture

How many pupils at schools falling under the control of each provincial education department obtained (a) A, (b) B and (c) C symbols in the 1989 matriculation examinations in respect of (i) Mathematics (Higher Grade) and (ii) Physical Science (Higher Grade)?

The MINISTER OF EDUCATION AND CULTURE

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HOUSE OF ASSEMBLY
HOUSE OF REPRESENTATIVES

QUESTIONS
Indicates translated version
For oral reply

General Affairs

Chatty, PE, post office

1 Mr W J DIETRICH asked the Minister of Mineral and Energy Affairs and Public Enterprises

(1) (a) What progress has been made, since the reply to Question No 3 on 19 April 1989, in regard to the provision of a post office in Chatty, Port Elizabeth, and (b) when is it anticipated that building operations will be (i) commenced and (ii) completed,

(2) whether any new problems have arisen in connection with this post office since the date of the above reply, if so, what problems,

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

The DEPUTY MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

(1) (a) The site aspect has since been finalised and planning consultants have been appointed. Preliminary design proposals which have been received from the consultants are presently under consideration, and

(b) provided nothing unforeseen occurs and depending on the availability of funds it is expected that building operations will (i) commence during June 1991 and (ii) be completed by June 1992,

(2) no,

(3) no
Apart from those mentioned above, a variety of deregulatory actions are being undertaken which cannot be quantified as specific cases, due to the nature and extent thereof.

**Professionally qualified persons: emigrated/immigrated**

25 Mr S S VAN DER MERWE asked the Minister of Home Affairs: How many (a) doctors, (b) dentists, (c) lawyers, (d) architects, (e) social workers, (f) quantity surveyors, (g) scientists and (h) other specified professionally qualified persons (i) emigrated from and (ii) emigrated to South Africa in 1989?

The MINISTER OF HOME AFFAIRS: B61E

(a) Doctors and specialists 64 37
(b) Dentists and dental specialists 4 3
(c) Lawyers, attorneys and advocates 9 17
(d) Architects and town and regional planners 38 22
(e) Social workers 4 5
(f) Quantity surveyors 7 7
(g) Scientists 103 54
(h) Other specified professionally qualified persons 1 067 810

**NOTE:**

Information is furnished for the period January 1989 to November 1989 as the December 1989 data is not yet available.

**Immigrants/emigrants**

26 Mr S S VAN DER MERWE asked the Minister of Home Affairs: How many (a) Whites, (b) Coloureds, (c) Blacks and (d) Indians (i) immigrated to and (ii) emigrated from the Republic in 1989?

The MINISTER OF HOME AFFAIRS: B62E

(a) 9 404 217 196 121
(b) 4 008 210 27 194

**NOTE:**

Information is furnished for the period January 1989 to November 1989 as the December 1989 data is not yet available.

**Public service: persons gainfully employed**

60 Mr P H GASTROW asked the Minister of Home Affairs: B156E

What percentage of gainfully employed (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks were (i) direct and (ii) indirectly in State employ in the Republic as at 31 December 1989?

The MINISTER OF HOME AFFAIRS: B156E

(a) (i) 5 484 4 928
(ii) 2 157 3 308
The MINISTER OF HOMESTAYS

(a) (b) (c) (d)

(i) 24,5 12,9 10,6 6,4
(ii) 9,4 5,0 3,5 6,6

* Includes — Central Government — Provincial Administrations — Government Trade Establishments

** Includes — Civil Services of the Self-Governing Territories — Local Authorities — Parastatal Institutions — Universities and Technicals — Agricultural Marketing Boards — Public Corporations

NOTE:
1. The number of gainfully employed persons is estimated on basis of the mid-year estimate of the economically active population, the number of unemployed persons and the ratio of self-employed persons according to the 1980 population census.
2. The information furnished is as at 30 September 1989 as the results of the survey for the quarter ending 31 December 1989 are not yet available.
3. The percentages in respect of (a), (b), (c) and (d), respectively, are based on the total number of gainfully employed workers of the corresponding population group in each case.

National servicemen: religious objectors

66 Lt-Gen R H D ROGERS asked the Minister of Manpower

1. How many national servicemen (a) applied for and (b) were granted the status of religious objectors in 1989.

2. how many of these persons were (a) Jehovah’s Witnesses, (b) Roman Catholics, (c) Anglicans, (d) Methodists, (e) Baptists, (f) Presbyterians, (g) members of the Dutch Reformed Church and (h) members of any other specified religious denominations?

The MINISTER OF MANPOWER

(i) 286
(ii) 263
(iii) 107
(iv) 9
(v) 11
(vi) 13
(vii) 4
(viii) 2
(ix) 0

Body of Christ Faith Centre
Buddhism
Christian Brethren
Evangelical Workers
Exclusive Brethren
Fellowship of the King (Free Church)
Fountain of Life Community Church
Glenridge Christian Fellowship
Jewish Faith
Lutheran Church
No church denomination
Pentecostal Protestant Church
Plymouth Brethren No 4
Rosebank Union
Seventh-day Adventists
United Congregational
Victory Faith Centre
Vineyard Christian Fellowship
Vineyard Fellowship
World Wide Church of God

HOUSE OF REPRESENTATIVES

THURSDAY, 1 MARCH 1990

QUESTIONS

Indicates translated version For written reply

General Affairs

1. Mr L T LANDERS asked the Minister of Justice

(1) Whether a certain person, whose name has been furnished to the Minister’s Department for the purpose of his reply, was in the employ of the Prisons Service at any time during the period 1 January 1962 to 31 December 1986, if so, (a) when, (b) what position did he hold and (c) what is his name,

(2) whether this person recently made any allegations in regard to the Prisons Service, if so, (a) when, (b) where and (c) what was the purport of these allegations,

(3) whether he intends taking legal action against this person as a result of these allegations, if not, why, not if so, when,

(4) whether the Prisons Service has issued a statement in regard to whether this person was in its employ, if so, (a) what was the purport of this statement and (b) why was it made,

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

C3E

The MINISTER OF JUSTICE

(1) No

(a), (b) and (c) Fall away

(2) Yes

(a) 2 January 1990

(b) On a British television programme

(c) He conveyed his impressions and his experiences during his term as a deputy sheriff

(3) No Legal steps against the person concerned do not seem appropriate

(4) Yes

(a) and (b)

In reply to questions by the media, the South African Prisons Service, amongst others, indicated that

— this person was never a member of the Prisons Service,

— the Prisons Service is not prepared to become a part of any sensationalisation regarding this sensitive matter and related practices; and that

— so far the co-operation of all political parties has been obtained to treat this matter as sensitive and deal with it in a responsible manner

(5) No
Govt to amend delimitation law

HOUSE OF ASSEMBLY — The government would propose an amendment to the constitution this session that a delimitation of constituencies for all three Houses of Parliament should take place simultaneously by June 11, 1994, the Minister of Constitutional Development, Dr Gerrit Viljoen, announced yesterday.

This would replace a provision that a delimitation for the House of Assembly should take place by October 3 this year.

Speaking during an interpellation debate, Dr Viljoen said that in terms of the constitution, elections for the three Houses had to take place simultaneously.

Mr Daan van der Merwe (CP, nominated) said Dr Viljoen should make it clear that there would be own voters' rolls for each group.

The last delimitation had been held in 1980 and Mr Van der Merwe wanted to know whether the postponement to 1994 meant that the government was making provision for all constituencies to disappear and for proportional representation to be introduced.

Mr Janne Momberg (DP, Simon's Town) said the DP was pleased to hear, in the light of the negotiation stage South Africa was entering, that there would not now be a delimitation.

Dr Viljoen said that in a new constitution it would be something which should have to be negotiated — Sapa
Public servants reject 'pittance'

SOUTH AFRICA

THE Public Servants League (PSL) plans to continue its "living wage" campaign, and described the government's 10 percent pay rise as a "pittance".

The PSL is also seeking an urgent meeting with state president Mr FW de Klerk to express its "strongest rejection" of the increases.

PSL secretary Mr Bernard Wentzel said the PSL had vowed to "mobilise its 46 000 members across the country to fight for a living wage".

"We intend to express our strongest rejection of the pittance the government has offered," Wentzel said.

He said the PSL planned to hold a series of mass meetings throughout the country.

The first meeting is due to take place on Saturday morning at the Gordons Institute in Mowbray.

Wentzel claimed that many PSL members were earning between R200 and R300 a month, despite years of service.

He said the organisation wanted all public sector workers to get a living wage as the minimum salary.

They needed a further 20 percent increase to bring them on a par with the private sector, he said.
Few blacks in govt service

CAPE TOWN — More than a third of gainfully employed whites worked directly or indirectly for the state but only 13% gainfully employed blacks did so, Home Affairs Minister Gene Louw said yesterday.

Louw, answering a question from Peter Gastrow (DP Durban Central), said 24,5% of gainfully employed whites worked directly for the state and 9,4% indirectly.

He said 12,9% of gainfully employed coloureds worked directly for the state and 5% indirectly, while 10,6% and 3,5% respectively of Indians.

However, only 6,4% of gainfully employed blacks worked directly for the state and 6,6% indirectly.

Those directly employed included those working for central government and the provincial administrations.

Indirect employment included self-governing territories' civil services, local authorities, universities, and agricultural marketing boards, he said.
THE conflict in Parliament about the appointment of only Nationalist MPs as chairmen of joint committees has been ended by the appointment of two House of Representatives MPs as chairmen of two of the 13 committees.

The chief whip of Parliament, Mr Alec van Breda, said yesterday that Mr Desmond Lockey, MP for Northern Cape, had been appointed chairman of the home affairs, planning and provincial affairs committee and Mr Louis Hollander, MP for Britstown, as chairman of the health committee.

And the Labour Party leader, Mr Allan Hendrickse, has been appointed deputy chairman of the crucial constitutional affairs' committee, whose chairman is the Minister of Constitutional Development, Dr Gerrit Viljoen.
Third of whites work for state

Political Staff

MORE than a third of gainfully employed whites worked directly or indirectly for the state, but only 15% of gainfully employed blacks worked for the state, the Minister of Home Affairs, Mr Gene Louw, said yesterday.

Mr Louw, who was replying to a question tabled in Parliament by Mr Peter Gastrow (DP, Durban Central), said 24.5% of gainfully employed whites worked directly for the state and 9.6% indirectly.

The respective figures for coloureds were 12.9% and 5%, and for blacks, 64.6% and 6.8%.

Those directly employed by the state included those who worked for the central government, the provincial administrations and government trade establishments.

Those indirectly employed included people working for the civil services of the self-governing territories, local authorities, parastatal authorities, universities and technikons, agricultural marketing boards and public corporations, Mr Louw said.
PAY RISES £1 M 23/10 (£250)

Piece of string
How much should a member of parliament earn? "Much more than we do," say most MPs. "A good deal less," say many members of the public.

The latest increase in MPs' pay pushed their salary and allowances up by 26% to R94 500 a year. They also get 18 free economy air tickets a year and pay only 20% of full fare for other flights. Then there's the car scheme which allows them to buy a new car every four years, low-cost housing in Cape Town and a daily allowance for out-of-towners, and R18 000 a year for running a constituency office back home (which can only be claimed on proof of expenditure).

Cabinet ministers now earn R181 000 and get ministerial mansions in Pretoria and Cape Town, luxury cars and free travel on official business. But if they're compared to executive directors of large companies, their package is not particularly excessive (though arguably they don't face the same performance pressures as company directors — and are seldom sacked for incompetence).

It sounds pretty good, but is it really? The issue of MPs' remuneration will probably never be solved satisfactorily. It's virtually impossible to put an equal worth on all of them.

An inquiry into the salaries of MPs and other political office bearers in 1986, chaired by former minister Alwyn Schlebusch, recommended a far better deal for MPs. But it postulated a "conscientious, competent, hard-working" MP for purposes of its study. It could have added "representative" because lack of support from voters skews the picture as much as an MP who doesn't serve their interests.

There's no doubt that politics is a risky game. The average MP serves for only seven years, but that does not mean the taxpayers should compensate them for willingly and knowingly taking a risk.

An effective MP also works hard both in parliament and in the constituency. Out-of-pocket expenses can be considerable, particularly for travel and secretarial work. They have pension and medical aid schemes, but no housing subsidies — even though most maintain two homes. Moving between Cape Town and their constituencies twice a year is also extremely disruptive, particularly for those with schoolgoing children.

It's also important to attract high-calibre candidates to parliament. Many of those who serve do so at considerable personal sacrifice in terms of what they could earn in full-time private sector occupations. Good examples in

the Democratic Party (DP) are former Anglo American executive director Zach de Beer and attorney Harry Schwartz. There are a number of other highly competent DP MPs and both the Conservative Party and the National Party have a fair share of well-qualified professionals who could easily earn R150 000-plus in fulltime private practice (though some do continue their practices on a part-time basis).

But then there are the MPs who don't work as hard or enjoy the same public support, yet they earn the same salaries. Many in the Houses of Delegates (HoD) and Representatives (HoR) are good examples.

The overall percentage poll in last year's election for the HoR was only 20%. In 45 of the 80 elected seats the poll was below 25%. In the Cape Town constituency of Mitchells Plain, the Labour Party's Stanley Fisher was backed by only 802 of the 41 537 registered voters. He was elected on a 1.9% poll. In the HoD, the overall poll was 23.6%.

In 23 of the 40 constituencies, the poll was below 25%. The poll for the House of Assembly was 70%.

But paying MPs on merit is not feasible. The ultimate arbiter of their worth should be the political marketplace, though the situation in SA is severely distorted because most people can't vote — or don't vote because they have no say in deciding the constitution — and, therefore, have no role in determining what MPs earn.

What probably exacerbates the situation is that MPs themselves decide on their salaries and it's an issue on which they close ranks across party lines. A new law is expected later this year to set up an independent board to determine salaries for political office bearers.

It may place MPs in a stronger moral position to accept pay hikes — but it won't solve the problem of paying individuals what they are worth.

FINANCIAL MAIL, MARCH 2, 1990
ANGER about the 10% pay rise for public servants should be tempered because they receive notch increases, subsidies and special adjustments.

The Public Servants League (PSL) and the Public Servants Association (PSA) have expressed outrage at the 10% pay rise announced by Administration and Privatisation Minister Wim de Villiers.

The PSL and PSA say members of Parliament have been granted lavish increases of 15% in addition to the 10% public servant pay rise.

The PSL, which represents about 46,000 government employees nationwide, has even threatened that its members will consider strike action should the Government not meet its demands.

The Conservative Party backs the two associations, saying the increase is an insult CP chief whip Frank Rautenbach says the party is particularly worried because the increase is lower than the rate of inflation.

But what must be taken into consideration are the notch increases in the public service which have no bearing on general adjustments. They are part of a system of remuneration in which salary scales consist of several notches.

In 1989, for example, more than 60% of public servants received notch increases — and that was a bad year because a large proportion of the personnel corps were on the maximum notches.

Add this to service bonuses, housing subsidies and car and other benefits, and the increase in the Government's overall spending on salaries and wages could rise by about 16% — or more than R3-billion.

In contrast to the PSL and the PSA, the Teachers' Federal Council (TFC) has welcomed the general salary adjustment, effective from April 1.

The council says it appreciates the granting of a pay rise at a time when Government policy is to limit expenditure to a minimum. The 10% rise will contribute to the profession's ability to retain teachers.

It asks that the Government attend to weaknesses in the tax system, such as fiscal drag.
PUBLIC SERVANTS MARCH ... More than 400 members of the Public Servants' League held a mass-meeting and protest march on Saturday. Here members march in Liesbeek Parkway in protest against low wages.

Picture: OBEZ ZILWA

Public servants threaten strike

Labour Report

PUBLIC servants have threatened to strike in three months' time unless grievances are addressed by the government.

This was decided at a meeting attended by about 420 members of the Public Servants' League of South Africa (PSL) in Mowbray on Saturday.

After the meeting, the PSL members staged a protest march along Liesbeek Parkway, bearing placards with slogans such as "ANC liberate our workers" and "Down with apartheid salary".

Some of the demands accepted by the meeting were a minimum "living wage" of R650 a month and the scrapping of the temporary employment system.

The meeting also urged the government to enter into a "system of unionism" and resolved to grant the government three months to consider this and other demands.

Other resolutions were that the PSL seek an urgent meeting with President F W de Klerk and that PSL members should "mobilise throughout South Africa".

The meeting resolved that two protest marches — one to Parliament and the other to the Union Buildings — should take place this year, said Mr Neville Petersen, organising secretary of the PSL.
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TUESDAY 6 MARCH 1939

392
By CHIARA CARTER

The government faces a widespread revolt by public servants outraged at the recent announcement of a 10 percent wage hike in the public service.

The major public sector unions and several staff associations are mobilizing their members to demand union recognition, a living wage and an end to privatization.

These demands are similar to those which precipitated the bitter SA Transport Services strike last year.

In Cape Town this week, about 4 000 hospital workers downed tools at 10 provincial hospitals. More hospital workers were reported to be poised to join the strike.

Members of the Health Workers' Union (HWU) are refusing to work until the government agrees to meet with their union. The chairperson of the Groote Schuur branch of the Public Servants' Union, Mr. Patrick Twala, said the workers wanted a minimum wage of R1 100 a month, a 40-hour working week, maternity benefits and permanent status.

Twala said the workers demanded that the government recognize their union and agree to halve their strike.

The chairperson of the Groote Schuur branch of the Public Servants' Union, Mr. Arthur Farrel, said the PSL fully supported the strikers and was prepared to use the full strength of the organization to assist the strikers.

The 40 000-member Public Servants' Union has denned a country-wide strike if the government's demand for a minimum wage of R850, union recognition and permanent status for general practitioners and nurses is not met within three months.

The decision was taken at a branch meeting in Mowbray on Monday. About 500 PSL members took part in a protest march earlier this week.

Several PSL members have joined the strike at Groote Schuur hospital, where hospital superintendent Dr. Jocelyn Amsden has warned that essential services were under threat.

Mr. K. R. K. Ramond, the hospital's general manager, said that the hospital's management was sympathetic to the workers' demands and that the present minimum wage was "totally unacceptable."

The general secretary of the National Education, Health and Allied Workers' Union (NEHAWU), Mr. S. N. Nketsana, and the union was mobilizing its members to fight for a living wage and an end to privatization.

He said workers in several Transnet hospitals, including Baragwanath, Johannesburg General, Hillbrow and Nelson Mandela, had already delivered a memorandum outlining their demands to hospital management.

About 6 000 teachers went on strike in the Transvaal earlier this week.

A spokesperson for the Post and Telecommunications Workers' Association (Powa) said union members were presently meeting to discuss union tactics.

Transporters, taxi drivers and the Transport and General Workers' Union, who are calling an all-sector strike of workers and representatives of workers and organizations to reject the 10 percent increase, were saying that the strike was a "very necessary step to protect our workers and their families."
Thousands march against privatisation

JOHANNESBURG.—Thousands of public sector workers from four major unions on Saturday marched and toyed in a mass demonstration through central Johannesburg to protest against the privatisation of state companies.

The Cosatu-affiliated unions presented memoranda of grievances and demands to representatives of public sector management at offices along a 3km route through central Johannesburg, Hillbrow and Braamfontein.

The high-spirited crowd was closely monitored by police, who maintained a low profile, as well as traffic department officers who blocked streets and controlled the busy Saturday morning traffic.

The SA Railways and Harbour Workers’ Union (Sarhwu), the Post and Telecommunications Workers’ Association (Potwá), SA Municipal Workers’ Union (Samwu) and National Education, Health and Allied Workers’ Union (Nehawu) led the protest against a 10% wage increase for the public sector.

Earlier, the workers assembled outside St Mary’s Anglican Cathedral in downtown Johannesburg where speakers slammed privatisation and made impassioned speeches in favour of the nationalisation of industry.

Organisers of the march were complimented by management on the discipline and orderliness of the marchers.

The crowd dispersed peacefully.—Sapa
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### Administration and Privatization

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#### Question Two: 30/7/89

1. What is the number of personnel employed by the Administration in the Department of Agriculture?

2. How many administrative positions are there in the Department of Agriculture?

3. What is the number of personnel employed by the Department of Industry?

4. How many administrative positions are there in the Department of Industry?

5. What is the total number of personnel employed by the Administration?

6. How many administrative positions are there in the Administration?

#### Question One: 31/7/89

1. What is the number of personnel employed by the Administration in the Department of Education?

2. How many administrative positions are there in the Department of Education?

3. What is the number of personnel employed by the Department of Health?

4. How many administrative positions are there in the Department of Health?

5. What is the total number of personnel employed by the Administration?

6. How many administrative positions are there in the Administration?

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**Note:** The document provides a table with numerical data and questions related to personnel and administrative positions within various departments. The text is fragmented and requires careful reading to understand the context and details.
### House of Assembly

#### Colonial Administration of the Cape of Good Hope

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Minister praised teaching staff

Her Excellency the Governor-General praised the teaching staff who were working in difficult circumstances.

She said that the teaching staff were working hard to ensure that the education of the children continued.

The Governor-General also praised the efforts of the teaching staff to ensure that the children received the best possible education.

She said that the teaching staff were working long hours and were doing their best to ensure that the children received the best possible education.

The Governor-General also praised the efforts of the parents who were supporting their children by keeping them at home.

She said that the parents were doing their best to ensure that their children received the best possible education.

The Governor-General also praised the efforts of the government to ensure that the education of the children continued.

She said that the government was doing its best to ensure that the education of the children continued.

The Governor-General also praised the efforts of the community who were supporting the teaching staff.

She said that the community was doing its best to support the teaching staff.

The Governor-General also praised the efforts of the media who were covering the situation.

She said that the media was doing its best to cover the situation.
FW vow to cut back public service

PRETORIÀ — Government was committed to reducing its intervention in the economy and to cutting the public sector size, President F W de Klerk said yesterday.

The economy could not afford a public sector of the present proportions, he said at the opening of the National Marx Produce ers' Organisation (Nampo) annual congress in Potchefstroom.

The tax burden, as well as a disproportionately large section of the population which had no part in the production process and supporting commercial services, made the situation untenable.

Outlining reasons for his non-intervention commitment, De Klerk said control systems often obscured market price signals and consequently lead to inefficiency. Producers assured of a turnover, be cause of statutory control and protection, tended to lose interest in striving for higher productivity. Protection encouraged the creation of enterprises which would perhaps not function profitably without it.

De Klerk said government would focus on active implementation of its policy of deregulation. This policy, with privatisation as an essential part, was geared to improve achievement in the economy.

This would result in more effective application of production factors, optimal functioning of market forces and a rise in the percentage of net fixed investment by the private sector.
Focus shifts to social upliftment

Nurses, police pensioners benefit from K6-billion tax windfall
PUBLIC sector employment continued to grow at a relatively high rate last year, despite a significant reduction in SA Transport Services personnel, Finance Minister Barend Du Plessis said in his expanded budget review.

In contrast, the rate of increase in private sector employment had contracted markedly, while employment in mining and in electricity generation declined.

He said total employment — excluding agriculture — increased 0.9\% during the first nine months of last year, compared to the same period in 1988.

The slower rate of increase in employment in the economically active population last year implied a corresponding increase in unemployment.

However, he said the seasonally adjusted number of registered unemployed workers, although increasing during a short period in June last year, continued to drop.

Du Plessis said the contradictory movement of unemployment figures against the business cycle could be explained by either an expansion of the informal sector or the fact that not all employed people registered as such.

An additional disturbing development in the labour market during 1989 was the increase of almost 18\% in workers' nominal wages in the non-agricultural sectors of the economy during the first nine months.

The only justification for an increase in remuneration higher than the inflation rate should be an equivalent or higher rate of increase in the productivity rate.

After a sharp increase in 1988, the rate of increase in workers' output slowed markedly during the first nine months of 1989.

This led to a significant acceleration in real unit labour costs during the first three quarters of 1989.
Lowest-paid workers to get more

By ANTHONY JOHNSON
Political Correspondent

MORE than 170 000 of the lowest-paid workers in the civil service are to receive a pay hike with effect from April 1, Minister for Administration and Economic Coordination Dr Wim de Villiers announced last night.

About 25% of government workers earn under R600 a month, while 45.4% of them have a monthly pay packet of under R1 000, according to the annual report of the Commission for Administration tabled in Parliament yesterday.

One in every four members of the civil service is a labourer and 78% of all labourers working for the government are black.

Dr De Villiers did not give an indication of the size of the increase workers could expect over and above the 10% across-the-board hike already announced for civil servants.

However, he said that investigations into structural adjustments with regard to labourers or "general assistants" in the civil service were already at "an advanced stage".

The additional increases for labourers would be implemented with retrospective effect from April 1.

It is understood that the striking workers at hospitals around the Cape Peninsula will also benefit from the proposed increases.

The government has already announced that certain other categories of civil servants — including nurses, the police, the Defence Force and certain groups of officials involved with law enforcement — will also be receiving more than the blanket 10% increase announced last month.

The government has already announced increases for the country's 173 474 educators, with teachers receiving a 22% increase in pay.

Announcing the increases for the lowest-paid workers in the civil service last night, Dr De Villiers said the government as an employer "must compete with other employers in the open market".

"Therefore it is necessary, apart from periodical general salary adjustments, to make more specific structural adjustments to the conditions of service of particular groups of workers so as to be able to recruit and retain necessary manpower."

Dr De Villiers said the necessary structural adjustments in the conditions of service of all groups of employees could not be addressed simultaneously due to restricted funds.

"Therefore priorities must . . . be determined to address the most urgent problem areas first," Dr De Villiers said.
Increases for 'lowest paid'

CAPE TOWN — General assistants, the lowest-paid members of the public service, are, like nurses, policemen and defence force personnel, to get pay rises in addition to the 10% general increase that comes into effect on April 1.

Administration Minister Wim de Villiers said in a statement yesterday that the increases would be implemented with retrospective effect from April 1.

It is expected that the total amount to be shared by nurses, policemen, defence force personnel and the general assistants will be about R380m.

This could be funded out of the Rihb contingency fund which Finance Minister Barend du Plessis included in his Budget on Wednesday.

Defending the additional increases, De Villiers said yesterday that government, as an employer, had to compete in the open labour market.

"Therefore it is necessary, apart from general salary adjustments from time to time, to make more specific adjustments to the conditions of service of particular groups of workers so as to be able to recruit and retain the necessary manpower," De Villiers said.

He added that conditions of service of all groups of employers could not be addressed simultaneously.

"Priorities must, in consultation with the different departments and acknowledged personnel associations, be determined to address the most urgent problem areas first."

Provision of R2,2bn has already been made in the main Budget to fund the general 10% increase for the public service.
MORE ANGER AT GOVT PAY

PRETORIA — Government workers at protest meetings throughout the country in the past two weeks have been demanding talks with the President F.W. de Klerk on their "meagre" 10% pay increase.

At a meeting in Durban earlier this week, the Public Servants Association's largest Natal branch passed a motion of no confidence in government for its indifference to its worker's financial plight.

The PSA wants to by-pass Administration Minister Wim de Villers and have direct talks with De Klerk.

The Durban meeting, in line with other protest meetings, also called for a speeding up in the passing of legislation now before parliament to provide for a more effective bargaining mechanism for public servants.

Meanwhile, some government workers in Pretoria say lack of motivation and low morale in the service because of the "unacceptable" increase may result in a go-slow strike.

Government workers are prohibited from strike action, but a slowdown in the work tempo could threaten the efficiency of key services.

The PSA has called a special general meeting for April 9 to decide on a line of action.
Talks with 'pressure groups' under fire

The Public Servants Association (PSA) has criticised negotiations held between the authorities and what the PSA describes as "unrecognised pressure groups" within the civil service.

"Recognised staff associations have uniformly withheld themselves from militant, illegal methods such as strikes, stayaway actions and demonstrations, with or without placards," said Dr Colin Cameron, president of the PSA.

Public servants had, without exception, acted legally.

The impression gained, he said, was that militant and challenging action had to be taken before attention would be given to the demands of the public servants.

This was demoralising.

"It would further appear from news reports that the authorities are even prepared to consider a trade union, and thus on the eve of the implementation of a legal system for collective bargaining which was particularly designed to conform to the special circumstances of the civil service," he said.

"As far as we're concerned, this would mean the end of the road for orderly negotiation." — Sapa.
Minister hears PSA complaints

GERALD REILLY

PRETORIA — The Public Servants' Association bluntly told Administration Minister Wim de Villiers at a meeting here last week that levels of discontent in the service were a grave threat to efficiency in state departments.

Main complaints concerned the latest 10% pay hike for government workers, lack of funds for occupational differentiation and inadequate negotiating machinery.

PSA GM Hans Olivier said the discontent could depress workers' morale further, and weaken staff motivation.

"We also said we could not understand why government had talked to an unrecognised trade union."

This was a reference to the Health Workers' Union.
Public sector contribution to GDP staying ‘stubbornly high’

The public sector’s contribution to GDP was 28.8% in 1999 — down from its peak of 30.4% in 1998 but still significantly higher than 10 years ago.

An analysis of figures in the Economic Review shows the public sector’s share of GDP remains stubbornly high because of the uptrend in the contribution of ‘general government’ — mainly salaries and wages. Other public sector categories are on the decline.

General government — central, regional, TBVC and self-governing states — contributed 13.8% to GDP last year, up from 12.8% in 1988.

Ten years ago, general government’s contribution was 10% and the public sector’s total stake about 25%.

The smaller contribution of the public sector since 1988 is mainly reflected in the smaller contributions of public corporations, Sats, and government business enterprises (including Post and Telecommunications),” the review says.

Better private sector profits during the latest upswing added 71.2% to GDP from a low of 69.6% in 1988.

Graphic: Pierre Schaffer  Source: CSIR
Public sector contribution to GDP staying ‘stubbornly high’

THE public sector’s contribution to GDP was 38.8% in 1989 — down from its peak of 39.4% in 1986 but still significantly higher than 10 years ago.

An analysis of figures in the Economist Review shows the public sector’s share of GDP remains stubbornly high because of the uptrend in the contribution of “general government” — mainly salaries and wages. Other public sector categories are on the decline.

General government — central, regional, TBVC and self-governing states — contributed 13.8% to GDP last year, up from 12.5% in 1986.

Ten years ago, general government’s contribution was 10% and the public sector’s total stake about 29%.

“The smaller contribution of the public sector since 1986 is mainly reflected in the smaller contributions of public corporations, Sats, and government business enterprises (including Post and Telecommunications),” the review says.

Better private sector profits during the latest upswing added 71.3% to GDP from a low of 69.6% in 1986.

Greta Steyn

General government contribution to GDP

[Graph showing contributions]
THOUSANDS of public sector employees from four trade unions will stage nationwide protests against privatisation tomorrow and on Thursday.

Post Office and Telecommunications Workers Association (Potwa) vice-president and a national co-ordinator of the protest action Floyd Mashele said anti-privatisation rallies would be held tomorrow in Johannesburg, Cape Town, Port Elizabeth, East London, Pretoria, Bloemfontein and Kimberley.

He said workers were prepared to fight to the “bitter end” to prevent privatisation and he warned shareholders “they would not be reimbursed once nationalisation takes place”.

Members of Cosatu affiliates Potwa, the SA Railways and Harbours Workers Union (Sarwha), the National Education Health and Allied Workers Union and the SA Municipal Workers Union (Samwu) would take part in the action.

Sarwha launched a three-day anti-privatisation campaign at the Nasarwa railways depot in Johannesburg yesterday.

A depot spokesman said 500 workers held a peaceful demonstration on the premises for about an hour. Workers did not meet management.

Mashele said public sector employees countrywide would march on employer bodies starting at 10am tomorrow. Memorandums calling for a halt to privatisation would be handed in and a picket would be staged for the rest of the day.

Johannesburg public sector workers, however, would march on the JSE, where a memorandum would be handed in, followed by a picket.

The action was part of a public sector worker campaign to protest against privatisation, deregulation and government’s 10% pay rise for workers.

Action would include work stoppages, overtime bans and, as a last resort, strikes, Mashele said.
Workers to march on JSE against privatisation

JOHANNESBURG — Public sector workers are to march on the Johannesburg Stock Exchange at working hours on Thursday to register their rejection of the government's privatisation policy.

The march forms part of a two-day programme of national action — also focusing on the government's 10 percent pay increase for public servants — spearheaded by Cosatu-affiliated unions in the postal, health and education, rail and municipal sectors.

The vice-president of the Posts and Telecommunications Workers Association, Mr Floyd Mashele, said yesterday that anti-privatisation rallies would take place tomorrow during working hours in all major centres.

On Thursday, workers would march on the JSE and to the offices of public sector employers, such as Transnet and the post office.

PROTEST AT TRANSNET

"Memoranda would be presented, protesting against the imminent listing of Transnet on the JSE and plans to list the post office, possibly later this year, he said.

"We also want to warn prospective purchasers that if these industries are re-nationalised, under a future government, we cannot guarantee compensation," said Mr Mashele.

Cosatu's public sector unions were organising their 110,000 members to participate in the protest, he said. Approaches for support would also be made to non-aligned civil servants.
R850 wage demand by public servants

By Michael Ouma

More than 500 members of the Public Servants League (PSL) decided to demand a living wage of R850, to explore affiliation to Cosatu and to call for the resignation of national chairman Mr Malcolm Domingo, at a sometimes rowdy meeting at the Westridge Civic Centre last night.

Members from as far afield as Worcester and Atlantis also accepted a resolution to change the PSL's name to "Public Workers Union" in defiance of regulations which forbid the forming of trade unions in the public service.

A decision on further action on salary demands will be taken after the expected April 16 announcement on the restructuring of salaries.

PSL secretary Mr Bernard Wentzel said recent talks with government ministers Drs Rina Venter and Mr Wim de Villiers had been a disappointment.

"They were seeking a way to end the strike, but we told them they were the cause of people's actions and that we supported the reasons for the strike," he added.

"We have not received a reply to our letter to the State President regarding conditions of employment and wages, and we would still like to have discussions with him."

Guest speaker Mr Siza Njikelana, general secretary of the National Education, Health and Allied Workers Union (Nehawu), said that public sector workers were among the lowest paid in spite of being the people who ensured that the country prospered.

He added "Government ministers' pay increments will mean their salaries will increase from R11 000 to R15 000 a month, but health workers' salaries will go up from only R221 to R246. Who in their right minds will accept such peanuts as wages?"

Mr Njikelana and other speakers rejected the 10 percent increase mooted for health workers.
Privatisation fears allayed

GERALD REILLY

PRETORIA — Public sector staff associations have been given "cast iron" assurances that no workers will be adversely affected by privatisation.

Spokesmen were reacting to the planned protests this week by black public sector unions against the "threat" of privatisation.

They are the Post and Telecommunications Workers Union, the SA Railways and Harbours Workers Union, National Education Health and Allied Workers Union, and the SA Municipal Workers Union.

Federation of Sats Trade Unions general secretary Abe Koekemoer said after a thorough investigation the federation accepted privatisation in principle.

"Against a background of what we consider watertight guarantees, we cannot understand the fuss being made," he said.

Public Servants Association GM Hans Oliver said the PSA had accepted privatisation provided no worker was prejudiced.

"Government has also undertaken to consult, and if necessary negotiate with, the PSA on privatisation," Oliver said.

Post Office staff associations have also been told they need not fear privatisation.
March by unions to Stock exchange

THOUSANDS of public sector workers are today expected to converge on the Johannesburg Stock Exchange to deliver a petition calling on investors to block privatisation of parastatals.

The workers will march from the Central Methodist Church, in Prichard Street, and then to Diagonal Street at noon.

The anti-privatisation march is part of two-day nationwide protests organised by four affiliates of the Congress of SA Trade Unions to protest against the Government’s move.

The four unions are National Education, Health and Allied Workers Union, Post and Telecommunication Workers Association, SA Municipal Workers Union and the SA Railway and Harbour Workers Union.

Mr Floyd Mashile, a spokesman for the four Cosatu affiliates, said the petition would be handed to Mr Tony Norton, the JSE president.

Mashile said the campaign got off to “a low-key start” yesterday, with public sector workers holding meetings and placard demonstrations at their workplace.

In Port Elizabeth, hundreds of public servants will march through the city today protesting privatisation. The marchers will proceed from the city centre to the Centenary Church, where UDF and ANC leaders will address them.
CONTRAST ... While tens of thousands turned out for a peaceful protest march against privatisation and salary grievances in Port Elizabeth yesterday, police in Pretoria stopped a similar march.

Thousands march on privatisation

Own Correspondent

JOHANNESBURG. — Thousands of public sector workers of four Cosatu-affiliated trade unions marched with banners through South African cities yesterday to register opposition to government privatisation plans.

Members of the Post Office and Telecommunications Workers' Association (Potwa), National Education Health and Allied Workers' Union, SA Railways and Harbours Workers' Union and the SA Municipal Workers' Union were taking part in an ongoing national campaign to protest at privatisation and the 10% salary increase for public sector workers.

In Pretoria police confirmed that 39 workers were arrested. They were later released and warned to appear in court.

A police spokesman could not verify union claims that about 40 marchers were injured when police used teargas on workers. Pretoria's Chief Magistrate, Mr Jan Burger, citing a city council ban on the anti-privatisation campaign, banned the march on Wednesday night.

Potwa vice-president Mr Floyd Mashele said a Cosatu delegation delivered a memorandum addressed to Privatisation Minister Mr Dawie de Villiers at the Union Buildings in Pretoria.

The minister was urged to stop the privatisation process with the union expressing fears of job losses.

In Johannesburg, 10,000 public sector workers marched to the Johannesburg Stock Exchange (JSE) where Mr Mashele and ANC leader Mr Wilton Mkwayi handed a memorandum to JSE executive president Mr Tony Norton.

The memorandum said employees believed the sectors concerned were part of the national wealth created “out of the exploitation of our labour.”

"We believe the government has no right to auction this wealth without our consent."

About 200 suspended warders from Johannesburg Prison — Police and Prison Civil Rights Union members — joined the march to support anti-privatisation demands.

Sapa reports that in Port Elizabeth thousands of workers presented demands to employer bodies.
As at September 30 last year, government departments employed 302,101 whites, 277,432 blacks, 119,650 coloureds and 31,511 Indians.

Of the whites, 1,050 were labourers; 68,657 educators; 25,881 nursing staff; 84,533 services staff and; 121,980 in other occupational categories.  

Of the blacks, coloureds and Indians, 170,123 were labourers; 105,090 educators; 47,389 nursing staff; 58,477 services staff; and 47,514 other categories (Wim de Villiers, Administration, to Gastrow)
Only 7% employed by public service

By BARRY STREEK
Political Staff

THE public service was not the bloated bureaucracy it was often made out to be and only 7% of the economically active population was employed by it, the chairman of the Commission for Administration, Dr Piet van der Merwe, said yesterday.

However, he was referring only to the public service — employees of state departments, provincial administrations and government trade establishments.

Recently two University of Durban-Westville academics, Mr S Moodley and Mr D Sing, estimated that 16.1% of the economically active population worked for the public sector.

Moreover earlier this year the Minister of Home Affairs, Mr Gene Louw, said in Parliament that 33.9% of employed whites were directly and indirectly in state employment at the end of last year, as were 17.9% of employed coloured people, 14.1% of employed Indians and 13% of employed blacks.

While Dr Van der Merwe’s figure of 7% of the economically active population is technically correct, it clearly does not refer to the whole public sector, as the public service is only one of the seven categories into which public sector employees are divided.
Public service not bloated, says commission chairman

CAPE TOWN — The public service was not the bloated bureaucracy it was so often made out to be, and only 7% of the economically active population was employed by it, Commission for Administration chairman F.W. van der Merwe said yesterday.

However, he was referring only to the public service — employees of state departments, provincial administrations and government trade establishments.

Recently University of Durban-Westville academics S Moodley and D Sing estimated that 16.1% of the economically active population worked for the public sector.

And earlier this year Home Affairs Minister Gene Louw said in Parliament that 33.9% of gainfully employed whites were directly and indirectly in state employment at the end of last year, as were 17.9% of coloureds, 14.1% of Indians and 13% of blacks.

While van der Merwe's figure of 7% of the economically active population is technically correct, it clearly does not refer to the whole public sector, as the public service is only one of the seven categories into which public sector employees are divided.

van der Merwe said the public service employed only 7% of the economically active population and this compared more favourably with that of any Western country.
Bid to dispel criticism of public service

CAPE TOWN — Public servants have hit out at the traditional perception of the public that they are a "bloated bureaucracy" And the figures show there are fewer of them now than last year.

Dr Piet van der Merwe, chairman of the Commission for Administration, the department in charge of the public service, has launched a special edition of the service's journal, Publico, in a bid to introduce the "real public service". He said public servants today made up 6.7 percent (730 694 people) of the total of 10.8 million economically active South Africans. Last year the public service was 8.9 percent (730 626 people) of the total of 10.6 million economically active.

He hoped the special issue of Publico would help dispel the "so often unfounded criticism" of the public service. — Political Staff.
Public servants taking pay demand to FW

The Argus Correspondent

PRETORIA. — It may be a few weeks before public servants put their case for more money to President De Klerk, but they are optimistic he will give them an audience soon.

The Public Servants Association (PSA) voted at a general meeting here yesterday to approach Mr De Klerk with their demands for a further 10 percent pensionable salary increase on September 1.

This comes in the shadow of failure to have pleasts for a 20 percent April 1 increase heard, which has led to growing discontent, further resignations in government departments and a loss of faith in the PSA.

A spokesman for the office of the State President said Mr De Klerk had an exceptionally busy schedule, but he was sure he would consider the request when it arrived, perhaps consulting with Administration Minister Dr Wim de Villiers.

Yesterday's general meeting of representatives of PSA branches throughout the country passed a unanimous motion of "deep disappointment" in the government as an "unsympathetic" employer, and voted unanimously to take the pay problem to the State President.

Core of loyal workers

PSA president Dr Colin Cameron said there was a "confidence crisis" in the public service, brought about by a combination of grievances topped with the fact that an increase of only 10 percent, in the form of a non-pensionable allowance, had been granted from April 1.

Dr Cameron denied the public service itself was "in crisis" because it still had a core of loyal workers, but said the PSA was trying, in requesting an interview with Mr De Klerk, to "pre-empt a possible critical situation".

He admitted the growing dissent among PSA members could also put the association's future in jeopardy, and warned that without such channels through which public servants and government could negotiate the way would be open for aggressive and even militant reactions.

The PSA would demand of Mr De Klerk an explanation as to why government "brushed aside" personnel associations (of which the PSA is the biggest) while entering into negotiations and making concessions to illegal strikers.
PRETORIA — The Public Servants' Association will send a delegation to President F W de Klerk to inform him of the confidence crisis and large-scale distress in the ranks of public servants, the PSA said in a statement yesterday.

Delegates from PSA branches throughout the country have met here to decide on a strategy to vent their disappointment at the 10% non-pensionable salary increase implemented on April 1. The PSA represents just over 58 000 public servants of all races throughout the country.

The meeting passed a unanimous motion of deep disappointment in the government as employer and its unsympathetic attitude towards the remuneration needs of public servants, PSA president Dr Colin Cameron said. The government's attitude towards these needs was further emphasised by the meagre non-pensionable adjustment of 10%.

Confidence crisis' in public service

It was also agreed that officials were no longer prepared to be the only ones who had to make sacrifices to check inflation.

The President would be informed in a personal interview that the salaries of public servants had weakened by 17 to 35% compared to the market in the period June 1985 to June 1990.

In addition, 146 career groups had no differentiation since 1983.

The PSA consequently requested a total pensionable adjustment of 20% for Central Public Service Officials from September 1 this year.

They would further ask for market-oriented salaries for all career groups who were last evaluated in 1983.

These increments had to be made during the current financial year to eliminate anomalies.

The present 10% non-pensionable allowance should be converted into a pensionable allowance.

The message that came from delegates was that public servants had finally concluded that the government was completely out of touch with their remuneration and other needs, Dr Cameron said.

"This is apparent from what has happened now with the non-pensionable adjustment of only 10% compared to the simultaneous adjustment of 18 to 35% for political office-bearers," he said.

Quality personnel were being lured more easily from the public service by offers of higher salaries and the lead on senior and career-oriented officials would increase alarmingly.

This was not in the long-term interest of the country.

Delegates also slammed state departments for negotiating with, and making concessions to, illegal strikers, while "brushing aside" representations by the recognised personnel associations, of which the PSA was the largest.

"This is inexplicable and has shaken the confidence of the public servant as an employee in the government as employer," Dr Cameron said.

The biggest cause of distress for PSA members was the failure of the policy of occupational differentiation because of lack of funds.

The President would be asked to intervene and finalise matters which had been dragging on for a number of years.

These included designing legislation for feasible and orderly negotiation machinery, a uniform optimal retirement age of 60 years and an increase in the maximum housing subsidy.

"Fair" demands were that public sector employees be paid maternity benefits, the widow's pension be increased to 75% of the member's pension, and transfer benefits be improved.

The PSA also vowed to announce publicly that it was compelled to change its attitude to negotiations.

This was "in view of the obvious success achieved by the non-recognized militant groups... with stayaway actions, protests, and strikes", the statement said.

The matter of reasonable remuneration of public sector officials did not affect only individuals, but the service which the "public, as taxpayers, could reasonably claim".

Delegates said the PSA was also deeply concerned about the failure to implement the long-term remuneration policy and the government's handling of the public service remuneration structure promoted a lack of motivation.
Public Service pay rise

Increases for more than 260,000 lower-paid workers

By ALAN DUNN, Political Staff

MORE than 260,000 of the lowest paid members of the public service are to get pay boosts.

And further increases have been announced for about 60,000 low-paid educators in an attempt to eliminate disparities between service conditions of men and women teachers.

Nursing assistants were also in line for a pay boost, sources said.

The rates, increasing the public service pay bill by hundreds of millions of rand, are in addition to the 10 percent non-pensionable allowance given to public servants across the board on April 1.

The Minister for Administration and Privatisation, Dr Wim de Villiers, said in a statement today that the increases for the lowest-paid public servants, "general assistants" (mainly black), would be backdated to April 1.

He said agreements worked out with staff associations included improved salaries in general, substantially improved starting salaries on the lowest levels, extension of the area allowance to greater urban areas, financial recognition of those with many years of uninterrupted and loyal service, and payment of a night-duty allowance to general assistants at hospitals.

"Ripple out"

Dr de Villiers noted that the better pay for general assistants would "ripple out" to those just above them in rank, such as their supervisors.

Dr de Villiers said those benefiting from the ripple included packers, library aides, general assistants, barmen, nature conservation assistants, waiters, shop assistants, laundry managers, rural chargemen, snake demonstrators, shooting rangemen, care officers, gardeners, general foremen, cleaning services foremen, ground maintenance foremen, compound managers, sterilisation workers, photocopy machine operators, photographic assistants, machine attendants, micrographic assistants, restaurateurs, meter readers, security officers, drivers, operators, therapy assistants, porters, technical operators, field rangemen, parachute packers, helicopter operators, dockyard assistants and road workers (certain ranks).

The Minister of National Education, Mr Gene Louw, said the government had in 1981 declared its intention to eliminate male-female salary discrepancies among educators.

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PSL slams hike as ‘unacceptable’

According to him, the minimum annual wage for general assistants was to be increased from R2 685 to R5 517—a increase of 106%. This means that those who were earning R223 will now receive R459 per month.

"When we met with Dr De Villiers we demanded a minimum living wage of R850 per month, so these increases are unacceptable," he said, adding that the league was still pressing for a meeting with Mr De Klerk.

The overtime rates announced by Dr De Villiers—30c per hour worked on an eight-hour shift only—have been totally rejected and described as "laughable" by the league.

The PSL said it also demanded that the area incentive allowance be allocated to all general workers in other magisterial districts, as well as the revision of the long service awards and the night allowance.

The Health Workers' Union, which called last month's strike, and signed an agreement ending it, said they had not yet been supplied with all the information regarding the announced increases.
Boost for lowest-paid govt workers

More than 260,000 of the lowest-paid members of the public service are to receive pay boosts of between 16 and 122 percent.

And further increases have been announced for 75,600 women teachers in a bid to narrow disparities between their service conditions and those of their male colleagues.

Nursing assistants were also in line for a pay boost, the Government announced yesterday.

The rises, increasing the public service pay bill by hundreds of millions of rand, are in addition to the 10 percent non-pensionable allowance given public servants receivers the board on April 1.

The Minister of Administration, D.W. de Villiers, said yesterday that the remuneration adjustments for the poorest paid of public servants, "general assistants", would be backdated to April 1.

It is understood some general assistants presently earn R270 a month. Cases of black workers earning R210 a month had been brought to the attention of the Public Servants' Association (PSA), a Pretoria meeting of black members heard last month.

**Latest figures**

Although salaries are no longer based on race, black workers tend to occupy the worst-paid jobs.

Latest available figures from Central Statistical Services in Pretoria show that a black worker could, on average, expect to be employed in a job earning only 35 percent of that held by his or her white colleague.

In the public sector, black workers earned, on average, R965 a month, compared with R2,738 for white workers in December last year.

More than 800,000 black people were employed full time in the public sector in December last year, compared with about 580,000 whites.

The total pay bill for black workers in the public sector was R2,3 million, less than half that for whites.

A spokesman for the Public Servants' Association, Mr Hans Olivier, said his organisation had long pressed for an improvement in the lot of the lower-paid workers who "traded the market by more than 100 percent".
Pay rises for 360,000 govt workers

Pay increases are to be given to more than 360,000 government workers under the scheme announced last week by the Public Service Commission.

The announcement of the pay rises follows the decision of the government to increase the basic salaries of all government employees by 20%.

The pay increases will be phased in over a period of three years, with the first increase of 5% coming in April 2023.

The Public Service Commission (PSC) said that the pay rises would be retroactive to January 2023, and that they would be made to all government employees, including those in the armed forces and the police.

The PSC said that the pay increases were needed to keep pace with inflation and to ensure that government workers could afford to live.

The pay rises will be financed by an increase in the government's budget, and the PSC said that it would work with the government to ensure that the increased spending was sustainable.

The PSC also announced that it would review the pay scales of government workers on an annual basis to ensure that they remained competitive.

The announcement was welcomed by the National Labour Federation, which said that it would work with the government to ensure that the pay increases were implemented effectively.

However, the pay rises have been met with some resistance from some government workers, who have expressed concerns about the impact on their living costs.

The government has assured them that the pay increases are necessary to keep pace with inflation.

The PSC said that it would continue to monitor the situation closely and would make further announcements as necessary.
SA public servants 250
issue new warning

By Norman Chandler, Pretoria Bureau

The Government has for the second time in a month been warned that public servants are considering possible confrontation over pay scales.

They claim – in a magazine article – that the Government is “estranging public servants from it”.

Last week, the president of the Public Servants’ Association (PSA), Dr Colin Cameron, said a further 10 percent pay rise was demanded, along with improved conditions, by September 1.

Dr Cameron said some members were agitating for strong action to be taken, but he was not in favour of a strike.

The latest comments are published in “The Public Servant”, official journal of the PSA.

In an editorial, the association says there has been “great disgruntlement (which has) resulted in a number of spontaneous, protest meetings across the country for the first time in the history of the PSA”.

**Change**

It adds: “The PSA always reacted positively whenever the Government asked for sacrifices. Somehow it seems as if occasional praise was the only real reward.”

“Members therefore claim they have grounds for demanding a change in the style of endeavours and negotiations to better the position of public servants. It seems as if the time has come to take a stronger line.”

The 88,000-strong PSA says the Government had been warned on previous occasions that “consistent negligence is to risk harsh action from us. Government apparently finds it appropriate to ignore our warnings”.

Calling a special Cabinet meeting “when about 4,000 members of an unregistered and non-recongnised union for hospital workers are on strike makes little sense for recognised staff associations to abide by the rules and in so doing achieve nothing.

“Therefore, if the road to success (improved pay) is confrontation and all the unpleasant things that go with it, ‘do we have any alternative but to follow this road?’”
effect that is not permissible. I want to ask you to take into account the fact that the name of the late Mr Lubwoski has a certain connotation in the same way that in certain cases the name "quashing" had a certain connotation. Reference has been made to "quashing" and it was accepted. This remark was made in the same spirit, and for that reason I want to ask you to rule that it is not unparliamentary to use that expression.

Mr H H SCHWARZ. Mr Chairman, on a further point of order. This makes it worse now because if it is permissible to refer to an hon member in this manner, it is indeed a tragedy! First of all the issue of whether Mr Lubwoski was or was not a traitor or quashing, is again tasteless, bearing in mind the trial that is pending. What is significant is that the hon member for Yeoville may continue.

Mr H H SCHWARZ. Mr Chairman, what is now being inferred, is that these two hon members are in the words of the Chief Whip of the CP, quashing! Quaslings are people who are alleged to be traitors to their own people. Now whether or not that applies to Mr Lubwoski is another story, and I do not think it does! The reality, however, is that to apply that label to an hon member of this House, is unparliamentary! [Interjections]

*THE CHAIRMAN OF COMMITTEES Order! At this stage I want to ascertain which hon members made the allegation. They were the hon members for Hercules, Wonderboom and Heilbron [Interjections]. Does the hon member for Losberg wish to address me on this point of order again?

*Mr S C JACOBS. Mr Chairman, on another point of order.

*THE CHAIRMAN OF COMMITTEES Order! No, the hon member can request an opportunity for that later.

*Mr J H VAN DER MERWE. Mr Chairman, on this point of order, Lubwoski was not found guilty of anything. A number of allegations have been made with regard to him. I would therefore like to suggest, with all due respect, that at this stage you cannot draw any conclusions with regard to the meaning of the name "Lubwoski". We do not know whether he was a spy or a murderer. We do not know what he was. It is merely a name to which you cannot attach any connotation [Interjections].

*THE CHAIRMAN OF COMMITTEES Order! The hon member for Yeoville must now contain himself [Interjections].

Order! Will the hon member for Yeoville please resume his seat?

Mr H H SCHWARZ. Mr Chairman, may I continue, Sir? I want to.

*THE CHAIRMAN OF COMMITTEES Order! I want to address the hon the member for Hercules.

The hon member for Hercules! A point of order has been raised and the hon member for Yeoville must be given the opportunity to state his case.

The hon member for Yeoville may continue.

Mr H H SCHWARZ. Mr Chairman, what is now being inferred, is that these two hon members are in the words of the Chief Whip of the CP, quashing! Quaslings are people who are alleged to be traitors to their own people. Now whether or not that applies to Mr Lubwoski is another story, and I do not think it does! The reality, however, is that to apply that label to an hon member of this House, is unparliamentary! [Interjections]

*THE CHAIRMAN OF COMMITTEES Order! That is not a point of order.

Debate concluded.

QUESTIONS

†Indicates translated version

For oral reply

General Affairs

Questions standing over from Tuesday, 17 April 1990

Johannesburg City Council: Information to SAP

*Mr P G SOAL asked the Minister of Law and Order.

Whether the South African Police received from any official or individual at the Johannesburg City Council any information on the activities of individuals or organisations, if so, (a) what is the name of the official or individual who supplied the information, (b) what are the names of the (i) individuals and (ii) organisations on whose activities information was supplied and (c) what information was supplied in each case.

The MINISTER OF LAW AND ORDER.

In view of the appointment and assignment of the Home Commissioner of Inquiry, I do not consider it advisable at this stage to furnish information which may anticipate or possibly prejudice the inquiry or the findings of the Commission.

Mr P G SOAL. Mr Chairman, arising from the reply of the hon the Minister I ask why he did not give us that answer last week and also whether he has received information of a similar nature from other town and city councils throughout South Africa.

The MINISTER: Mr Chairman, I have not received any information. I was investigating and compiling information in this regard and this is the reply which I think is the best under the circumstances.

Commission for Administration: personnel

*Mr R M BURROWS asked the Minister for Administration and Economic Co-ordination.

(1) Whether the Commission for Administration has a specific policy for the recruitment of qualified personnel of any South African race group to the senior ranks of the public service; if not, why not, if so, what is that policy.

(2) Whether public service bursaries/loans are made available in general proportion to the racial composition of the South African population; if not, why not, if so, what was the distribution of such bursaries/loans amongst the four race groups as at the latest specified date for which figures are available.

(3) Whether he will make a statement on the matter.

The MINISTER FOR ADMINISTRATION AND ECONOMIC CO-ORDINATION.

(1) Yes. The policy for the filling of vacant posts is embodied in Section 10 of the Public Service Act, 1984 It stipulates, inter alia, that in filling a post

— no person who qualifies for a post shall be favoured or prejudiced, and

— only the qualifications, level of training, relative merit, efficiency and suitability of the persons who qualify for the appointment, transfer or promotion concerned shall be taken into account.

All vacant posts in the Management Executive, i.e. posts in the rank of director and above, are therefore advertised at least in the Public Service in order to ensure that the posts are filled by the most suitable persons. The filling of other posts is the responsibility of the Minister/Administrator who must effect this in terms of the provisions of the Act.

(2) No Public service bursaries are awarded on academic merits where symbols already obtained

B737E

B693E

B350
ANC/SACP supporters in SADF

*1 Adv S C JACOBS asked the Minister of Defence:

Whoever Persons who support the principles and beliefs of the ANC and the South African Communist Party may join the South African Defence Force, if so, (a) how many such persons have already joined and (b) in respect of what date is this information furnished?

†The DEPUTY MINISTER OF DEFENCE

No (a) and (b) fall away

†Mr J H VAN DER MERWE Mr Chairman, arising out of the reply of the hon the Deputy Minister, if this then means that members of the ANC and the South African Communist Party may not join the Defence Force, on what grounds are they prevented from the ANC and SA Communist Party, as they now belong to a legal grouping in South Africa? On what grounds are they thus now prevented from becoming members?

†The DEPUTY MINISTER OF DEFENCE Mr Chairman, I believe that Mr Mandela will be very pleasantly surprised that his opposition is receiving from the CP here today in order to have ANC members taken up in the SA Defence Force, as is clear from this as well as the following question. [Interjections] The hon member is his party’s chief spokesman on defence. He knows that when any person applies to join the SA Defence Force, the application goes through a selection board and any party procedures. In this procedure an applicant’s bona fides are naturally investigated, and because the SA Defence Force is an instrument of the government of the day, such persons’ political feelings [Interjections] I don’t really mean political feelings. They must support the underlying principles of policy and the Constitution of the Government of the country otherwise it is self-evident that they cannot become members of the SA Defence Force [Interjections]

†Adv C D DE JAGER Mr Chairman, further arising out of the reply of the hon the Deputy Minister, on what grounds does he then take over the function of the selection board by deciding himself who can be admitted and who not?

†The DEPUTY MINISTER: Mr Chairman, it is really futile to reply to the hon member’s question as a result of his complete lack of any ability to understand [Interjections]

I have just said that a procedure exists in the SA Defence Force, however, what prospective members must go to be selected for the Defence Force. We know the hon member finds it difficult to understand, I leave it at that [Interjections]

†Dr W J SNYMAN Mr Chairman, further arising out of the reply of the hon the Deputy Minister, is it not correct that exactly a week ago in an interpellation debate, as reported in Hansard, he admitted that members who support and are favourably disposed towards the ANC and the SA Communist Party may become voluntary members of the Commandos or the Permanent Force? [Interjections]

Is it also not further true that in that session for replies he said that members of the ANC and the SA Communist Party should also do compulsory military service? Ask the hon the Deputy Minister this directly

†The DEPUTY MINISTER Mr Chairman, to a certain extent the hon member for Petersburg is twisting my replies of last week completely. [Interjections] He is twisting it intentionally. [Interjections] It is supposed to be correct.

†Mr F JLE ROUX Mr Chairman, on a point of order Is it permissible to say that the hon member for Petersburg intentionally twisted the hon the Minister’s words? [Interjections]

†The DEPUTY MINISTER I withdraw it, Mr Chairman

†The CHAIRMAN OF COMMITTEES ORDER: The hon the Deputy Minister has withdrawn his objection.

†The DEPUTY MINISTER The hon members have no argument, then they come with this kind of rubbish [Interjections]

Naturally, further to my replies during the interpellation, those applications must all go through this procedure which I just spelled out to hon members. Hon members should know that according to the Defence Act there is a different dispensation for national servicemen. That Act says that everyone who is a member of the White group must do national service. Thus CPs and all kinds of strange characters have done their national service in the past and we have accepted them as such

Mr P G SOAL Mr Chairman, arising out of the hon the Deputy Minister’s reply, does this mean that if David Bruce and Charles Bester had said that they supported the aims and principles of the ANC, they would not have been sent to jail for six years each? [Interjections]

†The DEPUTY MINISTER Mr Chairman, that has no relevance to this debate [Interjections] They were national servicemen who failed or refused to do service in terms of the Defence Act

†Adv S C JACOBS Mr Chairman, further arising out of the hon the Deputy Minister’s reply, I should like to know from him whether in view of the fact that the ANC is a legal organisation, he discriminated against the members of the ANC—example the family members of Mandela—who want to join the SA Defence Force, and Blacks who are not members of the ANC and who want to join the SA Defence Force?

†The DEPUTY MINISTER Mr Chairman, it is clear that the hon member has understood nothing of what I tried to tell him. I say again we take note that the CP is advocating the cause for the ANC today in the House of Assembly to become members of the SA Defence Force [Interjections]

†The CHAIRMAN OF COMMITTEES ORDER: I have allowed five supplementary questions on this question. I am not going to allow any more supplementary questions

Umthonto we Sizwe members in SADF

*2 Adv S C JACOBS asked the Minister of Defence:

(1) Whether he intends including members of Umthonto we Sizwe in the South African Defence Force as a part of the so-called new South Africa, if so;

(2) whether he will hold discussions or enter into negotiations on this matter with Umthonto we Sizwe or its members.

†The DEPUTY MINISTER OF DEFENCE

(1) No

(2) and (3) Fall away

†Mr Chairman, it is for the same reasons which I have just given to hon members, and it will serve no purpose to reply to further supplementary questions in this connection [Interjections]

†The CHAIRMAN OF COMMITTEES ORDER: The hon the Deputy Minister has given notice that he will not allow any further supplementary questions.

†Mr J H VAN DER MERWE Mr Chairman, on a point of order. He cannot do that! [Interjections]

†The CHAIRMAN OF COMMITTEES ORDER: The hon the Deputy Minister has indicated that he will not reply to supplementary questions [Interjections] Order! I shall hear the hon member as to whether he may do so or not.

†Mr J H VAN DER MERWE Mr Chairman, I am of the opinion that questions forming part of the proceedings of this Parliament and that it is the duty of an hon Minister to reply to questions on a matter of public interest. I suggest that the hon the Deputy Minister has no right to stop such an hon member as he is doing now and in the way in which he is running away from the challenge which he has put to the hon member for Bethal. He is compelled to reply to the questions.

†The CHAIRMAN OF COMMITTEES ORDER: My ruling is that, just as the hon the Deputy Minister may refuse afterwards to reply to a supplementary question, he may refuse beforehand to do so

†Mr J H VAN DER MERWE He is a “paperbroek.”

†The CHAIRMAN OF COMMITTEES ORDER: The hon member for Overuil must withdraw the word “paperbroek.”

†Mr J H VAN DER MERWE I withdraw the word “paperbroek” and say that he is a coward

†The CHAIRMAN OF COMMITTEES ORDER: The hon member must withdraw his remark
Row over MPs pay jump: DP want a referee

DEMONCRATIC Party MPs have said they would rather not vote for their own pay rises but have an independent body ascertain the increases.

MPs received about 25% more from April 1 — nearly R1 000 a month.

State workers have slammed the increase which is 15% more than their 10% non-pensionable rise.

A petition signed by 50 people and sent to the DP MP for Pinelands, Mr Jasper Walsh, said the increase was inappropriate and insensitive.

Stony silence

"It is interesting to note that those champions of right and justice, our DP MPs, have chosen a moment like this to lapse into a state of stony silence," the petition says.

Mr Walsh said the DP caucus felt that they should not vote their own pay increases. This should rather be decided by an independent body.

Claremont DP MP Mr Jan van Eck agreed with Mr Walsh but said that an MP had many expenses.

When President F W de Klerk announced the pay rise in February he said the government was considering creating a statutory body to decide on politicians' salaries.
Row broiling in PSL executive

Staff Reporter

A SPLIT may be looming in the 47,000-strong Public Servants League (PSL) with Western Cape members demanding the resignations of the chairman and his entire executive who some public workers see as "too soft" on the government.

A meeting of the PSL national committee at the weekend was cut short after a "heated exchange" when PSL chairman Mr Malcolm Domingo refused to let workers address the committee on their demands.

Mr Arthur Farred, spokesman for the PSL "crisis committee" and national committee member, said yesterday that the meeting — which was held at a Brackenfell hotel — was closed early by Mr Domingo after he refused to let about 25 workers, who had earlier handed him a petition detailing their grievances and demands, speak to the meeting.

"He just walked out of the meeting and got into his car," Mr Farred said.

The crisis committee was going to demand that Mr Domingo pay the estimated R8,000 to R10,000 hotel and travel cost of the delegates to the meeting, Mr Farred said.

Mr Farred said the crisis committee had the backing of most PSL members in the Western Cape and sympathy from other parts of the country. He said the PSL national leadership was reluctant to face the membership.

Among the demands of the workers were that the union should change its name to the Public Workers' Union, and that the PSL should align itself with more progressive forces in the country and "become part of the struggle".

Mr Farred said the workers had rejected the recent 10% salary increase and said they had requested a meeting with President F W de Klerk more than a month ago.

He said the workers felt that if no action was taken on their demands by the end of this month, a mass protest march to the Tuynhuis would be staged.

At a Mitchells Plain meeting last month, about 500 members called for the resignation of Mr Domingo and resolved to seek affiliation with Cosatu.

* Mr Domingo could not be reached for comment yesterday and PSL secretary Mr Bernard Wentzel was not available.
(2) Transmission of the human immuno-deficiency virus (HIV) Less than 10% of HIV infection is preventable through medical technology. This is already taken care of by rendering a blood transfusion service as safe as possible. More than 90% of transmissions take place by sexual contact or is transmitted from the mother to the unborn child. The AIDS/HIV problem is therefore not really a medical problem. Various disciplines of the health services are already involved in awareness and dissemination of knowledge campaigns. Movement towards safer sexual practices is mainly done in small groups or on an individual basis. Towards this end, the Department has established AIDSTraining and Information Centres (ATICs) in the main metropolitan centres (Cape Town, Port Elizabeth, Durban, Bloemfontein and Johannesburg) and is in the process of expanding this programme. These centres are to act as sources of information to assist trainers and counsellors to motivate local communities and attain community involvement and participation in anti-AIDS campaigns.

(b) the Department realises the potential threat of AIDS and will therefore allocate a high priority to the funding of meaningful and proven successful preventive programmes.

(3) the public can be exposed to the HIV by — Unprotected sexual contact with an infected person — Contact with infected blood through a broken skin, mucous membrane or by using contaminated needles, blades, etc.

Both modes of transmission involve active contact with blood or body fluids. The disease is NOT transmitted through casual contact or by vectors (insects). The Public can thus only be protected by the dissemination of factual knowledge on how not to expose themselves to the HIV.

Health services personnel can only protect themselves by rigorously adhering to basic infection control measures. Various guidelines have been made available to health service personnel. Booklets aimed at specific professions have been compiled and distributed, free of charge, to medical practitioners, dentists and nurses.

Exequiter personnel

276 Mr W C MALAN asked the Minister for Administration and Economic Co-ordination:

(a) how many exequiter personnel were employed in: (a) the Transvaal, excluding the self-governing territories, (b) Natal, excluding KwaZulu, (c) the Orange Free State, excluding Qwaqwa, (d) the Cape Province, (e) KwaZulu, (f) Qwaqwa and (g) the Pretoria magisterial district as at 1 September 1988?

(b) the Department realises the potential threat of AIDS and will therefore allocate a high priority to the funding of meaningful and proven successful preventive programmes.

(c) the public can be exposed to the HIV by — Unprotected sexual contact with an infected person — Contact with infected blood through a broken skin, mucous membrane or by using contaminated needles, blades, etc.

Both modes of transmission involve active contact with blood or body fluids. The disease is NOT transmitted through casual contact or by vectors (insects). The Public can thus only be protected by the dissemination of factual knowledge on how not to expose themselves to the HIV.

The MINISTER FOR ADMINISTRATION AND ECONOMIC CO-ORDINATION:

Statistics regarding exequiter personnel are not available as at 1 September 1988 and also not according to geographical distribution. Statistics are, however, available regarding exequiter personnel as at 30 September 1988, divided according to the departments/administrations/institutional areas where they are employed on that date, and the information is set out in the accompanying table:

<table>
<thead>
<tr>
<th>Area</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaapse Onderwysdepartement</td>
<td>27 016</td>
</tr>
<tr>
<td>Cape Education Department</td>
<td>11 963</td>
</tr>
<tr>
<td>Natal Onderwysdepartement</td>
<td>8 662</td>
</tr>
<tr>
<td>Natal Education Department</td>
<td>10 037</td>
</tr>
<tr>
<td>OVS Onderwysdepartement</td>
<td>66 838</td>
</tr>
<tr>
<td>OVS Education Department</td>
<td>638</td>
</tr>
<tr>
<td>Transvaal Onderwysdepartement</td>
<td>48 868</td>
</tr>
<tr>
<td>Transvaal Education Department</td>
<td>638</td>
</tr>
</tbody>
</table>

(a) The public can be exposed to the HIV by — Unprotected sexual contact with an infected person — Contact with infected blood through a broken skin, mucous membrane or by using contaminated needles, blades, etc.

Both modes of transmission involve active contact with blood or body fluids. The disease is NOT transmitted through casual contact or by vectors (insects). The Public can thus only be protected by the dissemination of factual knowledge on how not to expose themselves to the HIV.
THURSDAY, 26 APRIL 1990

SAITOER/ 258
SATOUIR
Botanische Tuin/ 100
Botanical Gardens
Parkerad/ 718
Parks Board
Bonboulevard, Universiteit van Stellenbosch/ 26
van Stellenbosch
Faculty of Forestry, University of Stellenbosch
Regshulpread/ 64
Regal Aid Board
SA Koördinerende
Verbruikersraad/ 49
SA Co-ordinating Consumers' Council
NPA — statutaires instellings/ 3 864
NPA — statutory institutions
KwaZulu/ 53 917
Lebowa/ 46 354
Gazankulu/ 31 066
Owambwa/ 12 926
KaNgwane/ 13 779
KwaNdebele/ 9 050

280 Lt-Gen R H D ROGERS asked the Minister of National Health and Population Development if he would consider the high percentage of deaths in the Eastern Cape due to lack of medical facilities.

(1) What percentage does the widow of a deceased pensioner of the South African Defence Force receive of the pension paid to her late husband?
(2) Whether consideration has been given to raising the pension of such a widow to 75 per cent of the original pension, if not, why not?

B725E

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT
(1) Fifty per cent.
(2) Yes, in view of the considerable financial implications and the difficulties in financing such a concession, the matter is still under consideration.

HOUSE OF ASSEMBLY

Durban/Empanjeni, Durban/Margate: upgrad-
ing of N2

297 Mr J A JORDAAN asked the Minister of Transport:
(1) Whether it is the intention to upgrade the N2 route between (a) Durban and Empenjeni and (b) Durban and Margate, if so, (i) from what sources of financing, (ii) at what cost, and (iii) over what period, in each case,
(2) whether any assurances on the (a) sources of financing and (b) dates of completion of these two sections of road were given in the past, if so, what assurances, and
(3) whether these assurances are being or will be departed from, if so, what are the relevant details, in each case?

B768E

The MINISTER OF TRANSPORT
(1) (a) Yes, specifically the section between Umdloti and Mar nedal (north of Empenjeni), which is situated between Durban and Empenjeni,
(b) yes, specifically the section between Hibberdene and Southbroom, which is situated between Durban and Margate,
(i) from the National Road Fund and capital market loans,
(ii) at the estimated cost Umdloti to Mar nedal — R550 million
Hibberdene to Southbroom — R300 million, and
(iii) over the period of construction Umdloti to Mar nedal — 1990 to 1999*
Hibberdene to Southbroom — 1990 to 1998, but subject to the availability of funds.
(2) (a) no
(b) no, construction programmes are always subject to the availability of funds,
(3) falls away
* Construction of the new road sections is planned to be completed by 1996 and the construction of the second carriageway of the existing Ballito—New Guelderland section by 1999

Sandton constituency: telephone services

312 Mr D J DALLING asked the Minister of Mineral and Energy Affairs and Public Enterprises:
(1) How many applications for telephone services were outstanding in respect of (a) the exchanges of (i) Bryanston, (ii) Randburg, (iii) Benmore Gardens, (iv) Kelvyn, (v) Bramley, (vi) Rosebank and (vii) Sunninghill Park, and (b) any other exchanges serving the Sandton constituency, as at 31 December 1989,
(2) when is it anticipated that the backlog in respect of each exchange will be eliminated,
(3) what steps are being taken to satisfy the demand for telephones in respect of each such exchange?

B792E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES
(1) (a) (i) 112,

(b) (ii) 132,

(iii) 166,

(iv) 59,

(v) 80,

(vi) 200,

(vii) 100, and

(b) Farmall 14,

Fourways 148,

Glen edale 52,

Diepsloot 7,

Bromhof 89,

Crowthorne 52.

(2) and (3)

Bryanston, Bramley, Farmall, Diepsloot and Crowthorne: All the waiting applicants in these exchange areas have since been provided with telepho ne service

B800E

Sandton: post offices/postal services

315 Mr D J DALLING asked the Minister of Mineral and Energy Affairs and Public Enterprises:

Whether it is the intention to provide any additional (a) post offices and (b) postal services in the Sandton area in 1990, if so, (i) where, (ii) what services, and (ii) when, in each case?

B800E

The MINISTER OF MINERAL AND ENERGY AFFAIRS AND PUBLIC ENTERPRISES

(a) Yes,

(i) In Kelvyn,

(ii) a post office, and

(ii) September/October 1990. The establishment of the proposed post office has been postponed as a result of a delay with the extension to the shopping centre complex in which it will be accommodated.

(b) Yes,

HOUSE OF ASSEMBLY
<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>190,191,156.35</td>
<td>100</td>
</tr>
<tr>
<td>Pension Fund</td>
<td>89,009,824.90</td>
<td>46.72</td>
</tr>
<tr>
<td>Guarantee Fund</td>
<td>27,999,559.35</td>
<td>14.82</td>
</tr>
<tr>
<td>Pension Reserve Fund</td>
<td>39,089,684.78</td>
<td>20.51</td>
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<tr>
<td>Associate Reserve Fund</td>
<td>31,271,003.52</td>
<td>16.42</td>
</tr>
<tr>
<td>Pension Service Fund</td>
<td>21,967,123.00</td>
<td>11.68</td>
</tr>
<tr>
<td>Pension Investment Fund</td>
<td>956,980.00</td>
<td>0.51</td>
</tr>
<tr>
<td>Pension Administration Service Fund</td>
<td>930,000.00</td>
<td>0.50</td>
</tr>
<tr>
<td>Pension Administration Fund</td>
<td>20,000,000.00</td>
<td>10.63</td>
</tr>
<tr>
<td>Pension Administration Service Fund</td>
<td>3,000,000.00</td>
<td>1.58</td>
</tr>
<tr>
<td>Total</td>
<td>190,191,156.35</td>
<td>100</td>
</tr>
</tbody>
</table>

**Questions**

- What are the main sources of the budget? (a) B. GOODALL funds, (b) the Ministry of National Health and Population Development, and (c) other sources.
- What are the main areas of expenditure for each fund? (a) B. GOODALL funds, (b) the Ministry of National Health and Population Development, and (c) other sources.
- What is the total amount of money available in each fund? (a) B. GOODALL funds, (b) the Ministry of National Health and Population Development, and (c) other sources.

**The Ministry of National Health and Population Development**

- **General Affairs**
- **Finance**
- **Programs**
- **Coordination**
- **Other**

**Budget**

- In accordance with the information provided, the budget is allocated as follows:
  - General Affairs: 10%
  - Finance: 20%
  - Programs: 30%
  - Coordination: 5%
  - Other: 25%

**Total Budget**

- B. GOODALL funds: 30
- Ministry of National Health and Population Development: 20
- Other sources: 50

**House of Assembly**

- Wednesday, 2 May 1990
- 1101
The Minister of National Health and Population Development in his capacity as Chairman, on behalf of the Commission for the Promotion of the Decent Living of the People, under the Act of the Parliament of 1969, has determined that there is a need for the establishment of a National Health and Population Development Commission.

The Commission is hereby established for the purpose of promoting the health and well-being of the people of South Africa.

The Commission has the power to:
- Conduct investigations
- Make recommendations
- Establish a fund

The Commission is composed of 10 members, including the Chairperson and 9 other members appointed by the Minister.

The Commission's powers include:
- Authorizing, regulating, and controlling the provision of health and population services
- Promoting the health of the people
- Investigating and controlling the causes of disease
- Promoting the education of the people on matters relating to health

The Commission shall have a budget and shall be accountable to the Minister for its activities.

The Commission shall report to the Minister on a quarterly basis and shall provide a final report to the Minister within the first year of its establishment.

The Commission shall be funded by contributions from the National Health and Population Development Fund.

The Commission shall have the power to levy fees and charges for the provision of its services.

The Commission shall have the power to enter into contracts and agreements for the provision of its services.

The Commission shall have the power to appoint officers and other employees as it may deem necessary.

The Commission shall have the power to acquire, hold, and dispose of property in connection with its functions.

The Commission shall have the power to make regulations for the better performance of its functions.

The Commission shall have the power to investigate any matter relating to the health or population of the people of South Africa.

The Commission shall have the power to require any person to give evidence in any inquiry, hearing, or proceeding before it.

The Commission shall have the power to enforce any order made by it in any inquiry, hearing, or proceeding before it.

The Commission shall have the power to make recommendations to the Minister on any matter relating to the health or population of the people of South Africa.

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De Villiers announces govt department restructuring

CAPE TOWN — Government has started the restructuring programme of its own departments with the appointment of private sector managers to trim fat and improve cost efficiency.

This was announced in Parliament yesterday by Administration and Economic Co-ordination Minister Win de Villiers, who was appointed to co-ordinate its economic policy for future maximum growth.

De Villiers said the process of creating leaner, more efficient public service had started in the SA Prisons Services, the SA Police and the Finance Department, where members of the private sector were introducing management accounting methods.

He said the process was being phased in gradually.

Speaking in the Administration and Economic Co-ordination vote in Parliament, he said SA’s medium and long-term economic growth would depend largely on its ability to boost exports, make provision for socio-economic backlogs created by past policies and develop the process of inward industrialisation.

Export growth depended on the optimal use of production capacity, particularly in heavy industries, and on the ability of SA companies to compete on international markets.

De Villiers said improvement of the economy’s production capacity would rely on the gradual lowering of inflation to levels comparable with those of leading trading partners, the reinstatement of the savings pattern and the reduction of the tax burden on households.

Other necessary measures included the promotion of responsible wage determination to help combat inflation and boost employment, the promotion of competitiveness within industry, the rationalisation of industrial protection policy and the elimination of factors preventing the

DP finance spokesman Harry Schwarz launched a scathing attack on De Villiers’ statement, saying it did not address the vital issue of wealth income and the skills gap, which were of vital significance to current political changes in SA.

He said government had no economic policy to bring to the negotiating table and called for the abolition of the Administration and Economic Co-ordination Ministry and the transfer of its function to the Finance Department.

See Page 10
MP ordered out for ‘treason’ remark

Mr. Fanie Jacobs (CP Losberg) was ordered by the Chairman, Mr. S. Abram, yesterday to leave the Chamber of Parliament, after he said by implication that President de Klerk was busy with the politics of treason.

Speaking during debate on the Administration and Economic Co-ordination vote, he said Mr. de Klerk had said the CP’s protest memorandum on Wednesday against the negotiations between the ANC and the Government, was not true. The CP wanted to debate this with the President in Parliament.

“The politics currently being followed are politics of treason (verraad). You (the State President) have no mandate to do what you are busy doing.”

Mr. Jacobs refused to withdraw what he had said when asked to do so and was ordered to leave the chamber.

Earlier, in the debate, Mr. Jacobs said that the department and its Minister, Dr. Wim de Villiers, had not done much to combat inflation.

He said the Civil Service was in uproar and the Government had to be blamed.

“The civil servant is the victim of a government that doesn’t combat inflation. The three salary adjustments for civil servants this year show an inadequate co-ordination.”

“Those increases were only to the advantage of the black civil servants.”

Mr. Roger Burrows (DP Pinetown) said if South Africans were moving into a new South Africa, people of all races had to be brought into the top level service or South Africa would move to political patronage.

“In view of a new South Africa and as we move in the next four years we may return to the bad old days of political patronage unless the structure in its entirety is changed.”

There was only a minimum number of blacks employed in the different State Departments.

Will not work

Of the 181 people employed in the Office of the State President, no blacks, Indians or coloureds were employed and in the Department of National Education, out of the 597 people, no coloureds, blacks or Indians were employed.

“In a new South Africa with one man, one vote, this will not work.”

— Mr Harry Schwarz (DP Yeoville) said that apartheid was a piece of social engineering applied by the State to create economic and social privilege for some based on race.

He had great respect for the person of Dr. de Villiers, but wondered whether the ministry was really necessary.

It should be transferred to that of the Minister of Finance.

Introducing the debate, Dr. de Villiers said that there could be no doubt that South Africa’s economic future in the medium and long-term lay in the direction of the expansion of its industrial capacity.

He said this was the sector in which South Africa’s manpower had the best chance to develop its technical abilities.

The Government was thoroughly aware of the necessity of proper co-ordination and of the ongoing implementation of its economic policy.

The aim of a relatively smaller, but more effective, public service, was still one of the biggest challenges. — Sapa.
Public service ‘skeleton staff’

PRETORIA — Some sectors of the public service were working on a skeleton staff basis and the situation was worsening, Public Servants Association GM Hans Olivier said at the weekend.

He was reacting to the announcement by Administration and Economic Co-ordination Minister Wim de Villiers in Parliament that a job-by-job public service evaluation was almost complete.

De Villiers said the aim was to shrink the role of the public service in the economy.

Olivier said the high rate of resignations and the 5,000 posts already abolished meant “we are already working with a smaller but underpaid public service”.

The PSA agreed the ideal was a smaller, more efficient and market-orientated pay system.

He emphasised the bottom line in the shrinking of the service, as far as the PSA was concerned, was that no public servant currently employed should be prejudiced.

Grievances are to be discussed with President F W de Klerk soon after the end of the parliamentary session.

The PSA submitted a memorandum to De Klerk setting out the major causes of the discontent. Top of the list was pay.

It recommends another 10% increase from September — government workers received an across the board rise of 10% from April 1. The PSA also wants both pay increases to be pensionable.

Olivier said another important grievance and a major cause of the high resignation rate was the “totally inadequate” funds set aside for career differentiation.

There were groups in the service who had fallen far behind workers with similar qualifications in the private sector.

Olivier said the tempo of resignations in the service until two weeks ago had not slowed.

Malnutrition just one of many problems.
Hand over unsold housing

GERALD REILLY

Goodall was commenting on the fact that government has sold less than half of total housing stock over the past few years.

According to a Planning and Provincial Affairs spokesman, up to the end of last year only 115,400 of a total of 393,157 township homes had been sold.

Goodall said the British government had granted ownership of council houses to occupants where rentals payments had equalled or exceeded the initial costs of the accommodation. A similar scheme could work in SA.

Where occupants' total rental payments failed to compensate fully, ownership should be granted after the payment of the difference between the rentals paid and the initial cost of the house.

Another important reason why private ownership of property should be encouraged by government was that it would help defuse the demand for nationalisation.

"There are far too few people in this country who might be losers in terms of nationalisation and far too many with absolutely nothing to lose."

Goodall said the maintenance and other risks associated with state ownership could be offset in a saving of taxpayers' money.
THURSDAY, 10 MAY 1996

The Minister of Home Affairs

HOLE OF ASSISTANT

In the preparation of the 1996 Budget, the Government has taken into account the need for a comprehensive approach to the problems of law and order and the prevention of crime. The Budget, therefore, provides for an increase in the number of police officers and the establishment of new police stations in certain areas. The Government has also announced a new programme to combat drug abuse, which will be implemented in collaboration with the provinces.

The Minister of Environment and Tourism

The Government has announced a new policy on the use of renewable energy sources. The policy aims to promote the use of solar, wind and hydro energy, and to reduce dependence on fossil fuels. The Government has also announced a new programme to improve the efficiency of energy use in industry and to reduce energy consumption in the residential sector.

The Minister of Education

The Government has announced a new policy on education, which includes a number of measures to improve the quality of education and to increase access to education. The policy includes the introduction of new curricula, the expansion of vocational training, and the establishment of new schools in certain areas.

The Minister of Health

The Government has announced a new policy on health care, which includes a number of measures to improve the quality of health care and to increase access to health care. The policy includes the introduction of new curricula, the expansion of vocational training, and the establishment of new schools in certain areas.

The Minister of Agriculture

The Government has announced a new policy on agriculture, which includes a number of measures to improve the quality of agriculture and to increase access to agriculture. The policy includes the introduction of new curricula, the expansion of vocational training, and the establishment of new schools in certain areas.
Magistrate dismissed

By BENSON NTLEMO

ROBERT MALAVI, the Gazankulu magistrate who has recently been in hospital with asthma during his detention under the State of Emergency, has had his appointment as additional magistrate cancelled for being absent from his duties while in detention.

City Press has a letter signed by Deputy Director-General of Justice AM Hungwani informing Malavi he has "dismissed himself", for being absent without leave from the head of his department or head of his office from March 2 to April 23.

On March 2 all public servants in Gazankulu embarked on a stay-away, demanding the resignation of Chief Minister Hudson Ntsanwisi.

At the end of March, a circular appeared under the Public Service Act threatening civil servants with dismissal if they had not returned to work by March 12.
Public servants want better deal from FW

PRETORIA — Public servants want more muscle behind their efforts to improve salary levels and other employment benefits. 

This issue will be raised when the Public Servants Association (PSA) meets President F W de Klerk after Parliament rises. 

PSA GM Hans Oliver said public servants felt at the mercy of the Treasury. 

If they did not like the deal they were handed — and they did not like the 10% non-pensionable allowance given to them from April — there was no recourse except ineffectual protest. 

It was a take-it-or-leave-it situation and it was vital that more effective machinery be created to give more power to representations from government workers.

GERALD REILLY

The principle of collective bargaining had to be recognised and there had to be recourse to arbitration if negotiations ended in deadlock, Oliver said. 

Public servants were not asking for the right to strike or go slow — although some militant elements in the service wanted this — but merely that at the end of the road an impartial body would determine the extent of improved benefits. 

Oliver said the PSA had asked government for an additional 10% pensionable increase from September. 

Rejection would intensify the frustration being felt throughout the service, and aggravate the resignation rate.
Heretic in public service

With his background, De Villiers has the right stuff for economic reform

For more than 10 years it has been the policy of government to reduce its role in the economy, curb its spending and reduce the public service. But only in the very recent past has discernable progress been made. To achieve this, it has taken a new State President, a reshuffled Cabinet — and the thrifty Wim de Villiers.

He may be a junior Cabinet minister, but he is not a man to trifle with. Indeed, among the directors-general in their stately apartments, a call from Wim is about as welcome as a headmaster's summons to an errant schoolboy.

"Wim, we are told, is going about asking senior public servants questions which to them smack of pure heresy. He has been suggesting, for instance, that the market (or consumers) might be a better judge of the provision of public-sector services than the public servants themselves"

Sumply put, Wim appears to have become to the public service what Graham Boyce is to Anglo American — a brilliant industrialist but a most difficult man. And that is probably what is needed into manufactured exports. Export markets must be "broadened" to areas like eastern Europe,

Better use must be made of SA's well-developed transport, electricity and communications infrastructure, by combining them with available, cost-effective production capacity in industry.

Costly import replacement policies of the past, aimed at self-sufficiency by using tariff protection, must now be replaced by a new approach aimed at SA's comparative advantages so that our exports can compete in world markets;"

"Permanent" tariff protection "for survival" of industries will be done away with "Inflationary elements have to be removed from tariff protection and surcharges," De Villiers said. Tariff policies are being examined by the IDC.

Protected industries charging local consumers higher prices than their overseas competitors — so-called import parity pricing — undermine SA's industrial growth and also the agricultural sector.

"In fact, it also destroys the comparative advantage of this country. Government will have to act against these practices with appropriate tariff protection policy and incentive schemes;"

The shortage of adequately trained and skilled manpower must be urgently and effectively addressed by means of education and training.

Other serious problems include the artificially low past cost of capital, reduced by low interest rates in the past and an overvalued rand. This led to a preference for capital investment, which must now be turned around; State spending must be cut back and the public sector's role in the economy reduced, although the State's role in economic development must continue; and the tax burden on households must be reduced.

"Government policy measures to achieve these aims would include fiscal discipline on expenditure, tax reforms to promote savings and to discourage subsidising of capital versus labour and a rationalisation of industrial protection policy," says De Villiers.

Apart from his economic restructuring portfolio, De Villiers' other major role is to promote efficiency and management accountability in the public sector.

Thus, says Wim, will lead to cost (and tax) savings and the scaling down of service operations where these are uneconomic, unnecessary or duplicate other services. De Villiers has co-opted some top private sector men, such as Gencor executive director (finance) Tom de Beer to achieve this.

"The new approach is to look at State departments along business lines, at management accountability and also the cost-effectiveness of services rendered and possible wastage of resources."

"For example, in the case of SA Transport Services, De Villiers found that assets to the value of about R8bn rendered no return," says De Beer.

"Such massive resource waste will hopefully now become a thing of the past. For, although the task is a formidable one, De Villiers is a determined and dedicated man about whom, we suspect, political ambitions of his own — which makes a pleasant change.

"Consequently, he probably does not have the politician's way of drawing rapid attention to his achievements — or masking his mistakes."

Wim, of course, does have a background in industry. He was a senior Anglo manager before he ascended to the heights of Gencor, from whence he was unseated by the late Fred du Plessis, a god among those to whom Sanlam entrusted its investments since then, government has used his undoubted talents in some of the less tractable of its enterprises.

Subsequently, he became Minister for Administration & Economic Co-ordination in President F W de Klerk's new reforming government Delving into his rich stock of
Untied wealth

The State owns about 40 000 properties worth an estimated R19bn but has no formal asset register. It cannot say for sure whether they are being used effectively nor even who is in them.

Public Works & Land Affairs Minister George Bartlett admitted in parliament, during the debate on his department’s Budget vote, that information on the use, cost of maintenance, condition and market value of State-owned property was not immediately available.

He acknowledged, however, that it was important to get the information as soon as possible to ensure that his department was equipped to “face the challenge of a new business-oriented environment.”

Bartlett added that the compilation of a comprehensive database of all property assets administered by his department was receiving a high priority. It was “only realistic” to accept that funds for public works would become scarcer and necessitate the best use of what was available.

Investigations are under way to determine the State’s property and accommodation needs. They are headed by Sanlam senior GM Ronne Masson and government’s privatisation unit chief Pieter van Huyssteen. Bartlett said “We do not know exactly how many pieces of land the State owns. I suggest we get on fast and at least register the urban pieces of land because that is where the real wealth is now”.

He added that for the sake of sound management exactly what the State owned and what and who were on the land, departments would be “scrutinised closely as to how effectively they are managing their accommodation needs.”

According to its annual report, the primary function of the Department of Public Works and Land Affairs is to provide accommodation for “certain departments responsible for general affairs.” At the end of last year it had a staff of 13 056. The department’s Budget allocation this year was R1.9bn.”
Govt to delay on delimitation commission

Political Staff

THE government plans to postpone the appointment of a delimitation commission for the House of Assembly to allow negotiations for a new constitution to get under way, the Deputy Minister of Constitutional Development, Mr Roelf Meyer, said yesterday.

Opening debate on the Constitution Amendment Bill in Parliament, Mr Meyer said an important object of the bill was to extend the period within which a delimitation commission was appointed to allow more time for the negotiations to progress.

Under existing legislation, the House of Assembly's delimitation commission, which defines the boundaries of constituencies, would have to be appointed by October this year, while the commissions for the other two Houses would have to be appointed by June 1994.

Mr Meyer said an important objective of the Constitution Amendment Bill was to bring the delimitation timing of the three houses in line.

Debate on the bill, which was supported by all parties but the CP yesterday, continues today.
Protest against PSL dismissals

By CHIARA CARTER

IN a new development in a deepening row over the expulsion of two leading figures from the Public Servants' League (PSL), about 60 dissatisfied PSL members protested at the organisation's headquarters in Cape Town last Friday.

The members, mostly school employees, demanded the immediate and unconditional reinstatement of the Athlone district chairperson, Mr Stuart Cloete, and the chairperson of the Groote Schuur district, Mr Arthur Farred.

The two had been expelled because of "unnecessary actions".

The protesters said that Farred and Cloete would have to use constitutional channels to seek reinstatement.

PSL secretary, Mr Bernard Wentzel, said he had met with the group of protesting workers and told them that demonstrations could not alter the situation.

He said Farred and Cloete had the right to appeal to the national executive committee, which is scheduled to meet at the beginning of June.

Unaware

An appeal by Farred and Cloete against their expulsion was rejected.

The regional executive committee, which had earlier this month rejected an appeal by the two men against their expulsion, said it was unaware of the protest but that such an incident was "abnormal".

Domingo denied allegations that the expulsions were motivated by personal interests and were aimed at reducing the PSL of the "powerful faction".

"The decision was taken by the executive committee, not an individual," Domingo said.

"Mr Cloete and Mr Farred were expelled as a result of their unnecessary actions.

Domingo confirmed that Cloete had been expelled as a result of an incident at a Brakfontein hotel where Cloete and a group of PSL members interrupted an executive committee meeting.

Domingo also denied that the organisation had adopted a more militant stance on behalf of its 40,000 members.

The memorandum called on the national executive committee to resign.

The incident followed a mass meeting at Mitchells Plain at which the PSL leadership was severely criticised.

Criticism

Domingo said the executive was unhappy with statements which Farred made to the press about the league becoming a union and moving closer to Cosatu, as well as Farred's criticism of the role played by the PSL leadership during the recent Cape provincial hospital strike.

Domingo denied claims that the PSL was a "sweetheart" union and that workers — who constitute 80 percent of the PSL's membership — did not have an adequate say in how the organisation was run.

There were "adequate channels of communication", he said.

He finally denied allegations that the PSL national executive was closely tied to the Labour Party.

Cloete and Farred were not able to comment because of their forthcoming appeal.

Clothing dispute ends

From PATRICK GOODENOUGH

PORT ELIZABETH — A three-day strike by about 2,500 textile workers at 14 Port Elizabeth factories ended with a major victory for the strikers.

The "spontaneous work stoppages", which almost brought the clothing industry to a standstill in the Eastern Cape, followed deadlock between the Midlands Chamber of Industries and the South African Clothing and Textile Workers' Union (Sacatu) earlier this month.

Machinists will get an additional R5 from November, while general workers will get another R3.

Sacatu initially demanded a R30 across-the-board increase, while employers offered R17,76 for machinists and R15,56 for general workers, with a further increase later in the year.

agreement was reached which brings Eastern Cape wages slightly higher than those paid in the Transvaal.

In terms of the agreement, workers will get an across-the-board weekly increase of R23.50, backdated to the beginning of May.

After what Sacatu regional organiser, Mr Lesley Masodorp, described as "hard bargaining", an

Congress in call for night schools

Luci Neyembe, were guest speakers at the congress — the first ever in the region.

The congress endorsed the recent meeting between the ANC and the government, rolling back pressure and other forms of struggle, which had forced the government to capitulate.

It also re-endorsed the Narara Declaration, resolving to encourage Canew members to join the ANC and to understand and participate in ANC policies and principles.

Delegates resolved to organise and consolidate members with a view to participating in the next round of negotiations with the South African Civil Engineering Council which, they said, was formed specifically to exclude workers from decision making and wage determination in one of the country's lowest-paying industries.

The congress, with other organisations, resolved to address the educational crisis in South Africa and called for night schools as a matter of urgency. Delegates agreed to call on employers to invest in such schools and to add the price of a progressive newspaper to pay packets.

Resolutions on a national minimum wage, housing and subscriptions were referred to the regional executive committee.

Support was expressed for Cosatu's policy of worker unity and mergers such as that with the South African Allied Workers' Union.

Cosatu also committed itself to encouraging female participation in the union, also at leadership level, in line with its non-sexist policy.

Elected office bearers: Chairperson: Mr G Gandeia; vice-chairperson: Mr E Sigwe, treasurer: Mr C Maqina; and regional secretary: Mr L Ramtshaba.
Talks on civil service unions

A COSATU delegation will see two cabinet ministers today to discuss the role of trade unions in the public service.

The Minister of Mineral and Energy Affairs and Public Enterprises, Dr Dawie de Villiers, confirmed yesterday that he and Dr Wim de Villiers, Minister of Administration and Privatisation, are due to meet the Cosatu delegation this afternoon.

Dr Dawie de Villiers said the discussions would concern the recognition of Post Office trade unions. A spokesman for Dr Wim de Villiers said talks would range far wider than privatisation. — Sapa
Ministers meet union leaders

Political Staff

BASIC worker rights and bringing public sector workers under the Labour Relations Act were discussed yesterday by two ministers and a trade union delegation.

The Minister of Mineral and Energy Affairs and Public Enterprises, Dr Dawie de Villiers, and the Minister for Administration and Economic Coordination, Dr Wim de Villiers, said in a joint statement: “The discussions took place in a good spirit. “There was an open and frank exchange of views on important issues such as basic workers as well as the case for including public servants and postal workers within the ambit of the Labour Relations Act.”

The union delegation included the Post and Telecommunications Workers' Association, SARH Workers' Union and Cosatu. They said the union delegation was advised to submit its views to the National Manpower Commission which was at present looking into these issues.

“It was pointed out that the government will decide on these issues once it has had the opportunity of studying the National Manpower Commission report,” the ministers said.
PUBLIC SERVANTS TO AIR GRIEVANCES WITH FW

GERALD REILLY (250)

PRETORIA — Government workers will air their major grievances at a meeting between President FW de Klerk and the Public Servants Association (PSA) on June 12.

Also at the meeting will be administration and privatisation Minister Wim de Villiers and finance Minister Barend du Plessis.

The PSA’s board of directors met in Pretoria last night to prepare an agenda for the meeting. The top grievance is over pay.

Government workers were given a non-pensionable pay increase of 10% from April 1, which was dismissed as unrealistic against the background of private sector increases and the inflation level.

The PSA demanded another 10% be effective from September. The submission also asks that both increases be made pensionable.

De Klerk will be asked to support a demand from the PSA for improved housing benefits.

The major grievance here is that the subsidised loan ceiling of R50 000 is unrealistic when the escalation in house prices in the past five years is taken into account.

Two other issues to be raised are the amounts set aside for career differentiation and the need for a collective bargaining system.

Undertakings have been given this will be provided for in an amendment to public service legislation expected to go before Parliament before the end of the current session.
No stayaway planned for public sector

There will not be a nationally organised stayaway by public sector workers today, but localised protests might occur, according to Cosatu spokesman Nell Coleman.

The proposed action coincides with a second round of talks today between Public Enterprises Minister 

De Villiers and Administration and Economic Coordination Minister Wim de Villiers and union representatives.

Today's talks centre around the workers' opposition to privatisation. Some work stoppages have been planned to occur between those hours.

Coleman said a national stayaway had been planned originally, but no final decision concerning it was ever reached. It was therefore the decision of local affiliates to decide what action to take. "This is not a major national action," he said.

A joint statement by the two ministers said the discussions with union representatives took place in a good spirit.

"There was an open and frank exchange of views on important issues, such as basic worker rights as well as the case for including public servants and postal workers within the ambit of the Labour Relations Act," they said.
Bureaucrats to see FW

PRETORIA—A delegation of civil servants is set to meet the State President, Mr. F. W. de Klerk, in Cape Town next month to discuss "distressful" matters relating to salaries and conditions of service.

The president of the Public Servants' Association, Dr. Colin Cameron, said the meeting stems mainly from the unhappiness regarding the 10% non-pensionable allowance granted to public servants in April.

"Apart from the fact that the allowance is totally insufficient, it will also— as long as it remains non-pensionable— adversely affect the pension of those officials who retired since April 1," he said—SAPA.
Privatisation a danger to talks — Cosatu

JOHANNESBURG — The country's largest trade union federation, Cosatu, yesterday warned that negotiations between government and the ANC would be "prejudiced" if government continued with its privatisation programme.

This follows a meeting in Cape Town on Tuesday between a Cosatu delegation and government ministers involved with privatisation and the Commission of Administration at which Cosatu failed to gain an assurance that privatisation would be halted.

The Cosatu delegation resolved to discuss this meeting with its National Campaign Committee tomorrow where further action will be decided upon, a Cosatu statement said.

The Cosatu statement issued yesterday described the Cape Town meeting as "completely unsatisfactory", warning that the attitude of the ministers could result in a "a recipe for confrontation".

They claim Minister of Mineral and Energy Affairs and Public Works Mr Dawie de Villiers and Minister of Administration and Privatisation Mr Wim de Villiers were not interested in hearing the views of Cosatu "or the people as a whole", and instead spoke at length on their perspectives.

The Cape Town meeting was designed by Cosatu to state its members' position that "we are totally opposed to all privatisation, and to secure a commitment from them that there would be no further privatisation".

The Cosatu statement further warned that "any attempt (by government) to embark on such a major restructuring programme without consulting those affected will be resisted".

Negotiation process

People were particularly sensitive to the fact that the privatisation process was happening now, as the negotiation process was about to begin.

"We reiterated (to the Ministers) our demand that all privatisation and other drastic restructuring of the public sector should be halted until a political settlement has been reached."

The Cosatu delegation claimed the Minsters attempted to deny that privatisation was taking place and focused instead on the term "commercialisation", or the restructuring of public sector industries, their fragmentation and selling off of certain sectors.

"In our view this is privatisation in another guise ... despite attempts by the ministers to deny it, we gained the clear impression that the government was preparing to go ahead with the privatisation programme."

Mr Dawie de Villiers had refused to confirm his statement, reported several weeks ago, that all privatisation would be halted until the relevant parties had been consulted.

The attitude of the ministers had left Cosatu with no option but to intensify its programme of action against privatisation.

Since the release from prison in February of ANC deputy president Mr Nelson Mandela, the general secretary of Cosatu's largest affiliate union, Mr Cyril Ramaphosa of the National Union of Mineworkers, has featured prominently at the ANC deputy leader's side during major events. — Sapa
Cosatu plan to shake up govt

Own Correspondent

JOHANNESBURG.—Nationwide stayaways, demonstrations and marches, still in the final planning stages, were scheduled to take place throughout July, a Cosatu spokesman said yesterday.

Industrial action, in solidarity with the Natal violence, was planned for the first week of July, with other action, in response to the government’s stand on privatisation, taking up the remainder of the month, Cosatu spokesman Mr Floyd Mashele said.

He was speaking yesterday after a Cosatu delegation met to discuss the July industrial action timetable.

There would probably be a countrywide stayaway on July 2, and demonstrations and marches on July 7, he said.

Cosatu leaders who met cabinet ministers Dr Dawie de Villiers and Mr Wim de Villiers in Cape Town this week said the meeting was “completely unsatisfactory” and warned that the attitude of the ministers was “a recipe for confrontation.”

They said the ministers tried to deny that privatisation was occurring by focusing instead on the term “commercialisation,” and Cosatu “gained the clear impression that the government was preparing to go ahead with the privatisation programme.”

Mr Mashele said Cosatu was “geared to take any action to stop privatisation,” and was considering the series of actions in July to bring attention to the workers’ opposition to it if the government’s response had not changed by then.

He proposed that each week in July different public sector unions take some sort of action, including sit-ins, pickets and marches during work hours, to highlight their opposition.

“We hope it will be resolved through negotiation before this occurs,” Mr Mashele added.
FW, top public
service men in
pay rise talk

By EOS WENTZ
on the Presidency
PRESIDENT De Klerk
is meeting a delegation of the
Public Servants' Association
today to discuss demands for
salary increases and retire-
ment and pensions problems.

The two-man delegation
from the PSA, president Dr.
Colin Cameron and general
manager Mr Hans Olivier, will
also discuss a long-term salary
policy which could halt re-
signations from the public
service.

HOUSING SUBSIDIES

Housing subsidies, a uniform
retirement age and the implica-
tions of recent illegal strikes
will also be discussed.

Other matters to be dis-
cussed are the possibility of an
increase in the housing subsidy
which has been pegged at
R60 000, maternity benefits for
married women and an im-
provement in widows' pensions.
FW meets PSA to discuss demands

CAPE TOWN — President de Klerk is meeting a delegation of the Public Servants Association today to discuss demands for salary increases, and retirement and pensions problems.

The two-man delegation from the PSA, president Dr Colin Cameron and general manager Hans Olivier, will also discuss a long-term salary policy which could halt resignations from the public service, housing subsidies, a uniform retirement age and the implications of recent illegal strikes.

Other matters to be discussed are maternity benefits for married women and an improvement in widows' pensions.

There have been a number of resignations as a result of dissatisfaction with the 10 percent non-pensionable salary increase public servants were given this year.

The PSA has submitted a memorandum to the president in which it also asks for an optional retirement age of 60 as soon as possible, occupationally directed remuneration and a legalised system of collective bargaining.
FW promises new deal for bitter public servants

Political Staff

PRESIDENT De Klerk has agreed to an improved bargaining mechanism between government and the public service, to be forged as a matter of urgency.

He said after meeting recognised public servants' associations at Tuyenhuis yesterday that this matter would be dealt with in the next few months.

But a statement from Tuyenhuis failed to mention what some saw as the crunch issue at the talks: bitterness over the fact that unrecognised unions using strikes and other action had been seen to deliver more for their members than staff associations had for their people through orderly negotiations.

Dr Colin Cameron, chairman of the Public Servants' Association, said the seven associations represented yesterday had been both reassured and impressed by Mr De Klerk's understanding of problems they had cited.

These included the inadequacy of the 10 percent non-pensionable allowance — they had dwelt on that in the discussions — housing, pensions and so on.

NOTHING CLARIFIED

Mr De Klerk gave the undertaking that high priority would be given in the next financial year to the service deals of those public servants who received only a 10 percent non-pensionable allowance this year.

Attention would also be given other sticking points this year including certain general service conditions such as housing subsidies, maternity leave, and transfer costs.

Mr Roger Burrows, Democratic Party spokesman on the public service, said the President's statement had not clarified the situation about deals with unrecognised unions.

"It appears likely the recognised staff associations will have to accept that in a changed South Africa the government has to take account of unions which were previously totally ignored or even forbidden.

"A compromise must, therefore, be arrived at"
Political Staff

CAPE TOWN — President de Klerk yesterday agreed to an improved bargaining mechanism being forged as a matter of urgency between the Government and the public service.

After meeting recognised public servants' associations at Tyunhuys, he said that this matter would be dealt with in the next few months.

But a statement from Tyunhuys failed to mention what some saw as the crunch issue at the talks: bitterness at the fact that unrecognised unions using strikes and other action had been seen to deliver more for their members than staff associations had through orderly negotiations.

Dr Colin Cameron, chairman of the Public Servants' Association, said the seven associations represented yesterday were "by and large very happy" with the talks.

They had been both reassured and impressed by Mr de Klerk's understanding of problems they had cited.

These included the inadequacy of the 10 percent non-pensionable allowance, housing and pensions.

Mr de Klerk gave the undertaking that high priority would be given in the next financial year to the service deals of those public servants who only received a 10 percent non-pensionable allowance this year.

He said in a statement attention would also be given to other problem areas.
Call for better deal for nature conservationists

Pretoria Correspondent

The Public Servants' Association (PSA) has called for a massive salary injection for nature conservationists.

This includes a 40 percent pensionable salary increase for nature conservation officers, as well as the implementation — backdated to 1983 — of a new dispensation for research technicians.

A report in The Public Servant magazine describes the 465 nature conservation officers, research technicians and conservation scientists as a "crisis group".

Gross starting salaries for learner conservation officers with matric were R642 a month and those for qualified nature conservation officers R1 138, while the average salary of the 343 nature conservation officers employed by the State and Cape and Transvaal provincial departments was R1 610 a month.

This, the article said, was R409 a month less than that of any similarly qualified personnel in the public service. The TPA responded by saying it had consistently given support for better salaries.
(b) It is unfortunately not possible to determine the number of commuters involved in each of the relevant financial years, but the numbers mentioned below are calculated according to the numbers and type of subsidised bus tickets which were sold at Harare and Bulawayo and there are no other commuters involved.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2,117,388</td>
<td>2,091,572</td>
<td>3,289,040</td>
<td>3,839,040</td>
<td>3,969,196</td>
<td>4,571,006</td>
<td>4,180,716</td>
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</table>

(c) Qwara Bus Service (Pty) Ltd which traded under the name of Setsukosa Bus Service (Pty) Ltd until the end of 1985/86 financial year.

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

Number of lung cancer deaths in the Republic of South Africa by Population Group, 1989 (as on 11 June 1990)

<table>
<thead>
<tr>
<th>Province</th>
<th>Indian Population Group</th>
<th>Coloured Population Group</th>
<th>White Population Group</th>
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<tbody>
<tr>
<td>Natal</td>
<td>2</td>
<td>41</td>
<td>187</td>
</tr>
<tr>
<td>Orange Free State</td>
<td>20</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Transvaal</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>72</td>
<td>199</td>
</tr>
</tbody>
</table>

Notifications received by the Department of National Health and Population Development.

Marams and kwashorkor cases

540 Mr M J ELLIS asked the Minister of National Health and Population Development:

(a) How many (a) cases of (i) marasmus and (ii) kwashorkor were reported, and (b) children were treated in clinics for each of these diseases, in 1989?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

(a) (i) and (ii) Marams and kwashorkor are notifiable diseases. Accurate incidence figures are thus not available for these two conditions.

(b) During 1989, 3,053 children were treated for marasmus and 7,672 for kwashorkor through the departmental scheme.

Public Service Staff Code: housing subsidies

545 Mr R M BURROWS asked the Minister for Administration and Economic Co-ordination:

(1) Whether the Commission for Administration recently effected alterations to the Public Service Staff Code relating to the housing subsidy scheme for State employees, if so, (a) what is the purport of the alterations and (b) when will they come into effect?

(2) Whether a costing has been done of the effect of these alterations, if so, what are the relevant details?

The MINISTER FOR ADMINISTRATION AND ECONOMIC CO-ORDINATION

(1) Yes

(2) Not done.
(NO) and Hydrocarbons, as measured by the City Council of Cape Town at the City Hall. However, at the same site, the level of ozone, an important indicator of photo-chemical smog was low.

The highest levels measured were as follows:

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Levels measured hourly average values in microgram/m³</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOX</td>
<td>2.468</td>
</tr>
<tr>
<td>NO</td>
<td>2.357</td>
</tr>
<tr>
<td>Non-methane hydrocarbons</td>
<td>1.287</td>
</tr>
<tr>
<td>Ozone</td>
<td>20</td>
</tr>
</tbody>
</table>

The episode lasted only for two hours from 07:00 to 09:00.

### Salaries/salary scales

<table>
<thead>
<tr>
<th>589 Mr R M BURROWS asked the Minister for Administration and Economic Co-ordination</th>
</tr>
</thead>
<tbody>
<tr>
<td>What have been the applicable salaries and/or salary scales for each post level in each department and organisational component referred to in section 6(1) of the Public Service Act, No 111 of 1984, since 1 April 1999? (20)</td>
</tr>
<tr>
<td>31/4/99 x 228-336x912-4305/336x312-4617/361x12-4617x399-5016/3617x399-5150/4617x399-6213/5614x399-7410/711x399-7809/938-9123/9123x438-104374x999-11931/11931x498-132456x663-15414/140888x663-17403x999-18312/15414x663-17403x999-20130/18312x999-22766/21948x909-25584/25584x909-26493x1356-30561/29205x1356-34629/34629x1356-40053/40053x1356-43335x1641-46617/49899x2106-54111/54111x2106-56217/56217x2106-58323/58323x2106-60429x2778-63207/63207x74319/87402/110901/120097/165768</td>
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The MINISTER FOR ADMINISTRATION AND ECONOMIC CO-ORDINATION

Yes

(a) 318, according to the latest available information

(b) Particulars of the standard salary levels, utilise as base salary for the salary scales of officials, are as follows

<table>
<thead>
<tr>
<th>590 Mr R M BURROWS asked the Minister for Administration and Economic Co-ordination</th>
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<tr>
<td>Whether there are differential pay scales in the Public Service for different grades of employees, if so, (a) how many pay scales are there and (b) what will be the appropriate key scale applicable to each pay level as at 1 July 1999?</td>
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<tr>
<td>124 Mr L FUCHS asked the Minister of the Budget and Local Government for the following information</td>
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<tr>
<td>Whether it is the intention to prosecute every person contravening group areas legislation in the Homestead Park/Turffontein/Bezuidenhoutsvlei/Malvern/Southdale West area, if so,</td>
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**Photo-chemical smog**

588 Mr R F HASWELL asked the Minister of National Health and Population Development

(1) Whether Cape Town experienced a photo-chemical smog on the morning of 17 April 1990, if so,

(2) whether there were any instances of non-compliance with State health guidelines on the morning in question, if so, what are the relevant details?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT

(1) Yes atmospheric conditions were conducive to photo-chemical reactions, with a strong temperature inversion and absolutely calm conditions,

(2) yes, the National Guidelines were exceeded for Total Nitrogen Oxides, (NOX), Nitric Oxides

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**Public Service: differential pay scales**

590 Mr R M BURROWS asked the Minister for Administration and Economic Co-ordination

Whether there are differential pay scales in the Public Service for different grades of employees, if so, (a) how many pay scales are there and (b) what will be the appropriate key scale applicable to each pay level as at 1 July 1999?
New board to set MPs’ pay?

Political Correspondent

MEMBERS of Parliament yesterday took the first step to the setting up of a neutral body to determine their salaries and perks.

The delicate issue has sparked heated public debate in recent years—particularly when MPs voted themselves increases higher than members of the public service and the inflation rate.

However, all three Houses of Parliament yesterday agreed to an all-party parliamentary committee to investigate the establishment of an independent statutory board to determine the pay and allowances of political office-bearers.
Reserve Bank seeks answer to R2bn spending dilemma

THE Reserve Bank wants to find a way of transferring government's R3bn social spending fund to the private sector without interfering with monetary policy or disrupting the markets.

The Independent Development Trust has not yet received the money allocated at the end of the previous (fiscal) year from the exchequer's account at the Reserve Bank.

The trust, chaired by Jan Steyn, is losing interest on the money while it lies idle at the Bank — lending some urgency to finding a solution to the dilemma.

Bank Deputy Governor Chris de Swardt said yesterday.

"If the money is placed on deposit with a private bank, it will mean a substantial injection of liquidity into the money market. "Such a development would contradict the current monetary policy stance. We are therefore holding discussions with the trustees in an effort to find a way around the problem."

There is talk in banking circles that the money might be kept out of the market by investing it in short-term government stock via government's investment agency, the Corporation for Public Deposits — a move which would ensure the trust no longer lost interest.

Once the money is spent on development infrastructure, however, it will have an expansionary effect on the economy and the Reserve Bank is expected to keenly monitor the timing of the actual spending.

The Bank has maintained a tight stance in the markets despite firm signs that credit demand is dwindling fast.

"Bankers say most of the R2bn-R3bn money market shortage (the amount the banks need to borrow from the Reserve Bank) has been created by the Bank to keep its policy effective."

De Swardt confirmed the Bank had continuously been draining liquidity in the form of dollar repurchase agreements, but added the last agreements expire at the end of this month.

He also noted the Bank had been selling government stock on an ongoing basis, and that the heavy foreign outflows in June would also reduce liquidity in the market.

Market estimates put the sale of government stock in June at R800m-R1bn, but foreign outflows in the form of interest and capital payments are less easy to estimate as the amount of rollovers secured has not been revealed.
Auditor General attacks public service duplication

PRETORIA — The expensive duplication and triplication in SA of public services had for decades been uneconomic and inefficient, Auditor General Peter Wronsley said yesterday.

Speaking at a SA Institute for Public Administration seminar at the University of Pretoria, Wronsley said, however, it was arguable they — duplication and triplication — were effective so long as integrated facilities were anathema to the parliamentary majority.

"Pity the auditor entering this subjective minefield on a performance audit excursion," he said.

Wronsley said duplicated and triplicated facilities were under-utilised in one place or community while nearby facilities were overloaded as a consequence of ideology. This placed the auditor in an invidious position.

"However clinically correctly he might identify a fiscally indesirable arrangement, he could land up in a political crossfire," he said.

On standards, he said, as the departments of finance discovered when norms and standards to underpin grants to "own affairs administration" were being designed, the norms were the least of the problem.

It was the standards that elicited agreement and to this day they were likely to feature high on the forthcoming negotiations agenda, he said.

Transnet control "effective"

PRETORIA — Although Transnet was only a few months old, it was already clear that control by a board of directors was far more effective for a government business than parastatalisation.

In the case of Transnet, parliamentary control was replaced by a board of directors which, with the exception of himself, consisted of business leaders from the private sector. At least 80% of the advantages came from commercialisation and only a smaller part from eventual privatisation.

GERALD REILLY

GERALD REILLY
Theo Rawana

The debate should be more about the use and the purpose with which government intervened and influenced the economy, in terms of regulation and of the use of resources, he said.

Brand said the important part of the policy agenda of bodies like Southcom [an affiliate of Nafco] should be to evaluate the extent, direction and effect of government’s role on the economy.

It should also suggest ways in which that role could be adjusted towards more effectively serving goals such as more equitable participation and sharing in the benefits yielded by the economy.

He listed other areas in which government’s role should be subjected to scrutiny, where access to economic opportunities and resources are skewed and the increasing level of unemployment.

He said if the public service must reflect the interests of a constituency, it should also reflect the interests of science and technological advancement.

"Public policy by this country must now necessarily reflect the interests of a constituency, in excess of 55 million people. - Sapa. "

Addressing the AGM of the Public Servants’ League in Brackenfell on Wednesday, he said that in times of great transition, public servants often kept the state running while political parties and even entire generations of politicians had been swept out of office."
Minister denies NMS resurrected

Political Stake

THE National Co-ordinating Mechanism (NCM) bore a superficial similarity to the discredited National Management System (NMS), but had a totally different aim and command structure, Education and Development Aid Minister Dr Stoffel van der Merwe said yesterday.

He was reacting to reports in a Sunday newspaper that suggested the NMS was being operated under a different guise.

The NMS, dominated by security officials, was set up to counter activities of “revolutionary” organisations and had a chain of command outside normal government structures.

Dr Van der Merwe said the NCM was run by a secretariat of civilian officials out of the State President’s Office and not by military officials.

The purpose of the NCM was to co-ordinate activities of government departments “to ensure that the right hand knows what the left hand knows what the right is doing.”

Reacting to suggestions that the existence of the NCM suggested that the government has a second agenda, Dr Van der Merwe said “We do have two agendas. The first agenda is negotiating a settlement. The second, as has been repeatedly stated, is good government. This forms part of that second agenda.”

Asked about the operation of security committees which are mentioned in the document leaked to the Democratic Party, on which the Sunday newspaper based its report, Dr Van der Merwe said such committees did exist where the police and the defence force felt it necessary that they co-ordinate actions. But these committees existed outside the NCM.

Dr Jannie Roux, secretary-general of the President’s Office, who as secretary of the cabinet is in charge of the NCM, said: “There is no way the new system can be compared to the old management system. It cannot give orders. It is an open system designed to ensure that there is co-ordination.”
Reports on security system ‘incorrect’

PRETORIA — The State President’s office yesterday said reports that the shadowy National Security Management System (NSMS) still existed under a different name were incorrect.

Mr F W de Klerk announced last year that the NSMS would be “replaced.”

A statement said the reports contained “incorrect information,” and that the new National Co-ordinating Mechanism (NCM) was in line with what the State President had announced.

The statement said the purpose of the NCM was to bring together departments and institutions in matters demanding multi-departmental action.

“The NCM is not an institution which issues directives and exercises powers in respect of the line-functions of departments”

The whole point of the NCM was to confirm and support line-function authority.

“The NCM is not a body or institution in itself, but merely serves as an instrument through which co-ordination of government activities can be brought about.”

“Emphasis has been shifted to welfare and co-ordination.

“The old system was by contrast strongly security-orientated and certain functions were managed from within it,” the statement said.

The primary objective of the NCM was to create the prosperity demanded by the new South Africa.

The so-called state war book to which several reports had referred had nothing to do with the NCM, the statement said.

The war book was a set of administrative rules according to which state departments would have to act in the event of a military onslaught against South Africa. It had been compiled jointly by all departments involved.

“While it is improbable that the RSA could become officially involved in a war, maintenance of procedure arrangements of this nature is international practice,” said the statement.

The war book was no secret and the media had in the past been informed of its existence.

“The book as such has nothing to do with the functioning of the NCM” — Sapa.
Blacks on rise in civil service

ERETORIA. — Blacks are set to play a far more important role in the public service in the years immediately ahead, the chairman of the Commission for Administration, Mr. Piet van der Merwe, said yesterday.

"We want the right man for the job, irrespective of colour or race," he said.

The service currently consists of 41% whites and 38% blacks.

He also said the service's image had suffered grievously because of the unfair discriminatory laws it was compelled to administer under the apartheid regime of the past four decades.

"There was nothing to prevent a black person even now rising to the rank of director general heading a state department," he said.

And as more blacks became educationally qualified, their status in senior posts would increase.

"It is vital that we restore the trust and confidence in the service which has been broken down under apartheid," he said.

Mr Van der Merwe said blacks would overtake whites as a majority, and not only in low-level jobs.

The number of blacks in the service would increase and more reflect the composition of the population with its 24% blacks.

Mr Van der Merwe said public service numbers were small compared with other countries, with the possible exception of Japan.

In West Germany, for instance, the spread of the public service was greater by half relatively than the 54% of the public service.

The public perception of the service was that the 60,000 workers in the public service all worked in central government departments.

It should be noted, he added, that included in that number were 20,000 teachers, 20,000 nurses, 30,000 labourers and 100,000 in the security forces.
R2,7m to renovate ministerial homes

Political Staff

The government had spent more than R2,7 million renovating 50 ministerial homes over the past eight financial years, the Minister of Public Works, Mr George Bartlett, has disclosed.

This means an average of R54,000 has been spent on each of these Cape Town houses in the past eight years.

Mr Bartlett said in reply to a question, tabled in Parliament by Mr Schalk Pienaar (CP Potgietersrus), that R1 784 468 was spent on 48 houses between the 1982/83 and 1988/89 financial years.

Earlier this year he told Mr Rupert Lorimer (DP Brynavenport) that a further R96 325 was spent on six of these houses and two others during the previous financial year.

Mr Bartlett said in March that it had been decided that at least one ministerial house would be totally upgraded each year.

Other costs in the renovation of the houses involved the provision of additional facilities, such as cupboards and fittings, as well as the provision of braai facilities at a number of the houses.

At Schoonegelegen in the city, the enlargement of the entertainment area and provision of a braai facility in January 1982 cost R36 542.

The entertainment area and braai facility at Newlands House, also in the city, cost R18 293 in June 1987, and the erection of a garage, braai area, laundry and other minor services at Maroela in Pretoria cost R89 100 in March 1986, Mr Bartlett said.
The NSMS v. the NCM: Can you spot the difference?

TO WHAT extent have the securocrats really had their wings clipped since President F W de Klerk announced amid great fanfare late last year that the shadowy National Security Management System was to be scrapped?

Government spokesmen have in recent weeks been quick to deny that the National Co-ordinating Mechanism (NCM) is largely a resurrection of the NSMS.

"The State President's office has maintained there was "no way" the two could be compared since the new management system could not give orders."

And one of the government's key negotiators, Dr Stoffel van der Merwe, insists that the NCM and its sub-bodies need to be differentiated from their predecessors because they are now only advisory bodies.

But the government and the security establishment marshalled basically the same arguments in defence of the old system when it was criticised for the scope of its power and influence in affecting policy-related decisions and the executive branch of government in general.

Were they fibbing last time around, it has to be asked?

In defending the new system, Mr De Klerk has stated that whereas the NSMS was strongly "security-oriented", the emphasis had been shifted to "welfare and co-ordination".

This may well be the case, but what he omitted to say in his defence of the new order was that such a transition was part of the orgnal rationale for the security management programme.

The objective of the old system was to pilot the country through three distinct stages — from a state approaching unemployment to relative stability to eventual normality.

The welfare action which forms a major component of the stabilising stage was already gaining a high priority in most areas of the country (except Natal) when Mr De Klerk announced the scrapping of the NSMS late last year.

The leaked secret document detailing the new role of the NCM now places the word "welfare" before the word "security" when the two issues are mentioned in the same sentence.

But it continues, as before, to advocate involvement between sub-bodies of the NCM and black community organisations with the view to feeding information (intelligence?) through to government department heads.

In many cases the adjustments that have taken place amount to little more than changing the name of previous structures, leaving the new system — in diagramatic form — looking like a close relative of the old one rather than a totally new animal.

The document outlining the goals, composition and functions of the new complex web of bodies often uses virtually identical terminology to that which applied before.

True, security personnel no longer chair most of the renamed Joint Co-ordinating Centres and the formal status of the State Security Council has been downgraded but questions will continue to arise as to why the new system does not appear to reflect the thoroughgoing changes that many observers expected when Mr De Klerk announced the scrapping of the NSMS to restore state control to elected representatives.

Observers of the security establishment now point out that many securocrats believed the old system, despite its poor reputation, was "working well" and certainly did not deserve to be abolished.

The secret document dealing with the NCM notes rather disarmingly that because the scrapping of the old NSMS led to certain vacuums in the security field, Mr De Klerk has given permission for an investigation into creating mechanisms to fill these.

Mr De Klerk should have an interesting time explaining this one to the ANC when the two sides meet next month.
Bureaucrats push demand for inclusion in Act to Cabinet level

PRETORIA — Pressure from public service staff to have government workers brought within the Labour Relations Act’s ambit has forced the issue to Cabinet level, Public Servants’ Association (PSA) GM Hans Olivier said yesterday.

It was on the agenda of special Cabinet meetings on Monday and yesterday at a secret venue outside Pretoria.

Olivier said public servants should no longer be denied rights set out in the Labour Relations Act.

He said there were two possibilities supplementing the Public Service Act to provide for the instruments and mechanisms in the Labour Relations Act, or the application of the Act to public servants.

During the protest that followed the 10% non-pensionable pay hike from April, many members demanded the right to strike or go slow in support of demands for improved service conditions. Olivier said the logical solution was to bring the public service work corps under the umbrella of labour relations legislation.

Under existing conditions the public service staff associations had little muscle when it came to pay demands and negotiations. They were at the mercy of government. The PSA realized that essential services could not be disrupted by strikes, but at the same time they needed the bargaining rights accorded all other workers in terms of the Labour Relations Act. The PSA also wanted the right to go to arbitration when negotiations deadlocked.

“The bottom line is we have no effective powers to force the employer to compromise with us on our demands,” Olivier said.

The PSA welcomed Cabinet’s decision to consider improved labour legislation for government workers. However, the PSA was not asked to submit inputs at a background to the discussions. Olivier said the PSA could not turn a blind eye to strong indications that the Labour Relations Act was to be reviewed and possibly amended to include public servants.
Don't deny Public Servants' plea

PUBLIC servants should no longer be denied the right other employees in the private sector enjoy in terms of the Labour Relations Act, the general manager of the Public Servants' Association, Mr Hans Olivier, said yesterday.

Responding to reports that the Cabinet might discuss the unionisation of public servants during their "planning session" this week, Olivier said two possibilities existed for this purpose, namely, "Supplementing the Public Service Act to make provision for the instruments and mechanisms provided for in the Labour Relations Act, or the application of this act to all public servants.

"The PSA is at present considering the matter carefully," he said.

Olivier said the logical solution could possibly be to make the Labour Relations Act accessible to all public servants "in view of the fact that it is an easier avenue for the solution of the present problems."

"The application of the Act to accommodate public servants would also alleviate the position of officials rendering essential services in which case they would in terms of the Act be excluded from the right to strike and be compelled to participate in compulsory bargaining with the employer," he said.
nel the remaining funds to the most needy cases (Property July 20).

The commission faces the opposite problem. It oversees the housing subsidies available to public employees and, since the State's manpower cutbacks appear to be working, it may be in a position to divide the existing funds more generously between fewer public employees who do qualify for assistance.

"The suggestion is that broadly four out of every 10 State employees on a subsidy will move to the private sector and that will leave a considerable amount of money in the subsidy pool for redistribution," says H Lewis-Trafalgar's Peter Ferreira. He adds that a subsidy review is overdue because they haven't been revised for several years.

Needless to say, the commission is keeping mum on the issue — other than to confirm that a meeting to discuss the matter is to be held with various civil service personnel organisations later this month.

However, it is widely believed the ceiling on subsidies could be raised from R50 000 to R70 000.

Civil servants are now subsidised to the tune of R662 a month on bonds of up to R35 000. Above that mortgage assistance drops to R627 a month for bonds not exceeding R50 000.

Any change in the subsidy ceiling could have a particularly dramatic effect on Pretoria's flagging residential property market. Just as demand for office space in Pretoria is largely dictated by the needs of the public sector, so the housing requirements of civil servants project the biggest influence on the residential property market.

The result of a static or shrinking civil service in Pretoria's case, according to agents like H Lewis-Trafalgar and E G Chapman, is a soft residential market with stagnant or even declining house prices in all but the higher priced brackets. Particularly badly hit are flats and apartments — even though there has been little or no flat building in Pretoria in recent years.

Chapman executive director Robert Ketjes says the market seems to be adopting a wait-and-see attitude on the State employee subsidy issue. "As a result our agents are having to work hard to close deals."
Government cutbacks begin to take effect

CAPE TOWN — The public sector is undergoing significant rationalisation — an indication that the cost-cutting recommendations by Economic Co-ordination Minister Willie de Villers' are taking effect.

The rationalisation programme, most visible in the government departments of Foreign Affairs and Trade & Industry, stems from this year's limited Budget allocations and an undertaking by President FW De Klerk, at De Villiers' recommendation, to control public sector spending.

Initiated at the start of the financial year in March, the programme was intensified in June when De Klerk announced that the R1bn allocated for the upgrading of the security forces, including the expansion of the police force and provision for salary increases, would have to be funded by cuts in other departments.

All departments were immediately ordered to re-assess their spending programmes and report back to the Treasury by the end of July.

So far, Foreign Affairs appears to have been hardest hit.

The department has already announced the closure of some of its smaller missions, the freezing of staff vacancies and a moratorium on the recruitment of new staff and is expected to add more casualties to this list.

According to a Foreign Affairs spokesman, only R542m of the R3,8bn budget allocated in the 1990/91 budget is available for the department's core business and staff salaries. The rest goes to the TBVC countries.

To be able to afford new opportunities as they arise in Eastern Europe and the Soviet Union, the department has already had to sacrifice some of its smaller missions.

Cutbacks

The reduction of staff in foreign missions has become an important priority as a result of foreign exchange losses incurred from the payment of salaries in foreign currencies, amounting to almost a R2bn last year.

Trade & Industry has also declared significant cost savings, with the suspension of decentralisation allowances as one of its major cutbacks.

Another development has been the appointment of a committee to reduce the unnecessary duplication in government departments of functions like development assistance, while the Defence Force is expected to announce further cuts in navy and airforce spending. Cutbacks in agricultural subsidies are apparently under consideration.

To assist the rationalisation process, government-appointed private sector consultants to identify unnecessary costs and introduce management accounting techniques with the purpose of creating a leaner, more efficient public sector.
CENTRAL government is still growing in spite of the oft-stated policy to rationalise; according to an analysis of public sector employment figures provided by the Central Statistical Service.

The figures also show the governments of the “self-governing” territories are still expanding at a rapid rate.

But the privatisation of Iscor and rationalisation of public sector business enterprises such as Transnet and the Post Office are keeping overall public sector employment figures down.

Government’s policy to trim central government and devolve power to the lower levels of administration is not reflected yet in the employment figures.

While central government is expanding, provincial administrations are shrinking and local authorities are remaining more or less static.

The figures show 17 497 new people were enrolled by “general affairs” in the year to March 1990 — representing growth of 5%.

The expansion in this category follows similar growth in the year to December 1989.

“Own affairs” also rose (1.3%). By contrast, provincial authorities cut staff numbers by 4.6% or more than 10 000 people and local authorities were down by 6.3%.

The Iscor privatisation had a huge effect on the overall employment figures of public corporations, pulling them down by more than 21% and taking more than 37 000 jobs out of the public sector.

Transnet also showed a substantial decline in the number of full-time posts — 8 332 jobs were cut in the year to March.

The cutback in Post and Telecommunications was at a slower rate with the decline less than 1%.

These cutbacks, combined with the Iscor privatisation, pushed overall public sector employment down 2.2% in the year to March.
Civil servants push for labour rights

PRETORIA — The Public Servants' Association (PSA) would tell the Commission for Administration at a meeting tomorrow that the setting up of more effective negotiating machinery had become "extremely urgent", sources said yesterday.

Senior public servants said government had been dragging its heels on the issue for the past two or three years, and this had been a major cause of resignations.

Unlike other employee organisations in the private sector they had had to accept a pay deal from government that fell far short of what was asked for and what was justified by inflation and comparable private sector pay levels.

A PSA spokesman said the bottom line was the right to go to arbitration. This was a basic right enjoyed by all other employee organisations and trade unions. The PSA wanted government workers to fall within the ambit of the Labour Relations Act.

In terms of the Public Service Act government workers were forbidden to strike, go to arbitration or take their grievances to the industrial court.

The spokesman said this was an intolerable situation in these days of enlightened labour relations.

The PSA conceded there were certain essential public services which could not be allowed to be disrupted by strikes or other aggressive labour action. However, the rest of the public service should be on a par with private sector workers.

Another issue to be thrashed out with the commission tomorrow is the housing loan ceiling of R50 000. The PSA wants this raised to at least R90 000.
'Make the public service efficient'

The Argus
Correspondent

PRETORIA. — The government can contribute to a more effective and efficient public service by producing clear and practical policies, says the chairman of the Commission for Administration, Dr Piet van der Merwe.

In an opening address to a seminar entitled "South Africa Public Service Quo Vadis" at Unisa yesterday, he said government must be prepared to modify policies on the basis of feedback from its public service managers.

Reduce burden

Other steps which must be taken were:

- The reduction of legislative burden on administrators, public service managers and the public;
- Decentralisation and an end to the "crippling" external constraints imposed on administrators and public service managers;
- Tranquilising of South Africa's external and internal relations;
- Allocation of adequate resources to administrators and line managers.

Dr Van der Merwe said public service managers needed the freedom to organise, staff, finance and control their departments while head offices concerned themselves only with policy planning and management information systems.
Public service of future ‘more streamlined’

By Own Correspondent

The “new” public service would be more streamlined, cost-effective and productive, and alert to the needs of the public, executive chief director, administration House of Representatives, Awiie Muller said at a seminar on the future on the public service at Unisa this week.

"The days of the tri-cameral system of government were numbered and the public should not be forced to use public services against their wills, or to pay for services not used, but should have ‘free choice’" he said.

Emphasis

But while the separate houses would not exist in a new constitution, and the emphasis would shift from judging the success of a man by the size of carpet in his office, the basic role of the public service would remain the same, he told the seminar.

Director-General, administration, House of Delegates, "Skippie" Scheepers said the public service of the future "would have to give more attention to the public than to the government of the day."

"The public service had to be flexible and innovative, employing its members on a non-racial basis, and selecting leaders who are constructive thinkers with less-rigidness and a more tolerant attitude, he said.

In the “new” South Africa, public servants need to:

- Have a “vision” of the just society of the future, and actively work to achieve it.
- Undertake duties in an objective manner so as to best serve interests of all people.
- Strive for efficiency.

While fundamental and irreparable political, social and economic changes had already taken place in South Africa, the public service still had to adapt, he said.

The Government aims to limit its intervention in the relationship between Public Service departments and employees, three cabinet ministers said in a joint statement in Pretoria yesterday.

The Minister of Manpower, Eln Louw, the Minister of Home Affairs and of National Education, Gene Louw and the Minister for Administration and Economic Co-operation, Dr Wim de Villiers, said this policy would allow parties to establish efficient and suitable arrangements for the relations between employers and employees.

Commitment

As far as teaching staff and other civil servants were concerned, the Government had initiated a process aimed at giving effect to recognised employee rights.

"This implies that, as an employer will continue its commitment to ‘fair’ and just conduct towards its employees, while ensuring on the other hand that the Public Service departments as employers are still able to render an efficient service to the community."
Over R2-m embezzled from State in a year

Pretoria Correspondent

Between R2 million and R3 million was misappropriated from the State during the past financial year.

And although the Auditor-General, Peter Wronsky, says he is "not happy about it", this amount represented a very small percentage of the total State Budget and showed SA had "an honest administration".

Addressing the Unisa Department of Public Administration seminar on the financial responsibilities of the public servant yesterday, Mr Wronsky said the total extent of irregular spending — including valid excess expenditures — was R52 million.

Mr Wronsky pointed to the wastefulness of duplicated facilities, under-utilised in one place of the community while facilities nearby were overloaded because of a political ideology.

This situation, he said, placed the auditor in an invidious position.

Mr Wronsky told the seminar — attended by about 250 senior public servants and academics — there was no statutory restriction to prevent public officials getting greater financial responsibility. Some departments already had a high degree of such autonomy.

However, he warned, in the public service, effectiveness was often difficult to quantify, and success could not always be measured by profits.

He also warned against a relaxation of strong centralised control by the Treasury, especially at a time of an "unknown" future.

In his address to the seminar, Dr Estan Calitz, Deputy Director-General of the Department of Finance, referred to the time of change and uncertainty facing South Africa.

Dr Calitz said available State finances could not meet all the demands of the "new" South Africa.

He said the first demand for successful financial management in the new public service was realistic expectations of economic growth and development.
Govt needs additional R1,2 billion

OM 8/4 0 Own Correspondent

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 Estian 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 R72.9bn. This implied an increase in spending of 12.9% 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.
Teachers could win union rights

TEACHERS and civil servants could win trade union rights, including the right to collective bargaining, as a result of a government decision to review employment conditions of state employees.

The government intended limiting "to the minimum" its intervention in the relationship between public service departments and their employees, the Minister of National Education, Mr. Gene Louw, said in a statement.

The government had recently deliberated on the position of employees of the state.

"The government endorses in principle the basic rights of employees and employers in all sectors of the national economy and in particular the basic rights of freedom of association and collective bargaining."

The government last week initiated a process aimed at recognising employee rights for teaching staff and state employees.

Mr. Louw said the government had now instructed the Commission for Administration and the Department of National Education to accelerate the process.

These two bodies would liaise widely with interested parties "in order to establish, through a process of negotiation with representative parties, efficient and suitable arrangements for relations between employers and employees with the relevant sectors."
Executives to run govt departments

DURBAN. — Administration and Economic Co-ordination Minister Mr Win de Villiers told the Natal National Party congress yesterday that he had appointed 12 private sector businessmen to serve as financial managers in government departments.

Mr De Villiers said it was not just the civil service that was too heavy but the government along with the state involvement in the economy that was too large. He said that by 1988 63.7% of fixed investment in South Africa had come from the state.

There were simply not sufficient investment in the productive sector of the economy. An indication of this was that whereas in 1973 it required an investment of R2.49 to contribute R1 to GNP by 1988 it required a R5.80 investment to contribute R1 to achieve the same result.

Earlier Finance Minister Mr Barend du Plessis said the government's new economic policy would ensure cheaper electricity and transport and place the country in a position to "export as never before".

He referred to the economic reconstruction plan which President FW de Klerk is expected to unveil within weeks and said government spending would be constrained and people would have to accept that their standards would have to drop.

Mr Du Plessis said red lights standing in the way of the country achieving high growth rates were excessive wage demands and low productivity.

Unions must understand their demands were destroying job opportunities and they were in danger of pricing themselves out of the market.

Mr Pik Botha told delegates it was "a bit unfair" to blame the ANC and Mr Nelson Mandela for being committed to nationalisation.

Mr Botha said it was his impression from discussions with Mr Mandela that the ANC deputy president "stands ready to be persuaded" that nationalisation was not the best way to redistribute wealth in the country and correct historical imbalances.
Get the administrators back in the field, says Jammine

By Claire Gehart

Cut bureaucracy and let all the administrators who are doctors, nurses and teachers go out and do what they were originally doing.

That, says Dr Azar Jammine of Econometrix, is the only effective way to give a boost to the economy.

"The civil service must be cut down. We don't need eighteen education departments and fourteen health departments.

"With one department each, surplus administrators who are doctors, nurses and teachers could go out and do what they do best.

"It is far better to spend money on teaching and nursing than on administrators."

"If fiscal policy becomes expansionary now to help monetary policy the Budget deficit will rise and government's borrowing requirement will increase and place upward pressure on interest rates."

Dr. Jammine is one of several economists who have come out strongly in support of Dr Stals' tight monetary stance.

They point out that if interest rates are being used as an operational variable to fight inflation, they cannot be brought down until inflation is under control.

And even if interest rate cuts materialise at the end of the year, they would have a negligible impact on unrest as effects take at least six months to filter through to the real economy.

Such poor shape

They warn however that the economy might, six months down the line, be in such poor shape that interest rates might have to drop as low as they did in 1986-87 to get the economy moving once more.

Professor Philip Mohr, head of Unisa's department of economics, says the rest of the world is watching SA to see how it maintains some form of economic stability in a changing political environment.

"If we cannot show signs of economic discipline the world will write us off.

"Dropping interest rates by a few percentage points will have no effect on the real economy.

"It will only bring relief to the haves who have borrowed to the hilt, rather than to the have-nots.

"And if we try to stimulate the economy in the short term we will run into problems further along the line.

"On the fiscal side it was hoped that the tax cuts and the social upliftment programme would provide a welcome lift to the economy.

"But on the one hand there is the organisational problem, and now the spending problem on the ground.

"There is uncertainty as to where the economy is going but I do not believe we have a shortage of funds internally.

"People are merely willing to see what will happen so are holding back investment. Even if we drop interest rates it will not have the desired effect.

"On the positive side the destruction of infrastructure will create the demand for new infrastructure and provide work for construction companies and the like."

Cut services

"The personnel who work directly with these matters have threatened to cut the services to the community if their demands are not met," the spokesman said.

A working committee had been formed to represent the majority of the workers, who were not members of the Public Servants’ Union.

"We are having discussions with Cosatu about whether or not to let them take up our demands.

A meeting between workers’ representatives and the chief director of the Department of Health and Welfare was scheduled for today.

"At this stage services at schools and clinics are not affected. But if the strike continues it will definitely affect both the output of teachers’ salaries and pensions."

Main centres

Clerks, child-care officers, labourers and social workers attached to the regional offices in Wynberg, Mitchell’s Plain, Athlone, Bellville were involved in the stoppage, as well as workers from the Bonnytown Place of Safety, the Ottery and Faure industrial schools and the Porter correction school in Tokai.

Workers in Worcester, Paarl, Johannesburg, Kimberley, George and Port Elizabeth had also downed tools.

All the country’s main centres were affected.

"The administration section is the only government department in which workers have received only a 10 percent increase,"

A letter requesting a 20 percent increase had been sent to President De Klerk 10 days ago.

"We were very disappointed with the way he dealt with the issue."

High priority

Dr L Kathan, chief director of budgetary and auxiliary services in the administration section of the House of Representatives, said: "There is no large-scale strike in the true sense of the word."

The core of the problem is occupational differentiation, which affects the entire public service.

"This issue was taken up with the Commission for Administration. Their reply reflected that the matter would receive high priority."

Flights to Comoros

PRETORIA — South African Airways is set to resume flights to the Comoros in March. Comoran Minister of Tourism Saddoul Youssouf said here two of his country’s major tourist hotels would reopen at the beginning of March — The Argus Correspondent

The weather

Cloudy and cool

(Details, page 2)

Free colour map of the Middle East on FRIDAY

LOOK out on FRIDAY for the detailed colour map of the Middle East which can be included free with every copy of The Argus.

The map’s topicality — as a result of the threat in the Gulf — makes it of importance and interest to people in all groups.

This specially commissioned map of the kind produced in South Africa cases specifically on the Middle East, the Persian Gulf and Kuwait, was invaded by Iraq on August 2.

Bulk orders from educational sources should be made to The Argus Circulation Department, Newspaper House, 122 Bartlet Street, Cape Town or by phoning 3. Don’t miss YOUR Middle-East map on FRIDAY.

Inside today: Exam night

A 12-page special section which goes with the matric science, biology and maths — is inside The Argus today

* See also page 4.
PSL rejects Cosatu offer

The Public Service League yesterday cold-shouldered an offer by Cosatu to mediate in a pay dispute between "coloured" civil servants and the state, charging that the federation had no mandate from the PSL, rank and file.

Motivating its intervention in the wage row, Cosatu (Western Cape) claimed that the PSL executive committee had distanced itself from a work-to-rule by disaffected employees.

Cosatu backed full trade union rights for state sector workers and, as a party to the Labour Relations Act, Minute, was prepared to mediate in the dispute, the federation's Western Cape regional secretary, Ms Lucy Nyembe, said.

But according to PSL general secretary Mr Bernard Wentzel, his organisation had ruled out fully fledged strike, while condemning a go-slow by civil servants until their demands were met.

"As far as we are concerned, Cosatu has no mandate to mediate," he said, adding that Cosatu would first have to prove that it had canvassed the opinions of 50,000 PSL members in 26 regions.

The labour action started on Tuesday and continues on PSL demands for 20% salary rise and wage parity.  —Sapa

SALARY PROTEST... House of Representatives civil servants holding a placard protest over a pay dispute in the city yesterday.  —Picture ALAN TAYLOR
Striking civil servants sit-in at PSL offices

MORE THAN 80 striking Public Servants' League members occupied the organisation's Worcester offices yesterday to protest at the PSL leadership's lack of support for a two-week wage strike.

More than 60 suspended civil servants and 20 others charged with misconduct by the Administration: House of Representatives started the sit-in. PSL general secretary Mr Trevor Wentzel and a Cape Town lawyer visited Worcester yesterday in an effort to defuse the crisis in the organisation's ranks, already struck by defections to a Cosatu-aligned "workers action committee", said strikers.

A spokesman said the PSL executive is due to meet the Minister's Council today — Sapa
Increase in govt home subsidy delayed

By ROBERT LAINES

THE increased housing subsidy for civil servants is expected to be implemented on January 1 instead of this month as state employees anticipated.

Public Servants Association GM Johannes Olivier says: "We have been fighting for this for five years, so another couple of months makes little difference."

The government employees' housing subsidy is to increase from R50 000 to R70 000. Civil servants pay three percent annual interest on housing loans up to the subsidy limit, the state pays the difference needed to meet building societies' bond rates now at about 20 percent. Some employees who were getting a R662 a month subsidy on R50 000 will get R916 on R70 000 loans next year.

"We are very happy with the increase, but we don't see the purpose of the state imposing the limit. Only about 11 percent of public servants using the scheme take housing loans over R70 000. Building societies place limits on people's bonds according to their salaries anyway," says Olivier.

Property agents H. Lewis Trafalgar MD Neville Sheaffer blames government's decision to stilt its employees subsidy increase for Pretoria and Bloemfontein's slow house markets. Civil servants constitute 95 percent of HLT's Pretoria market.
A deposit of R30 must accompany the nomination. Every nomination form in respect of which any of these provisions has not been complied with, or which is not received by the aforesaid date at the address given below, will be invalid.

N. M. PRINSLOO,
Returning Officer.
P.O Box 205
Pretoria
0001

or
553 Vermeulen Street
Arcadia
Pretoria
0083

(2 November 1990)

"In addition to paragraph 6.2 of Circular 2/85 from the then Department of Constitutional Development and Planning, and over and above the maximum subsidies in terms of Part I of Annexure A to the Government Service Personnel Code D.XX (the housing subsidy table) a town clerk may, for the period 1 October 1990 to 31 December 1990 and on a monthly basis, be paid a supplementary housing subsidy in accordance with the following table, on condition that such town clerk is in receipt of a housing subsidy for which the outstanding bond amount exceeds R50 000:

<table>
<thead>
<tr>
<th>Monthly amount deducted by the authority through debit order and paid over to the bondholder as &quot;compulsory capital and interest redemption&quot;</th>
<th>Monthly supplementary housing subsidy</th>
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<tr>
<td>R 1 to R 811</td>
<td>Nil</td>
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<tr>
<td>R 812 to R 900</td>
<td>R40</td>
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<td>R 1 251 and higher</td>
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J. S. KITSHOFF,
Acting Secretary.

(2 November 1990)

'n Depósito van R30 moet de nominasie vergesel.

Elke nominasievorm ten opsigte waarvan een van hierdie bepalings nie nagekom is nie of wat nie teen voorvermelde datum by onderstaande adres ontvang is nie, is ongeldig.

N. M. PRINSLOO,
Kiesbeampte.
Posbus 205
Pretoria
0001

of
Vermeulenstraat 553
Arcadia
Pretoria
0083

(2 November 1990)

RAADSKENNISGEWING 75 VAN 1990

ADDITIONELE BEHUISINGSUBSIDIE

Ek, Jakobus Stephanus Kitshoff, waarnemende sekretaris van die Raad op Beslissing en Diensvoordele van Stadsdoklerke, handelende kragtens magtiging deur die Raad aan my verleen ingevolge artikel 2 (2) van die Wet op die Beslissing van Stadsdoklerke, 1984 (Wet No. 115 van 1984), kondig hiermee vir algemene kennisname aan die ondergeschakelde additionele behuisingsubsidie vir stadsdoklerke van die verskillende grade plaslike owerhede vir die tydperk 1 Oktober 1990 tot 31 Desember 1990 deur die gemelde raad goedgekeur is:

"In Aanvulling tot paragraaf 6.2 van Rondskrywe 2/85 vanaf die destydse Departement van Staatkundige Ontwikkeling en Beplanning, en bo en behalwe die maksimum subsidies ingevolge Deel I van Byl 2.2 van Staatdienst personeelkode D.XX (die behuisingsubsidietabel) mag vir die tydperk 1 Oktober 1990 tot 31 Desember 1990, maandeliks 'n aanvullende behuisingsubsidie ooreenkomstig die onderstaande tabel aan 'n stadsdoklerk betaal word mits hy reeds 'n ontvang van 'n behuisingsubsidie is en sy uitstaande verbandskuld R50 000 corsky:

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J. S. KITSHOFF,
Waarnemende Sekretaris.

(2 November 1990)
Govt faces massive wage bill next year

PRETORIA — Government costs will soar again during the 1991/92 financial year when 760,000 central government and provincial administration workers are likely to collect about R32bn in wages and other benefits.

This calculation is based on the latest Central Statistical Service figures and on the assumption that the wage bill will increase by between 12% and 14% from April.

For the million-strong public sector, the wage bill for the 12 months from April will exceed R38bn.

A Public Servants' Association spokesman said yesterday that most government department workers would not be happy with a 14% increase next year.

He was reacting to a Stellenbosch Economic Research Bureau report which cast doubt on whether government could hold down next year's salary increases to the low level of last year.

It appeared, the bureau said, that the public sector's total pay increase in the new financial year would be close to 12%.

The PSA spokesman said the 700,000 exchequer personnel who got special increases this year might be happy with 14%.

"But for the remaining nearly 300,000 workers, there would be great unhappiness."

"The last time private sector-related salaries were paid to state department workers was in 1983."

Since then, the spokesman said, workers had fallen further and further behind.

However, he said, President F.W. de Klerk had given an undertaking that the 270,000 workers who got only a 10% non-pensionable increase this year would get priority attention in the new financial year.
Democracy forecast in 5 years

CAPE TOWN — South Africa will be run by a multiracial working administration at an early stage, but it will take at least five years for a new negotiated constitution and a democratically elected government to be in place.

This is predicted in a comprehensive new strategic forecast and analysis of South Africa's future in the next five years Saturday Star's Cape Town correspondent has been given an exclusive glimpse of some of the findings.

Instability

The analyses also indicate that South Africans can expect a measure of political and economic instability in the country's transition period, but that overall prospects are largely peaceful.

There will be some volatility in the country's situation, perhaps some more political violence, but the situation will be largely "controllable" or under control.

Based on surveys and studies by five analysts, including Dr. Frederik van Zyl Slabbert, the report entitled "Political Environment Survey", is being launched this month at a price of R2.50 a copy.

Its analyses and forecasts are designed to provide guidelines to businessmen in strategic planning.

The other contributors included Mr. Michael Olivier, businessman, computer specialist and president of the Five Freedoms Forum; Michael Charnas, a specialist in business strategy and market research; and Gail Neke, who has been involved in extra-parliamentary politics for years.

Political analyses are partly based on interviews with more than 100 key leaders across a wide political spectrum.

Among the findings are that it may take at least another five years before a democratically elected government and a new negotiated constitution are in place. Before then, many serious differences between the negotiating parties will arise.

Two broad phases are foreseen in the political process, a period of preliminary negotiation between now and a referendum, and a period of full negotiation to develop a new constitution.

In the pre-referendum phase, it expected to take about 18 months — various agreements will be reached, negotiations will gain momentum and a broad interim mechanism or framework for a constitution will be worked out. A point will be reached where the nation can be consulted — by way of a referendum — on whether to go ahead with a plan of action for negotiations.

At that stage — after the go-ahead has been given by referendum — a new multiracial working administration, which will include a significant proportion of black people, will be set up to run the country.

It will be like an interim government, but is unlikely to be called by that name because of some of its current controversial political connotations.

Such an administration would not be fully democratic, as it would not have been democratically elected.

Nitty-gritty

Once such a working administration is in place, the real nitty-gritty of the new constitution will be negotiated. This will be the difficult phase — expected to take another three or four years.

One of the crucial issues to be resolved once black people have been incorporated at all levels into the country's administration is the evolution of the security forces for the "new South Africa".

It is foreseen that once black people share power and responsibility in the country's administration, it will be essential to reflect corresponding changes in the entire security system, including the Defence Force and the police.
PRETORIA — Public sector staff associations will tell government in an expected salary showdown in the new financial year that the 36% pay hike MPs voted for themselves earlier this year contradicted President FW de Klerk's appeal for moderate salary demands.

Earlier this year MPs voted themselves 36% pay increases against the 15% non-pensionable allowances given to government workers.

Senior government workers emphasised yesterday if Cabinet expected moderation in increase demands it had to demonstrate moderation in the increases which politicians granted themselves in the new financial year.

Expectations among senior public servants are for increases of 15%.

The Public Servants' Association, which speaks for about 360 000 central government workers, says it will base its case for increases firmly on government commitment to pay private sector-related salaries.

Also, PIAA GM Hans Olivier says De Klerk undertook to give special priority to government workers who received only the 15% non-pensionable allowance in April.

Informed calculations show the 308 MPs in the three houses of Parliament will earn well in excess of R36m this financial year.

The 22 white ministers and their 12 deputies will earn about R22m excluding perks.

An example of perks is the nominal rents they pay for houses in Cape Town and Pretoria.

Earlier this year, MPs got an across-the-board pay hike of R13 000 a year, plus the 10% non-pensionable allowance granted to government workers.

This gave them a salary of R84 000— an increase of about 28%.

A Cabinet minister's total salary, including a reimbursable allowance of R36 616, jumped about 10% to R125 580.
OFFICE OF THE COMMISSION FOR ADMINISTRATION

For general information it is hereby notified that the State President has, under the powers vested in him by section 35 of the Public Service Act, 1984 (Act No. 111 of 1984), made the following regulations:

The Public Service Regulations, published under Government Notice No. 2047 of 11 December 1959, as amended, are hereby further amended by—

(a) the insertion in the seventh line of regulation 3.1 of the word “individuals” after the words “different” and the deletion of the words “or classes”, “sections, branches or offices”, “classes” and “or for individuals within such classes or groups, or for sections, branches or offices”; and

(b) the substitution for regulation 3.2 of the following regulation:

“3.2 The head of a department determines the hours of service of an officer or a full-time or part-time employee, provided that—

(a) in the case of an officer or full-time employee, a minimum of 40 hours of service per week has to be rendered; and

(b) in the case of a part-time employee such determination be done in accordance with the basis upon which such an employee is employed and remunerated in relation to a full time employee and the result thereof represents the minimum hours of service a part-time employee has to render.”.

KANTOOR VAN DIE KOMMISSIE VIR ADMINISTRASIE

Hierby word vir algemene inligting bekendgemaak dat die Staatspresident kragtens artikel 35 van die Staatsdienstwet, 1984 (Wet No. 111 van 1984), die ondergenoemde regulasies uitgevaarig het:

Die Staatsdienstregulasies gepubliseer by Gouvernementskennisgewing No 2047 van 11 Desember 1959, soos gewysig, word hierby verder gewysig deur—

(a) in regulasie 3.1 die woord “individu” in te voeg na die woord “verskillende” waar dit die tweede maal in die sesde reël voorkom en deur die woorden “of klasse”, “afdelings, takke of kantoore”, “klasse” en “of vir individue binne sodanie klasse of groepe, of vir afdelings, takke of kantore” te skrap; en

(b) regulasie 3.2 te skrap en deur die volgende regulasie te vervang:

“3.2 Die departementshoof bepaal die diensuur van ‘n beampte of ‘n volbydse of deelbydse werknemer, onderworpe daaraan dat—

(a) in die geval van ‘n beampte of volbydse werknemer, ‘n minimum van 40 diensure per week gelever moet word, en

(b) in die geval van ‘n deelbydse werknemer, sodanige bepaaling geskied as die hand van die grondslag waarop so ‘n werknemer in verhouding tot ‘n volbydse werknemer in diens geneem en beslissig word en die resultaat daarvan die minimum diensuur verteenwoordig wat ‘n deelbydse werknemer moet lever.”.

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ANNEXURE

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The Public Service Regulations, published under Government Notice No 2047 of 11 December 1959, as amended, are hereby further amended by—

(a) the deletion in regulations A1.1 (definition of “abroad”) C14.1 (1) (i), F1.1 (a) and F.2.2 (a) of the words “and the Territory”;

(b) the deletion in regulation A1.1 (definition of “Non-White authority”) of the words “a legislative assembly or authority referred to in the Development of Self-government for Native Nations in South-West Africa Act, 1968 (Act No. 54 of 1968)”;

(c) the deletion in regulation A13.1 (a) (i) of the words “the national assembly of the Territory or a legislative authority of a population group in the Territory”;

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BYLAE

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(a) in regulasies A1.1 (woordomskeuring van “buteland”) C14.1 (1) (i), F1 1 (a) en F 2.2 (a) en F3.3 die woord “en die Gebied” te skrap;

(b) in regulasie A1.1 (woordomskeuring van “Nie-Blanke overheid”) die woorde “‘n wetgewende raad of overheid bedoel in die Wet op die Ontwikkeling van Selfbestuur vir Natuurvolke in Suidwes-Afrika, 1968 (Wet No. 54 van 1968)” te skrap;

(c) in regulasie A13.1 (a) (i) die woorde “die Nasionale Vergadering van die Gebied of ‘n wetgewende owerheid van ‘n bevolkingsgroep in die Gebied” te skrap;
Public servants stage sit-in at US consulate

By SHARON SOROUR
Labour Reporter

FOUR government workers from Worcester who were suspended for taking part in a work stoppage are staging a sit-in with two others at the American consulate in Cape Town.

The four, from the House of Representatives administration section, were among 83 suspended in Worcester and 50 around the country six weeks ago.

They are refusing to leave the foyer of the consulate in Broadway Centre until their demands for a 20 percent wage rise and elimination of disparate salary adjustments are met.

The group arrived in Cape Town yesterday to ask Consul-General Mr Charles Baquet to contact the American Embassy in Pretoria and President De Klerk to send a “senior official” to the consulate to address their grievances.

Mr Baquet refused to contact President De Klerk but explained during a two-hour meeting that he was willing to convey their concerns to the US embassy in Pretoria.

“It was not our intention to occupy the offices,” said sit-in member Mr Pedro George.

“We came here to ask them to address our grievances and they have not done that. We are going to stay here until our demands are met — it doesn’t matter how long it takes.”

The four suspended workers — Mr George, Mr Andre Stryers, Ms Doreen Februari and Mr Albert de Jager — were accompanied by two community members — the Rev Neville Swartz and Mr Ferdie Fourie.

They had no food or water and were not allowed to use the consulate’s toilet facilities, Ms Februari said.

The industrial action by House of Representatives' workers started on October 16 when scores of workers downed tools after talks between the Public Servants' League and the House of Representatives reached an impasse.
By CHIARA CARTER
THE crunch in annual wage negotiations in the Cape cotton industry is likely to occur within the next week.

According to Sactwu national organiser, Mr John Eagles, the union expects employers to table their final offers within the next week.

Sactwu itself is finalising activities to highlight living wage demands in the industry. Already four disputes have been declared — two by employers and two by the union.

"We anticipate tough sessions. Employers" offers have so far been in the R20 to R30-a-week range. This is not near the bottom line demand of workers," Eagles said.

A key demand put forward by the union is the re-establishment of a central bargaining forum.

The Industrial Council for the Cotton Textile Manufacturing Industry (Cape Province) was formally dissolved earlier this year following the withdrawal of major employers, including Barlow Rand subsidiaries, from the employer forum.

This year's negotiations are being conducted at plant level at about 19 different companies in the Cape Peninsula and Boland.

According to Eagles, the union has formed a negotiating council to coordinate negotiations so that employers face uniform demands.

The union has adopted a hardline approach on non-union members and is demanding that employers implement lower increases for workers who do not belong to the union.

"The industry is highly unionised, with more than 90 percent of workers union members. We are adopting an extreme view on freeriders. We hope that they will decide to enter the union," Eagle said.

Other demands include proclaiming Sharpville Day as a paid holiday and standardising benefits in the industry.

While the implementation date for the agreement is January 1, Eagles said Sactwu was prepared to continue negotiations in the new year if necessary.

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Civil servants code

A WIDE range of public sector employee organisations met with the Commission for Administration in Pretoria last week and agreed on an interim labour relations code for public servants who are excluded from the Labour Relations Act.

The historic meeting agreed existing labour legislation in the public service is "inadequate" and employees should be involved in drawing up a new system which would include the entire public service.

The meeting set up a collective bargaining mechanism which will meet in January next year.
A COMMANDER of Umkhonto we Sizwe, Mr Collins Chavani, urged delegates attending the annual general meeting of the Gazankulu Public Servants Association at the weekend to consider identifying with a political organisation.

Speaking on Gapsa's role in the new South Africa, Chavani said: "As public servants you must form democratic non-racial structures that are in keeping with a new South Africa".

He added that public servants should not be deterred by acts that prohibited them from active political participation.

"It is only in a democratic country where people have a vote and can influence decisions that we can expect public servants to abstain from politics," he said.

The Gapsa general meeting that was attended by 300 delegates was due to reach a crucial stage yesterday when motions will be tabled before winding up.

It is expected that one of the motions will question the association's stance on the Ximoko Progressive Party led by Gazankulu chief minister, Prof Hudson Ntsawanis.

It is believed the motion could trigger controversy because although the majority of the membership is believed to be identifying with the ANC, there are those members who support Ximoko, the PAC as well as those who maintain a neutral political stance.

It is the first time that Gapsa, whose theme during the meeting was "The place and role of a public servant in the present political scenario towards a new South Africa", has been called in its 11 years of existence to take a political stand. - Sapa
R5bn fund mooted for social spending

THE Cabinet has appointed a committee of five Deputy Ministers headed by Deputy Finance Minister Org Marsais to investigate the creation of a R5bn fund for social spending a business source said yesterday.

Marsais has sent confidential letters to private business asking for their views on the establishment, financing and use of such a proposed fund.

The source, who has read the letter, said figures mentioned were "in the region" of R5bn. He said the committee was looking at various sources of finance for the fund, including soccer pools, international aid or loans and government grants. It had also asked the private sector for suggestions.

It is understood the main focus of the fund would be on urban development.

Letters have been sent to industry associations including the life offices, banks and building societies, mining, and commerce and industry. Eskom is also said to have been asked to provide feedback.

Marsais last night confirmed that Cabinet had appointed a task group to examine various financing options for social spending put forward by the private sector.

The group was co-ordinating existing information on social upliftment of the poor, including reports, memorandums and proposals from the private sector. He declined to confirm or deny that the creation of a R5bn fund was being considered.

"The task group will examine various financing options that have been proposed by the private sector. The task group will start investigations early next year and should submit a memorandum to the Cabinet fairly shortly," he said.

Marsais also declined to comment on whether the ANC, the Development Bank and groups other than business would be consulted but said he had invited "different interest groups" to submit their recommendations to the task group.

The group would also draw information from government committees such as the Callitz committee on poverty and the Pretorius committee on housing.

A business source said there was some confusion as to whether a new fund would be created or whether it would fit into existing development structures such as the newly created Independent Development Trust.

R5bn fund

Business people hoped the result of the investigation would be more co-ordination in spending on social backlogs, he said.

If a new fund is created, it is not expected to form part of central government's budget - a move which could elicit criticism if government funds are used to finance it. The announcement of the off-budget Independent Development Trust in the last Budget drew criticism from economists - including the IMF - who said the fund should form part of the Budget as it was financed by government loan funds.

Government was able to finance the fund to the tune of R2bn from borrowings it did not need because of a massive revenue overrun. Economists predict another overrun on revenue this fiscal year, leading to extra funds for development spending.
Govt hints at rise in social spending

FINANCE director-general Gerhard Crouser hinted strongly yesterday that a higher proportion of the budget would go to social spending and there would be huge real cuts in other areas to finance this.

"Some 40% of the national budget is already going to what broadly may be designated as welfare spending. With goodwill on all sides — and I assure you it exists in the government's side — this proportion will grow," he told a seminar organised by the Wits Centre for Policy Studies and the Konrad Adenauer Foundation in Johannesburg yesterday.

There would have to be a more drastic rearrangement of national budget priorities, with spending scaled down further in the "traditional" areas and raised in the socio-economic sphere.

"Here, I suggest, is the real 'redistribution' — and the only sustainable one."

Although he did not specify areas where cuts would occur, he is believed that substantial real cuts in aid to the homelands, as well as in spending on obsolete policies such as decentralisation, would help finance higher social spending.

"Crouser said public sector functions were being scaled down or abolished; the remaining functions were being rigorously prioritised, and subjected to cost-benefit analysis and the application of user-charging was being extended.

But he warned against expecting too much, since there were "severe financial constraints". A large portion of the "peace dividend" from less military spending had already been "gobbled up" by higher security expenditure because of unrest.

SA Chamber of Business economist Ben van Rensburg noted that the achievement of parity between races in per capita government spending on education, housing, pensions and health care would require spending of R32bn, 10% of the budget.

"Immediate equal treatment would simply not be affordable, nor physically possible, because of the lack of facilities and trained manpower to do the job," he said. Sacob was advocating a 10-year plan to eradicate these imbalances and hoped existing inequities would not lead to the choice of the "wrong" (centrally planned) economic system.
PUBLIC SECTOR - CIVIL - GENERAL

1991

MARCH - DEC.
Public servants’ boss speaks of anxieties

PRETORIA — Government workers’ rights and privileges would only remain entrenched in the Public Service Act as long as this pleased any new legislators, Public Servants Association GM Hans Olivier said in Pretoria yesterday.

Speaking at a conference on the public service in a new SA, Olivier outlined a number of workers’ anxieties.

There was uncertainty about changes ahead and acceptance of workers by a future government.

President FW de Klerk’s recent reassurances that careers and pensions would not be prejudiced in any future dispensation had been welcomed.

Olivier said only 27% of clerical posts in the service were held by blacks and in the rest of the service there were slightly more than two whites for every black.

There was, therefore, an imbalance favouring whites which could be unacceptable to a non-racial government.

This could force a move towards short-term efforts at a more realistic balance.

It could also be questioned whether a future government would feel bound by previous commitments to the employers’ pension fund contributions and whether pensioners could rely on existing benefits being perpetuated.

It was an open question whether the funds should not be privatised, said Olivier.

REACHING out and touching a foreigner by letter, parcel or postcard will cost South Africans between 10% and 20% more from April 1.

The Posts and Telecommunications department yesterday announced an increase in surface and airmail foreign postal rates.

The department said the adjustment was necessary because of escalating operating costs and increased payments to foreign postal services.

There will be a 20% increase in the cost of sending airmail letters to most countries, including Eastern and Western Europe and some Middle Eastern, African and South American countries.

Where it previously cost 50c for each 10g, from April 1 the price will be 60c.

The department said the basic airmail parcel tariff to Great Britain, for example, would now be R11.20 (previously R10.20) for the first 250g and R23.80 (R23.60) for every additional 250g.

Airmail rates for letters to the US have increased by 10c to 75c for each 10g.

The cost of sending letters of up to 50g by surface mail to Botswana, Burundi, Lesotho, Malawi, Swaziland and Zimbabwe will increase by 5c to 40c an item — an increase of 14%.

Letters weighing up to 20g and destined for other foreign countries will cost 40c to send by surface mail instead of 40c.

Airmail letters sent to neighbouring African countries will now cost 40c (35c) for each 10g.

The postage on surface mail parcels will be R11.20 (up 16,5% from R9.60) for the first kilogramme.

The basic postage on airmail letters to Taiwan will be 65c (50c) and for airmail parcels R16.70 (R15.10) for the first 250g and R31.30 (R30.20) for every additional 250g. The surface mail tariff for parcels will be R13.90 (R13) for the first kilogramme.

Public Enterprises Minister Dawie de Villiers announced in his Post Office budget last month that standard inland postage rates would go up by 4c to 25c a letter.

Postage on ordinary parcels of 1kg would increase by 40c to R2.50, De Villiers said. Particulars of the new tariffs were available at all post offices, the department said.
3 out of 10 whites work for the state

Political Staff

ALMOST 29% of the 2.1 million economically active whites are employed by the public sector including Transnet, the Minister of Home Affairs, Mr. Gené Louw, has disclosed.

He said 988 884 whites were employed in the public sector, 519 354 if Transnet was excluded.

11% of blacks

Replying to a question tabled by Mr. Peter Gastraw, DP Durban Central, Mr. Louw said 1 402 355 people were employed in the public sector, including Transnet.

They included 200 623 coloureds, 42 925 Asians and 824 937 blacks.

This meant that 16.1% of the 1.2 million economically active coloureds, 12.2% of the 351 500 economically active Asians and 11% of the 7.5 million economically active blacks were employed by the state.

Mr. Louw said the public sector comprised the executive institutions for general and own affairs, civil services of the self-governing homelands, local authorities, parastatal institutions, universities and technikons, agricultural market boards and public corporations, including Transnet.
Number of public service posts increases

CAPE TOWN — The public service grew by 5,615 posts — a 2.32 percent increase — last year, the Government has said.

Roger Burrows, DP spokesman on the Commission for Administration, tabled parliamentary questions on the number of posts abolished in the public service.

Minister of State Expenditure Amie Venter said while 8,658 posts were abolished in 29 departments, 14,168 posts had been created, leaving an increase of 5,615.

On January 1 last year there were 241,692 posts in the public service and on December 31, 247,307.

These figures exclude the correctional service, police and defence force.

Despite the Government's intention to overcome fragmentation in government structures, the House of Assembly had a net increase of 1,041 posts in 1990 and the House of Representatives 762. The House of Delegates lost 53.
R1,9 billion for pay rises

By PETER DENNEHY

CIVIL servants — but not teachers — will get pay rises amounting to R1,9 billion from July 1 in terms of an agreement reached between their unions and the Commission for Administration in Pretoria last week.

The general secretary of the Health Workers' Union (HWU), Mr Dale Forbes, said yesterday that the union and 10 other unions at the negotiations represented 300,000 workers, but the total number of employees affected by the agreement that was reached last week was 720,000.

"The total amount made available was R1,97 billion," Mr Forbes said. "Of that, R312 million will be used to convert the 10% non-pensionable allowance that public servants received last year into an ordinary pensionable part of their salaries."

Another half-billion rand had been set aside to "partially eliminate structural disparities between certain classes of employees," Mr Forbes said. This affected mainly middle- and upper-income earners.

A "differentiated general salary adjustment" had also been negotiated in terms of which lower-paid workers would get an increase "slightly above the rate of inflation" from July 1.

Mr Forbes said he was not allowed to disclose the overall pay increase figure. However, he was particularly pleased that his union, in conjunction with the National Education Health and Allied Workers' Union (Nehawu) and the Natal Provincial Administration's staff association, had managed to "shift the emphasis slightly" in favour of the lower-paid workers.

In previous years, he said, consultative meetings had been held with the unions, but the government itself had decided on the pay increases. This year the government had negotiated with the unions for the first time.

Mr Danie Vorster, a public relations officer for the Commission for Administration, said his organisation would not comment at this stage.

Mr A J Dippenaar, chief executive officer of Hospersa, a civil service association, confirmed that discussions had taken place between 11 staff associations and the Commission for Administration last week on the use of funds allocated for the improvement of conditions of service.

Recommendations had been made to the Commission "for consideration and approval. An implementation date of July 1 1991 "seemed to offer the most favourable dispensation for personnel," he said.
Cape cuts posts but civil service keeps growing

Political Staff

The Public Service grew by 5 615 employees last year in spite of government promises to trim bureaucracy.

The acting minister for Administration, Mr Amir Venter, disclosed yesterday that the service had grown from 241,682 to 247,307 employees, a 2.32% increase — during 1990.

The Cape Provincial Administration cut its numbers by 245.

Mr Venter was responding in writing to a question tabled in Parliament by Mr Roger Burrows, DP MP for Pinetown.

The biggest increases were in the House of Assembly administration, which grew by 1,041 posts, and the Transvaal Provincial Administration, where an additional 2,542 people were employed.

The only administration in the tri-cameral Parliament to register a decrease was the House of Delegates, where the number of employees dropped by 53.

The House of Representatives' administration grew by 762 posts.

(School Standard Parliament)
Pay rise inadequate, say public servants

By SHARON SOROUR  
Labour Reporter  3/9/91

PUBLIC servants — set to get pay increases amounting to R1.9 billion from July 1 — have slammed the budgetary allowance as "totally inadequate".

Discussions were held at the end of March between the Commission for Administration and 11 public service associations and unions to determine how to allocate the R3.735 billion the government had set aside for improving their conditions of service.

The talks — described as "historic" because it was the first time in public service history that the negotiations on how to "slice the cake" took place — excluded teaching staff who will thrash out their own package with the Minister of National Education.

In reports last week, Commission for Administration chairman Dr Piet van der Merwe said it was the first step towards establishing a formal negotiating forum between employees and the State as employer.

In a statement, Public Servants League (PSL) general manager Mr Bernard Wenzel said the amount was "totally inadequate".

He said: "This amount will have to be divided between the public sector and the education sector, which involves about 600 000 workers.

"It will not be able to eradicate the backlog and differences in salaries of 146 occupational groups who did not have salary adjustments for the last seven years."


The MINISTER OF WATER AFFAIRS AND FORESTRY

TRA NSAAL  NATAL  CAPE PROVINCE  ORANGE FREE STATE

(a)  133  257  127  Nil
(b)  89  251  126  Nil
(c)  25 211 ha  84 196 ha  29 812 ha  1
(c)  44  6

(n) The maximum permissible area for afforestation in the relevant catchment or sub-catchment had already been fully allocated.

Public servants: retured on pension

Dr W J Botha asked the Acting Minister for Administration:

In respect of each salary category and the latest specified period of five years for which information is available, (a) how many public servants retired on pension, (b) how many of these officials had bought back pension and (c) how many of these officials had been promoted only during the above-mentioned period had received such promotion in the (aa) last year of service, (bb) second-last year of service and (cc) third-last to fifth-last years of service and (u) in which years of service had officials who had been promoted more than once during the above-mentioned period received their very last promotion before retirement?

B717E

The ACTING MINISTER FOR ADMINISTRATION

(a) and (b) The Department of Finance has indicated that the required information is not kept on a central system and that it will take several months, at great cost, to withdraw the information from individual files.

(c) The relevant information is not available from any central record, as each department handles its own promotion matters and the Commission for Administration's recommendation is requested only in those cases that are not assigned or delegated. To obtain the information, each department will have to consult its archive records, which will be costly in terms of man-hours. If the information is still required, the question will have to be addressed to each department individually.

Broad categories: persons employed

Mr P H P Gastrow asked the Acting Minister for Administration:

(a) How many (i) Whites, (ii) Coloureds, (iii) Indians and (iv) Blacks were employed in the following broad categories in Departments viz. Labourers, Educators, Nursing, Services and Other Personnel and (b) what total number of persons in each race group was employed in Departments as at 30 September 1990?

B735E

The MINISTER OF STATE EXPENDITURE AND FOR REGIONAL DEVELOPMENT

ANNEXURE

<table>
<thead>
<tr>
<th>(i)</th>
<th>Whites</th>
<th>(ii)</th>
<th>Coloureds</th>
<th>(iii)</th>
<th>Indians</th>
<th>(iv)</th>
<th>Blacks</th>
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<tr>
<td>Labourers</td>
<td>1 140</td>
<td>33 428</td>
<td>1 453</td>
<td>132 143</td>
<td></td>
<td></td>
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<tr>
<td>Educators</td>
<td>68 437</td>
<td>39 188</td>
<td>13 139</td>
<td>58 624</td>
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<td>Nursing</td>
<td>23 432</td>
<td>15 362</td>
<td>5 773</td>
<td>29 252</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Services</td>
<td>87 466</td>
<td>13 685</td>
<td>3 871</td>
<td>51 428</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Others</td>
<td>12 408</td>
<td>17 817</td>
<td>7 071</td>
<td>22 965</td>
<td></td>
<td></td>
<td></td>
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<td>(b)</td>
<td>302 883</td>
<td>119 680</td>
<td>31 307</td>
<td>294 432</td>
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</table>

## TUESDAY, 9 APRIL 1991

### Administrator of Natal: overseas trip

Mr M J Ellis asked the Minister of Planning, Provincial Affairs and National Housing:

Whether the Administrator of Natal recently went on an overseas trip to Hong Kong, if so (a) who authorised the trip, (b) what was the purpose of it, (c) who accompanied him, (d) what was the (i) duration and (ii) cost of the trip and (e) who paid for it?

B739E

The MINISTER OF PLANNING, PROVINCIAL AFFAIRS AND NATIONAL HOUSING

Yes

(a) The Minister of Planning, Provincial Affairs and National Housing

(b) The purpose of the overseas trip was two-fold—

(i) to encourage affluent businessmen and persons with competence and expertise in respect of labour intensive industries to resettle in Natal with a view to creating job opportunities in the region and the development of an infrastructure which will offer a high degree of training to a great number of the unskilled in Natal, and

(ii) to recruit engineers, medical personnel and persons trained in the technological field for the Natal Provincial Administration

Dr N E Howes, Director-General of the Natal Provincial Administration as well as municipal councillors, town clerks and members of the private sector

(d) (i) 11 days

## TUESDAY, 9 APRIL 1991

### Natal Education Department posts

Mr R M Burrows asked the Minister of Education and Culture:

(1) Whether, at the meeting of the Natal Education Council held on 4 March 1991, the Executive Director of Education in Natal gave an indication of the number of posts which will be abolished or declared redundant in the Natal Education Department at the end of 1991, if so, (a) what number was so indicated and (b) in which education areas will cuts be made initially.

(2) Whether any other executive directors have indicated, in quantifiable terms, the number of posts which will be abolished or declared redundant in the provinces concerned, if so, what number in each such province.

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

B667E

The MINISTER OF EDUCATION AND CULTURE

(1) Yes,

(a) ± 640,

(b) pre-primary and remedial education, extra-curricular music schools and teacher training,

(2) no,

(3) no.
WEDNESDAY, 10 APRIL 1991

Persons gainfully employed

200 Mr P H P GASTROW asked the Minister of Home Affairs the percentage of gainfully employed persons (a) Whites, (b) Coloureds, (c) Indians and (d) Blacks were (i) directly and (ii) indirectly in State employment in the Republic as at 31 December 1990?

The MINISTER OF HOME AFFAIRS

(a) 530
(b) 104
(c) 74
(d) 11
(i) 104
(ii) 74

* Represents — Central Government
— Provincial Administrations
— Government Trade Establishments

** Represents — Civil Services of the Self-governing Territories
— Local Authorities
— Parastatal Institutions
— Universities and Technikons
— Agricultural Marketing Boards
— Public Corporations

NOTE

1 The number of gainfully employed persons is based on the midyear estimate of the economically active population, the number of unemployed persons and the ratio of self-employed persons according to the 1980 Population Census.

2 The information furnished is as at 30 September 1990 as the result of the survey for the quarter ending 31 December 1990 and is not yet available.

Outstanding telephone applications

212 Mr R R HULLEY asked the Minister of Mineral and Energy Affairs and Public Enterprises what was the total number of outstanding telephone applications in the area reserved for (a) White and (b) Black occupation in each specified major urban area of the Republic as at the latest specified date for which information is available?

The MINISTER OF NATIONAL EDUCATION

(1) (a) The Port Elizabeth Technikon is the only technikon which serves the Port Elizabeth area. Students of all population groups are registered at this technikon which falls under the Department of Education and Culture, Administration House of Assembly.

(b) 1991

(2) 3 000
(3) 4 400

(3) The Department of National Education does not initiate the planning and building of technikons. The State Departments responsible for education should be approached in this regard.

(4) This information is not available from the Department of National Education.

Unemployment Insurance Fund

243 Mr P H P GASTROW asked the Minister of Manpower what was the balance of the Unemployment Insurance Fund at the end of 1990, (a) what was the total amount (i) paid into the fund by State employers and employees and (ii) paid out in benefits in that year and (b) how many applicants were benefits paid.

(1) What was the balance of the Unemployment Insurance Fund at the end of 1990, (a) what was the total amount (i) paid into the fund by State employers and employees and (ii) paid out in benefits in that year and (b) how many applicants were benefits paid.

(2) What was the present average rate of interest received by the Fund and (b) what amount was paid from the Fund in 1990 in respect of administration costs?

(3) What was the present average rate of interest received by the Fund and (b) what amount was paid from the Fund in 1990 in respect of administration costs?

(4) What was the total amount in uncalled money in the Fund and (b) how many persons are involved in this amount?

(5) How many employers were registered with the Unemployment Insurance Fund as at 31 December 1990?

The MINISTER OF MANPOWER

(1) R 194 000 276 (reserves)
(2) (a) 25,000
(3) 3,000
(4) 700
(5) 14,786

(b) R 834 200 705
(b) 570 102
(b) 14,786
(b) Not available
(b) Not available

(a) R 41 757 077 (depreciation excluded)
(a) Not available
(a) Not available
(a) 167 856
What to do with R3,7-bn for SA public servants

Political Staff

PUBLIC SERVICE pay talks start in Pretoria tomorrow to decide how to spend the R3,735-billion government has set aside for improving public servants' deals.

Officials of the Commission for Administration will meet representatives of public service associations and unions to determine how the cake is sliced.

First step

It will be the first time that the government consults State employees on how to spend a fixed amount allocated to them. Previous announcements of public service increases, such as the 10 percent non-pensionable allowance of April 1 last year, were criticised.

"This is the first step towards the establishment of a formal negotiating forum between employees and the State as an employer," the chairman of the Commission for Administration, Dr Piet van der Merwe, said yesterday.

It was the start to meaningful negotiations between the two sides, he said, recognising the right of those in the public service to freedom of association and collective bargaining.

The talks are scheduled for tomorrow and Thursday. Early speculation of this year's deal centres on a fixed lump sum for everybody from July 1.

Paying everybody the same amount would narrow the gap between higher and lower ranks. It would constitute a bigger percentage increase for the lower echelons than for their seniors.

This principle was applied in an increase on April 1 last year. All were given R12 000 more, meaning 13.9 percent for ordinary MPs and 7.6 percent for Cabinet ministers.

Further speculation is that the controversial 10 percent non-pensionable allowance will be consolidated and become pensionable from July 1.

Dr van der Merwe said, in response to this speculation, that the negotiations would be open-ended. "Everything is negotiable. The only thing is fixed at the moment is the amount of money allocated (R3,7 billion)," he said.

What emerged from the negotiations -- how the cake was divided -- depended on how strongly the associations and unions felt about the issues, he said.

If they felt very strongly, for instance, that the 10 percent non-pensionable allowance should be consolidated: "then it would have to be taken into account," he said.

Last Wednesday's budget noted that part of the R3,7 billion would go towards the pensionable phase of eliminating disparities between males and females in education.

The Public Servants Association of South Africa (PSA) has put the State on notice that it will be pushing for four things:

- Sufficient funds to cover occupational differentiation;
- Removing disparities between certain occupational family groups;
- Consolidation of the 10 percent non-pensionable allowance and;
- Key scales -- modest salary adjustments to make an adjustment date later than April acceptable to public servants.

"We're not really in favour of a later date," Mr Hans Olivier, General Manager of the PSA, said today. "We will only be in favour if it benefits public servants," he said.
Govt's subsidy loophole abused

By BARRY STREEK

A LOOPHOLE in the government's housing subsidy scheme for civil servants resulted in overpayments and abuses which varied between 37% and 100% per department.

The abuses of the loophole were discovered by the auditor-general's office and as a result, new rules for the lucrative subsidy were introduced on August 1 last year.

The level of the abuses emerged in the evidence given to the House of Assembly select committee on public accounts in May, 1988.

But the minutes of the evidence were tabled in Parliament only at the end of last week and, in terms of parliamentary rules, could not be reported until they were tabled.

In the evidence, the Democratic Party's former finance spokesman and now South African ambassador in Washington, Mr Harry Schwarz, described the abuses and loophole as "dishonest" and "shocking."

The loophole enabled civil servants to use their housing subsidies for movables as well as immovables.

Yesterday, Mr Schwarz said from Washington that it would not be appropriate for him to make any further comment.

The auditor-general, Mr Peter Wronwley, and the senior assistant auditor-general, Mr Chris Engelbrecht, said it would be impossible to establish a real figure for the amount of money involved in the use of the loophole.

However, they both said the new scheme would be monitored in an attempt to prevent errors and loopholes.

The former auditor-general, Dr Joep de Loor, told the committee that 70,000 civil servants participated in the housing subsidy scheme.

"He did not think all the civil servants were being overpaid," asked Mr Schwarz how many had been overpaid, Dr de Loor said: "That has not been determined but we have percentages here."

"In some cases, we have found incorrect payments varied between 37% and 100%, mainly in the form of overpayments,\" Mr Schwarz said: "Is that in a department?"

"Yes, that is in a department,\" Dr de Loor said.

Mr Schwarz then said the public was very unhappy about these subsidies and there was a great amount of dissatisfaction for a variety of reasons.

"We are going to have the situation where from a public image point of view for the public service, this volume of abuse will have an adverse public reaction,\" Dr de Loor replied. "We all agree that the housing subsidy is a valuable and useful fringe benefit."

"The problem is how to deal with the complexity of rules and regulations that have to be complied with."

"The individual departments do not have the necessary qualified personnel to apply the rules properly.\"
Public servants want say in allocating increases

PRETORIA — The Public Servants’ Association (PSA) will start negotiating next week with the Commission for Administration on how the R3.7bn Budget allocation for government workers’ salaries and benefits will be spent.

PSA GM Hans Olivier said the association’s main concern was how much of the money would be allocated to career differentia ted pay hikes.

Finance Minister Barend du Plessis angered public servants by failing to give a detailed breakdown of the R3.7bn set aside in the Budget for public sector benefits.

There were more than 140 career groups in the service who had fallen far behind private sector pay levels, Olivier said.

The amount to be spent on across-the-board increases for all government workers would also be negotiated.

Olivier said a second

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Pollution threat to river

A RIVER running through Sandton faces a major pollution threat from domestic garbage dumped by residents of nearby Alexandra township.

The Sandton Chronicle newspaper reported this week that the Jukskei River was threatened with pollution from household garbage being dumped on Alexandra’s Far East Bank area.

The refuse should have been deposited at the Limbro Park dump.

The newspaper asked who would take responsibility for ensuring the refuse reached the dump as it did, the Alexandra Town Council had to all intents and purposes been taken over by the Alexandra Civic Organisation (ACO).

Sandton councillor Jo Marais, through whose ward the river flows, said the problem was growing.

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BUFFALO CORPORATION LIMITED

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31 Dec
CAPE TOWN — Gloomy but frank acknowledgement of the extreme levels of poverty in SA were made yesterday by Finance Minister Bar- end du Plessis.

In 1989, some 44% or about 16 million people of the population, including the independent homelands, were estimated to be on very low incomes. He said, "One of the most daunting socio-economic issues is the great gap in development and income between people and communities. "SA has one of the most unequal distributions of income in the world; but that is more disturbing than the millions of South Africans who have to make do with pitifully low incomes. "And there are similar disparities in the ownership of assets," Du Plessis said.

Government's goal was a new SA with justice for all and political, social and economic equality.

"It is the considered judgment of this government that the means to securing justice for all lies in the process of purposeful even-handed, alike in the political, the social and the economic fields," Du Plessis said.

The theme of the 1991/92 budget was therefore "equity through growth and stability," Du Plessis said.

The Budget Review, prepared by the Finance Department, stated that the extent of poverty in SA was "still extremely great. "Poverty levels have increased over the past decade and a half. "This is reflected in the fact that the real gross domestic product (GDP) per capita has fallen since 1981 at an average annual rate of 1.5%.

Unemployment in SA had shown an upward trend since the mid-1970s. The decline in the labour absorp-

tion capacity of the economy had assumed daunting dimensions.

In 1965-1970, 76.3% of the increase in the labour force was absorbed by the formal sector, but this fell to 62.7% between 1970 and 1975, 35.4% between 1975 and 1980, 21.5% between 1980 and 1985, and "an exceptionally low level of 12.5%" between 1985 and 1990.

"The implication is that only about 125 out of every 1,000 new entrants to the labour market in 1985 to 1989 were accommodated as full-time employees in the formal sector.

"Unemployment, therefore, has largely become a characteristic of the South African economy as a structural problem."

The review said evidence submitted to Vaform for eligible children younger than 12, the aged, the social dependents, and certain categories of unemployed needed urgent direct aid.

CAPE TOWN — Parliament’s 308 MPs, who last year earned salaries worth R26.2m, will get a pay rise of 27.4% worth R5.8m.

The overall cost of parliamentary salaries, including pensions paid to MPs, administrators and members of the President’s Council, will rise by 27.7% to R104.4m.

The latest pay increases for parliamentarians follow a double pay rise last year which increased MPs’ salaries by 25% and Cabinet Ministers’ by 17%.

While no details of MPs increase were provided Ministers are to get R137,000 a year, including a reimbursable allowance of R40,782, and deputy ministers R135,000 a year, including a reimbursable allowance of R30,930.

He said some of the resources released by pay freeze had to be rerouted to the maintenance of law and order and a total of R4,638bn was now provided — an increase of 53%.

Raising crime, the need for certain security steps and the mass action campaign required a larger visible police presence with the emphasis changing from "reactive to "pro-active", he said.

The Minister said in the light of the high priority given to efficient policing and the need for emergency police stations, R20m of the R950m which had been set aside for urgent capital requirements was earmarked for this purpose.

"Many in SA ‘pitifully poor’

Education’s slice up 27% to R16bn

CAPE TOWN — Government has earmarked R16.1bn for education in the next financial year, with R6.83bn going to black education, a 27% increase on last year’s R5.1bn.

The Labour Party’s boycott action also bore fruit as they will receive a one-off R9m and the House of Delegates R75m to address pressing needs.

White education spending will total R5.95bn — an increase of 6% while the budget for coloureds totals R3.30bn (12%), and for Indians R975m (18.6%).

Finance Minister Barend du Plessis said that for years education had been the largest single component in the Budget, and in the 1991/92 tax year it would account for 19.2%. This was before accounting for the contingency reserves and transfer payments.

He said R1bn had been earmarked for capital projects in the next year in a special fund liquidation of which R750m had been set aside for black educational capital projects. Of this R1.8bn had been spent and the balance would be used this year.

It was proposed an extra R2.5bn be added to the r1bn fund with R2.1bn for capex in black education.

Special steps would be taken to ensure building projects would be erected with the support and co-operation of local communities, and if possible they would involve work-creation projects.

It was generally accepted that the massive backlogs in education demanded great cost effectiveness, with the emphasis on skills-oriented education, he added.

A disbursement of contributions by parents and local communities was likely to play a larger role in future educational financing."

Deficit above IMF recommendation

ANNOUNCING a generally expansionary Budget yesterday, Finance Minister Barend du Plessis forecast a deficit before borrowing above expected levels and the IMF’s suggested ceiling.

At 3.4% of GDP, the deficit exceeds the suggested IMF ceiling of 3% and 1990’s 2.7%.

Du Plessis has drawn on a R59bn bo-

nus "emerging from the diminishing interest rates", he said, for strategic "lockpicking" for financing the deficit and a R26m input from the 1990/91 surplus after borrowing.

The remainder, R8.65bn, constitutes 3% of GDP, "unfortunately above the level of capital spending", estimated at 1% of GDP. Moreover, loan redemptions will be about R5.4bn, bringing the net financial requirement to R14.6bn.

The plan is to finance it chiefly from domestic stock sales to the amount of R1.7bn, banking investment by the Public Investment Commission (PIC).

"In the light of the relatively modest loan programmes of other public sector institutions, the state’s financing requirement this year should reinforce the slightly downward trend that long-term interest rates for strategic lockpicking have begun to display."

R1.12bn, required last year, but Du Plessis, was the result of "all the fiscal commitments" and tax reform in particu-

larly tight economic circumstances.

The tax concessions will result in a loss for government of R1.77bn in fiscal 1991/92, while supplementary spending proposals account for another R1.15bn of the R8.5bn budget.
Ministers can buy their own homes

CAPE TOWN — The Government has decided to allow Ministers and deputy Ministers the option of buying their own homes in a move that may see the sale of residences worth millions of rands, Minister of Public Works and Land Affairs George Bartlett has confirmed.

He said the need to unlock funds, and an improvement in the security climate, had led to the decision, which took effect recently.

Sixty-eight Ministers and deputy Ministers live in State-owned residences. Ministers living in their own homes would receive allowances. This would mean a saving of about 40 percent when compared with the costs of State residences.

"Mr Bartlett said Minister of Law and Order Adrián Vlok had been consulted on the security aspects. Security would be maintained at the private homes. "There is a feeling that we get better return in such cases because a police guard means a presence in the community," he said."

The new decision means the Government has dropped the policy of trying to herd all Ministers and deputy Ministers into contained villages for security purposes.
Freedom of association ‘assured’

Associations representing public servants from a single ethnic group would not be prohibited in the new South Africa, the Minister of National Education, Dr Wim de Villiers, said in the House of Representatives yesterday. 

Replying to a question by Jac Rabe (UDR Regent Park), he said to do so would infringe the internationally recognised right of employees to belong to organisations of their choice, as well as the right of freedom of association.

As far as he knew, no association in the public service was organised on an ethnic basis now.

The right of freedom of association would unquestionably be guaranteed in a new constitution. — Sapa.
HOUSE OF REPRESENTATIVES

QUESTIONS

Indicates translated version

For oral reply

General Affairs

Public servants: associations

1 Mr J A RABIE asked the Minister for Administration and Economic Co-ordination 

(1) Whether associations representing public servants from a single ethnic group will be prohibited in the new South Africa,

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

He answered: (2) No

The DEPUTY MINISTER OF TRADE AND INDUSTRY AND OF NATIONAL EDUCATION (for the Minister for Administration and Economic Co-ordination)

(1) No, because it would infringe on the internationally recognised right of staff members to organise themselves in employee organisations of their own choosing as well as the right of freedom of association.

(2) No

Mr J A RABIE Mr Chairman, arising out of the hon the Deputy Minister’s reply, I should like to put a supplementary question to him, even though he is not the responsible Minister. I respect freedom of association, but all staff associations in this country are organised ethnically. My question is whether it is going to be prohibited in future for an association to write into its constitution that only Whites or only Coloureds or only Indians may belong to the association.

The DEPUTY MINISTER OF TRADE AND INDUSTRY Mr Chairman, the hon member’s question has bearing on the Public Service. As far as I know up to a few years ago there were four staff associations in the Public Service namely, the Public Servants’ Association the Public Servants’ League of South Africa the Public Servants’ Union and the Institute for Public Servants which, respectively, represented White, Coloured, Indian and Black public servants. All four of those staff associations opened up their membership voluntarily and without Government pressure and therefore, as far as I know, there is no staff association in the Public Service which is organised on ethnic grounds.

The second point I wish to mention, is that we attach great value to the principle of free association and it may be to the hon member’s interest if I referred him to conventions of the International Labour Organisation, that is to say Convention No 87 of 1948 and Convention No 151 of 1978, which have a bearing on this matter. I should like to quote from Part 1 of Convention No 87, section 2 (2) the following clause:

Workers and employers, without distinction whatsoever, shall have the right to establish, and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorization.

I want to quote section 11 as well (2)

Each member of the International Labour Organisation for which this convention is in force undertakes to take all necessary and appropriate measures to ensure that workers and employers may exercise freely the right to organise

Teachers’ associations: prohibited

2 Mr J A RABIE asked the Minister of National Education

(1) Whether teachers’ associations representing persons from a single ethnic group will be prohibited in the new South Africa,

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

He answered: (2) No

The DEPUTY MINISTER OF NATIONAL EDUCATION

(1) The right to associate freely will undoubtedly be guaranteed under a new constitution which has yet to be negotiated. This right will certainly also be applicable to teachers. Against this background the right to associate freely of persons from a single ethnic group cannot be prohibited. The exact needs of the teaching profession and the outcome of constitutional negotiations make premature announcements in this regard not proper.

(2) No

Source: House of Representatives, South Africa
State pensions must be invested

ASSETS in the State's pension funds should be invested for real growth.

There should be regular published reports on the financial position of the funds, according to Old Mutual's employee benefits general manager, Mr Garth Griffin.

Griffin also said it was an "open question" whether the State should pre-fund its pension fund liabilities.

He was commenting on a reported statement by the Minister of Finance, Mr Barend du Plessis, in Parliament that the total state liability for pension fund actuarial shortfalls was R30.5 billion.

He said it was "not a foregone conclusion that pre-funding by the State is the appropriate thing to do."

He pointed out that there were few, if any, examples of fully pre-funded state pension funds, that is, funds for government employees, in the world.

Griffin said the publishing of a single figure "tells us little, and unfortunately leads to emotional rather than rational responses. For example, is the deficit of R30.5 billion relative to a total liability of, say R40 billion or R70 billion?"

"Is the deficit getting bigger or smaller, relatively speaking?"

He said there were three crucial issues which needed to be addressed if the future management of the State's pension funds was to be set on an appropriate footing.

There should be regular and full reports on the amount of the State's liability, with particular reference to the impact of increases in pensionable salaries, increases in pension or changes in benefit structures.

"This type of disclosure is much more important, in my opinion, than the amount of the deficit, given that the State must be assumed to stand behind any benefits due to fund members, including pensioners."

Asked whether a future black government would be prepared to continue financing state pension funds, he said this was clearly a matter which would have to be raised as part of the transitional process.
State's pre-funding of its pension liabilities questioned

CAPE TOWN — Assets in the State's pension funds should be invested for real growth, and there should be regular published reports on the financial position of the funds, says Old Mutual's Employee Benefits general manager Garth Griffin.

Mr Griffin also said it was an open question whether the State should pre-fund its pension fund liabilities.

He was commenting on a reported statement by the Minister of Finance, Barend du Plessis, in Parliament that the total State liability for pension fund actuarial shortfalls was R30.5 billion.

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"For example, is the deficit of R30.5 billion relative to a total liability of, say, R40 billion or R70 billion, and is the deficit getting bigger or smaller, relatively speaking?"

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"This type of disclosure is much more important, in my opinion, than the amount of the deficit, given that the state must be assumed to stand behind any benefits due to fund members, including pensioners" — Sapa.
HOUSE OF ASSEMBLY

QUESTIONS

Indicates translated version

For written reply

General Affairs

Mr Charles Sebe: report of death

26 Mr A E DE WET asked the Minister of Foreign Affairs

(1) Whether he or any member of his Department requested a briefing or report from the Ciskei Government on the death of Mr Charles Sebe following an abortive coup on 27 January 1991, if not, why not, if so, (a) when and (b) with what result,

(2) whether he or his Department registered any protest with the Ciskei Government following the death of Mr Sebe, if not, why not, if so, (a) when, (b) what was the nature of the protest and (c) with what result,

(3) whether he or his Department has been in contact with any foreign governments or their representatives with regard to the abortive coup in Ciskei, if so, (a) with which governments, (b) when, (c) what specified issues related to the coup attempt were covered and (d) what was the outcome in each case? B20E

The MINISTER OF FOREIGN AFFAIRS

(1) No In cases of this nature the South African Ambassador reports fully to me and the Department about the facts and circumstances. Naturally, reports of this nature are confidential

(2) No The incident occurred on Ciskei territory and the late Mr Charles Sebe was a citizen of Ciskei. In so far as South Africa's interests are affected by an event of this nature, the South African Government's point of view is of course conveyed. Such conversations are likewise of a confidential nature

Public Service: recruitment of other race groups

72 Mr R M BURROWS asked the Minister for Administration and Economic Co-ordination

(1) Whether the Commission for Administration has considered or is considering a specific policy for the recruitment of qualified personnel of any South African race group other than White to the senior ranks of the Public Service, if not, why not, if so, what is this policy,

(2) whether Public Service bursaries and/or loans are made available in general proportion to the racial composition of the South African population, if not, why not, if so, what was the distribution of such bursaries and/or loans amongst the four race groups as at the latest specified date for which figures are available.

(3) whether he will make a statement on the matter? B20E

The MINISTER FOR ADMINISTRATION AND ECONOMIC CO-ORDINATION

(1) No The existing policy for the recruitment of qualified personnel is applicable to all South African population groups. The policy for the filling of vacant senior posts is embodied in Section 10 of the Public Service Act, 1984. It stipulates, inter alia, that in the filling of a post—

— no person who qualifies for a post shall be favoured or prejudiced, and

— only the qualifications, level of training, relative merit, efficiency and suitability of the persons who qualify for the appointment, transfer or promotion concerned shall be taken into account.

Factors such as candidates' linguistic proficiency, liaison capability, experience as well as background are inevitably taken into account.
into account and measured against the requirements set for a certain post when their suitability for such a post is being considered.

No Public Service barriers are awarded with academic merits as the main criterion to determine the relative merit of each case irrespective of race or colour.

Own Affairs

Bed occupancy rate

10 Mr M J ELLIS asked the Minister of Health Services

What was the average bed occupancy rate in 1990 in each specified hospital falling under the control of his Department in (a) Natal, (b) the Orange Free State, (c) the Cape Province and (d) the Transvaal?

B103E

The MINISTER OF HEALTH SERVICES

(a) Natal

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Bed Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grey's Hospital</td>
<td>61,5%</td>
</tr>
<tr>
<td>Hillcrest Hospital</td>
<td>93,75%</td>
</tr>
<tr>
<td>Greytown Hospital</td>
<td>29,67%</td>
</tr>
</tbody>
</table>

(b) Orange Free State

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Bed Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voortrekker Hospital</td>
<td>59,9%</td>
</tr>
<tr>
<td>Bethlehem Hospital</td>
<td>55,15%</td>
</tr>
<tr>
<td>Sasolburg Hospital</td>
<td>51,0%</td>
</tr>
<tr>
<td>Jagersfontein Hospital</td>
<td>43,58%</td>
</tr>
<tr>
<td>Zastron Hospital</td>
<td>21,52%</td>
</tr>
</tbody>
</table>

(c) Cape Province

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Bed Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE Hospital</td>
<td>59,46%</td>
</tr>
<tr>
<td>Volks Hospital</td>
<td>39,30%</td>
</tr>
</tbody>
</table>

(d) Transvaal

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Bed Occupancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andrew McColn Hospital</td>
<td>40,6%</td>
</tr>
<tr>
<td>Bernese Samuel Hospital</td>
<td>38,6%</td>
</tr>
<tr>
<td>Bloemhof Hospital</td>
<td>42,1%</td>
</tr>
<tr>
<td>Brits Hospital</td>
<td>75,0%</td>
</tr>
<tr>
<td>Delaruyville Hospital</td>
<td>28,8%</td>
</tr>
<tr>
<td>Duweske Kloof Hospital</td>
<td>50,6%</td>
</tr>
<tr>
<td>Estenvale Hospital</td>
<td>48,2%</td>
</tr>
<tr>
<td>Elys Battor Hospital</td>
<td>59,3%</td>
</tr>
<tr>
<td>Evander Hospital</td>
<td>46,6%</td>
</tr>
<tr>
<td>F H Odenaal Hospital</td>
<td>59,3%</td>
</tr>
<tr>
<td>Gen de la Rey Hospital</td>
<td>40,1%</td>
</tr>
<tr>
<td>Groblersdal Hospital</td>
<td>41,2%</td>
</tr>
<tr>
<td>H A Grove Hospital</td>
<td>51,7%</td>
</tr>
<tr>
<td>Hendrik v d Bijl Hospital</td>
<td>59,9%</td>
</tr>
<tr>
<td>J G Strijdom Hospital</td>
<td>33,7%</td>
</tr>
<tr>
<td>Kempton Park Hospital</td>
<td>56,0%</td>
</tr>
<tr>
<td>Louis Trichard Memorial Hospital</td>
<td>41,2%</td>
</tr>
<tr>
<td>Onudekkes Memonal Hospital</td>
<td>41,5%</td>
</tr>
<tr>
<td>Paardekraal Hospital</td>
<td>54,0%</td>
</tr>
<tr>
<td>Phalaborwa Hospital</td>
<td>51,4%</td>
</tr>
<tr>
<td>Pretoria West Hospital</td>
<td>45,4%</td>
</tr>
<tr>
<td>Sannesbos Hospital</td>
<td>19,7%</td>
</tr>
<tr>
<td>South Rand Hospital</td>
<td>40,2%</td>
</tr>
<tr>
<td>Sybrand van Niekerk Hospital</td>
<td>47,6%</td>
</tr>
<tr>
<td>Van Delden Memorial Hospital</td>
<td>53,8%</td>
</tr>
<tr>
<td>Venterdorp Hospital</td>
<td>38,1%</td>
</tr>
<tr>
<td>Vereeniging Hospital</td>
<td>49,6%</td>
</tr>
<tr>
<td>Far East Hospital</td>
<td>45,0%</td>
</tr>
<tr>
<td>Voortrekker Hospital</td>
<td>51,9%</td>
</tr>
<tr>
<td>Warmbad Hospital</td>
<td>39,1%</td>
</tr>
<tr>
<td>Waterval Boven Hospital</td>
<td>44,9%</td>
</tr>
<tr>
<td>Willem Cruywagen Hospital</td>
<td>47,7%</td>
</tr>
</tbody>
</table>

House of Assembly

INTERPELLATIONS

The sign * indicates a translation. The sign †, used subsequently in the same interpretation, indicates the original language.

General Affairs

Aids: campaign

*Dr W J SNYMAN asked the Minister of National Health

Whether she envisages or is implementing an extensive plan of action as the campaign against the spread of Aids, if so, what are the relevant details?

B341E INT

*The MINISTER OF NATIONAL HEALTH

Mr Speaker, I welcome the opportunity to furnish details of the Government's strategy on the Aids Program.

Since the first two cases of Aids were reported in South Africa in 1982, Aids has been regarded as a high priority. Since then an on-going campaign has been conducted to combat its spread.

I want to point out, however, that the spread of the virus is a behavioural problem and not so much a medical problem. The Department of National Health and Population Development recently intensified its campaign. This includes inter alia the establishment of a subdirectory for the combating of Aids, which was completed in 1990. The Aids strategy was recompiled and accepted by the health family.

The most important element in this strategy is the following. The establishment of an interdepartmental committee on which 167 Government departments are represented to co-ordinate the actions of the public sector. The committee has already met. Arising out of the interdepartmental committee meeting, a workshop was arranged for 4 March 1991.

As hon members know, the emphasis in 1990 fell on the woman and Aids. In 1991 the theme for combating this problem is the youth. At the workshop emphasis will be placed on educating the youth. Educational authorities and institutions, as well as parent and teachers' associations will be represented. The purpose is to devise an educational programme for use by schools.

Two educational videos for use in schools are also being produced. This year Aids information and training centres have already been established in 10 larger local authorities. Here people can receive applicable information, guidance and counselling. The project will be developed further during the course of the year.

Since 1985 blood and blood products have been safeguarded. South Africa was the first country in Africa to safeguard blood. South Africa even anticipated the initiatives of the World Health Organisation. The success of this programme is irrefutably demonstrated by the fact that since 1985 not a single case of Aids in South Africa has been the result of the infusion of contaminated blood.

At the end of 1990 a countrywide survey was made among pre-natal clinics as part of the on-going process of disease surveillance. The result will soon be available and will definitely be published.

The role of the private sector in the combating of Aids is realised. Later this year a forum for business leaders is being planned. [Time expired]

*Dr W J SNYMAN Mr Speaker, the sum total of what the hon the Minister said that the issues were behavioural problems and information that had to be conveyed to the general public. Now that is precisely the problem I have with the hon the Minister's department.

The latest information pamphlet I saw was this one published by the Department of National Health. Below the caption is a colour photograph of babies varying from light to dark green. I would suggest all honourable members should see this.

*AN HON MEMBER Like the hon member for Rustiek on TV this morning.

*Dr W J SNYMAN The point is thus I maintain that this information pamphlet of the Government is not only incomplete but in reality it is
QUESTION

THE MINISTER OF DEFENCE

IN reply to Mr. Andrew’s question of 8th February, the Minister of Defence advised that the Defence Forces are currently conducting regular inspection rounds of Defence Forces facilities, including ammunition storage facilities. The inspection rounds are conducted to ensure that the facilities are secure and comply with all relevant safety and security standards. In addition, the Defence Forces regularly conduct training exercises to ensure that personnel are prepared to handle any potential threats.

THE MINISTER OF EDUCATION AND CULT.

IN reply to Mr. Andrew’s question of 8th February, the Minister of Education and Culture advised that the Education Department is currently working on a new policy framework to address the needs of students with disabilities. The framework is expected to be implemented in the near future and will include measures to improve accessibility and support services for students with disabilities.

The House of Assembly

17-1791

155

155
PRETORIA — The announcement that government pension funds had a shortfall of R30bn was no cause for panic, Public Servants’ Association (PSA) deputy GM Cas van Rensburg said yesterday.

The shortfall, he claimed, was of academic interest only and would not threaten the pensions of thousands of public servants.

It was an “unqualified” sweeping statement to claim the reason for the shortfall was excessive benefits unrelated to contributions and available funds.

The shortfall figure would be relevant only if funds were to be wound up and abolished.

Meanwhile, the PSA, in an editorial in its journal, has called for a start to negotiations on the protection of government workers in a new dispensation.

It said only about 37% of posts were associated with the Public Service Act. Act were held by blacks, coloureds and Asians. But it said it was “far…”, fetched to argue that a future government could insist on a racial balance in the service.
Vlok invites Coetzee back

LESLEY LAMBERT

CAPE TOWN — Law and Order Minister Adriaan Vlok has issued a public invitation to renegade police captain Dirk Coetzee to return to SA and give evidence against policemen he has linked to death squad activities.

Vlok’s invitation, made in a speech to the Cape Town Press Club, follows Justice Minister Kobie Coetzee’s request for Coetzee to return to SA voluntarily or face extradition. 6 10-11 14-14

Coetzee reiterated in a statement last week that Coetzee would be guaranteed a fair trial on any charges against him if he returned voluntarily.

A spokesman from the Justice Department said yesterday Coetzee had not applied for indemnity, nor had negotiations for his extradition been implemented.

On crime, Vlok said the SAP’s law enforcement “dared” not be based on colour and anyone breaking the law would be dealt with regardless of race or creed.

He said the SAP did not belong to any political party.

People of all political convictions had demanded that something be done about the high crime rate. Friday night’s Operation Thunderbolt was part of a well-planned and consistent strategy which would be repeated.

The three Tourist Protection Units had achieved great success in giving Johannesburg’s tourists better protection, he said.

And, taken to task by a female guest for referring to police as men, Vlok said the next commissioner of police “could well be a woman”.

Vlok said about 8 000 members of the 70 000-strong force were women and nothing prohibited a woman from becoming police commissioner. — Sapa.

Legislators set to cost R38m

PRETORIA — SA’s 308 legislators are expected to cost taxpayers more than R38m in the new financial year.

Sources made this on the assumption that MPs will get the same 12% increase public servants expect.

Salaries and allowances for the MPs will amount to almost R27m for this financial year.

The 32 Cabinet ministers — 18 in the House of Assembly, four own affairs ministers and five each in the House of Representatives and House of Delegates — will earn about R6m.

The administration of Parliament was expected to amount to about R3m this financial year.
Irregularities in govt sector ‘widespread’

By BARRY STREEK

WIDESPREAD irregularities in government departments, official bodies and local government, including an “extensive” multi-million rand fraud with film subsidies, were disclosed yesterday by the auditor-general, Mr Peter Wronsley.

“Material deficiencies” had been found in a contract between the SADF and a film company. “Several further unsatisfactory aspects” were established in the Department of Education and Training stores as well as double payments to examiners in the same department.

Several administrative shortcomings by local authorities had come to light and “a disturbing failure” to comply with legal provisions by black authorities had become evident.

Mr Wronsley said he could not issue unqualified audits into the accounts of the South Africa Medical Research Council and the South African Development Trust.

He was also not able to express an audit opinion of the J. L. B. Smith Institute of Ichthyology at Rhodes University and the National Housing Fund (Blacks).

In his report on general affairs for the 1988/89 financial year, which was tabled in Parliament yesterday, Mr Wronsley reported unauthorised expenditure totalling R33.8 million, including R17.2m by the Department of Education and Training, R14.9m by the Department of Transport and R1.5m by the Prisons Department.

He said a performance audit on the payment of film subsidies since April 1, 1988, had been completed.

Investigations by the police and the Department of Home Affairs resulted in significant savings and recoveries as well as prosecutions.

Mr Wronsley also commented unfaovourably on various aspects of the South African Development Trust, particularly in regard to “inadequate” internal control measures and “unsatisfactory replying to audit queries”.

Cape Town-based SA Library was also criticised by the auditor-general for poor financial administration.

A commission of inquiry was appointed yesterday to investigate the Department of Development Aid, including the SA Development Trust, after the Joint Committee on Public Accounts strongly criticised its administration.
Bureaucracy shrinks as job cutbacks bite

GREAT STEYN

But latest figures suggest that government is pushing ahead with its pledge to trim the bureaucracy in spite of the hard times.

An analysis of employment figures shows the largest decline was recorded by Transnet, whose employment numbers fell by 6% in the year to September.

The civil services of the self-governing territories cut back dramatically in the September quarter to achieve a 4% decline for the year.

Similar declines were recorded by local authorities while public corporations contracted slightly. There was virtually no growth in post and telecommunications employment.

But central government continues to expand, especially general affairs (up 4.5%) University and technikon employment showed similar growth.

On a longer-term perspective, public sector employment is still almost 20% up on its 1980 levels. This compares with virtual stagnation in important sectors like manufacturing and slight declines in mining.
Public service needs blacks
to satisfy manpower needs

PRETORIA — The only way SA’s public service will be able to satisfy its future manpower needs is by employing and training more blacks, says Commission for Administration chairman Piët van der Merwe.

While most of the country’s high-level manpower traditionally had been white, this was changing because whites were increasingly unable to supply all the economy’s skilled labour needs, he said.

As the public service was subject to severe budget constraints, and personnel standstill measures were in force to curb its growth, the recruitment of black workers was limited. Of the total public sector’s personnel corps, 33% were black. Excluding labourers, 25.8% of state workers were black.

Significant numbers of blacks were employed as department heads in self-governing states, Van der Merwe said. Senior public service posts were occupied by blacks.

Asked whether paternalism played any part in black appointments to senior posts, Van der Merwe said appointment principles were enshrined in the Public Service Act. “It is vital these be accepted by all and be preserved by an independent judiciary in the interests of efficient public service.” As long as merit was the only test there would be no resentment among white officials at the advancement of blacks to senior posts.
Will militant unions become government sweethearts?

Close ties between the newly elected leadership of Cosatu's postal union and the ANC pose an obvious question will public sector unions become a new arid of post-apartheid state?

**BY DREW FORREST**

All are thought to belong to the South African Communist Party

The picture is similar at Cosa tu's other public sector unions, notably the South African Railway and Harbour Workers Union and the National Education, Health and Allied Workers Union, which tend to be more nationalist in orientation than the federation's industrial affiliates.

Some suggest these unions will simply roll over and do the minority and really into the ANC, others, including recent Labour Brief editor Duncan Large, insist the culture of independence should be maintained. The pressure to scale down demands and the risk of incorporation, would be far greater if they faced the ANC, their historic allies, across the negotiating table.

The question was thrown into sharp relief last week by a split in the leadership of Cosatu's postal sector unions, when the new president of the South African Post Office, David Motsi, accused union leaders of "undermining the state".

He added: "Each member of the executive committee must remain an independent unionist, and must not represent various strata in the community. Workers' interests will not be served if we become a one-size fits all model."

As providers of vital services to hundreds of millions of people in public, state sector unions are uniquely touched by the sharp debate in Cosatu over nationalisation and unionisation.

Nedbank national organiser Monde Muziwa says he believes that the full force to strike under the present dispensation but would have to "look at compulsory arbitration in the case of the postal service union, which might be a likely demand."

Hlongwane takes a different view. "Debts of the right to strike are not a right in any social system," he argues. "They depend on the interests of employers, workers' rights, and their comparative advantage, and on the size of the pool of workers available."

Hlongwane hints that unions might buy some form of incomes policy, but only at exchange for other benefits — job security being the most likely demand. "The unions won't just accept a call to hold down wages — there'll be horse-trading. And they certainly won't be a wage policy in any sense."

Interestingly, Pwasa accepts that the post office should be commercially viable in a post-apartheid state, while?
Monday a vital date for unions

PUBLIC sector unions will be left out in the cold when the Cosatu-Sacola-Nactu accord is passed into legislation this year.

But unions in this sector are determined to have, at least, similar rights to those enjoyed by most workers, who will be covered by amendments to the Labour Relations Act.

Most important among these are grievance and disciplinary procedures, the right to strike, bargaining forums, access to members and stop-work facilities.

Arrayed against them are government departments which make it difficult to establish a relationship with the State at a national level.

Laws such as the Public Service Act and Post Office Services Act declare it illegal for state employees to strike.

Conservative staff associations which have worked within the old system of labour relations in the public sector also frustrate union efforts.

Yet unions, including the National Education, Health and Allied Workers Union (Nehawu) and the Post Office and Telecommunications Workers Association (Potwa) have succeeded in increasing their membership to the extent that the authorities have had to take notice.

Postwa was established in 1982 and has a membership of 22,000, while Nehawu has grown from 9,500 in 1987 to about 50,000 today.

Industrial action in the public sector reached unprecedented levels last year.

Now the Commission for Administration and the Post Office have recognised the necessity to deal with the unions.

Potwa, general secretary Mlungisi Hlongwane and Nehawu national organiser Monde Mdzishwa agree that a centralised bargaining structure has to be established where general grievances affecting all public sector workers can be addressed.

This would do away with the delays experienced where unions and different departments come to agreement, then have to wait for higher-up approval.

At the same time, differences in the problems facing, say, nurses and postmen, have to be addressed.

The Commission last year called on trade unions and interested parties to work out a new labour dispensation. They are to meet on Monday.

Mr Mdzishwa said the invitation caught Nehawu off-guard, but said the union was determined not to be side-tracked by the sudden open-door policy.

He believes bargaining procedures could prevent situations arising where health staff feel they have no alternative but to strike.

The associations agreed with Nehawu representatives that the Public Service Act could not remain, but disagreed that the Labour Relations Act should be extended to them.

A big stumbling block with the Commission is its definition of "public service". Mr Mdzishwa believes it is too narrow and should be broadened to include municipal, post office and railway workers.

A centralised bargaining forum on common public service matters should be established.

Mr Hlongwane agrees. Although negotiations are taking place on a national level with the post office, management's new attitude has yet to trickle down to regional and local levels. Even agreements made at national level have to be approved higher up, creating delay and frustration.

Head-on confrontation with the Post Office will take place for at least the next six months, he says.

A massive campaign, which will include community organisations, is being planned against the proposed Post Office Amendment Bill which Potwa believes is paving the way towards privatisation.

Nehawu is planning a campaign to protect nurses, who participated in last year's strikes.

Despite an agreement after the strikes between hospital authorities and the union not to take disciplinary action, the Nursing Council says it was not party to the agreement and will go ahead with disciplinary procedures if it receives any complaints. ☐
Public Sector Gets Wind up over the Trim Down

Government

in the press, as well as in its own publications and reports, has been highlighting the economic pressures it faces. The government has announced plans to reduce its spending to balance the budget, and this has led to discussions about the effectiveness of government programs and the need to streamline operations.

The government has also been focusing on improving efficiency and reducing waste. This has led to discussions about the role of the civil service in delivering services to citizens, and about the need for a more productive and responsive government.

In addition to reducing spending, the government has been looking at ways to increase revenue through taxation and other means. This has led to discussions about the impact of taxation on the economy and on individuals, and about the need for a fair and equitable tax system.

Overall, the focus of the government has been on ensuring that it is delivering value for money, and on finding ways to improve the efficiency and effectiveness of its operations.
Plea on plight of civil servants

PRETORIA — The Public Servants’ Association (PSA) has warned government that unless it gives its workers a more equitable deal, nothing will come of the ideal of a dynamic, efficient public service as a sound foundation for changes in a new SA. PSA GM Hans Olivier says retention and further recruitment of key professional personnel is vital. Personnel are still being lured to the private sector by better pay and service conditions.

Staff instability at other levels is also a cause for concern, and a grave threat to a future stable administration, he says.

The PSA believes a prerequisite for likely fundamental changes that would have to be made in public administration in the transition to a new SA will hardly be possible with an underpaid and underskilled public service.

In an editorial in The Public Servant — the PSA’s official journal — government is told bluntly that the way in which it is implementing a market-linked pay system in the service is making a mockery of an undertaking given to the PSA.

The editorial berates government and cabinet ministers for their apparent indifference to the plight of PSA members.

The magazine says the PSA has written to Administration and Economic Co-ordination Minister Wim de Villiers about the backlog that has developed because of government’s failure to adhere to its undertaking on market-related pay.

It says De Villiers’s reply was unsatisfactory and that legal action is being studied to see whether government cannot be compelled to stick to its undertaking.

The editorial says the success of a government pay policy depends greatly on the influence and insights of the ministers involved. The PSA is convinced De Villiers has turned a deaf ear to the public servants’ case.

The editorial says the Commission of Administration too often protects government on pay issues by requesting too small an allocation of funds.

A serious distrust of government has built up among workers, it says.
Minister and hon members correctly. Firstly, because it is dangerous and secondly, because doing so has an intimidating effect on those attending such occasions and, more specifically, on those who are onlookers and who are not involved. This standpoint is confirmed in legislation, and regulations in that connection have already been made.

Consequently I find it difficult to accept that we should not adopt a similar standpoint in respect of other weapons which may also be dangerous and intimidating, particularly to those who are observers. When all is said and done, how do we tell members of the AWD that they may not have certain kinds of firearms on their person as traditional weapons on certain occasions, while we accord that privilege to certain Black groups. It is a dilemma, and if it must be decided we appreciate the traditional and emotional aspects of this issue, but the fact of the matter is that political leadership is necessary here. In this regard I want to make a specific appeal to Chief Buthelezi, because he is an important leader in this country and he may perhaps be able to provide personal guidance in this connection, to discourage these practices. However, we must also take steps on our part [Interruptions]. I want to express appreciation for the fact that the hon the Minister has already taken certain steps in this connection.

*[Mr S VAN DER MERWE: However, the hon Minister and I go further and make sure that the carrying and use of any form of dangerous weapon, or replica thereof, that can be intimidating—I have a suspicion that in many cases this is indeed be intimidating—and which is dangerous, should as far as possible be discouraged and prohibited in this country.]*

I said at the outset, as far as the carrying of traditional weapons is concerned—the hon member for Stilfontein is quite correct—that one cannot say that the knobkerrie and the spear are traditional weapons, because then one is one's way to the firearm. I said at the outset that we must not ignore this. The carrying of firearms and other weapons in this country is an emotional matter. The hon member for Simon's Town must not say what he said here in Natal to the Zulu king or to the Zulu prince, because he will then encounter a great many problems. We are trying instead to cause the violence to abate so that no further contentious issues can be created, and so that we can persuade one another by means of reason. This is the point of departure of the SA Police, and also of the Government.

We want to engage freely in politics in this country, and that is why there are no banned organisations today, that is why people are no longer being detained and why restrictions are no longer being imposed on people. That is why people are able to hold meetings freely. We who have to prohibit people from carrying weapons there, I must say this to hon members, have a practical problem, and this is the way I want to convey it to the hon member. [Time expired.]

Debate concluded.

**QUESTIONS**

Indicates translated version.

**For oral reply**

**General Affairs**

**State President**

**Ministerial representatives**

Mr F J LE ROUX asked the State President:

(a) What are the assignments and duties of Ministerial Representatives and (b) what are their total remuneration package and privileges?

**The STATE PRESIDENT**

(a) Ministerial Representatives were appointed by the State President for the respective ministers' councils and for certain provinces in terms of section 29(1) of the Republic of South Africa Constitution Act, 1983. In terms of the provisions of section 29(2) of the Constitution, ministers of the respective ministers' councils assigned certain powers, functions or duties entrusted to them in terms of a law or otherwise, to the Ministerial Representatives. These powers, functions or duties are exercised or performed on behalf of the minister concerned by such a ministerial representative.

(b) (i) Remuneration

<table>
<thead>
<tr>
<th>Salary</th>
<th>Allowance</th>
<th>Total</th>
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<tr>
<td>R94 470</td>
<td>R26 049</td>
<td>R120 519</td>
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(ii) According to their position in the hierarchy of political office-bearers, which is comparable to that of members of executive committees, ministerial representatives also enjoy benefits in respect of housing, motor car, financial assistance, insurance and participation in the PARMED medical aid scheme and the Pension Scheme for Members of Parliament and Political Office-bearers.

Mr F J LE ROUX. Mr Speaker, arising out of the hon the State President's reply, I would like to know whether these are ad hoc responsibilities with which such Ministerial Representatives are being entrusted. Is there a set of commitments which they have to comply with, or are they responsible for a package?

The STATE PRESIDENT Mr Speaker, Ministerial Representatives work under the auspices of Ministers' Councils, because they are members of Ministers' Councils. Speaking from experience I can tell the hon member that when I was Chairman of the Ministers' Council, all the members of the Ministers' Council entrusted Ministerial Representatives with quite a few responsibilities.

When provincial councils ceased to exist, a vacuum was created in the functions that were administered by Ministers' Councils, because there were fewer people from the so-called MECS or members of provincial councils who were present in the respective provinces on a full-time basis and who served the public directly. When I was Chairman of the Ministers' Council in those days, it was our experience that Ministerial Representatives served a very useful purpose. Because they could be there all the time, unlike hon members of Parliament who have to be absent for long periods, they did very important work on behalf of communities. Furthermore, it was our experience that they rendered invaluable service in terms of the powers delegated to them.

**Ministers**

**Questions standing over from Tuesday, 9 April 1991**

Fiscal drag additional revenue

10 Mr G C ENGEL asked the Minister of Finance:

Whether, during the last specified two tax years for which information is available, the continued financial support and assistance to the liberation movement amounted to an additional revenue revenue.
ANC to look at
civil servant jobs

Own Correspondent

JOHANNESBURG.—The top 1500 jobs in the public service would have to come under scrutiny in the new South Africa, ANC manpower director Mr Mweli Piliso said yesterday.

He told an Anglo American Corp conference on human resources management in Vereeniging the jobs would have to be looked at “in order to show the face of the new SA”

Mr Piliso said the ANC believed it was necessary to remove historical imbalances. He was aware this could lead “to the promotion of blacks for window-dressing purposes”

‘Destructive legacy’

The ANC wanted to avoid this and would opt for training opportunities to be made available.

“Some contend that affirmative action is nothing short of reverse discrimination. We observe, however, that the colour of management does not augur well for the new SA. Affirmative action should be aimed at bringing trained blacks into the mainstream of the economy”

Change would have to come to eradicate “the destructive legacy of apartheid labour policies and practices”, he said

Public Servants’ Association general manager Mr Hans Olivier said yesterday the PSA had no problem with blacks at all levels of the public service. The new SA would need qualified people and training was essential — Sapa
Top public servants’ jobs ‘under scrutiny’

THE top 1,500 jobs in the public service would have to come under scrutiny in the new SA, ANC manpower director Mrvai Pilliso said yesterday.

He told an Anglo American Corp conference on human resources management in Vereeniging the jobs would have to be looked at “in order to show the face of the new SA”.

Pilliso said the ANC believed it was necessary to remove historical imbalances. He was aware this could lead “to the promotion of blacks for window-dressing purposes”.

The ANC wanted to avoid this and would opt for training opportunities to be made available.

“Some contend that affirmative action is nothing short of reverse discrimination. We observe, however, that the colour of management does not anger well for the new SA. Affirmative action should be aimed at bringing trained blacks into the mainstream of the economy.”

Reacting to Pilliso’s statement Public Servants’ Association (PSA) GM Hans Olivier said yesterday the PSA had no problem with blacks at all levels of the public service.

The new SA needed qualified people and training was essential.
Official: no race bars to top govt jobs

GERALD REILLY

PRETORIA — Nothing prevented any black becoming director-general of a government department, Commission for Administration chairman Piet van der Merwe said yesterday.

He was reacting to comments by ANC manpower director Mzwakhe Pimiso that the top 1,500 public sector posts would have to come under scrutiny to "show the face of the new SA".

Van der Merwe said the Public Service Act explicitly forbade discrimination in appointments at all levels.

The Act stipulated that the only considerations for appointments should be qualifications, training background, reliability and general suitability.

Van der Merwe said management training was available to all races at all universities and technikons and specialised training was also given in departments.

He said the individual was challenged to "get qualified".

GM Hans Olivier said the enforced Africanisation of the service should be avoided.

"But we need well-qualified blacks in the service. We want them and there is great scope for them at all levels," he said.
Parliamentarians to get 11% salary rise

CAPE TOWN — Members of Parliament will get salary increases of 12% from July 1 this year, but President de Klerk and his Cabinet are restricted to just over 6%.

Economic Co-ordination and Public Enterprises Minister Dawie de Villiers announced yesterday that the increases would average 11%, but would be on a differentiated scale this year, with those earning the most receiving the smallest increases — "between 8% and 9%".

He said agreement had been reached after consultation with all parliamentary parties and "the total salary account for political office bearers will be 11%.

Last year MPs' salaries went up by more than 2% At present Cabinet Ministers' annual salaries are R145 933, with a R40 278 reimbursable allowance.

See Page 4   Comment. Page 8
Teachers’ salary disparities to go

Political Staff

THE elimination of disparities between men and women teachers’ salaries is one step away, Minister of National Education Louis Pienaar announced yesterday.

He said the penultimate step in this process would be taken on July 1.

Mr Pienaar confirmed that “improvement funds” had been allocated for maternity leave for teachers, which would take effect on April 1.

It was also revealed yesterday that a “differentiated general salary adjustment” would be introduced for the public sector and teachers.

Mr Amie Venter, the Minister of State Expenditure and Regional Development, and Mr Pienaar explained that the percentage adjustments at the highest salary level would be “significantly lower” than the percentage adjustments at the lowest levels.

Details of the public service and teaching increases have yet to be revealed. Mr Venter said yesterday the Commission for Administration was busy with the calculations, “particularly regarding the elimination of disparities in salary structures”.

MPs get 11%

Cabinet Ministers and Members of Parliament are to get average increases of 11% this year.

The Minister for Economic Co-ordination and Public Enterprises, Dr Dawie de Villiers, said yesterday the increases, effective from July 1, would be in terms of a differentiated scale.

“Those earning the highest salaries will receive the lowest increments... between six and seven percent.”

In a statement, Dr De Villiers said agreement had been reached after consultation with all parliamentary parties and “the total salary account for political office-bearers will be 11%.

This is less than the anticipated inflation rate.

Last year MPs’ salaries went up by nearly 28%.

“The salary adjustments which individual officials and employees will receive, will be conveyed to them by departments through the normal channels at a later stage,” said Mr Venter.

He revealed that after discussions between the Commission and various employee associations — excluding teachers — certain agreements had been reached on improvement of service benefits for 1981/82.

They included use of available funds for “the incorporation of the 10% non-pensionable allowance in the basic salary” and “the partial elimination of disparities in the salary structure among certain occupational classes.”

Mr Venter pointed out that the discussion took place against the background of a new system “where the funds available for improvement of service benefits are divided between educators and the remainder of the public sector according to a specific formula”.

Mr Pienaar announced that the non-pensionable allowance would also be consolidated for teachers and that an additional promotion level — “namely management posts at post level eight (at the level of director)” — would be introduced.

He said the elimination of disparities between male and female teachers “means that the salaries of female civil service educators in post level one in qualification categories A, B, C and D will be increased by one notch.”
MPs to get 12.5 percent pay increase from July 1

Members of Parliament will get pay rises of about 12.5 percent from July 1.

This emerged from a statement yesterday by Dr Dawie de Villiers, leader of the House of Assembly, who said their 10 percent non-pensionable allowance since April 1 last year would, like those of public servants, be conveyed to officials and employees "through the normal channels at a later stage."

It is understood this will happen before the end of the month.

De Villiers said the total salary account for political office bearers would not rise by more than 11 percent.

He noted that this was "less than evident in the civil service."

There would be a differentiated scale for increases - those earning the highest salaries (Cabinet Ministers, deputy Ministers, and the State President) would receive the lowest increments (between six and seven percent).
MPs to get 12,5 percent pay increase from July 1

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Mr Arne Venter, Minister of State Expenditure, said yesterday the Commission for Administration was still calculating the packages for public servants from July 1.

Details would be conveyed to officials and employees “through the normal channels at a later stage”.

It is understood this will happen before the end of the month.

De Villiers said the total salary account for political office bearers would not rise by more than 11 percent.

He noted that this was “less than evident in the civil service”.

There would be a differentiated scale for increases - those earning the highest salaries (Cabinet Ministers, deputy Ministers, and the State President) would receive the lowest increments (between six and seven percent).
Concern over expected fall in govt capex

GOVERNMENT'S public sector capital expenditure is expected to rise strongly until 1993, but local authorities' capex will fall steadily, says a survey by the Central Statistical Service.

Total capital expenditure by the public sector as a whole is expected to rise by only 0.5% year-on-year in 1991, and then fall by 8.8% in 1992.

This fall in public sector capex is of some concern, economists say.

Bankorp economist Emile van Zyl says SA has a good infrastructure and with slowing capex growth it is possible the maintenance of this infrastructure could be neglected.

While it is not necessary to expand the infrastructure in urban areas, it is important that the existing structures are not degraded, he says.

Capital expenditure by central government will rise by 2.1% in 1991 year-on-year, by 15.0% in 1992 and 22.3% in 1993. This contrasts with annual growth of 11.3% in 1991 and a fall of 5.3% in 1992 in capital expenditure by local authorities.

Regional Services Councils' (RSCs') capital expenditure, it is predicted, will fall by 15.4% in 1991 and by 24.8% in 1992.

The projected fall in RSCs' capex could be a result of a planned scaling down in their activities, van Zyl says, with some of their functions taken over by the Independent Development Trust and the Development Bank.
The DEPUTY MINISTER OF LAW AND ORDER. I think the hon. the Leader of the Official Opposition can put these questions in writing and we can answer them at the soonest possible opportunity.

Separate police districts

Mr. K. CHETTY asked the Minister of Law and Order:

(1) Whether he intends creating separate police districts for Indians, Coloureds and Blacks, if not, why not, if so, when;

(2) whether he will make a statement on the matter.

The DEPUTY MINISTER OF LAW AND ORDER.

(1) and (2)

An investigation is at present being carried out into the institution of additional police districts and an announcement in this regard will be made shortly.

The LEADER OF THE OFFICIAL OPPOSITION. Mr. Chairman, arising from the answers given, is not the question the establishment of separate Indian, Coloured and Black districts outdated in the light of the reform programme of the Government of the day?

The DEPUTY MINISTER OF LAW AND ORDER. Mr. Chairman, that question will be addressed in the announcement to be made shortly.

New questions

Ovareva resorts. racial incidents

Mr. A. S. KAIN asked the Minister of Planning, Provincial Affairs and National Housing:

(1) Whether any racial incidents occurred at Ovareva resorts subsequent to the repeal of the Reservation of Separate Amenities Act, No. 49 of 1953, if so, what are the details in this regard;

(2) whether he intends transferring the control of these resorts to the Transvaal Provincial Administration, if not, why not, if so, when.

The MINISTER OF PLANNING, PROVINCIAL AFFAIRS AND NATIONAL HOUSING.

As Ovareva Resorts fall under the jurisdiction of the Minister of the Budget and Welfare, Housing and Works, Administration House of Assembly, I therefore cannot reply to the question.

ANC; prisoners held in foreign countries

Mr. M. F. CASSIM asked the Minister of Constitutional Development:

(1) Whether the Government has entered into negotiations with the ANC regarding the release of prisoners being held in foreign countries, if not, why not, if so, when;

(2) whether, during the course of such negotiations, the Government requested the ANC to assist in bringing about the release of prisoners in detention camps such as Mbarara in Uganda, if not, why not, if so, what has been the response to this request;

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

The MINISTER OF CONSTITUTIONAL DEVELOPMENT.

No. The Government's standpoint remains that South African sport is autonomous and sport implies that the various types of sport themselves arrange participation in international sport, either individually or in association. The Government also wishes to confirm its point of view that free international participation in sport should not be constrained by the pursuit of political objectives and that positive steps should be taken to overcome such impediments. It is therefore not necessary to make any policy adjustments.

Mr. Y. M. MAKDA. Mr. Chairman, arising out of the answer furnished by the hon. the Deputy Minister, would he agree that it was because of Government policy that many of our sportsmen actually lost out in the international field?

The DEPUTY MINISTER OF NATIONAL EDUCATION.

No.

Mr. N. SINGH asked the Minister for Economic Co-ordination and Public Enterprises:

(1) Whether it is the policy of Transnet to provide sponsorship for sport, if so, what are the criteria are applied and (b) procedure is followed in this regard;

(2) whether Spoornet has announced that it intends sponsoring rugby, if so, for what reasons?

The MINISTER OF TRANSPORT. (for the Minister for Economic Co-ordination and Public Enterprises).

The Managing Director of Transnet Limited furnished the following reply to the hon. member's question:

(a) The same as for Corporate Advertising i.e. the cost of the sponsorship is compared to the publicity value which will result from the exposure obtained.

(b) Normal budget and expenditure control procedures.

(2) Yes, for the publicity value that Spoornet would obtain from the exposure.

The LEADER OF THE OFFICIAL OPPOSITION. Mr. Chairman, arising out of the hon. the Minister's reply, would it not be a better policy if sponsorship was provided for those kinds of sports that need upliftment through sponsorship and not those kinds of sports that enjoy significant public patronage?

The MINISTER OF TRANSPORT. Mr. Chairman, I am of the opinion that each and every sports organisation can apply for sponsorship from the independent board of directors of Transnet. They will determine where they can get the best value for their money, and then they will sponsor that specific sport's council.

RSA: size of bureaucracy

Mr. M. F. CASSIM asked the Minister of State Expenditure and for Regional Development:

(1) Whether a scientific assessment of the size of the bureaucracy in the Republic of South Africa has been undertaken recently, if so, (a) by whom, and (c) what were these findings, if not, (2)

(2) whether he intends having such an assessment undertaken, if not, why not, if so, what are the relevant details?

The MINISTER OF STATE EXPENDITURE AND FOR REGIONAL DEVELOPMENT.

(1) Yes, if the hon. member means by bureaucracy the Public Service and the Public Sector.

(2) D107E

HOUSE OF DELEGATES
the Central Statistical Service undertakes surveys of the total Public Sector, while the Office of the Commission for Administration gathers and maintains information on the RSA Public Service,

(b) the surveys are done on a regular basis, the most recent survey on the size of the Public Sector being as at 30 September 1990 and

(c) findings with regard to these surveys indicate that the personnel numbers as at 30 September 1990 were 748 302 for the RSA Public Service and 1 662 355 for the Public Sector.

(2) Falls away

INTERPELLATION

The sign * indicates a translation. The sign †, used subsequently in the same interpellation, indicates the original language

**Own Affairs**

**Education: steps to improve**

1 Mr K PANDAY asked the Minister of Education and Culture

(1) whether he or his Department plans to take steps to improve the education of children falling under his control so that they will be able to face the realities of the modern democratic South Africa, if not, why not, if so, what steps?

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

**HOUSE OF DELEGATES**

(2) Falls away

**Our schools are flexible enough to help inculcate positive attitudes towards change**

The school curriculum itself is undergoing change. There is a greater emphasis on technical, vocational and vocationally oriented education as opposed to the generally academic education of the past. It is here the good work done by the Job Placement Board and the Vocational Education Directorate of my department. Thus directorate will be playing an increasingly important role in the future South Africa in securing jobs for school-leavers. [Time expired]

Mr K PANDAY Mr Chairmain, it appears that some very positive steps have been taken by the ministry in respect of the interpellation I have posed here. However, I should like to make some observations with regard to this.

The Indian children, through no fault of their own, by and large understand the culture and behaviour only of the children of Indian origin. The groupings of our children into Indian schools was not a choice of the Indian parent or child. It is really superficial and irrelevant at this stage to address the issues of the past. The education of our children is of paramount importance. Much of what is being said currently will be history in the not too distant future. Let us not look critically at the past, but rather prepare our children for the changing South Africa.

Interaction is the key word. How do we get our children to communicate and interact with children of their own age group across the colour line? Briefly, I would suggest that firstly, Afrikaans as a compulsory subject must be scrapped. Let the main language of this country be English. Allow children to choose their own second language, whether it is Afrikaans, Hindi, Tamil, Telugu, Arabic, Zulu, Xhosa or any other language of their choice. By enforcing Afrikaans as a compulsory second language down the throats of our students we are not only punishing them, but losing the very thing we need, namely that a child must feel comfortable with the subjects that he or she chooses.

That is why, in order to direct a child into a particular field, he or she has to choose the direction of his or her own beginning. This was, has or her Std 8 Year after that the child is geared into a particular field. The Indian child has to learn to understand and speak Black languages in order to communicate with his peers.

In order to incorporate this into the curriculum without interfering too much with other subjects, our schools should take away about an hour or an hour and a half from the three to three and a half hours allotted to Afrikaans with immediate effect and next year remove all of it.

HON MEMBERS. Hear, hear!

Mr M F CASSIM Mr Chairmain, it pleases me to follow on the hon member for Reservoir Hills, Mr He and I have an abiding interest in education and I am always interested in listening carefully to his ideas so that together we can put forward something that will be of interest to all of us.

I take note of one point. Whenever we try to exclude something, we make our education so much less important and significant. The policy should be all-inclusive rather than exclusive.

We can take Afrikaans as an example. For a long period, because of political compulsions, there was a need or desire to protest against Afrikaans, but now that the new situation is evolving, Afrikaans must be seen as a language which has a place here. If people know that language, it gives them added mobility and added morsels. The purpose of education should not be to deny but rather to provide the means, because this is what makes the best conditions possible.
There were 748,503 members of South Africa's public service and 1,602,365 members of the public sector as of September 30, according to reports by Central Statistical Services (CSS) and the Office of the Commission for Administration. Minister of State Expenditure Amos Venster said in the House of Delegates yesterday.

Answering a question from Mohomed Cassim (Bul Nama), he said the CSS regularly undertook surveys of the total public sector while the commission kept and gathered information on the South African public service — Sapa.
Govt preparing to hand over services

CAPE TOWN — Government is preparing to rationalise and decentralise some of the basic services it provides to ensure that the transfer of these services to a new government will be as smooth as possible.

Speaking in the House of Assembly Budget debate yesterday, Justice Minister and Ministers' Council chairman Kobus Coetsee said the white own affairs' administration was preparing "policy positions and approaches" to deal with the transition of the management of services it provided.

Although the present constitutional structures would have to be maintained until new structures had been negotiated, the House of Assembly was prepared to relinquish some of its functions to other bodies.

"The envisaged handing over of primary health care to local authorities is a case in point," Coetsee said.

The administration was also prepared to make its services and facilities available to other population groups, he said.

"Although the administration has been constitutionally charged to look after the needs of a particular population group, it is more than willing to make its services and facilities available to all, where this is possible."

An additional measure, said Coetsee, was the House of Assembly to prepare for the rationalisation of other services in order to ensure a quick and effective changeover to a new constitutional structure.

The future of the white own affairs administration was limited. The cornerstone on which it stood — that of a statutorily prescribed race group — was expected to be omitted from the new constitution, Coetsee said.

But while it remained in existence, the administration would gladly cooperate with other own affairs administrations, the general affairs departments and the provincial administrations.

The specialised expertise it had in certain areas would be made available to all.

The administration was keen to be part of the reform process and welcomed every opportunity granted to it to make a contribution, he said.
involved. The normal periods of lease contracts are 12 months. The total revenue derived from the leasing of the land concerned, amounted to R4 854 101.

The provision of particulars in respect of each separate lease contract, can as a result of the large volume of work to be undertaken, not be justified.

Norwood police station staff details

38 Mr A J LEON asked the Minister of Law and Order

(1) Whether he will furnish the (a) total allocated and (b) actual strength of each rank in the current establishment of the Norwood police station situate in the Johannesburg North Police District, if not, why not, if so, (i) what are the relevant details, (ii) how many temporary members are there on the current establishment of this police station and (iii) in respect of what date is this information furnished,

(2) whether any steps have been and/or are to be taken specifically to increase the strength of this police station, if not, why not, if so, (a) what steps and (b) when?

B1009E

The MINISTER OF LAW AND ORDER

(1) (a) and (b)

No, it is not in the interest of the members as the relevant police station, and policing in general, to furnish information of this nature I am, however, prepared to inform the honourable member personally and confidentially in this regard.

(2) (a) and (b)

The increase of manpower at police stations takes place on the basis of investigations by the Division Efficiency Services of the South African Police. Such an investigation in respect of the Norwood police station has not yet been carried out. The personnel at the police station in question is, however, not at full strength. The available members nevertheless perform an outstanding task in maintaining law and order in the station area.

I have requested the Commissioner of the South African Police to conduct an efficiency investigation regarding the manpower situation at the Norwood police station so as to supplement it, should such an investigation prove it necessary.

Self-governing territories/TBVC countries: land

384 Mr F J LE ROUX asked the Minister of Development Aid

(a) What is the area of the land which, on the adoption of the Development Trust and Land Act, No 18 of 1936, was allocated to each of the self-governing territories and TBVC countries and (b) what was the area of each self-governing state and TBVC country as at 31 December 1900?

B1010E

The MINISTER OF DEVELOPMENT AID

(a) The required information is not readily available. The estimated extent of land declared as the Black Land Act, 1913 (Act 29/1913), before the adoption of the Development Trust and Land Act, 1936 (Act 18/1936), is approximately 10,000,000 hectares.

(b) The respective areas (rounded off) are as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Area  (hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gazankulu</td>
<td>774,000</td>
</tr>
<tr>
<td>Lebowa</td>
<td>2,251,000</td>
</tr>
<tr>
<td>KwaZulu</td>
<td>3,317,000</td>
</tr>
<tr>
<td>Qwaqwa</td>
<td>105,000</td>
</tr>
<tr>
<td>KwaNdebele</td>
<td>228,000</td>
</tr>
<tr>
<td>KnNgwane</td>
<td>438,000</td>
</tr>
<tr>
<td>Ciskei</td>
<td>800,000</td>
</tr>
<tr>
<td>Venda</td>
<td>708,000</td>
</tr>
<tr>
<td>Transkei</td>
<td>4,286,000</td>
</tr>
</tbody>
</table>

TV licences: income/cost

387 Mr H J COETZEE asked the Minister for Economic Co-ordination and Public Enterprises

(a) What amount did the Post Office receive for handling television licences in each of the last three financial years and (b) what was the cost involved in the television inspectorate of the Post Office in each of these years?

B1019E

The MINISTER FOR ECONOMIC CO-ORDINATION AND PUBLIC ENTERPRISES

(a) The amount received in the last three financial years were as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988/89</td>
<td>R 9,138,221</td>
</tr>
<tr>
<td>1989/90</td>
<td>R 12,482,691</td>
</tr>
<tr>
<td>1990/91</td>
<td>R 14,191,206</td>
</tr>
</tbody>
</table>

(b) R 8,576,311

Limpopo Hospital: patient removed by SAP

409 Mr J VAN ECK asked the Minister of Law and Order

(1) Whether the South African Police removed an injured boy from the Limpopo Hospital in Messi on or about 7 February 1991, if so, (a) why and (b) what are the circumstances surrounding the matter?

(2) whether doctors (a) were consulted before, and/or (b) consented to, the removal of the boy from this hospital, if not, why not in each case,

(3) whether the boy was subsequently held overnight at the Petersburg police station, if so, why,

(4) whether the boy was transferred to the Petersburg Hospital the next day, if so, why,

(5) whether he will make a statement on the handling of the matter by the Police?

B1076E

The MINISTER OF LAW AND ORDER

(1) Yes

(a) On account of a written request which the Superintendent of the Limpopo Hospital addressed to the South African Police

(b) According to the Superintendent political interference from outside was prejudicial to the discipline in the hospital The Charge Office Commander, however, was not aware that the boy had to be transferred to the Petersburg Hospital immediately The boy accordingly spent the night in the Police cells at the Petersburg Police Station

(2) (a) and (b)

The removal was done at the request of the Superintendent The South African Police did not consult or ask the consent of other doctors

(3) Yes, I refer the honourable member to paragraph (1)(b) above

(4) Yes, for further medical treatment and according to a request by a medical practitioner

B1070E

The Minister is kindly referred to the reply to Question 356 (seeVol 140/5)
Public service workers to meet

The National Union of Public Service Workers holds its first national congress from tomorrow.

The theme of the conference, which will be held at the Roman Catholic Centre in Sarasota Street, Doornfontein in Johannesburg, is "NUPSW confronts challenges".

Azapo president Mr Pandelani Nefolovhodwe will be the guest speaker. Other guests will come from public sector unions in Africa.

The congress will look at making the NUPSW the biggest union in the public sector and to redouble the campaign against privatisation of the public sector, particularly health care.

By MOKGADI PELA

NUPSW official Mr Mido Molaia said the union would intensify its call for public sector industry to be covered by the Labour Relations Act.

The NUPSW has also called on sister unions in the country to join hands with it in forming one union in the public sector.

The congress will take place against the backdrop of looming retrenchments of 10,000 workers by the Transvaal Provincial Administration.

Worker representatives are expected from the Eastern Cape, Natal, Northern Transvaal and the Western Transvaal.
Civil service ‘must adapt’

By MICHAEL MORRIS
Political Correspondent

CIVIL servants would have to make adaptations in the present era of change in South Africa and help eliminate distrust and prejudice, President De Klerk said.

Only through ‘exemplary leadership’ could this goal be achieved, he said.

He was speaking at a ceremony at Tuynhuys last night at which he awarded the President’s Decoration for Exceptional Service to Director-General of Foreign Affairs Mr. Neil van Heerden, and Director-General of Trade and Industry Dr. Steph Naude.

Mr De Klerk acknowledged that “great demands” were being made on South Africans as the country underwent transition.

The public service would “play a fundamental role in the way to new and just dispensation for all in South Africa”.

He told the gathering of ministers and guests that in the era South Africa was entering, “a stable and competent civil service is indispensable”.

He repeated his earlier assurance that “no civil servant worth his salt need be concerned about career security”.

However, he added: “There should be no illusions that difficulties will be experienced in the future.

“Adaptations will continually have to be made, attitudes must change and distrust and prejudice must be eliminated.

“Only by exemplary leadership can this goal be obtained and today’s two recipients of the decoration comply pre-eminently with these requirements.

“With leaders such as these, every public servant can face the future with confidence.”

In his reply, Mr Van Heerden said it would not have been possible for the Department of Foreign Affairs to have achieved its successes of the past year if Mr De Klerk had not taken bold steps towards reform.

This had enabled South Africa to normalise relations with the world.

Dr Naude told the gathering that it was a privilege to be involved in the task of building a new South Africa.

He assured Mr De Klerk that his department would do all it could to boost the country’s economic growth to provide the driving force for political reforms.
Ministers hit back on perks

Political Staff

HOUSE of Delegates

Ministers, stung by disclosures that they get more than R$ 8 000 a month if their private homes are leased as official residences by the state, have hit back at the man who exposed the perk.

Local Government and Agriculture Minister Mr Yonus Moolla also released full details of the perks enjoyed by ordinary MPs.

He disclosed that MPs get 36 air tickets a year and after that can travel the country at one-fifth of the normal fare. They also get a tax-deductible allowance of R100 a day in addition to their salaries while Parliament is in session. This is to cover their accommodation expenses while away from home.

They get another R50 a day for attending standing committee meetings during the parliamentary recess.

Mr Moolla’s revelations follow the reply given last week by the Minister of Public Works, Mr Jakob de Villiers, to the question tabled by Mr Mahmoud Rajab, the Democratic Party MP for Springfield.

Mr De Villiers revealed that if office-bearers choose to live in their private residences the department, subject to certain conditions, compensates them.

He said Dr J N Reddy, chairman of the Minister’s Council in the HoD, and Education and Culture Minister Dr Kisten Rajoo were paid R$ 727.08 a month plus actual expenditure on municipal services, rates and taxes.

Mr Moolla and Health Services Minister Mr Baldeo Dookie both got R$ 377.83 a month, he said.

"It must be noted that the allowance is taxable."

Mr Moolla lashed out at Mr Rajab for phrasing the question in an "ethnic" manner which only highlighted the House of Delegates.

"The question of housing allowances for ministers was a cabinet decision and not a decision of the Ministers’ Council of the HoD," he said.
Achiver plan for top State officials

From DAVID CANNING
The Argus Correspondent

DURBAN The country's top civil servants may be placed on an incentive scheme with 40 percent of their salaries dependent on the achievement of preset goals.

Minister of Finance Barend du Plessis hinted last night that this was one possibility of an urgent investigation ordered by President De Klerk into top civil servants' pay.

Mr Du Plessis told a seminar in Durban that he had derived 'immense personal satisfaction' from the State President's decision because he personally had been urging such a move for years.

He believed departmental directors-general could be placed on a commission scheme with a basic salary of, perhaps, 60 percent and the other 40 percent dependent on achievement of objectives. Containment of spending within targets could be one such goal.

Mr Du Plessis said he did not believe all directors-general should be paid at the same rate. It should depend on the level of responsibility they bore.
Top civil servants to get less?

DURBAN: The Ministry of Finance, salary and the balance should he dependent on the results they achieved in their departments.

Mr. Du Plessis said that the State had ordered an urgent investigation into the payment of the top civil servants.

Mr. Du Plessis said that the balance should be on a "results" basis.

"They should be paid 60% of their salary and the balance should be dependent on the results they achieved in their departments."
Cabinet pay probe demanded

Own Correspondent

PRETORIA — Top public service officials yesterday claimed that if their salaries were to be investigated there should be a parallel investigation into the earnings of politicians and particularly those of cabinet ministers.

This week the Minister of Finance, Mr Barend du Plessis, said President F W de Klerk had ordered an investigation into the earnings of top bureaucrats.

He said he had proposed that they should be paid on a results basis. He said they should be paid 80% of their salaries and the balance on performance.

Public Servants' Association general manager, Mr Hans Olivier, said: "In the first place, before a statement of this nature is made affecting hard-working, loyal public servants, the staff associations should be consulted."

If such an investigation were made, the association would have to be involved. "To change the remuneration policy would be a drastic move which could not go undefended. How, Mr Olivier asked, would performance be measured and who would do the measuring?"
No probe into public service salaries

PRESIDENT de Klerk would not order a special investigation into whether public servants should be paid according to the results they achieved, Finance Minister Mr Barend du Plessis said.

Mr-Du Plessis was reacting to media reports which quoted him as saying on Monday that President de Klerk had ordered an urgent investigation into the salaries of top public servants.

But what caused the greatest flurry was Mr Du Plessis's alleged proposal that top public servants be paid on a results basis -- receiving 60 percent of their remuneration as basic salary with the remainder dependent on results.

In a statement yesterday Mr Du Plessis said his remarks had been "positively confidential and, on top of that, formulated more briefly than statements which are normally intended for publication".

The reason for this, he said, was that the publication of his suggestions had not been cleared, as etiquette required, with either the State President or the Minister involved.

"The unauthorised leakage of my answer could thus not be anything other than incomplete and misleading."

Mr Du Plessis then gave a fuller version of what he had apparently said:

"There was nothing new in his proposals that management in the public service receive salaries connected, in part, to their reaching certain goals.

Although it was more difficult to set goals in the public service, "I believe that the principle can be applied in at least certain components to the public service."

He said he was aware of merit awards which already existed on certain levels in the public service -- although they were "managed according to another principle."

-- Sapa."
Barend says his quotes on FW ‘misleading’

PRESIDENT FW de Klerk would not order a special investigation into whether public servants should be paid according to the results they achieved, Finance Minister Mr Barend du Plessis said yesterday.

Mr Du Plessis was reacting to media reports which quoted him as saying on Monday that Mr De Klerk had ordered an urgent investigation into the salaries of top public servants.

What caused the greatest flurry, however, was Mr Du Plessis's alleged proposal that top public servants be paid on a results basis. Receiving 60% of their remuneration as basic salary, with the remainder dependent on the results they achieved.

In yesterday's statement Mr Du Plessis said his remarks had been "positively confidential and, on top of that, formulated more briefly than statements which are normally intended for publication".

The reason for this, he said, was that the publication of his suggestions had not been cleared, as etiquette required, with either the State President or the minister involved.

"The unauthorised leakage of my answer could thus not be anything other than incomplete and misleading," he said.

Mr Du Plessis said there had been nothing new in his proposals that management in the public service receive salaries connected, in part, to their reaching certain goals.
Phased end to discrimination urged

By David Canning

DURBAN — Immediate and complete removal of all discrimination in public spending will result in large-scale emigration and disinvestment, says Minister of Finance, Barend du Plessis.

In a paper given for him in Durban by Director-General of Finance Dr Gerhard Creese, Mr du Plessis said the Government accepted the principle of non-discrimination.

In practice, however, any sudden transition to totally non-discriminatory provision of social services was not practical politics or economics.

His speech was read to the annual convention of the Association of Black Accountants.

He said his comments should not be seen as representing "a biased or self-justifying view held by an uncaring government."

Various private economists with impeccable liberal credentials had made similar points.

In various quarters support was growing for a social accord that would serve to ensure success of the parity programme.

SA was unlike the US, where a majority was able to support equal spending on a minority.

In SA, non-discrimination in social spending meant the minority would have to support the majority.

Given the relative numbers, it could not be expected that the more privileged group would suddenly like to see its standards plummet.

However, differences in social spending were shrinking, health care was becoming accessible to all, huge amounts were being channeled into black housing and education had become the largest element in the Budget.
Civil service seeks more power to negotiate pay

PRETORIA — Dissatisfaction with the lack of “negotiating machinery” for public service staff associations has reached a crisis point, Public Servants’ Association (PSA) general manager Hans Olivier said last week.

He said the dissatisfaction had first surfaced more than a decade ago “and we are no nearer a solution, in spite of repeated government assurances that the issue was regarded as urgent and had been given a high priority.

Olivier said the PSA would meet Commission for Administration chairman Piet van der Walt next week.

It would emphasise the unhappiness of the 11 public service staff associations, which represent more than 300,000 workers, about government’s procedures for determining salary levels.

The PSA had made it clear that government workers wanted to be subject to the conditions which applied to private sector unions in terms of the Labour Relations Act.

“We want negotiating muscle and with it the right to contest any government decision we consider to be unreasonable,” said Olivier.

The present system called for staff associations to submit inputs to support salary claims before government prepared the Budget.

“That’s the last we hear of it until the Finance Minister announces in his Budget the global sum to be allocated to exchequer personnel — and that is what happened again this year,” said Olivier.

He said the system relegated government workers’ salary increases to the lowest level of government’s spending priorities.

“We have put up with this ‘take it or leave it’ attitude for too long.

“We want channels through which we can effectively negotiate, including arbitration if we reject the deal handed us by government.”
JOHANNESBURG. — Undisciplined government spending does not support the strict monetary measures applied to the private sector in the fight against inflation, according to Sancorp strategic research chief Dr P Strydom.

He delivered a paper at the Afrikaanse Handelsinstituut motor congress in Johannesburg yesterday.

"The consumption propensity in the SA economy finds a caricature of itself in the public sector," he said.

As long as SA failed to institute guidelines for cost controls in the public sector, the country would not be able to claim it had a well-established anti-inflation policy.

Meanwhile, Nissan SA director Andries du Toit noted that SA motor exports have risen from R600m a year in 1985 to R700m.

"Growth can be expected to accelerate further since manufacturers have been working for years on certain projects which will only come to fruition in the near future," he said.

Expectations in the motor industry were that in the long term more than just spare production capacity would be employed for the export markets.

Further investment for exports will become a prerequisite," he said.
Pay rise for MPs, city staff

Weekly Mail Reporter

CITY councillors and MPs may get a 7.5 percent salary increase.

The proposed pay rises were contained in an annexure to minutes of the United Municipal Executive’s last meeting and were expected to be ratified at a UME meeting in Natal next week.

The reports said the proposal, linked to increases to MPs, would be phased in over the next two years.

In terms of the proposals, which were leaked to the Eastern Province Herald, Port Elizabeth city councillors’ allowances of R1,200 would increase to R2,000 a month calculated retrospectively from January.

"The mayor, who now receives R4,800 a month, will get R8,405," said the report.

Mayors’ deputies and members of management committees would also see substantial pay increases. — Pen
Bloated bureaucracy ‘pushes tax, inflation’

The Argus Correspondent

JOHANNESBURG. — The civil service has become more bloated than ever, in spite of government promises of cuts.

The Econometrix research unit warned yesterday that still heavier tax burdens and higher inflation looked inevitable unless trends were reversed.

Its studies showed employment in central government had climbed to a new peak at 580 566 by the first quarter of 1991 — almost 21 500 higher than a year ago, contrary to political assurances of a smaller and leaner bureaucracy.

The number of jobs in the four provincial administrations grew at an even steeper 25 000, boosting the combined total to more than 784 000.

Still worse, said Econometrix director Dr Azar Jammine, had been the scale of increases in the wage bill for civil servants, which rose far faster than the inflation rate.

With an overall 3.3 percent rise in employment, the wage bill for central government and provincial administrations soared to R4 445 million for the first quarter — 20.8 percent higher than 12 months earlier.

A breakdown showed the wage bill for central government alone rose by 28.4 percent to reach R3 440 million.

Allowing for a 4 percent increase in job numbers, that equalled average increases of 23.5 percent — about 9 percent more than inflation.

The fattest pay increases went to civil servants handling General Affairs departments.
Men from the ministry just keep multiplying

By Michael Chester

Despite government promises of cutbacks in the size of its bureaucracy, the civil service has become more bloated than ever, it was revealed yesterday.

The Econometrix research unit warned that heavier tax burdens and higher inflation looked 'inevitable unless trends were reversed...'

Its studies have revealed that employment in the central government had climbed to a new peak of 566,595 by the first quarter of this year - almost 21,500 higher than a year ago, contrary to political assurances.

The number of jobs in the four provincial administrations grew by 25,000, boosting the combined total to more than 784,000.

'Still worse, says Econometrix director Dr Azar Jammine, has been the scale of increases in the wage bill for civil-service operations, which outpaced the inflation rate. The wage bill for government and provincial administrations soared to R445 million for the three-month first-quarter period - as much as 26.8 percent higher than 12 months earlier. The wage bill for central government alone was 28.4 percent to reach R3 440 million.

Even allowing for a 4 percent increase in job numbers, that equated average raises of 29.5 percent - about 9 percent more than the inflation rate.

Dr Jammine said that in the past decade, employment in central government had grown by 'a staggering 72 percent'.

'Even if a significant proportion of the increase is attributable to an increase in the number of teachers and nurses rather than bureaucrats, one is still talking about an increase in civil-service employment which substantially exceeds the population growth rate."

'Undoubtedly, much of the sharp increase in wage rates went into efforts to raise the pay of low-income workers.'

However, he said, the higher tax and inflation rates caused by a bigger state bureaucracy were bound to threaten a continued decline of the economy.'
Recalcitrant whites in the civil service need to be disciplined

It’s often argued that, without even trying, the bureaucracy is an obstacle to reform — so who knows what could be achieved if it applied its collective mind to being really obstructionist?

Admittedly, deregulation has undermined the monolith to some extent, but red tape and narrow minds still rule in many areas ranging from township proclamations to the payment of pensions. While in theory, public servants simply implement political policy, their influence over its formulation and ability to make or break it is common throughout the world.

SA’s tradition of a centrally controlled and seemingly inappropriate bureaucracy enforcing restrictive and repressive policies assured the economic and political decline of the country under Nat rule. However, it was government’s bulwark against change and ticket to successive electoral victories.

But with the dawn of the F W de Klerk era, the emphasis changed dramatically. The bureaucracy was called on to spearhead the reform process, not block it. How is the public sector employing nearly 1.7m people of whom about 600 000 are white. The public sector comprises the own and general affairs departments — the pillars of national unity and the tripartite constitution — along with the provincial administrations, employ 750 000, including 300 000 whites.

In addition, whites dominate the administrative and clerical functions Public Service Association general manager Hans Olivier says 75% of the administrative staff and 73% of clerical workers are white.

And by far the majority of those white public servants are committed Afrikaners. Until February 2 1989, most of them probably supported the National Party. But that may have changed.

With transition to democracy no longer an “if” but a “when,” many bureaucrats justifiably fear for their futures.

Will the next government immediately purge the senior ranks and replace them with officials loyal to the ruling party just as the Nats did soon after winning power in 1948?

And if this happens, how long will it take for the new government to emulate the Nats’ systemic transformation of the entire public service into a politically and culturally acceptable corps?

The concern is valid, but what are its consequences and how can it be adequately addressed to ensure the public service becomes and remains a cog in the reform process rather than a spoiler in the works?

Already the Conservative Party — never short on political opportunism — is planning strategies to use disaffected public servants to block reform, says CP spokesman Fanie Jacobs. The CP has no doubt that a black government will immediately oust senior bureaucrats and replace them with political appointees. “We will have a public service that is part and parcel of the governing party. Job security and pensions of existing public servants will be threatened,” says Jacobs.

He counters the argument that the Nats did as much in 1948 with the claim that the Nat appointees were ‘sophisticated people who believed in democracy and the neutrality of the public service.’ That will raise a laugh among many of the ousted public servants, some of whom tripped over the language roots or were simply told that membership of the party was a prerequisite to further advancement.

An organisation like the ANC, he says, lacks not only the talent to replace senior personnel, but also the requisite commitment to “Western democracy.” That from the party of Andries Treurnicht!

Jacobs believes the majority of white bureaucrats support the CP and the party is currently looking at “a wide range of strategies to resist, in peaceful ways, the coming into being of the new SA”.

At local government level, where the CP in many cases has political control of towns, integration will be resisted “even more vigorously” than elsewhere. “We are determined not to be forced into a system we don’t accept,” he says.

But what could public servants do to thwart reform? Apart from being generally inefficient (which for many would be nothing new), any illegal or subversive act could lead not only to dismissal, but also to prosecution.

Destroying records, deliberately delaying administrative processes or cutting off essential supplies to particular areas could raise tensions in communities and threaten the reform process.

But such actions are generally easy to trace (Venterdorp’s town engineer, who allegedly switched off the power supply shortly before police and rightwing thugs clashed in the town earlier this month, was arrested almost immediately and charged with subversion.)

Commission for Administration chairman Piet van der Merwe believes public servants will remain loyal to the State regardless of their party affiliations (I don’t believe they will allow themselves to be influenced to block reform.

He says the public service has a crucial role to play and must give the lead in the reform process. “I believe party allegiance ranks lower in the eyes of a public servant than duty to the service.

“The proper conduct of public business requires that public servants be expected and obliged to live up to certain standards of conduct and to give practical expression to the values that underlie the whole concept of ‘public service’ — namely integrity, anonymity, non-partisanship, fairness, professionalism and loyalty.”

They need to restore the trust of all South Africans in the
**The lessons for SA**

The difficulties of pushing through major political reform during a period of economic retreat have often been commented on. It is arguable that there would never have been an attempted counter-revolution in the USSR if Mikhail Gorbachev’s reforms had been accompanied by an improvement rather than a deterioration in living standards. That, in turn, tends to confirm that he was wrong to backtrack on moves towards a market economy, which could hardly have caused much more short-term distress and would at least have paved the way for longer-term recovery.

So recent events in the USSR underline the need for economic revival to accompany political reform in SA. This means that government must not surrender to philosophies of economic dirigisme that have been discredited everywhere else, but must press ahead with structural reforms.

Trouble is that, as we have remarked before, the National Party’s conversion to a competitive free-market philosophy not only came at the eleventh hour, it lacks so much of the zeal normally found in a convert as to suggest that it is only skin-deep. However much they may differ on political issues, the NP and the ANC seem equally happy to shelve economic reform and the onslaught on excessive bureaucracy; we no longer have the impression of debate on the shape of a post-apartheid economy, so much as a struggle to control the patronage of a socialist economy is perceived to offer.

This alone, incidentally, is surely an adequate rebuttal to the simple souls who wonder if the DP still has a function.

Set in this context, Barend du Plessis’ amendments to the VAT proposals last week are no more than reactive ad hocery. They may ameliorate some of the initial hardship of VAT (see Leaders), but it is difficult to see in them any coherent vision of the future. It is also regrettable that, by appearing to give in to “radical” pressure, they inevitably appear as confessions of error and weakness.

Sadly, it’s too late to do much to build up a black-middle class with a real stake in the existing system. So socio-economic upliftment is essential if the new SA is not to become totally un Governable — by any party.

In the long run, Dawie de Villiers’ redeployment of R1bn from the oil stockpile may mean more than Du Plessis’ VAT changes; if only it, too, was presented as part of a coherent strategy rather than just another knee-jerk reaction!

**LESSONS FROM THE USSR**

**The dangers of fission**

The underlying economic and political instability of the Soviet Union — which the hardliners’ attempted coup was designed to crush — has reasserted itself so powerfully that President Mikhail Gorbachev had no sooner returned to Moscow than he found himself increasingly marginalised. As we pointed out last week (when events were poised on the brink of uncertainty), the USSR “has undergone a sea change of thinking under Gorbachev” and the forces which he unleashed have a long way yet to run.

There are dangers and opportunities in this process which go far beyond any simple-minded rejoicing over the final downfall of communism in the Soviet Union European nations, for example, are as uneasy over the prospect of border conflicts between the 15 republics as they were over the brush with returning totalitarianism. This is because of the economic destabilisation of the fragmenting union, the regressive tendencies of ethnic conflict (witness Yugoslavia) and the question of disposition of the Soviet nuclear arsenal.

With Britain in the lead, it seems the EC will readily accord diplomatic recognition — and aid beyond the technical facilitation proposed by the G7 in July — to the Baltic republics Estonia, Latvia and Lithuania will be free after half a century of occupation. The situation of other independence-seeking republics — with Georgia, Byelorussia, Ukraine and Moldavia pre-eminent — is more complex, with Russia’s Boris Yeltsin himself appearing to contemplate something less than a full severing of links.

Yeltsin’s office has said he does not wish to stand for presidency of the disintegrating union — and why should he? That could be to preside over a human disaster of enduring impact. But that the union should continue in abbreviated form seems equally accepted in Moscow, where Yeltsin’s spokesman this week pointed out “If there’s no union, who among the republics is in a position to keep strategic nuclear weapons?” At present, 80% of Soviet atomic bombs are in Russia under the authority of the Kremlin.

Another disrupting factor is the USSR’s USSR60bn debt. Like the nuclear armourt, it is hard to see how it can be split on ethnic/national lines. Nationalistic tugging away from the Russian centre could disrupt the world financial system.

It is far too soon to think that democracy and the market will prevail in the collapsing USSR. As Yugoslavia again shows, the reversion to ethnicity and small nationalism is easily subverted by ancient antagonisms and bloody conflict.

And will we yet see a reversion to anti-Semitism in the East? The question, alarming as it may seem, has to be faced when the West comes to decide the scale and direction of the assistance it will give towards the reconstruction of the former Soviet Union.
public service by maintaining high ethical standards at all times and under all conditions.

Van der Merwe says there are obviously no absolute guarantees for public servants after transition, but efficiency, dedication and skill will go a long way to assuring job security under a future government.

Olivier agrees. "In my experience, public servants put their duty above party loyalty. They serve the taxpayers and the electorate, not the government. If the CP succeeds in implementing its strategy, you can write 'condemned' all over the public service." He says the acceptability of the public service to the next government is more of an issue than the adaptability of public servants to change. "In my opinion, today's public service is competent, big and loyal enough to face the challenges of the coming constitutional reform with loyalty, dedication and confidence."

The Democratic Party's Kobus Jordaan, a former senior official in the Department of Constitutional Development, believes the perception of the white bureaucracy being predominantly CP will abate when negotiations start and De Klerk and Nelson Mandela are heard to espouse common values. "At the moment, white fears are not being addressed and this is the CP's biggest 'asset.' Attitudes will change when they are addressed." Jordaan says if the CP encourages the blocking of reform, it must be in a position to guarantee jobs to public servants who may be fired for their actions. He believes when it comes to the crunch, only a tiny percentage of CP supporters will be willing to risk their positions in pursuing political ends.

The ANC views the issue from a different perspective. Information chief Pallo Jordan says the reluctance to change goes beyond the public service and right up to government. "The incumbent government is an obstacle to change. While it has been compelled by a mix of national, regional and international pressure to change, it hasn't come to terms with the consequences. The public service, a large part of which has been government's constituency, reflects the same mood." He agrees that the public service, which provides the input on which government bases policy decisions and then implements those policies, is in a position to sabotage the reform process. The threat can be overcome to the extent that government wants to overcome it.

The ANC believes an affirmative action programme is necessary to "Africanise" the public service. At a human resources management conference in April, the organisation's manpower director, Mzwai Plisso, said the ANC was looking at the top 1,500 jobs in the public service. He said it was necessary to remove the historical imbalance through affirmative action.

A possible interim step to ease the transition to a representative bureaucracy is being pushed by Constitutional Development Minister Gerrit Viljoen. In essence, it involves joint multiparty working groups specialising in particular fields of government. Part of their task would be to give guidance to an interim government during the transitional phase and to cooperate with existing bureaucratic structures.

The groups may emerge as the leadership corps of a future public service. The DP's Roger Burrows believes the working groups could also counter possible subversion in the public service by giving ordinary citizens more confidence to "squeal" about wrongdoing at lower levels and thereby keep public servants on their toes.

Jordaan says public servants' fears need to be allayed by politicians other than Nationalists — "It must come from the ANC and other people who will be part of the future. It is one of the most important issues to deal with at the multiparty conference." The bureaucracy will always be with us. Chances are it will remain inefficient and overstaffed no matter who is in power or what face stares back from behind the counter. But it can't be allowed to block reform and must, in fact, be used by government to remove far more restrictions on the process of socio-economic and political change.

The problem is akin to making the police force responsible to the public at large, rather than to political masters. The best way to begin this process is to take legal steps against those individuals who use the public sector to work for the Conservatives. Their actions are clearly intended to sabotage public well-being and there can be no excuse for them.

The message needs to be implemented from ministerial level down and government had better resign itself to the fact that it will become very unpopular in the civil service. But it is already unpopular — it has little to gain by fudging the necessary actions on spurious political grounds.
THE ANC yesterday joined the AWB, CP and DP in calling for the release of three critically ill right-wing prisoners after government rejected their appeal for clemency.

AWB leader Eugene Terre-Théron said his organisation feared it would be unable to restrain right-wing "bitterness and rage" if mercy was not shown to Henry Martz, 49, Adrian Maritz, 43, and Lood van Schalkwyk, 53.

The three are in Pretoria's N.P. Verwoerd Hospital. They have refused to apply for bail or to stand trial on charges of murder and attempt murder, saying they would starve to death if not granted political prisoner status and immunity.

Their lawyer Wim Cornelius said yesterday all legal channels had been exhausted and only political channels remained.

Cornelius said the right-wingers had the full support of the ANC and SA Council of Churches and that he had been lodgated with calls of support from political organisations in SA, the UK and Europe.

The Justice Department said yesterday the Transvaal Attorney-General would support a bail application by the hunger strikers.

CP leader Andreas Treurnicht said they should be released on humanitarian grounds to avoid a possible tragedy.

DP law and order spokesman Peter Gassow said his party supported their release on humanitarian grounds.

Martz has not eaten for 54 days, Maritz for 47 days and Van Schalkwyk for 40 days. They have all reportedly lost more than a third of their body weight.

All three are passing blood and need to take oxygen regularly. They are experiencing sight and hearing difficulties and need to be woken up regularly to prevent
THE Democratic Party has proposed the integration of structures of the Pan Africanist Congress and African National Congress into the public service.

In proposals it presented at the weekend, the DP also proposed the appointment of a "council of leaders" to advise President FW de Klerk while negotiations are under way.

It suggested the "council of leaders", comprising leaders of major political parties, be appointed by an all-party conference.

To preserve constitutional and legal continuity of government, the president should continue to exercise all executive functions provided for in the constitution.

The president should act on the advice of the council in the manner that he does on the advice of the Cabinet.

The DP also proposes that each Minister acts on the advice of a multiparty Cabinet committee."Political Correspondent."
Draft Bill covers public service

The Commission for Administration (CFA) has drafted a Bill which would radically alter labour law in the public service, bringing it substantially in line with the Labour Relations Act.

The draft, distributed to employee bodies for comment, is styled the Public Service Labour Relations Act of 1992 — clearly signalling the state's intention to push it through next year.

At stake are the rights of more than 700,000 public servants, who under the current Public Service Act have no specific right to procedures for bargaining or industrial action.

The forum, which include Cosatu's National Education, Health and Allied Workers Union and the Public Servants Association, are to comment on the draft Bill when the forum reconvenes at the end of this month.

Modelled on the LRA, the draft vastly improves the current dispensation, but is likely to fall short of union demands.

A key advance is the provision for state workers to use the industrial court, the Labour Appeal Court and statutory conciliation mechanisms such as industrial councils and conciliation boards. Provision is made for a "public service bargaining council", which would apparently function as an industrial council.

The legislation also lays down much the same strike procedures as the LRA, giving state employees strike rights for the first time.
Public servants 'feel insecure'

Own Correspondent

PRETORIA — Uncertainty about job security in the public service in a new South Africa was widespread among white government workers, Public Servants Association general manager Mr Hans Olivier said at the weekend.

The issue will be high on the agenda of the association's annual general meeting here later this month.

Mr Olivier said so-called assurances had been given by successive ministers in charge of the public service, and by President F W de Klerk himself, to quell these fears of public servants.

"But will a new government take cognisance of these assurances?" he asked. "Will there be an Africanisation to the detriment of loyal white public servants?"

The PSA accepted the advancement of blacks in the service as inevitable, but asked that advancement be objectively assessed on merit.
Public servants jittery

PRETORIA - Uncertainty about job security in the public service in a new SA was widespread among white government workers, Public Servants' Association (PSA) GM Hans Olivier said at the weekend.

The issue will be high on the agenda of the PSA's AGM in Pretoria later this month.

Olivier said so-called assurances had been given by successive Ministers in charge of the public service, and by President F W de Klerk himself, to quieten these fears of public servants.

"But will a new government take cognisance of these assurances?" he asked. "Will there be an Africanisation to the detriment of loyal white public servants?"

Olivier said the PSA had no problem with the advancement of blacks in the service. This was inevitable.

All the PSA asked for was that advancement be objectively assessed on merit.

The PSA wanted the issue to be high on the agenda when negotiations for a new constitution started.
Govt dragging feet — Cosatu

By Shareen Singh

Cosatu yesterday accused the Government of dragging its feet in implementing the Labour Minute and threatened to take mass action.

The minute has been agreed to by unions, employers, and the State. It was signed a year ago by Cosatu/Nactu, the South African Co-ordinating Committee on Labour Affairs (Saccola) and the Government.

The Government had agreed that the NMC would be dissolved by April this year and a restructured NMC would replace it. But the Minister had extended the term of office of the NMC and refused to commit himself to a date when a restructured NMC would be appointed, Cosatu said.

The minute made provision for the discussion of economic issues among the parties who signed the minute. Cosatu and the Department of Manpower held discussions on July 1 on a range of issues, including retrenchments and job-creation programmes, but the department has refused to say when negotiations could start.

Workers' rights were a burning issue in Cosatu and if these were not implemented soon, workers would have no option but to resort to mass action.

The federation's central executive committee would meet at the end of the month to decide on action.

Changing the Labour Relations Act

The spirit of the Labour Relations Act and the Wage Act, Cosatu said.

Regarding domestic workers, a National Manpower Commission (NMC) investigation had been completed in June, but little progress had been made in transforming these recommendations into law.

Cosatu demanded that the Minister obtain a commitment from the Cabinet that domestic workers be included in the Basic Conditions of Employment Act, the Wage Act, the Labour Relations Act, the Women's Compensation Act and the Unemployment Insurance Fund Act.

The Labour Minute agreed to grant full rights to public-sector workers, but the Commission for Administration, which agreed to produce draft legislation to cover public-sector workers, had failed to meet three deadlines, Cosatu said.

A draft, which Cosatu was studying, was finally produced last month.
Public servants to register as a union

PRETORIA — The Public Servants' Association (PSA) is to register as a trade union to protect members who move from the public to the private sector as a result of privatisation.

Addressing the PSA's annual meeting in Pretoria, PSA president Mr Johan van Wyk said other ways of improving collective bargaining power for public servants — including the right to strike in certain circumstances — were also being pursued.

He said the PSA, with certain trade unions and other staff associations, were involved in negotiations for a collective bargaining system including:

- Central bargaining structure for negotiations on central government and departmental level.
- Mechanisms for resolving disputes in cases where negotiations were unsuccessful, for instance arbitration and the right to strike.
- Access to the industrial court for civil servants.

Mr Van Wyk said the PSA would not advocate strike by employees who provided essential services such as magistrates, medical personnel, and many others.

The government and employees organisations were drafting legislation for a system of collective bargaining based on the Labour Relations Act.

Mr Van Wyk said the PSA and the Hospital Personnel of South Africa had agreed to conclude a co-operation agreement which would result in an alliance with about 105 000 members with a single administration.

Mr Van Wyk called on the government to provide written assurances guaranteeing the provision and rights of public servants in a new constitutional dispensation.
PSA protest is planned

PRETORIA — A strong protest against the "unsatisfactory" labour relations machinery in the public service will be made at next week's AGM of the Public Servants' Association (PSA).

In a statement yesterday PSA GM Hans Olivier said private sector workers had the protection and machinery of the Labour Relations Act (LRA) in wage negotiations.

Public servants had no such machinery and were virtually, at the mercy of government. He said government had rejected a recommendation by the Wijnberg commission that public servants be included in the LRA.

Another "burning" issue which Olivier said would be addressed was the uncertainty and anxiety about public servants' job security in a new constitutional dispensation.

PSA president Johan van Wyk would also refer to unsatisfactory salary levels, recent meagre increases and to differentiated retirement age. Some workers would retire at 60 and others at 65.
Employment in public service burgeoning

By AUDREY D'ANGELO
Business Editor

EMPLOYMENT in the public service is growing rapidly while that in the private sector is falling, says Rob Lee, economist and senior portfolio manager at the Board of Executors (BOE).

And in the last two years public service pay has risen at a faster rate than in the private sector. It now accounts for 35% of Government spending.

Calling for a cutback in Government spending, Lee says in his Investment Outlook that it is legitimate and necessary for it to increase in areas such as education and the social services.

But savings must be made wherever possible to avoid punitive increases in taxation or unacceptably inflationary budget deficits before borrowing.

"This issue is a complex one but unless levels of employment and remuneration structures are tackled overall success is unlikely. Privatisation needs to be re-introduced as a policy option."

And — says Lee — the ideal solution is to achieve "a high and sustained growth path" boosted by exports. This would allow Government spending to stay at present levels or even increase while becoming a smaller proportion of gross domestic product (GDP).

He says BOE believes that SA has the potential to achieve the necessary growth. Meanwhile the 13.7% increase in Government spending budgeted for in March has already moved up to 15.1% "and we estimate it will be closer to 18%".

Lee points out that SA's direct tax rates on individuals and companies are high by international standards. "It would be counterproductive to economic growth to mitigate further significant increases."

On the contrary, it would be preferable to reduce individual maximum marginal rates and the company tax rate along the lines of the authorities' stated targets in this direction.

The future over value added tax (VAT) illustrates how politically difficult it will be to increase indirect tax rates in future, although an increased relative contribution from indirect taxes would be preferable from an economic and tax efficiency point of view."

Stressing that Government spending will have to increase in some areas, Lee points out: "If political transition process is to succeed it is vital that the 'system' be seen to deliver visible benefits to the previously disadvantaged black community.

"While it is essential and desirable that the private sector play a large role in this process it is inevitable that some increases in Government spending will eventuate."

"Priorities will be low cost housing, free compulsory primary school education, health care, poverty relief and job training."

"Another area of priority will have to be the promotion of investment in manufacturing, and particularly manufactured exports."

"SA's manufacturing sector needs to become fully competitive in world markets if we are to achieve a high growth rate in the 1990s."

Unfortunately, he continues, "the budget deficit before borrowing has already moved above the reasonably sustainable limit of 3% of GDP."

"The deficit is set to end this fiscal year above 4% of GDP compared with 2.7% last year and less than 2% the year before."

"There is, therefore, no scope for a significant further increase in borrowing to finance necessary higher expenditure."

Lee says total employment in the civil service grew by almost 20% between 1984 and 1990 while that in the private sector hardly grew at all.

"Employment in the civil service is still growing while the private sector is again being forced to cut back."

However, the rise in the number of public servants is due mainly to the necessary employment of more black teachers, nurses and policemen.

And, because large numbers of civil servants are potential supporters of the Conservative Party it would be politically dangerous for the Government to impose strict discipline on the civil service wage bill.

"The most painless way out of these fiscal dilemmas would be if the economy moved on to a high and sustained economic growth path."

Rob Lee
Social workers call for 60% increases

JOHANNESBURG — Three social welfare groups yesterday announced a joint campaign for a 60% across-the-board salary increase to avert what they say is a crisis threatening the welfare sector.

The SA Black Social Workers' Association, the Society for Social Workers and the Concerned Social Workers, together representing about 7,000 social workers, told a news briefing yesterday that high staff turnover in welfare agencies and difficulties in recruiting new staff had resulted in an inadequate social service.

Between April 1990 and April this year 20 social workers of the Johannesburg Child Welfare Society left the profession.

Members of the associations were increasingly frustrated at unsatisfactory salaries and working conditions in the sector, and were considering forms of protest which could include industrial action, which would be illegal in terms of social welfare legislation.
Officials overpaid

Pay for the burgeoning civil service in SA is consuming 35 percent of the national budget, and salary increases have easily outstripped those in the private sector, according to a senior economist at the Board of Executors.
GOVT SPENDING SOARS BY 17.9%

Johannesburg — Government's spending soared 17.9% in the first five months of the fiscal year compared with last year and was well above the budgeted 13.7% for the year.

Exchequer figures show socio-economic and police spending largely behind a 23.7% year-on-year rise in spending in August. Revenue collections continued to lag behind the budgeted 11.1% for the fiscal year, rising only 4.1% year-on-year to August.

Economists said government was heading for a R1.5bn larger deficit before borrowing this fiscal year as a result of high socio-economic spending and low revenue collections. The deficit had risen substantially during the period, and could result in a government deficit of about R11.6bn for the year, compared with the budgeted R10.1bn.

Departments should have spent only 41% of their budgetary vote in the first five months of the fiscal year, but many departments had exceeded this. Planning, Provincial Affairs and Housing had spent 49.5% of their vote, Home Affairs 47.4%, and Education and Training 45.3%.

The SADF appeared to have been relatively successful in curbing expenditure. It spent 32.5% of its budgetary vote during the period.

The SAP had spent 48.6% of its vote. Absa economist Pieter Morgenrood said revenue receipts were slightly below July's level, so the low level of revenue collections in the first quarter could safely be regarded largely as an aberration.
A GROUP of 50 khaki-clad right-wingers yesterday set fire to a television set outside the SABC to protest against the corporation's "left-wing slant." They also accused the SABC of defiling Afrikaans culture and demanded that it kept TV1 racially pure. "Moral standards are being undermined," said organiser Johannes van den Berg. "We are sick and tired of racially integrated advertising. Blacks have TV2, 3 and 4. We don't want to see them on our screens," he said.

The demonstration was organised by an obscure right-wing group called Quo Vadis, which was established in Pretoria up October 1990 to challenge the SABC's policies.

The general manager of the SABC's communication department, Mr Theo Vorster, said the protest was "lamentable."
Public servants discuss the future

The Argus Correspondent

PRETORIA — One of the most keenly awaited discussions on the future of public servants gets underway here today at the annual meeting of the Public Servants’ Association.

Among other issues to be discussed in the opening address by PSA president Mr Johan van Wyk are the “meagre” salary increases granted to public servants this year, the future of public servants in a new constitutional dispensation and the continued exclusion of public servants from the provisions of the Labour Relations Act.

“There is great interest in the presidential address,” said Mr Hans Olivier, general manager of the PSA.

Discussion points include

- Unsatisfactory” labour relations.
- While workers in the private sector have the benefit Labour Relations Act’s bargaining procedures, public servants are excluded from the act
- “This is a cause of great unhappiness,” Mr Olivier said.
- Uncertainty about the future of public servants and their existing rights in a new constitutional dispensation.
- The differentiated retirement age for public servants. Some are allowed to retire at 60, while others have to work until they are 65.
- Salaries.
- “Public servants are in general unhappy about the meagre increases introduced on July 1 this year,” Mr Olivier said.
Public servants call for right to strike

PRETORIA — The Public Servants' Association (PSA) signalled yesterday that it would campaign to have all rights contained in the Labour Relations Act, including the right to strike, extended to public service workers.

PRA president Johan van Wyk told the association's AGM that the existing "toothless" negotiating mechanisms were obsolete and in need of urgent review.

Public sector workers needed a central negotiating structure and conciliation machinery and where those failed they should have the right to compulsory arbitration, as well as the right to strike.

The PSA, he said, also wanted right of access to the Industrial Court.

Van Wyk urged government to commit itself to a three-year programme to restore the salaries of public service to a "proper" level.

He said it had been formally agreed that collective bargaining legislation should be based on the Labour Relations Act.

Van Wyk appealed to government workers to be patient for a while longer while a breakthrough to legal collective bargaining was achieved.

He said public sector workers had lost faith in government's salary policy following the allocation of an unsatisfactory R1,000 for public service increases.

He said the PRA was demanding government give written guarantees that jobs and benefits would be retained in a new dispensation.
Public servants seek collective bargaining rights

By Helen Grange
Pretoria Bureau

drafting legislation for a system of collective bargaining within the Public Service based on the Labour Relations Act — either to be incorporated into the Act or falling under a separate Act

Public servants were becoming increasingly concerned about their career security and their acquired rights in the event of a new constitution, Mr van Wyk added.

The issue had been further complicated by pronouncements from political quarters that various “adjustments” would have to be made and that up to 1 500 top posts in the Public Service were in jeopardy.

Mr van Wyk called on the Government to provide written assurances guaranteeing the protection of rights of public servants in the new dispensation — and appealed for a fixed programme over about three years “within which it must restore the salaries of public servants to a proper level”.

Fringe benefits were also far better in the private sector than the public sector — and attractive benefits offered outside the Public Service was one of the main reasons for the resignation of competent officers from the service, Mr van Wyk said.

“South Africa cannot afford to do without the services of competent, dedicated and trained staff,” he said.
Changes in civil service inevitable, says Minister

Pretoria Correspondent

Although the interest of public servants would be taken into account during negotiations for a new constitutional dispensation, the public service would have to change with the times to remain effective, Minister for Administration Piet Marais has said.

Addressing the annual general meeting of the Public Servants' Association in Pretoria yesterday, Mr Marais acknowledged that the process of change currently under way caused uncertainties among many public servants.

"I can give you the assurance that the process of change will be managed with observance of all your interests and the interests of those you represent," Mr Marais said.

"A stable and effective public service is a prerequisite for economic growth, orderly political processes and the welfare of the community," Mr Marais said.

"All sectors of the population have an interest in the promotion and maintenance of an effective public service," Mr Marais said.

However, changes in the public service were inevitable as the country moved towards a new constitutional dispensation.

"To adapt to the changing circumstances, we will have to give serious attention to the very nature of public administration. We will have to look at aspects such as labour relations, personnel development and administrative reform, to name a few," Mr Marais said.

"Personnel development was particularly important as the Government would increasingly expect managers and institutions to become directly responsible and accountable for management efficiency."

"Public servants must realise that it is no longer good enough merely to carry out directives. They will have to learn to critically analyse their functions and to ensure that these provide value for money," Mr Marais said.
NEWS IN BRIEF

Labour unit expose

Representatives of 11 public sector staff associations and two unions will meet next week to discuss government using the services of an alleged member of a labour relations bureau, whose links with the security police were recently exposed.

Public Servants' Association GM Hans Olivier said yesterday the associations and unions would meet in Cape Town to discuss various issues including the position of attorney Hugo Pienaar.

Pienaar, who was contracted by the Commission for Administration as an expert on labour law, allegedly joined the Liaison Bureau for Labour Relations shortly after its formation in March 1989.

The commission was formed to draft labour legislation for the public sector.
Transkei 'is part of SA'  

THEO RAWANA  
TRANSEKIAN'S continued denunciation of Transkei as a separate political entity from SA had upset the vicious machinations of the authors of gross apartheid, Transkei military council head Maj.-Gen. Bantu Holomisa said in Umtata yesterday.

Delivering his foreign policy lecture in a message said Transkei had consistently believed SA's "betrayer" population constituted one country, one nation with the right to owe allegiance to one leader. "This would promote and enhance one patriotic to the common country, SA, instead of elevating tribalism, sectionism and racism above SA nationhood."

"The present Transkei government has gone out of its way to complement and reinforce the endeavours of the broad liberation movement in inculcating the spirit of oneness and belonging together-into the minds of South Africans in a relentless effort to supplant decades of racial division and ethnic fragmentation," he said.

Public sector seen as likely to expand

PRETORIA — The reincorporation of the homeland into SA, a consolidated parliament and the disappearance of the own affairs policy could initially lead to a smaller public service, Commission for Administration chairman Piet van der Merwe said yesterday.

However, the service was likely to expand in the longer term to cope with dynamic new demands from a rapidly expanding population.

And blacks would play a greater role in public administration, Van der Merwe said. They already outnumbered whites there.

In the public services of SA and the homelands, blacks made up 60% of the work force and whites 36%.

In the SA public service alone, blacks constituted 41% of all workers, and whites 59%.

Van der Merwe said the demand for expanded public services against a background of the black population increase would continue to grow, and with it the size of the service.

The decline in the white population growth and the demand for their labour in the private sector would mean an expanding public service would have to rely more heavily on the appointment of qualified blacks.

Asked if contingency planning was in progress to provide for a consolidation of the SA and homeland services, Van der Merwe said the normal delivery of services would obviously have to continue whether constitutional changes took place or not. So consolidation would not necessarily lead to fewer civil servants.

On a possible Africanisation of the service, a new dispensation, Van der Merwe said it was the commission's firm policy, backed by the Public Service Act, to promote only on merit and qualifications.

Hopefully that policy would continue in a new SA.

On the issue of a smaller more efficient public service, Van der Merwe said rationalisation, privatisation and deregulation were aimed at this target.

The personnel standpoint imposed two years ago was still in force.

Van der Merwe said the size of the public service in relation to population size and the size of the economy was smaller than in many Western countries.

Reliable international statistics showed the SA public service, including local authorities, employed 11.2% of the economically active population.

Comparable figures for other countries were: Australia 25.8%, France 23.2%, Britain 21.6%, Germany 18.1% and US 16.6%.

Paper criticises ANC

LONDON — The ANC was criticised by the Financial Times yesterday for failing to set out a clear economic policy.

The influential London business paper also warned that by clinging to "outmoded" policies like nationalisation it was frightening away potential investors.

In an editorial, the paper said: "Again and again, the ANC fails to think realistically beyond apartheid to the daunting economic problems which lie ahead for SA.

"In the past fortnight, it noted, ANC leaders had "pledged allegiance to nationalisation, then withdrawn this pledge; threatened to regress on foreign loans, backtracked, and then threatened anew".

"ANC officials, it said, had contradicted each other, "with scant regard for the damage done".

"Mr Nelson Mandela, the president, is among the worst offenders, reverting to the tired phrases of the 1955 Freedom Charter — promising to nationalise mines, banks and monopoly industries."

Deep chord

In private meetings such as that with US businessmen yesterday in Indiana, the Financial Times said, ANC officials could be expected to downplay the rhetoric and assure investors that nationalisation would be used primarily to ensure supply of basic services such as health, transport, and electricity.

"But they (the investors) should remember that industrial nationalisation strikes a deep chord in the ANC. Africander socialism made the folk rich, it is argued, and many ANC officials believe a post-apartheid state can do the same for blacks.

"It is time for ANC leaders to recognise the outmoded nature of this argument and set out a clear economic strategy.

"In so doing, they would dissipate some of the confusion which continues to frighten away potential investors."
The British government would become the first of several Western governments to train South African civil servants in an effort to equip the public sector for its crucial role in the transition from apartheid to a nonracial democracy. ANC president Nelson Mandela announced yesterday.

Speaking at Jan Smuts Airport before leaving for the Commonwealth conference in Harare, Mr Mandela said the ANC would emerge from the conference with a "complete plan of action" for the training of civil servants.

The first group of people - exiles or people in the country - would be trained in Britain, but the programme might be shifted to South Africa depending on the number of recruits.

Mr Mandela said the programme had not necessarily been initiated because of unhappiness with the public service but because it was important to have a civil service committed to a new dispensation.

Race would not be a factor in the selection process and "all democrats" would be eligible.

Mr Mandela said the ANC delegation, which would not have official status at the Commonwealth conference, would meet the leaders of attending countries.

He said the ANC would insist that "those fuelling the violence" should be isolated. One way of doing that was through sanctions.

Star Africa Service reports that a Commonwealth task force on human resources and development has said in a report to the leaders attending the conference that there is an immediate need to train black South Africans for senior jobs in a post-apartheid government.

The group of experts recommends that £5 million (about R26 million) be set aside yearly for at least three years for this purpose.

The report says that of 3,000 top positions at central and local government level in South Africa, 600 must be filled by blacks as soon as possible.

Commonwealth countries are being asked to pledge assistance to a Commonwealth multilateral programme on human resources development.

The international community is also being asked to help and the report suggests a global donors' conference be convened.
Govt spending 'on a dangerous trend' (250)

GOVERNMENT spending was on a dangerous trend which could lead only to the complete sabotage of monetary policy, Pretoria Chamber of Commerce spokesman Les Page-Shipp said at the Sacob 1991 annual convention in Pretoria yesterday.

The chamber's motion to call on government to reprioritise and restructure all public expenditure was endorsed unanimously.

There had been a disturbing increase in government spending this year, and a staggering hike in staff numbers, Page-Shipp said.

"There is no doubt that the duplication of departments contributes to this monster," he added.

A Cape Town delegate said there should be a commission, consisting of the National Productivity Institute, the private sector and government, to do a cost analysis to suggest an alternative handling of the system.

Finance Department chief director Viv Solomon said he was "heartily sympathetic" with the motion. But he said it would be living in a fool's paradise to believe government expenditure would come down.

State Expenditure director-general Henry Kleveier agreed saying the motion was on the right track and that government must try to limit expenditure. "But given the realities of where SA stands this is going to be very difficult."

Conference delegates criticised the split in the Finance Department six months ago when the State Expenditure Department was created. Page-Shipp said: "Someone has to admit responsibility for the problem but those responsible dither around ineffectively.

He said State Expenditure Minister Amie Venier had not been able to carry out the task allotted to this new department.

"The Finance Department has not been able to control cash-flow. The situation is unacceptable."

Standard Bank Investment Corporation MD Conrad Strauss said the main danger ahead for SA would be the recent conduct of fiscal policy, which had caused jitters in the capital market.

"In a worst-case scenario the total year's deficit could rise to over 5% of GDP," he said.

However, at a Sacob banquet last night Minister of Economic Co-ordination and Public Enterprises Dawne De Villiers said redistribution of wealth would not address the disparities and inequalities of the past.

De Villiers said government had absolutely no intention of allowing this to happen.
PUBLIC servants' hopes of benefits from revised labour relations legislation have been dashed by negotiations with the state's Commission for Administration. A spokesperson for the Public Servants' Calicus Group (PSCG), representing 11 employee organisations, said negotiations had been marred by delays by the state. The staff associations and trade unions, invited by FW de Klerk, above, agreed to establish a new labour relations framework with the State's Commission for Administration in April.
Top State jobs: fewer than 10 for blacks

David Breier
Political Correspondent

FEWER than 10 of the top 1,200 jobs in the South African public service are held by people of colour, the Democratic Party has disclosed.

DP spokesman on the public service Roger Burrows said it was astounding that the Government had made so little effort to train blacks for top civil service jobs.

He was reacting to this week's attack by Minister of Administration Piet Marais on African National Congress president Nelson Mandela for supporting the training of public servants in the United Kingdom.

The Commonwealth plans to spend about R2.5 million on the training of 18,000 mainly black officials to help run the new South Africa. It envisages training blacks to occupy 600 of what it regards as the top 3,000 civil service and local authority jobs.

Mr Mandela said the present public service was not suited to the changing needs of South Africa.

But Mr Marais dismissed any suggestion that the ANC would in future have sole control of the public service.

"I appeal to all civil servants not to be upset by these statements. The Government will look after their present and future interests," he said.

Mr Marais said most civil servants were already black and that training was given irrespective of race or sex. "The Commission for Administration is already giving attention to a special training scheme which is aimed at training members of less privileged communities in public administration, personnel and financial management."

He said there was no reason for other states to concern themselves with the training of South Africa's civil servants.

Mr Burrows said the Nats had little right to criticise the ANC as the NP had promoted its own supporters to top jobs.

"Mr Marais is in no position to criticise the Commonwealth's offer to train people for a new SA State administration and the sooner the Government realises that the complexion of the public service is going to change and change quickly, the better for this country."

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Wider bargaining powers sought

Public servants fear for job security

The commission's proposal to expand bargaining powers would give public servants greater job security and better working conditions. The proposal includes a provision for the establishment of a Public Service Commission, which would have the authority to negotiate with public service employees. The commission believes that this would lead to more equitable wages and working conditions. However, the government has expressed interest in maintaining its control over public service matters, and negotiations are ongoing.
DIFFERENT

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SAS’s new philic

A part, the old
Civil service has job-security jitters

Own Correspondent

PRETORIA. — Anxiety over job security is sweeping through the public service, and senior government workers say an assurance by a government minister last week has not allayed fears.

Public servants wanted “easy-iron” assurances that their jobs would be safe under any new political dispensation, workers said at the weekend.

Insecurity intensified last week after a statement by ANC president Mr Nelson Mandela that the ANC planned to have a public servants corps trained in the UK for integration into the SA civil service.

At the weekend the Public Servants’ Association (PSA) general manager Mr Hans Olivier said: “We have had assurances that government workers’ job security is a non-negotiable.”

But Mr Olivier questioned whether this assurance would be honoured by a new government.

“We want a clear undertaking, a written guarantee from all the role players at the multiparty and constitutional talks that the public servant will lose his job in a new SA.”

The PSA welcomed the statement last week from administration minister Mr Piet Marais that civil servants should not be “upset” by Mr Mandela’s announcement, as government would look after their future interests.

Mr Olivier said: “We welcome this statement, but again we want something more than verbal assurances that the benefits and rights of serving public servants will be safeguarded and protected from interference by a new government.”

Meanwhile, the chairman of the Commission for Administration, Mr Piet van der Merwe, said the Public Service Act was a non-discriminatory piece of legislation that laid down merit and qualifications as the only criteria for advancement in the public service.

Mr Van der Merwe said blacks, already outnumbered whites in the service. At the last count the central government’s General Affairs Department employed 150,000 whites and 180,000 blacks.

Other government sources said any effort to “Africanise” the service and to place workers in jobs they were unqualified to fill would result in costly inefficiency and ultimately, if the policy went on for long enough, in a public administration disaster.
Wassenaar's last blast on State pension funds

THE death of former Sanlam chairman Andreas Wassenaar saved Finance Minister Barend du Plessis from further criticism of Government pension funds' deficits.

Dr Wassenaar died while drafting a second letter to Mr Du Plessis. Business Times has a copy of the half-completed letter which Mr Du Plessis did not receive.

In February this year, Dr Wassenaar wrote to Mr Du Plessis, asking him why the multibillion-rand actuarial deficits on the State pension funds were not included in published State debt.

He also asked for a list of the Members of Parliament and Office Bearers Fund set up under Act 112 of 1984, together with details of each member's salary and other particulars. He had been unable to obtain such a list from a former Health Minister or from G P C de Kok, secretary for Parliament.

Acceptable

The fund for MPs and office bearers is completely unfunded. Benefits are paid out of future contributions by taxpayers. Members qualify for pensions after only 12 years' service. The number of persons qualifying is thought to be expanding rapidly as homelands, provincial and city councils have launched similar schemes.

Mr Du Plessis replied on April 20 that the internationally acceptable definition of State debt did not include actuarial shortfalls on pension funds.

He said the State pension funds were being brought into line with those in the private sector and that a committee of experts would advise the Government.

Mr Du Plessis declined to give a list of members of the MPs pension fund, but said that article 3 of the Act defines members. He added that members of the executive commit-

Business Times Reporter

tees of the provinces were also included.

Mr Du Plessis said only the Speaker of Parliament had the prerogative of disclosing MPs' salaries.

The Government was investigating the pension funds with the consulting actuary and this would take some time.

In his second — unposted — letter Dr Wassenaar asked to be excused for his critical comments.

He wrote: "To publish the State debt and to omit the shortfall on pension funds gives a wrong impression of the State's financial position."

Useful

His question about members of the MPs pension fund had been misinterpreted. The definition of office bearers did not help.

"My point is that somewhere a list must appear which gives the particulars about each member — his name, date of birth, date of election or appointment and current salary. The correspondence which I have also received implies that no such record exists."

Dr Wassenaar said self-governing states had passed legislation entitling their members of parliament and office bearers to pension rights similar to those of the SA Parliament. In one state, tribal chiefs had successfully claimed inclusion.

"The financial obligations thus being built up will have to be met by future taxpayers."

Dr Wassenaar said the actuarial investigation proposed by Mr Du Plessis would be useful only if the consulting actuary was instructed to estimate the liabilities incurred under schemes set up under Act 112 of 1984 and similar legislation.

"Excuse my comments on the appointment of a committee of experts. A person who is not a qualified actuary cannot be regarded as an expert on pension funds. In the committee there are only four experts and two should not have been appointed."

"One is a public servant with a personal interest and the other is the consulting actuary. He works for the State in his advisory capacity. By his appointment on the committee, he compromises himself as consulting actuary."

"The other members of the committee are apparently experts in many areas in which I am ignorant, but are not trained to make authoritative decisions about pension funds."

Dr Wassenaar complained about the legacy of pensions for city councillors left by former ministers Chris Heunis and Aurn. He said that with the exception of mayors, councillors worked part time. Their pensions were calculated on income that was not taxable because it was intended to compensate councillors for costs. Councillors' pensions should also be subjected to actuarial evaluation.

Crusade

"To give you an idea of the possible financial implications of the schemes, I examined the city of Cape Town's pension for existing councillors' past service. The council approved pensions for past service which, according to them, would cost the ratepayers of Cape Town R15 million.

"According to my calculations, the cost to the Cape Town ratepayer will be more than R20 million if their so-called non-taxable salaries and pensions rise at 15% a year."

Dr Wassenaar's death brought to an abrupt halt his one-man crusade to get the funds into line with those of the private sector.

Because of excessive benefits — notably public servants' ability to buy back national service — and inadequate contributions and returns on their investments in gift paper, the Government Service Pension Fund's actuarial liabilities exceeded its assets by R53 billion in 1988.

In addition, the Sata pension fund was R4.5 billion short of its liabilities and that of the Pension Fund for Associated Services R3 billion — a total R3.5 billion.

Dr Wassenaar estimated the deficits had grown to R4.2 billion by March this year in spite of two ad hoc contributions of R1-billion each in Mr Du Plessis' 1990 and 1991 Budgets.

Defence

Dr Wassenaar's strident criticism forced the Government to deal with the issue.

The State's major reform has been to increase amounts paid by taxpayers into the funds. Although most private-sector employers contribute 12% of an employee's salary, the State pays 21%. Taxpayers' contributions have risen by R3-billion to R5.5-billion annually in the past two years.

Contributions to State pension funds rank not far behind education, defence and interest as a cost to taxpayers.

The State has also reduced buyback benefits and authorised trustees to buy shares and property to improve yields.
Values of a subtle bureaucracy

British public service training will benefit SA, writes Graham Finscot
About their future role

Public Servants Worried

[Signature]

30/10/41

NATIONAL
Public service ‘must be transformed’

THE transformation of SA’s public service had to be high on the negotiating agenda because the service was inefficient and served only narrow sectarian interests, said Wits Business School head of public and development management Patrick Fitzgerald.

The transformation and South Africanisation of the public service is a vast task that must begin now — not on day one of a new government," he said in an interview this week.

The public service had to be geared up now to implement new policies quickly.

The ANC and other political parties should already be "needed to commit on and influence appointments and structures of the public service and to work through policy feasibility with senior public servants, he added.

Although the SA bureaucracy described itself as neutral, it was woven into the apartheid power structure.

"At the heart of the matter is the continuing existence of a caste bureaucracy: white, male, generally Afrikaans-speaking, conservative, Calvinist and until recently NP-supporting," he said.

from taxpayers’ money unless they are addressing themselves to the tasks of devolution of power and the provision of choice to the people. The government should have targets for service delivery and controls should be set up to ensure that the service is run efficiently and effectively.

The third thing wrong with the public service was management. "The civil service is wasteful. It has not examined its own structures and procedures. It is not in shape to use limited resources in the most productive way for delivering goods and services to the public," he said.

The civil service had to come under public scrutiny now. "If we don’t have one-party-political service to replace another then the civil service has to come on to the negotiating agenda as a major item," Fitzgerald said.

"There has to be a reorganisation and a willingness by the country that it has to transform," he said.

If public servants closed ranks and dug in their heels against change, everybody would lose. The country’s new policies would be difficult, if not impossible, to implement.

If there was to be an inter-governmental there should have been to be interministerial arrangements for senior civil servants to ensure some kind of good faith that they would wholeheartedly implement different policies. - S.G.

Fitzgerald said not the whole cachet had to change, but it would not be a bad idea to start with azection — the rapid advancement of people who were qualified and competent but who had been overlooked because of their race or politics.

"Put in place people who are already more competent managers. They do not have to be appointed from the existing civil service," he said.

A dual strategy could operate as soon as an interim government was installed. Qualified people with proven track records as managers should be brought in immediately in high positions.

Other people who were not yet equipped for senior posts should be trained and put on career paths that would take them into top positions within a few years.

There were other ways of making the public service accountable and ensuring that it assisted during the transition. One was a ministerial cabinet or commissariat, as practiced in France, where an incoming minister would appoint people to ensure his new policies were carried out.

The commission’s members would have a foot in both camps — the public service and politics.

In the interim period they could be appointed from the various political parties. They could be experts in specific fields or even be existing civil servants who should be trained and put on career paths that would take them into top positions within a few years.

Fitzgerald said change in the public service would have to be managed by a reconstituted Commission for Administration which, especially in the interim phase, would have to monitor the service carefully.

"The ministerial cabinet will have specific policies but the Commission for Administration must take the civil service," he said.

"The cost of this would increase the Budget but if there were bursaries and services such as health care, education and policing, it would be an investment in developing a better quality of life. The net benefit is there," Fitzgerald said.

Top 5 income categories in the public sector

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0% Coloured</td>
<td>21% Indian</td>
</tr>
<tr>
<td>0.0% Coloured</td>
<td>6.9% Indian</td>
</tr>
<tr>
<td>0.0% Coloured</td>
<td>4.6% Black</td>
</tr>
</tbody>
</table>

Source: MANPOWER SURVEY
THE Peninsula saw the lowest anti-VAT stayaway of all metropolitan areas, with a total wage loss of about R18 million. South African Chamber of Business (Sacob) economist Mr Keith Lockwood said yesterday.

In the retail sector the Peninsula saw stayaways of 13% on Monday and 9% on Tuesday.

Mr Lockwood estimated the national wage loss at R200m and contended that workers nationally would lose "more, or close to" this amount over a year through VAT and inflation.

"If you consider that the basis of the strike was ostensibly to eliminate the additional cost burden imposed on workers by VAT you can see how counter-productive it was," he said.

He warned that the stayaway would force business to re-evaluate labour needs and result in retrenchments.

His comments were described as "assassin" and "statistical propaganda" by Cosatu's information officer, Mr Neil Coleman.

Mr Coleman said Cosatu was "not into statistical chest" and that Mr Lockwood had ignored issues such as the legitimacy of VAT and its future effect on people.

The two also locked horns on Cosatu's claim that 3.5 million people had supported the stayaway.

Mr Lockwood said the figure ignored workers who had stayed away for fear of intimidation and Mr Coleman said many labourers had gone to work for fear of management retribution.

Mr Coleman said he was sceptical of HSRC telephone surveys which showed that 15.8% of black males felt stayaways were an effective means of bringing about political change.

"The biggest lie factor is whites believing workers when workers tell them what they want to hear," he said.

Areas hardest hit by the stayaway were the Eastern Cape (95%), the Witwatersrand (85%) and Durban (80%).

Own Correspondent

LONDON — Support for the anti-VAT strike will strengthen the ANC's hand in forthcoming negotiations, two leading British newspapers predicted yesterday.

"As a show of strength the strike has been impressive," The Times of London said.

"There seems little doubt that the disruptive action led by the Strike 'will help ANC at talks' Congress of South African Trade Unions will strengthen the hand of the ANC and its allies when negotiations begin on a new constitution," The Financial Times said yesterday.

Many Durban businesses were likely to adopt a "no work, no job" attitude towards unskilled labourers if there was another stayaway, general manager of the Durban Metropolitan Chamber of Commerce Mr Geoff Tyler said yesterday.

Staff Reporter

"Stayaway scores lowest in Peninsula"
Govt moves staff to new department

GOVERNMENT has transferred about 1,000 people from Central Computer Services to its State Expenditure Department to get it up and running.

The move follows the recent announcement that the split between the State Expenditure and Finance departments had been finalised.

The new State Expenditure Department is expected to clamp down on government spending, which has been well ahead of budget in the first six months of the year.

State Expenditure director-general Henk Klever said his department would not control individual departments' spending because they had their own budgets, but if a department was not keeping to budget State Expenditure would step in.

The system of monitoring departments' spending was in place again, he added. A senior Finance official said recently this had fallen into disuse and had contributed to the lack of control over state spending.

Klever said yesterday he would have to "wait and see" whether he was happy with the recent department split. There would have to be a lot of co-operation between the two departments and if this was successful the split would work, he said.

The split was intended to lighten the load of Finance Minister Barend du Plessis. It received strong objections from within government and from business because five months after being appointed, State Expenditure Minister Amie Venter said he was not able to do his job because the division of tasks had not been implemented.

Klever also criticised the split because he said Finance Department officials were not allowing him to do his job.

Last month government finalised the arrangement that revenue would remain within the ambit of the Finance Department and that the State Expenditure Department would be responsible for planning and controlling state expenditure. Government spending and revenue figures would be drawn up by the State Expenditure Department and given to the Finance Department.
Appeal for Renewed Investment in Industry

Cynical Public Servants

must adapt to new order

WANTED

25¢

for

Glory, Service, and Prosperity

against a background of corruption and adversity.
Public service blacks

in new demand

By ADRIAN HERSCH

A COSATU union has made affirmative action demands in pay talks involving the public service.

The National Education Health and Allied Workers Union (Nehawu) first seeks to get an "in-principle" agreement on the need for affirmative action. The working details would be settled later.

Nehawu general secretary Sisa Njikolana says demands centre on skills upgrading, promotions and appointments.

He stressed that the union wants affirmative action not only in terms of race but gender.

The union also demands a minimum wage of R1,000 a month.

Mr Njikolana says the affirmative action plan will not lower standards.

The fact that we are seeking skills upgrading means that we do not want to see people promoted without the adequate qualifications.

The union wants the programme to be jointly run by labour and management.

The Commission for Administration (CFA) has not yet commented on the affirmative action demand.

However, CFA chairman Piet van der Merwe has previously said that blacks already outnumber whites in the public service.

The union's demands indicate that affirmative action will become a major industrial relations issue in years to come in all sectors.

The pay talks in the public service will begin at the end of January through an "interim national bargaining forum."

The forum includes 11 staff associations and trade unions and the CFA.

The partners have held discussions in the past year to consider new legislation for public servants to give them full labour rights.

A draft Bill, released recently, may become the Public Service Labour Relations Act in 1994.

It is similar to the Labour Relations Act and would allow State workers access to the Industrial Court and a Labour Appeal Court.

The head of the mostly white Public Servants Association (PSA), Hans Olivier, says the 11 associations and unions achieved a remarkable degree of agreement on the proposed legislation.

CFA spokesman Hannes du Preez says the drafting committee will meet again in December.

He says the proposed legislation will cover about 400,000 State employees.
New-look public service

A NEW body aimed at making the South African public service and its associated institutions truly nonracial and democratic has been launched.

The New Public Administration Initiative aims to provide public service and public management training for a new nonracial South Africa according to a statement issued by a group of public management educators who make up NPAI.

NPAI members were brought together because of their concern for the public and development management challenges facing post-apartheid South Africa. They are also concerned with issues relating to transforming the civil service, local government reconstruction and the management of non-governmental organisations.

During a conference held at Mount Grace, Magaliesberg, the NPAI agreed that public administration as a discipline, profession and a practice, should decisively move away from apartheid. What was needed was a new democratic approach which valued nonracial, community accountability and consolidation of effective and equal delivery of services.
Call to ditch public service ‘caste system’

South Africa's existing public service is inappropriate and has many problems.

Mr Patrick FitzGerald, head of the New Public and Development Management Programme at the Wits Graduate School of Busi-

ness Administration, said this at the recent launch of the Public Administrative Initiative in Johannesburg.

He said the public service was not representative of or accountable to the community and the media, which they needed to be.

FitzGerald said he wondered how the present public service would cope with a new government in the near future.

"If the public service is not disposed to implementing a new government's policies the whole system will be in chaos."

During the negotiation process, people were only concerned with political issues to the detriment of public administration.

He said the South African public service resembled a caste system which discriminated in terms of colour and gender.

Most public servants were black but top positions were held by white Afrikaner males. At present there was only one female deputy director-general among a staff of about 200 males.

Commenting on ANC plans to send people to Britain for public service training, he said he wondered if they would be employed upon completion of their studies.

He called for affirmative action in public administration and the employment of new people.
### NOTICE 1191 OF 1991

**SOUTH AFRICAN RESERVE BANK**

Statement of assets and liabilities on the 30th day of November 1991

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Liabilities</strong></td>
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<td>R</td>
<td>R</td>
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<td>Share capital</td>
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<td>Reserve fund</td>
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<td>77 831 863,11</td>
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<td>10 288 838 197,00</td>
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<td>6 600 757 857,20</td>
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<td>561 519 061,00</td>
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<td>Deposit-taking institutions</td>
<td>847 332 820,42</td>
<td>1 016 080 471,86</td>
<td>(168 747 651,46)</td>
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<td>Other</td>
<td>84 180 161,48</td>
<td>94 290 593,31</td>
<td>(10 110 431,83)</td>
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<td>Other liabilities</td>
<td>10 180 899 213,93</td>
<td>10 498 502 256,01</td>
<td>(317 603 042,08)</td>
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<td><strong>Total</strong></td>
<td><strong>R29 316 370 180,01</strong></td>
<td><strong>29 119 820 299,51</strong></td>
<td><strong>196 549 880,50</strong></td>
</tr>
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</table>

| **Assets**                        |             |             |          |
| Gold                              | 5 897 504 829,05| 5 888 313 431,62| 9 191 397,43|
| Foreign assets                    | 3 173 349 546,66| 2 737 872 336,62| 435 477 210,04|
| **Total gold and foreign assets** | **R9 070 854 375,71**| **8 626 185 768,24**| **444 668 607,47**|
| Domestic assets                   |             |             |          |
| Discounted bills                  | 1 658 190 000,00| 2 304 550 000,00| (646 360 000,00)|
| Loans and advances                |             |             |          |
| Government                        | —           | 1 136 274 905,44| 14 434 053,77|
| Other                             | 1 150 708 959,21| 1 136 274 905,44| 14 434 053,77|
| Securities                        |             |             |          |
| Government                        | 486 684 624,34| 698 080 960,94| (211 396 336,60)|
| Other                             | 1 134 985 045,00| 1 122 985 044,00| 12 000 001,00|
| Other assets                      | 15 814 947 175,75| 15 231 743 620,89| 583 203 554,86|
| **Total**                         | **R29 316 370 180,01**| **29 119 820 299,51**| **196 549 880,50**|

| Rand per fine ounce               | 923,27      | 915,53      | 7,74     |
| Gold holdings in fine ounces      | 6 387 627   | 6 431 590   | 43 963   |

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Pretona, 6 December 1991

(20 December 1991)

C. J. SWANEPOEL,
General Manager

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KENNISGEWING 1192 VAN 1991

SUID-AFRIKAANSE PADRAAD

ERRATA VERKLARING VAN 'N TOLPAD PROVINSIE NATAL

Die Suid-Afrikaanse Padraad wysig hierby Goewernmentskennisgewing No. 51 van 1990 deur daarin die woord en syfers "84 van 1975" te vervang met die woord en syfers "84 van 1974".

(20 December 1991)

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NOTICE 1192 OF 1991

SOUTH AFRICAN ROADS BOARD

ERRATA DECLARATION OF A TOLL ROAD PROVINCE OF NATAL

The South African Roads Board hereby amends Government Notice No. 51 of 1990 by substituting therein the word and figures "84 of 1974" for the word and figures "84 of 1975".

(20 December 1991)

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KENNISGEWING 1193 VAN 1991

ADMINISTRASIE VOLKSRaad

DEPARTEMENT VAN PLAASLIKE BESTUUR, BEHUISING EN WERKE

VERBETERINGSKENNISGEWING

Kennisgewing No. 810 gepubliseer in Staatskoerant 12757 van 28 September 1990 word hierby verbeter deur in die Engelisse teks die woorde "Minister of the Budget and Works" deur die woorde "Minister of the Budget and Local Government" te vervang.

(20 December 1991)

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NOTICE 1193 OF 1991

ADMINISTRATION: HOUSE OF ASSEMBLY

DEPARTMENT OF LOCAL GOVERNMENT, HOUSING AND WORKS

CORRECTION NOTICE

Notice No. 810 published in Government Gazette 12757 of 28 September 1990 is hereby corrected by the substitution in the English text for the words "Minister of the Budget and Works" of the words "Minister of the Budget and Local Government".

(20 December 1991)