

# 'Loose laws' hamper black development, claims banker

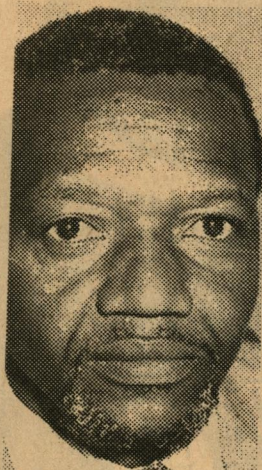
Financial Reporter

LOOSE drafting of laws governing ownership of land in townships in the homelands is delaying the next stage of commercial development of blacks, particularly in Natal, according to a Durban banker.

Despite a new Government promulgation in October last year which, among other things, liberalised the definition of ownership of property in homeland townships, banks and building societies have been reluctant to make more loans to blacks, said Mr Wellington Mtshali, development manager with the Standard Bank's Natal head office in Durban.

"The wording of the relevant sections is sufficiently loose in its definitions of ownership to make the financial institutions very scared — realistically scared — of accepting property as security for loans," he said in an interview.

"For example, deed of grant holdings of land or buildings may be terminated at the whim of the township superintendent or manager. This definition, therefore, is not really ownership at all: it is having the land



MR MTSHALI

for use and enjoyment."

With something like two million blacks living in about 30 homeland townships in the Natal region, said Mr Mtshali, it was easy to see that this area of the country was more discriminated against than others by the new regulations.

"Of course people will say: 'What about Soweto?' The answer to that is quite simple: Soweto is part of South Africa, not a homeland, and the same laws of ownership that apply to other race groups in this country apply to Sowetans to a certain extent."

"And the other national states are not affected by this because they

are governed by their own laws."

Banks and building societies were also put off by the complicated procedures that have to be followed to register bonds for township properties, said Mr Mtshali.

"For instance, where a property is the subject of a bond, it has to be evaluated and the evaluator must know the market. It cannot be said that this market is known at all — at this stage anyway," he said.

In addition legal problems existed. Recognised procedures were followed where property was accepted as security for loans given to other race groups. There was one property register for property owned by other race groups in the Republic, but a variety of authorities presided over black land use.

"The black people are ripe to move on to the next stage of business development. We have gone from the simple bartering stage to sophisticated forms of retailing."

"The potential and the labour reserves are there to develop manufacturing and trade. But, for this, easy access is needed to loans."



# 'LOOSE LAWS' HAMPER BLACK DEVELOPMENT, CLAIMS BANKER

## AROUND THE WORLD

### HIGHLIGHTS from The Financial Times, London:

LONDON: The recent near collapse of Johnson Matthey bankers here was largely caused by the severe financial difficulties facing a little known Liberian company called El Saeed group which had run up large shipping debts.

This has been confirmed by sources close to the investigation set up by the Bank of England after the dramatic rescue at the beginning of this month.

The owner of El Saeed, Mr Mahmoud Sipra, also confirmed that his group is making losses, although he in-

sists he is still trading and expects to return to profit once the shipping market recovers.

Although El Saeed is not JMB's only troubled borrower, it is understood to be the single largest source of concern. The company is now being investigated by Price Waterhouse, the accountants appointed by the Bank of England to report on JMB's financial condition.

The size of El Saeed's debts has yet to be established.

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TOKYO: Japan's electronics industry continued to report strong profits gains, with Fujitsu, Mitsubishi Electric and Oki Electric all

turning in bumper returns for the six months ended September, 1984.

The three companies have increased sales by an average of 28 percent for the half-year while recurring profits have bounded ahead by 63 percent on average, with Oki achieving the sharpest individual profits gain — up 78 percent to 7.6-billion yen.

Fujitsu boosted half-year recurring profits to 54.1-billion yen with net profits of Y27.2-billion, up 42 percent sales rose to Y580-billion, up 31 percent.

★ ★ ★

WASHINGTON: World terrorism is on the rise and growing increasingly bloody, with U.S. installations abroad the No 1 target, the Ran Corporation reported.

The report came hard on the heels of a harsh warning by Mr George Shultz, the U.S. Secretary of State in which he called for public support for a no-holds-barred military approach to combatting terrorists along the line adopted by Israel.

The Ran Corporation, a California-based private policy and research organisation, said that 1983 had been the bloodiest year yet for world terrorism, with 720

deaths and 963 injuries, despite the success of some governments in tightening security.

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LONDON: The British Government and its financial advisers appear cautiously confident that the sale of British Telecom shares planned for next month will raise close to the £4-billion target originally set for the flotation.

This emerged after publication of the preliminary "pathfinder" prospectus for the issue, which forecast a pre-tax profit of at least £1.35-billion for BT in the year to March, up from £990-million last year.

Pricing of the issue will not be finally decided until the middle of next month, after further soundings have been taken among financial institutions in the U.K. and overseas. But the latest indications are that the proceeds could amount to at least £3.7-billion.

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THE DAILY NEWS

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# Peaceful solutions

DAILY NEWS

30 OCT. 1984

CHIEF Gatsha Buthelezi's speech in Sandton last night, in which he rejected war as an option for bringing about change in South Africa, draws attention yet again to the KwaZulu and Inkatha leader's commitment to peaceful solutions. He rejected armed struggle in this context as not only morally unacceptable but logistically foolhardy.

Few South Africans have been as vigorous and outspoken as the chief in his opposition to apartheid. In this his attitude has never changed —

from the time when, as a private citizen, he received much attention from the security police. If he had espoused violence and disinvestment as means of change he might have received more publicity in certain circles, but this his conscience will not allow.

The Government would be sensible if it were to accept that Chief Buthelezi will never be a Nationalist puppet. It might then be able to make use of his considerable influence and talents.

## Depressing cynicism

WHILE Britain and other Western countries prepare to airlift tons of food and medicine to the starving people of Ethiopia, that country's government refuses to allow military transporters to fly supplies in, claiming on one hand that the capitalists are using the occasion to make propaganda, and on the other that the West is delaying aid in

the hope of bringing down the Marxist government. Such cynicism is only heightened by reports from Moscow that Russia is studiously failing to "notice" the emergency in its African outpost, preferring instead to dwell on the plight of British miners who are "threatened with starvation". It's a case of not knowing whether to laugh or cry.