

The Star

17/01/89

An economy being taxed to death

WARNINGS of the dire consequences of excessive government expenditure continue to fall on deaf ears. And as the public sector's intrusive and inefficient activities progressively crowd out those of the hugely more efficient private sector, the economy is dying.

The irony of a situation in which economic activity is being increasingly usurped by the government is that Pretoria itself has acknowledged the folly of such a policy. It was as recently as February last year that the State President himself launched a new economic initiative — a watershed statement which pledged to halt government profligacy with a view to conquering inflation.

Since then, the public service has burgeoned and, to finance pay increases for the fast-expanding bureaucracy, the beleaguered taxpayer is having to cough up more at the petrol pumps. Sadly, he's been bled so dry that Pretoria's financial planners have had to concoct a tax-raising scheme never before used for funding day-to-day State spending.

The potential for a sharp upward twist to the inflationary spiral is horrifying. The Witwatersrand Chamber of Com-

merce and Industry has highlighted the ripple inflationary impact, pointing out that it will be felt by almost every manufacturer, distributor and retailer ... "and it will be passed on to the consumer".

Stellenbosch consulting economist Willem Roets has hinted that the ripple effect could be more devastating than even the pessimists expect by suggesting that it has the potential of an eight-times multiplier effect, as at each stage of production someone adds his margin. His conclusion: "We are being killed by taxation."

Drawing government's attention to the outstanding successes achieved in countries where State spending has been slashed hasn't helped. Perhaps pinpointing the other end of the spectrum would. Brazil, the non-communist world's eighth-largest economy, has an inflation rate of 1 000 percent. The reason? Government debt runs at 60 percent of gross national product. South Africa's getting there fast. It's high time the State President stopped and looked at what's happening around him. Further perusal of his February 1988 declaration would be a good starting point.

Senate urged to review stand on sanctions

18/01/89 Daily News Foreign Service

WASHINGTON: Mr James A. Baker, who is to be the US Secretary of State in the George Bush Administration, has appealed to Americans to consider carefully their actions on South Africa since sanctions were not helping to end apartheid.

In testimony before the US Senate's Foreign Relations Committee, Mr Baker said: "We must think long and hard in this country about our role and the effects of our actions — not on our own self-esteem but on the people we want to help."

Texas-born Mr Baker, Treasury Secretary in the Reagan Cabinet and Mr Bush's presidential campaign manager, is appearing at confirmation hearings on his nomination to be America's foreign policy chief.

Judging from the warm reception he got at the opening session yesterday, his confirmation seems assured.

Mr Baker said: "I think we ought to all be candid enough to recog-

nise that the sanctions we've imposed haven't produced the desired result, and by themselves they probably cannot produce the desired result."

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

US officials have so far declined comment on news reports that the Cubans have shipped poison gas in Angola.

Asked by Republican Senator Jesse Helms what steps were being taken or considered to stop the Cubans from using poison gas during the troop withdrawal period, Mr Baker said he had not been aware of the Cuban action.

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

Mr Baker said the US would be watching carefully to be sure Cuba carried out its obligations to withdraw from Angola.

This underlines a growing conservative protest about the Angola/Namibia settlement which rightwing Americans see as a sell-out to the Soviet bloc.

Some conservative activists are urging voters to write to their Congressmen and Senators, telling them not to approve US funds for the "United Nations occupation of Namibia" or US recognition of the "illegal Angolan communist puppet regime."

Anti-ANC outburst by trial lawyer

MOMENTS after an African National Congress guerrilla leader was jailed for 20 years in the Supreme Court in Pretoria yesterday, a member of the prosecution team shouted "Long Live the AWB" — the initials of the neo-fascist Afrikaner Resistance Movement, writes Stephen Robinson in Johannesburg.

Colleagues sought to quieten Mrs Louise van der Walt as she made her unusual outburst, but she protested in Afrikaans: "Why do you have to shut me up when others are allowed to sing?"

Mrs van der Walt intervened as friends and supporters of Ebrahim Ismail Ebrahim shouted freedom slogans and sang the Xhosa anthem, God Bless Africa, immediately Judge Hekkie Daniels left the court.

Ebrahim, 51, a South African of Asian descent, was abducted by South African agents from neighbouring Swaziland to stand trial.

He was convicted of treason and of organising a series of landmine attacks from Swaziland. He is believed to be the most senior ANC leader to be brought to court since Nelson Mandela and seven other leading ANC members were sentenced in 1964.

The court sentenced Mandla Maseko, also convicted of treason, to 23 years, and Simon Dladla to 12 years for terrorism. They were found to be responsible for a series of landmine attacks in the Transvaal province in which eight people were injured.

Mrs van der Walt, who is in her forties and a frequent member of the prosecution team in South African political trials, is no stranger to controversy.

Last year she threatened legal action against a Johannesburg newspaper which planned to publish a story claiming she carried a pistol into court with her.

● Puritanical Afrikaner extremists, dismayed by the allegations of womanising and

heavy drinking levelled at the AWB leader, Mr Eugene Terreblanche, plan to launch a new "purified" resistance movement.

Four former senior AWB members, sacked when they called for Mr Terreblanche's resignation, are appealing to Afrikaners to leave the AWB because "the present embarrassment to the Afrikaner struggle caused by the AWB leadership will lead to its self-destruction".

Mr Terreblanche has been linked with a newspaper columnist, Miss Jani Allan.

● South Africa yesterday banned an extreme Right-wing organisation formed recently to take over from a similar racist group whose activities were restricted last year.

The Law and Order Minister, Mr Adriaan Vlok, barred the White Nationalist Movement from "carrying on or performing any activities or acts whatsoever". — Reuter

Banker leaves — P9

The Daily Telegraph.
17 Jan. 1989. London

UDF must join Inkatha-Cosatu pact — Chief

Citizen Reporter

KWAZULU Chief Minister Mangosuthu Buthelezi yesterday expressed serious misgivings about the Inkatha-Cosatu peace accord, as "not all groups involved in the Natal violence had participated".

Addressing a news conference at Jan Smuts Airport after his return from a five-day visit to Britain, he said unless all groups, including the UDF, came to an agreement, he foresaw no peace in the region.

The violence in Natal was one of the issues raised in his talks with the British Foreign Secretary, Sir Geoffrey Howe, and the Foreign Office Minister of State, Mrs Lynda Chalker. Other issues addressed were the situation in South Africa and the prospects for internal negotiations.

In a 45 minute talk with Prime Minister Margaret Thatcher, South Africa's problems and the contribution Britain could make were discussed. According to Chief Bu-

thelezi Mrs Thatcher expressed her deep concern that "nothing is happening in South Africa which marks any fundamental change".

"It was clear to me that she was firmly against sanctions as a political solution, but I cannot guarantee that she might not buckle under pressure from the international community to impose sanctions," the KwaZulu leader said.

He was asked repeatedly in interviews about his recent talks with the Minister of Constitutional Development and Planning, Mr Chris Heunis. The talks centred on the setting up of a joint committee to address obstacles impeding negotiations. "The British seem eager that negotiations should take place," he said.

Asked if there was any possibility of Mrs Thatcher visiting South Africa in the near future, he said she was keen to visit the country, but would not come "unless the political climate was right".

Citizen 17/1/89

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Nations break away from outdated divisions

The Star 17/01/87

BY MORT ROSENBLUM

The gathering of 149 nations to condemn chemical weapons showed, if nothing else, how the world order of a short time ago has been stood on its head.

PARIS — The old divisions so familiar in world affairs — East-West, North-South, First World-Third World — have given way to a baffling new array of converging interests.

Diplomats seasoned by the Cold War and the anti-colonial winds of change watched the recent five-day meeting on chemical warfare in amazement.

The Soviets, clear winners in the charm category, tweaked the Americans for a lack of openness. The Americans aimed their ire at a close ally, West Germany.

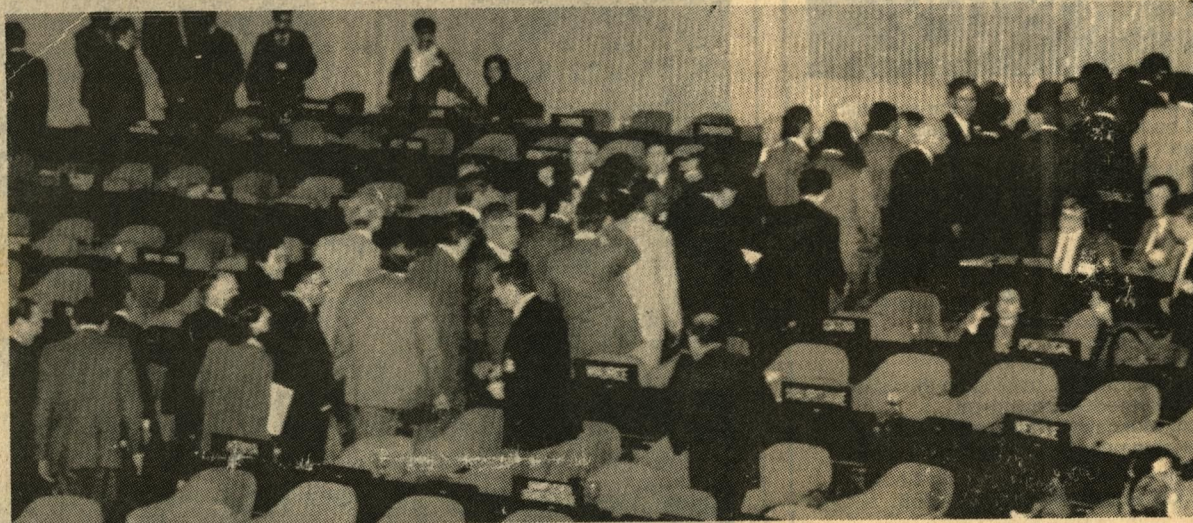
Western allies fought openly over which of their companies sold chemicals to Iraq, Libya and Syria, all regarded as past or potential users of poison gas.

Romania bolted its bloc, taking a position directly opposed to the Kremlin's. A Soviet official merely smiled philosophically as he explained that the Romanians refused to follow orders.

Barbs

While chief Soviet delegate Mr Viktor Karpov beamed benignly at the cameras, US correspondents aimed barbs at his US counterpart.

Retired General William Burns, head of the US arms control agency, admitted not knowing about new chemical warheads included in the



When black Africans walked out on Mr Pik Botha at the meeting, only one, Foreign Minister Mr Simeon Ake of the Ivory Coast, kept his seat saying: "We say 'no' to hypocrisy."

US budget made public, by coincidence, during the conference.

Iran, whose representatives spoke eloquent English, stood firm with the industrial West against Middle Eastern states which one US delegate described privately as "the whackos".

Foreign Minister Mr Ali Akbar Velayati echoed points made by the United States, which Iran calls the "Great Satan", demanding in measured terms even more sanctions and condemnation of past acts than the Americans wanted.

Although nations of the non-aligned movement expressed token solidarity with the Arab League, hardline Arabs had to back away from a linkage between chemical and nuclear weapons for lack of real support.

"We're not buying that Arab League garbage," a Central American delegate said in private. "You can't talk about a Third World and mean anything."

Black Africans walked out again on Mr Pik Botha, South African Foreign Minister, but this time Mr Botha tossed away his speech and dramatically challenged them to admit in public their secret friendship with his country.

Mr Botha detailed the vaccines, health care, research and other aid his country provided, and asserted: "My African brothers know this."

"We say 'no' to hypocrisy," commented Foreign Minister Mr Simeon Ake of the Ivory Coast, the only black African to keep his seat. "At least it gave Botha a chance to reveal his contacts," he said.

Underlying the ironies were signs of a world turning faster than many of its leaders can measure.

Most political analysts interviewed later said the 109 speeches and secret negotiations showed old-style international dealings are poorly suited to a modern world.

Countries condemned for spraying nerve gas on civilian populations directed the same rhetoric at chemical weapons as the states which suffered from them.

Everyone knew that up to 30 nations at the meeting had chemical weapons but only the United States and the Soviet Union admitted having them. France, host and arbiter of the moral tone, denied it firmly, despite its allies' intelligence to the contrary.

"The problem," as one western analyst put it, "is that you can't really say what you think: That there are responsible leaders and maniacs, and no international convention can differentiate among them."

Impressed

Several US delegates acknowledged that, in spite of the general tone and circuitous phrasing, their underlying concerns were specific:

- Iraq had used poison gas to turn the tide of war against Iran and to terrorise its own Kurdish minority. Some other states seemed to be impressed by their success.
- Syria had chemical warheads on Scud missiles directed at Israel, each capable of delivering deadly gas over a radius of 1 000 m.
- Libya, helped by private West German companies among others,

was completing a chemical weapons plant that could deliver toxic chemical agents to a broad range of terrorists.

The United States' concurrent goal, to focus attention on a new threat from Libyan leader Colonel Muammar Gaddafi, backfired by uniting the Arab League.

A night of compromises produced a declaration with no mention of sanctions, export controls or verification.

But the lessons of the conference extended well beyond the subject at hand. Mainly, the old clichés and time-worn roles were falling away.

At one point, a US press officer introduced a US reporter to an arms negotiator who answered a broad range of questions, with hardly a pause to consider the implications of his remarks.

Unlike most Americans at the meeting, the man was perfectly willing to be quoted. He was a Soviet.

Later, a US negotiator agreed with a point his Soviet rival had made, that the conference declaration was a political document with little specific or technical value.

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"That's what we would say, if we could," he said, but explained that statements had to be cleared in Washington and some subjects were extremely sensitive. Then he added: "But don't quote me." — Sapa-AP.

FNB chief 'frustrated'

Buzz over *THE STAR* Ball's *17 JAN. 1989* decision to leave

By David Braun and Ann Crotty

The sudden resignation of First National Bank managing director Mr Chris Ball yesterday has raised a storm of speculation over the full reasons for his departure.

Politicians today doubted his sudden resignation "with immediate effect" had any direct connection with his political activities or his fierce clash with the State President, Mr P W Botha, in 1987.

Mr Ball's resignation came against the background of First National Bank faring badly in its stock market rating compared with other financial institutions.

Frustrations

FNB has shown slow growth in pre-tax earnings and in profits, in spite of growth in its balance sheet and in advances.

It is believed that personal frustrations appear to have been the major reason for Mr Ball's decision to quit South Africa. He is to take up a post with a banking group in Europe.

Mr Ball was at the centre of a heated controversy in 1987 when President Botha sharply attacked him in Parliament by alleging he had been involved in the funding of certain newspaper advertisements placed by activist organisations in support of the ANC.

Mr Ball challenged Mr Botha to repeat his innuendo outside Parliament. Mr Botha responded by appointing a commission of inquiry to establish the source of the advertisement funding and whether Mr Ball had been in any way involved.

The commission found Mr Ball had been involved in the granting of a loan to an individual who used it to place the advertisements.

Mr Ball, an outspoken critic of the Government, adopted a noticeably lower political profile in the wake of the controversy.

A spokesman for the Office of the State President today said he had no comment on Mr Ball's resignation.

It was understood from sources close to Mr Ball today that the banker announced his decision to the board of the bank some weeks ago and he gave details of the new job he is to take up in Europe.

The sources said Mr Ball may have become frustrated in his business career both because of his abrasive personal style, which did not lend itself to easy communications with people, and because he was a man in a hurry to do things.

'Apolitical'

It is likely that the new controlling shareholders, who took over in 1987 when Barclays UK disinvested, were also keen to see Mr Ball take a lower public profile on political issues and concentrate on the management of the bank's assets.

Mr Ball's announcement comes almost one year after Premier Group chief executive Mr Tony Bloom announced his resignation and his decision to move to England. Mr Bloom's departure was seen as a major blow to the liberal movement's attempts to use the power of the business community to effect change in South Africa.

It appears that Mr Ball's successor, Mr Barry Swart, will take a very low public profile. Mr Swart describes himself as "apolitical".

Mr Swart, who joined FNB in 1957 at the age of 17, is believed to have a much more hands-on approach and is seen as more of a "people's person" than Mr Ball.

● See Pages 17 and 19.

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THE STAR - 17 JAN. 1989
BUZZ OVER BALL'S DECISION TO
LEAVE.



Mr Chris Ball speaking to reporters yesterday after it was announced that he was quitting his post at South Africa's largest bank, and leaving the country to take up a position in Europe. Inset: Mr Barry Swart . . . the new managing director. Mr Swart has a reputation for the hands-on approach to management.

● Pictures by Karen Fletcher



Chief Mangosuthu Buthelezi ... denies Inkatha is to meet ANC.

Buthelezi: no ANC meeting

By Esmaré van der Merwe,
Political Reporter

KwaZulu Chief Minister Mangosuthu Buthelezi has denied rumours of a meeting between Inkatha and the ANC — reported to be scheduled for January 25 — to discuss the conflict in Natal's troubled townships.

Speaking at Jan Smuts Airport yesterday on his return from Britain Chief Buthelezi said he had not been directly approached by the ANC.

THIRD PARTY

It was reported earlier that Inkatha, the ANC, UDF, Cosatu and the SA Council of Churches were to meet in Harare this month in a bid to resolve the black-on-black conflict in Natal.

Chief Buthelezi revealed that his cousin, SACC president Bishop Manas Buthelezi, was the "third party" who had conveyed to him Mr Oliver Tambo's concern about the violence.

Chief Buthelezi said the recently-established joint committee between the governments of kwaZulu and South Africa to address obstacles impeding negotiations should not be interpreted as a significant breakthrough.

Zeph hits ^{SOWETAN} at schools' ^{18 JAN. 1989} lock-out of matrics

THE Department of Education and Training's policy of not allowing pupils to re-register at schools after they fail their matric examinations should be seen as aimed at preventing the African child from advancing and improving his educational attainment.

This was said yesterday by the president of the Pan Africanist Congress, Mr Zephania Mothopeng, in a statement released to the *Sowetan*.

He said the policy should be regarded for what it is — in accordance with Government policy and together with the full collaboration and approval of big business — to force the students into cheap labour market.

"This is in line with the long-standing labour tradition since the inception of the racist colonial regime in 1910, when the mining industry determined the rate of pay and continue to do so for the African workers — which the Govern-

By THEMBA MOLEFE

ment not only endorsed but also ruthlessly enforced.

"Since the late 1970s P W Botha forged close links and co-operation with big business as evinced by the fact that he frequently consults them when he has to make important policy statements.

"The Det as a government agent by carrying out such detrimental policies which are intended to inhibit our children's educational advancement must accept the full responsibility of fomenting instability in our communities.

"The African community, including parents, students, teachers, workers and peasants and churches must co-ordinate their effort to dissuade the Det from implementing this disastrous policy which is bound to cause untold harm," Mr Mothopeng said.