

A SHORT ADDRESS - BY M. GATSHA RUTHELEZI:
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It is a great honour for me to be invited to address you, not only because you are such an august audience, but also because we so rarely get the opportunity as Blacks to tell important people like yourselves about some of the economic problems we face in South Africa. |

Within the time at my disposal I hope to mention some of our economic problems within the South African situation.

I feel certain that by virtue of your calling in life you are more interested in our economic problems rather than our political ones. This, I realise is not because of lack of interest in the latter but it is also because the economic problems are full of challenges which people of your calling can help us to face, I realise that in a Country bedevilled as it is, by problems of Racism, people outside tend not to want to discuss the one without the other. Indeed I am prepared to admit that the two are related and inter-reactions from the other inevitably affect the other., - Difficult as it is,

I shall as much as possible attempt to separate the two if only for the purposes of this talk, I have no doubt that our complex socio-political situation has its mark on our economic situation. We therefore need your understanding of this complexity and certainly also your capital and know-how.

Most of you do know what the economic potential of South Africa is and also her economic strength. I have found that when people assess these things, they often forget that more than 80 per cent of the gross national product goes to 20 per cent of the population of South Africa. With the policies pursued in our Country this means that the 20 per cent Black majority are economically underdeveloped and have under these policies almost to start on their own from scratch.

In the Homelands where we live, and where we have to fend for ourselves, we need basic development. These areas have no reasonable infrastructure such as good roads, railway lines and powerlines., Owing to our backwardness, we cannot at present fully exploit the land that is available to us.

The problem is complicated by the fact that +ul 3d is not enough and we are also faced with problems that Fface the rest of the human family, such as the population explosion, The

population growth is estimated at 3 per cent.

We have no capital to use in order to train our children, and to plough into the land that is available to us, in order to raise yields per acre. e need capital to improve our stock in order that those of our peoplç who have stock should be proper stock farmers,

The poorâ\200\230schooling facilities combined with the high population growth has caused more strains in our cconomic plight. Therefore the task of schooling, training and employing the rapidly increasing number of new Black entrants to the labour market - currently about 180 000 per annum is in relation 0. the size of the South African economy a prodigious one.

Through history and other disadvahtagesâ\200\230under which Blacks have to labour in South Africa, the only commodity we can sell as Blacks is our labour.: VWie are therefore faced with an ever-increasing need to ensure that new entrants to the labour market arc adequately trained for the tasks they have to perform. We are a clear case where the Chinese adage aptly describes what we face and our needs., I refer to -the famous adage, "Give a man a fish and you give him a meal; teach him to fish and you give him a livelihood.,*Â®

As most of our people are not yet westernised our problems are more complicated than those of White workers for instance. Adjustment which is necessary in order that my people may become highly produÃ©tive workers, is on account of this background, rendered a more difficult goal to reach.

\When the present government came into pdwer they pasÃ©ed

Legislation compelling African children to use the vernacular

as a medium of instruction for the first eight years of schooling, this has made'fhe situation of my people much worse. It has affected the mastery of the languages of bread, Afrikaans and English and particularly the latter, This makes it much more difficult for my people to learn to think and reason in these languages which are vital for them if they must earn a living,.

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~ We therefore
in the language of:

have to give priority to this matter of literacy .
this technological age, in which we have

been thrust in Africa by the twentieth century. It is of course
not sufficient just to be literate in order to be a technocrat.
We have to be able to think, reason and calculate in the
technological language, 'We therefore have of necessity to be
both numerate as well as literate.' Our children have been
forced to multiply and divide in Zulu or other African languages,
and have to re-learn doing so in English during the ninth year
of schooling. This has often resulted in a certain amount of
retardation, The Transkei, Bophuthatswana and KwaZulu have

all passed legislation switching back to English as medium of
instruction from the fifth year instead of the 8th year of
schooling as at present. It will take ten years or more to

undo the damage, unless we can be helped with audio-visual

aids in our schools and Language labs for both the Teachers and
pupils.

While South Africa boasts of a high school attendance at
primary school-level the drop-outs during the third year is
80 per cent and more drop-outs during the 8th year and later.

The grim prospect is that these drop-outs have a bleak
future. Owing to the exceedingly high rate of population
growth, people are flooding onto the labour market now, and as
a result of the rapid advancement in modern technology, they
may be unemployable in a decade or two. We must remember that
these people will then be at the prime of their lives. They
will be semi-literates, semi-numerates in a super-numerate age.
Unless concerted efforts are made to meet these challenges,
the prospect will be an appalling one. We therefore need
capital to train illiterate and semi-literate Blacks to make
them productive members of an industrialised society. Studies
of the return on investment in different forms of training
schools that technical training produces the highest yield per
dollar of investment. We also need elementary schooling and
University education. Just a few weeks ago (on the 26th of
May 1973 to be exact) I attended the Graduation ceremony at the
University of Zululand and I was a bit depressed to find that
there was still a large percentage of Graduates who acquired
only diplomas and very few graduates in Economics, Science and

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Commerce. We still have a long way to go because for an

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underdeveloped society we need graduates in Economics, Science and Commerce.,

South Africa's gross fixed capital formation in the public (government) sector amounted to 8 1,239 million in 1972, 11 every potential new Black recruit to the labour market were to have only 1,500 of capital invested in him from initial education through to say a post college technical training, this would mean allocating 270 million per annum for this purpose. This would represent nearly 22 per cent of total public sector gross fixed capital formation.

If it is borne in mind that out of our available savings must also come the development of the infrastructure of these underdeveloped Homelands a further 270 million per annum could scarcely scratch the surface of the Homelands. This should indicate how severe the problems are.

There is of course also a constant need to provide the infra-structural requirements of the developed areas where the wealth and savings of any Country are largely generated. Because capital is scarce and it is used in a White economy, the tendency is that available capital is used on development in areas where a better return is obtained. So that it is invested more and more in the advanced areas rather than in the Homelands which are largely underdeveloped areas in South Africa,

To be a little more specific KwaZulu is a Homeland of more than 4 million Zulus. :

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We welcome private sector investment in our area. We have a new growth point at ISITHEBE some 70 miles north of Durban., Water, power, rail service have been provided. Furthermore the future capital of KwaZulu at Ulundi is to arise in due course from bare veld. Here too infra-structural facilities will be provided., We would be delighted if foreign firms would come and set up factories here as well, I would be equally happy if you step up your investments also in the Transkei, Bophuthatswana and other Homelands. In this way you will help to uplift however modestly, our Black people by generating rising per capita incomes and work opportunities

for them.

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To those who already have investments in South Africa, I

would like to appeal to them to step up the training you offer your Black workers, both within and outside your companies.,

We look at the 30 per cent increase in Black wages as a step in the right direction. One must however hasten to point out that this increase is self-defeating if employees do not train their workers so that they may become productive. This is a matter of priority.

We will promote and encourage private enterprise in KwaZulu. We would of course like those firms that come to us to do so on a partnership basis offering a share locally or to a KwaZulu Development Corporation which we hope to establish in due

course.,

But we are not at this stage making this a pre-requisite, we want businessmen to come and look at KwaZulu and help us to build it up and we want you to make a profit in the-process. But you must bring most of your capital needs with you and not try to raise most of it on the local market for that would not be helpful.

Furthermore, we in KwaZulu accept, in general terms, the basic principles outlined by the Inter-National Chamber of Commerce in their 1974 Guidelines for Inter-National Investment and in particular that we need to take account of investors' needs for stability, continuity and growth in their operations. Where we cannot prescribe to the Guidelines at present because of circumstances beyond our control, we shall endeavour, wherever

possible, to do so when the time becomes opportune.

I believe that help to Black people which can only come to us through the channels available, is a more positive contribution towards the resolving of the problems that beset Blacks in South Africa.