

BUSINESS DAY, Johannesburg,
28 November 1991

SA economy 'falling into place'

SIMON WILLSON

FOR the first time in his two years in office the various pieces of SA's economy were falling into place, Reserve Bank Governor Chris Stals said yesterday.

He told a media briefing in Pretoria that changes in wages, private spending, producer prices, money supply and bank credit were all in the right direction.

He stressed that the level of interest rates was a derivative of the Reserve Bank's policies.

"We do not begin with interest rates, we begin with the money supply. If we fix money supply targets low enough we will have high interest rates."

SA's present 8%-12% guideline range for the growth in the broad measure of money supply could be seen as too accommodating. Against a background of a real GDP decline of 1% last year, monetary expansion at guideline-range levels was effectively financing inflation.

The Reserve Bank could not lower interest rates, the only way to lower interest

rates was to create more money. He signalled that this would not be permitted.

ANDREW GILL reports Stals last night warned depositors that they could not rely on the Bank to bail them out should their institution be forced into liquidation.

At Futurebank's launch at a banquet in Johannesburg, he said in a few of the unfortunate experiences of bank failures over the past year the Bank had to step in and provide partial protection to depositors.

However, depositors should always be prepared to carry their own risks and be responsible for where they want to place their deposits.

His speech follows the failure of Fundstrust, which endangered money to the tune of at least R45m, following close on the heels of Masterbond's collapse.

Government, the Reserve Bank or the Registrar of Deposit-Taking Institutions could never take full responsibility for protecting the interests of a bank's clients.

Busy time for SA promoters

MIN GENTLEY

LONDON — The SA Tourism Board's stand at London's World Travel Market was the "most productive and busiest" it had been for the 12 years it had been participating, Salour's UK and Ireland manager Russell Barlow-Jones said yesterday.

Barlow-Jones said the number of major UK tour operators now including SA as a specialised destination, following the lifting of sanctions, had grown 400% in the past two years. Just two years ago, only 10 UK tour operators were specialising in SA. The figure had now risen to 55, including British Airways, KLM, Trade Winds, Saga and Silk Cut.

New competition had not affected those which had always supported SA. Next year an increase of 12% in UK and Irish visitors to SA is predicted.

This year the number is expected to be 5-6% up on the 140 000 who visited SA in 1989.

"Most tour operators predict a boom for southern and South Africa at the end of 1992 and beginning of 1993."

Barlow-Jones said he expected this to be followed by similar growth from around the globe, given the interest this week from Scandinavian, American and European retailers.

The CITIZEN, Jo'burg, 28 November 1991

Reform irreversible, says UK ambassador

Citizen Reporter

THE reform process begun by President De Klerk could not be reversed, British Ambassador, Mr Anthony Reeve said last night.

Speaking at the Annual General Meeting of the South African Institute for International Affairs in Johannesburg, Mr Reeve said he was encouraged by the fact that "all South Africa's leaders" had decided that the status quo was not acceptable.

Mr Reeve said South Africans would have to work together to plan a better future.

Welcoming the prospect of early talks on a new constitution, Mr Reeve warned that the transition to democracy would be tough.

"Those involved in the process might sometimes feel like pulling out, but it is vital that the process should succeed," said Mr Reeve.

He said that all over the world people were crying out for good government, accountable to the people and responsive to their wishes.

"A new climate of tol-

erance is needed here, in which every South African has the right to be heard and to have his view respected," the ambassador said.

Mr Reeve made a particular call for an end to the continuing violence. He said that we should not forget that the statistics concealed an immense amount of personal suffering and hardship.

"We have to ask the question: How long can this level of violence go on before it breaks the spirit of the South African people?"

"There is a heavy responsibility on all South Africa's leaders to do whatever they can to bring this misery to an end," said Mr Reeve.

He added that in the National Peace Initiative the country now had a framework for the peaceful resolution of disputes, and it was vital that this machinery was shown to be effective.

"The other great challenge which South Africa faces is in the economic field," said Mr Reeve.

He said it was not difficult to understand why young people turned to

crime or violence, when they had no stake in the future of the country.

Britain was therefore particularly pleased that the recent Commonwealth Conference had drawn attention to the need for investment in South Africa.

"We had to get away from out-dated talk about punishing ordinary South Africans through sanctions," he said.

Describing his country's role in the process, Mr Reeve said that Britain had a real interest in supporting the transition to democracy, and would therefore help wherever it could.

In addition to the now well-established township project and bursary schemes (worth over R70 million this year), Britain was looking to see whether its experience in the field of community policing could help establish trust between the police and local communities.

Mr Reeve said Britain did not presume to prescribe answers to South Africa's problems, but was "not just a fair-weather friend".

The CITIZEN, Jo'burg, 28 November 1991

LYON. — French Davis Cup captain Yannick Noah said yesterday he would continue to refuse to compete in South Africa despite the country's return to the international tennis fold.

French Davis Cuppt Star Still Shuns S.A.

France's Davis Cup team, he said, "I would have the feeling of being used."

Noah, who is of Cameroonian origin, said he was shocked by television pictures of clashes between

"Frankly I can't see myself going there as a player or as captain of

usual violence on a sports arena," he said. "While bodyguards were beating

"I saw pictures of un-

quick, too quick to me," Noah added. "South Africa has hardly been allowed back and they've already organised the world doubles championships. It makes you think it was planned in advance."



WORLD CAMPAIGN

PO Box 2 Lindeberg Gaard
N-1007 Oslo 10 Norway
Tel. 47-2) 30 13 45
Tele 72314 AAM N

up weaker people and Blacks. The demonstrations were protesting at the renewal of international sporting links with South Africa before the introduction of a non-racial government in Pretoria. "It all seemed very quick, too quick to me," Noah added. "South Africa has hardly been allowed back and they've already organised the world doubles championships. It makes you think it was planned in advance."