

✓ **'Apartheid must go for white survival' says chief** ✕

THE NATAL MERCURY

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JOHANNESBURG—South African whites could not survive in Africa if they continued with their apartheid policies, the KwaZulu Chief Minister and leader of Inkatha, Chief Gatsha Buthelezi, said in Soweto yesterday.

Speaking at a prayer meeting at Jabulani amphitheatre, Chief Buthelezi told about 12 000 that in order for the white man to safeguard his survival in this part of Africa, he would have to agree to serious talks with the country's black population at a national convention.

'The white man is terribly concerned about his survival. The world at large, neighbouring States and Africa are necessary for white South Africa.

'South Africa cannot have increasing access to southern Africa and the world if it persists in its apartheid policy.'

Chief Buthelezi said the Prime Minister, Mr P W Botha's 'dream' of a constellation of States was a 'non-starter' if he (Mr

Botha) did not start by abandoning apartheid.

'No black State worth its salt can soil its hands with any relationship with Mr Botha's constellation if apartheid remains South Africa's policy.'

Chief Buthelezi said white South Africa stood condemned by the international community. The condemnation was reaching new levels of ferocity.

'White South Africa cannot return to African and international favour without us. Any attempt they make to do so will fail.'

The Chief Minister said blacks should be 'fortified by the wisdom which the struggle for liberation over the decades had taught them.

'We are a people who have struggled. We have suffered and we have evolved a wisdom which in the end will triumph over every adversary.'

He urged blacks to reject 'new-fangled and instant solutions by political upstarts'. — (Sapa)

Assocom seeks relief from perks tax

Financial Reporter

A DEMAND that any new action to tax fringe benefits be offset by further tax reductions in the 1981 Budget was made yesterday at the regional congress of the Transvaal Chambers of Commerce.

The congress, at Krugersdorp, also urged that the draft Bill be referred to a parliamentary select committee.

A background paper by the Association of Chambers of Commerce claimed that unless the proposals on perks were modified and accompanied by further tax cuts there would be three crucial, undesirable effects:

●The real remuneration of several key groups of taxpayers will be worse than at present.

●The final result of the taxation of fringe benefits will be to raise real tax rates to the high levels which are causing concern as a result of their harmful effects on incentive and productivity.

●In other instances, the ability of scarce skilled staff to exact compensation for the impact of fringe benefit taxation will, in the current economic upswing, be highly inflationary.

Among the modifications suggested by Assocom to the draft proposals on perks are:

●The assumption for private use of company cars be reduced from 10 000 km a year to 6 000 km.

This would mean reducing the proposed taxable value of a company car.

Assocom also wants "special circumstances" to be taken into account — for example, "it is completely inequitable to expect the employee who is required to use a big company car in the interests of the business to pay more tax".

It wants an intermediate category between the intended R7 000 and R12 500 groups.

●Executive dining rooms

should continue to be tax deductible.

●Subsidised accommodation's maximum value for tax should be 10% of income and not 12,5%. Assocom also thinks this could be phased in over five years.

●The "unattributable" entertainment allowances — that is, without supporting vouchers — should be a maximum R5 000 a year, or 10% of taxable income, instead of the proposed R1 200, or 4%.

●Assocom is concerned that the "onus on employer" represents a serious departure from existing tax law and practice and considers it to be bad in principle to interpose the employer between the employee and the revenue department.

"In terms of the draft Bill the employer will be required not only to report non-cash benefits but also to value such benefits.

"In many cases the valuation of non-cash benefits will be open to dispute and could lead to employers becoming involved in disputes between their employees and the revenue authorities."



Mr W J Kok has been appointed a manager of the money and capital market division of Santambank at head office in Johannesburg.

Gold higher, \$ steady

LONDON. — The gold price firmed in London yesterday and the dollar steadied after overnight weakness in the Far East. Gold was fixed at \$515,70 in the afternoon and at \$514,25 in the morning. Wednesday's second fixing was \$506,50.

US gold futures opened \$8,60 to \$11,40 higher. Comex futures rose \$9 to \$9,80 and International Monetary Market prices gained \$8,60 to \$11,40.

CLOSING prices: London \$525; Paris \$535,62; Frankfurt \$517; Zurich \$518,50; Hong Kong \$507,90.

Gold closed at \$513/\$515 in Hong Kong — above Wednesday's New York \$506/\$509 close.

Trading was quiet. The dollar dropped more than 3,50 yen in Tokyo to close at 244,80 yen. It opened at 244 yen — the lowest since February 18 — and sank to a low of 243,50 yen before it began rallying reach 245 briefly in mid-afternoon.

Trading was hectic. The dollar steadied in London as Eurodollar interest rates firmed.

Some dealers cited heavy central bank intervention in the US and in Hong Kong to break the dollar's decline as a reason behind the dollar's steadier tone.

Confidence slides

NEW YORK. — The slide in US consumer confidence continued for the fifth consecutive month as the March consumer confidence index (base 1969-70) lost another 4,5 points and fell to 71,9, says the Conference Board.

However, buying plans held well, according to a survey conducted before the mid-March credit-tightening measures were introduced.

FIELD INDUSTRIES AFRICA LIMITED

(Incorporated in the Republic of South Africa)

"Field"

Union Acceptances Limited is authorised to announce that the directors of Field have accepted a proposal made by Field's ultimate holding company, Hunting Associated Industries Limited of the United Kingdom ("HAIL"), for the transfer to Field shareholders of Field's investment in its Zimbabwe subsidiary, Field Industries Limited ("FIL"). Field shareholders will, if they so desire, be able to receive cash in place of the FIL shares, which are not listed on any stock exchange, by accepting the relevant associated cash offer referred to below.

The proposal

The mechanics of implementing the proposal provide that Field's authorised and issued share capital comprising ordinary shares of 25 cents each will be sub-divided and converted into ordinary shares of 1 cent each and redeemable preference shares of 24 cents each, which will be redeemed, at par, by the transfer to the holders thereof, of two shares in FIL for each redeemable preference share. The cash offers referred to above will be made in respect of the redeemable preference shares which arise out of the sub-division and conversion of Field ordinary shares of 25 cents each.

After implementation of the proposal on the basis detailed above, Field shareholders will hold:

in respect of each ordinary share presently held

— one Field ordinary share of 1 cent; and two shares in FIL.

On implementation of the proposal, the ordinary shares of 1 cent each will have all of the rights attaching to the existing Field ordinary shares of 25 cents each. Accordingly the rights of Field shareholders with respect to their proportionate interests in the South African operations of Field will not be affected by the proposal.

Associated cash offers

HAIL has procured that its wholly-owned South African subsidiary, Avenfield (Proprietary) Limited, which is the direct holding company of Field, holding 75% of Field's issued ordinary share capital, will make a cash offer to South African resident shareholders of Field for their redeemable preference shares (which arise out of the sub-division and conversion of Field ordinary shares of 25 cents each, referred to above). The amount of the cash offer is 60 cents per redeemable preference share. HAIL has further procured that its wholly-owned United Kingdom subsidiary, Hunting International Holdings Limited, will make an equivalent cash offer in the currency of the United Kingdom to Field shareholders who are not South African residents. The relevant cash offer may be accepted in whole or in part by each Field shareholder. Field shareholders who do not accept the cash offer will receive two FIL shares on the redemption of each redeemable preference share.

On implementation of the proposal, Field shareholders who elect to accept the relevant cash offer will hold and receive:

South African residents in respect of each ordinary share presently held

— one Field ordinary share of 1 cent; and 60 cents in cash.

Non-residents of South Africa in respect of each ordinary share presently held

— one Field ordinary share of 1 cent; and the equivalent in United Kingdom currency of 60 South African cents.

"The equivalent amount in United Kingdom currency will be calculated with reference to the buying rate of exchange for Sterling against Rand applicable at the close of business in South Africa on the closing date of the associated cash offers, which will be 6 June 1980. (On the basis of the buying rate of exchange for Sterling against Rand at the close of business in South Africa on 23 April 1980, the equivalent consideration was approximately 32,9p).

The South African Reserve Bank and the Zimbabwe Reserve Bank have, subject to the fulfilment of certain conditions, given their consents to the proposal and associated cash offers.

The proposal is subject to the approval of Field shareholders in general meeting.

Field has been operating in Zimbabwe since 1956, and in 1970 FIL was formed as a subsidiary of Field to hold all of Field's interests in that country. As a result of the uncertainties that have prevailed during the past decade regarding investments in Zimbabwe, discussions have, from time to time, been held between HAIL and Field regarding the possible reorganisation of HAIL's interests in southern Africa, which comprise Field and FIL. HAIL is of the opinion that the long term interests of the HAIL group will best be served through the separation of Field and FIL.

As a result of the uncertainties referred to above, the results of FIL have not been consolidated in the annual financial statements of Field for 1978 and 1979 and income from FIL is taken to account only upon receipt of dividends. Had the proposal been implemented for Field's financial year ended 31 December 1979, the earnings per Field ordinary share for that year would have been reduced from 13,3 cents to 10,2 cents through the exclusion of the FIL dividend, whilst the transfer of the investment in FIL to Field shareholders would have resulted in the consolidated net asset value per Field ordinary share as at 31 December 1979 being reduced from 93,6 cents to 80,8 cents.

As announced on 17 March 1980, the proposed dividend of 6 cents per ordinary share in respect of Field's financial year ended 31 December 1979 consists of two components, namely 3,1 cents representing the dividend received from FIL in 1979 and 2,9 cents from South African profits. The 2,9 cents portion of the dividend will be paid out of the adjusted earnings per ordinary share of 10,2 cents referred to above. The directors of Field have determined that, should the proposal be implemented, it would be their intention, subject to the conditions then prevailing, to maintain a dividend cover of approximately 3,5 times.

The directors of FIL have determined that, should the proposal be implemented and subject to the conditions then prevailing, it shall be the policy of FIL to declare dividends equivalent to approximately 25% of its annual earnings after tax attributable to shareholders.

The Johannesburg Stock Exchange has been requested to reinstate the listing of Field ordinary shares with effect from the commencement of trading on Monday, 28 April 1980.

Documents containing full details of the proposal and the associated cash offers are being finalised and will be circulated to shareholders as soon as possible.

Profits rise in US

NEW YORK. — US corporate profits rose 21% to a \$122 000-million high in 1979, and manufacturing industry profits rose 27%, says Citibank.

But if the oil companies' earnings from Opec crude price increases are taken away, the earnings improvement for all companies was only slightly better than the rate of inflation at 12%.

Citibank says the oil companies' earning spurt in 1979 can vanish as quickly as it occurred because "this was the petroleum industry's experience in 1975 after the 1973-74 upswing induced by the Arab oil embargo".

Sam Steele talking

THE LISTING of Sam Steele Holdings was suspended by the JSE yesterday at the company's request as negotiations are taking place which may result in a change of effective control. — Reuter.

GENERAL RES

GENERAL TIRE COMPANY (AFRICA) LIMITED

(Incorporated in the Republic of South Africa)

OF DIVIDEND ON 5,5 CUMULATIVE PREFERENCE SHARES

ENCE NO. 63

GIVEN that Preference Shares are equivalent to 5,5 cents per share for the six months ending 30 June 1980 payable to holders registered in the books of the company at the close of business

and register of preference shares closed from 28th July, 1980 both dates and cheques will be payable on 28th July, 1980.

able in the currency of South Africa and in accordance with the provisions of the Income Tax Act, holders tax of 14,625% will be deducted from the dividends whose addresses are

DER OF THE BOARD F. WILDE

Secretary

UNION ACCEPTANCES LIMITED (Registered Merchant Bank) A member of the Nedbank Group

25 April 1980 Johannesburg



Chief Gatsha Buthelezi . . . now is the time for a workable plan

Chief's plan for Natal

CHIEF Gatsha Buthelezi has chosen a particularly dramatic way to demonstrate his intention to rise above protest and perhaps even prove to his critics that his use of the Government's apartheid system can generate change.

The KwaZulu leader and President of the Inkatha movement announced this week that he is to establish a multiracial commission to plan a new constitution for Natal — an initiative, he said, blacks were taking on behalf of all the people of that province as an example for the rest of the country.

His announcement in the KwaZulu Legislative Assembly came exactly a week after he again challenged his critics' commitment to armed struggle and total withdrawal from Government-created institutions as the most legitimate way to secure freedom.

Twenty years of armed struggle by the African National Congress, he told a meeting in Soweto last Monday, had not set the stage for the sudden overthrow of the Government.

Blacks, he said, should instead adopt a multi-faceted strategy to bring concerted political pressure to bear on the Government and force it to call a national convention.

Believing that mere protest can achieve little to end apartheid, Chief Buthelezi took his first step towards the long frustrated opposition ideal of a national convention with his announcement of a 42-member commission to plan a new constitution for Natal.

"Since the time of Union blacks have had no formal share in the shaping of the constitutional, administrative, and economic structure of South African society," he noted.

"The time has come for a formal black contribution to the political process, not simply to resist or challenge the present order, but to rise above it and provide new concepts and to give whites new perceptions of possibilities which will add to the security and prospects of all South Africa's people."

But Chief Buthelezi made it clear he had no intention to allow his plan to become yet another dust laden blueprint for change. He not only wants to involve the whites of Natal in a joint venture to plan a new future — his real aim, it seems, is to engage the Government.

Already, Chief Buthelezi's Inkatha movement, the largest organised black political movement the country has known, has been holding talks in camera with a group of National Party MPs.

Inkatha has also been one of the few black organisations to give evidence before the Gov-

Chief Gatsha Buthelezi this week announced a plan to establish a multiracial commission to work out a new constitution for Natal, declaring the time had come for a blacks not merely to protest, but to make a formal contribution to the political process. Political Editor MARTIN SCHNEIDER reports.

ernment's all-white Schlebusch commission planning a new constitution for whites, coloureds, Indians and perhaps even blacks.

Chief Buthelezi has even tried to win the confidence of the new Administrator of Natal, Mr Stoffel Botha, a youthful and verligte former Nationalist MP who is in charge of the New Republic Party-dominated Natal Provincial Council.

He reminded Mr Botha during their first meeting late last year that he was a relative of the former Prime Minister, General Louis Botha.

"To me and many Zulus," Chief Buthelezi told the new Administrator, "Gen Botha occupies a very special place in our hearts owing to his act of kindness in releasing my grandfather, King Dinizulu, from jail and offering him asylum on a farm in Middelburg in the Transvaal, where he died with at least some dignity."

But having established a family connection, Chief Buthelezi also reminded Mr Botha that the New Republic Party in Natal had for long been trying to involve other groups in the planning of the province's affairs — attempts the Government has so far rejected.

The whites of Natal, said Chief Buthelezi, had been prepared for "political experimentation as a distinct possibility in this part of SA".

"I believe white SA flounders in its confusion over where to go and what to do," he told Mr Botha. "There is no national plan and national politics revolves around fighting by-elections for the sake of winning seats."

The people of Natal, he told Mr Botha, occupied a distinctive area of the country. They had been "thrown together by history and geography".

"We would like to see you being on our side in eliminating discrimination piece by piece (in Natal) until we are left with the bare bones of discrimination which are enshrined in our country's constitution," he said.

"That discrimination we can then attack at the national level. That discrimination will be made untenable by the elimination of local, regional and provincial discriminatory practices."

Finally, Chief Buthelezi has also attempted to engage the white Nationalists by offering them two seats on his commission.

His critics, however, may be tempted to accuse him of naivete in his attempts to persuade white Nationalists to share power when their clear aim is to secure an agreement to divide power.

Chief Buthelezi, however, sees this clearly himself.

"The Prime Minister has outlined a broad commitment to the establishment of a constellation of states for Southern Africa, a confederal form of inter-territory linkage with a dominant economic content," he told the KwaZulu Assembly this week.

"No indications have been given of any intention to deviate from the central concepts of separate development."

How then, does Chief Buthelezi believe he could achieve his eventual aim of persuading the Government itself to call a national convention which would do away with apartheid?

He gave only a brief — and, for some people, clearly an implausible — answer in his speech to the KwaZulu Assembly.

If the people of Natal could actually work out a new plan for political and economic co-operation, he argued, "then no Government in Cape Town and no administration in Pretoria will be able to deny for too long Natal and KwaZulu the right and the facilities to begin implementing the proposals."

He continued: "In order that the proposals themselves compel acceptance, gradually or otherwise, by the Government, they must be sufficiently representative to be supported and prescribed by all responsible major organised interests in Natal."

Chief Buthelezi gave four reasons why Natal was the most appropriate choice for what one could call a mini national convention.

● Differing white political interests and party preferences were the most evenly balanced in the province.

● It was the province in which whites were in the smallest minority and in which the dependence on black labour and the need for inter-race co-operation was the greatest.

● The administration of areas controlled by the Natal Provincial Council and the KwaZulu Government had become so interrelated and complex that no single region could be planned or administered without taking dual administration into account.

● While black workers had shown discipline during the 1973 Natal strikes, the stay-away had nevertheless shown that stability in the province was "very shallow".

The 42-member commission would be financed by the KwaZulu Assembly.

It would be asked "to exercise its imagination and to translate the most venturesome political and economic possibilities into practical proposals for co-existence, co-operation and increased prosperity for all".

It would be large in order to accommodate the most widespread views, but it would contain a smaller, working group.

The chairman would be a person chosen "irrespective of race, whose intellect, interests, objectivity and public position will lend stature to the body".

The commission would include a Natal historian, a political scientist and constitutional expert, a development economist, a black social scientist, two church representatives, two Inkatha representatives, and representatives from the Inkatha Institute, the KwaZulu Development Corporation, Natal's secondary-industry, and its sugar, agricultural, banking, industrial and commercial industries.

It would also include two representatives of the Afrikaanse Handelsinstituut, two people nominated by Mr Harry Oppenheimer and Dr Anton Rupert, representatives of the English and Afrikaans language Press, the black labour movement, the Natal Provincial Town and Regional Planning Commission, and the KwaZulu Planning, Coordinating and Advisory committee.

Also invited as members would be two representatives of the National Party, one each from the Progressive Federal, New Republic, Labour and Reform Parties, an overseas representative of the African National Congress, a black attorney and representatives from the black teachers Union.

The Commission would be asked to make an interim report to the KwaZulu Assembly within a year of its establishment.

The noted Natal University social scientist, Prof Lawrence Schlemmer, said yesterday he believed Chief Buthelezi's commission would be positively received.

"The Government is of course unlikely to see in his plan an appropriate action at this stage," he said. "But Chief Buthelezi has said he wants to rise above confrontation, and sooner or later the Government will have to consider implementing on a regional scale new alternatives which could be broadened later."