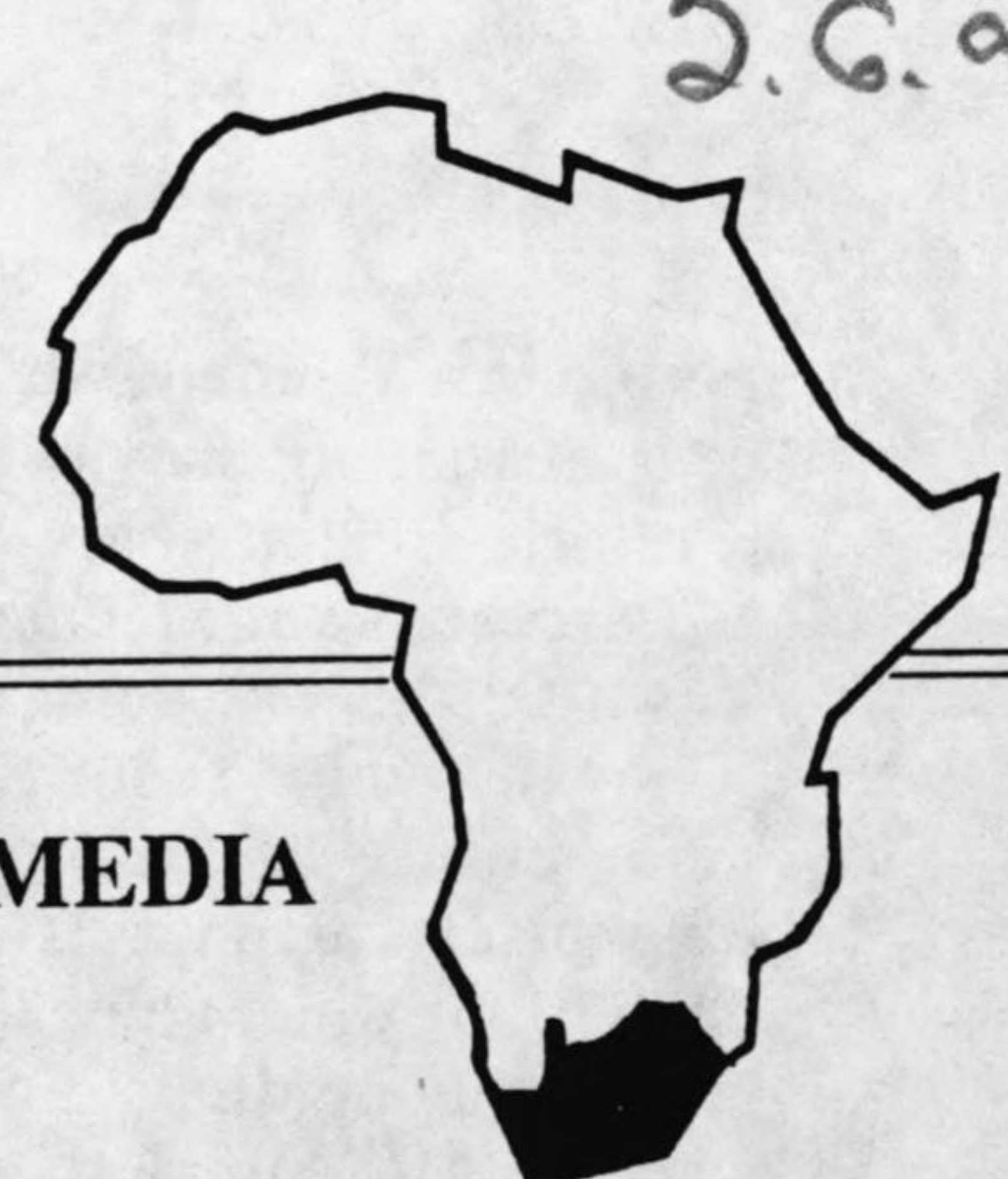


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# THIS WEEK IN SOUTH AFRICA



## NEWS HIGHLIGHTS FROM THE SOUTH AFRICAN MEDIA

June 2 - 7, 1992

### POLITICAL UPDATE

#### WINNIE SUSPENDED FROM WOMEN'S LEAGUE BODY

Winnie Mandela has been suspended from the National Executive Committee (NEC) of the ANC [African National Congress] Women's League, it was announced yesterday. Mrs. Mandela, former chairman of the ANCWL PWV [Pretoria-Johannesburg] Regional Executive Committee which was suspended last week, was informed in writing of her suspension yesterday, according to a statement issued by the ANCWL NEC. Mrs. Mandela, who has been dogged by controversy over the past two months, recently resigned her position as head of the ANC's social welfare department. She remains a member of the ANC's NEC. (STR/CIT0602)

#### CODESA II: STREAMLINING OF WORKING GROUPS

There is some unhappiness about the streamlining of Codesa's [Convention for a Democratic South Africa] Working Groups, a delegate said on Monday (06/01/1992). The steering committees, which have been assigned to take over affairs in two out of the five Working Groups are now going to be deciding on political matters. Last Monday the Management

Committee decided that the tasks in Working Groups One (on creating a climate for free political activity) and Four (on TBVC states) would be handed over to their respective steering committees. Matters in Working Group Three (on interim arrangements) were assigned to a technical committee, which was originally set up to deal with a specific deadlock in that group. None of these committees have so far met. (SAPA0601)

#### GOLDSTONE HITS OUT AT HANDLING OF HIS REPORT

Judge Richard Goldstone yesterday slammed the way in which government had handled the release of his commission's second interim report, saying this had led to confusion. The judge said in a statement his commission was concerned about the manner in which its views were unfairly and selectively used by public representatives, who had been in possession of all the information for some weeks. (BD/CIT/BLD/CP/CT/NM/PAT/PN/RAP/SOW/STR/TVL/VW/WM0601)

#### POLICE VOW TO BRING PEACE TO ALEXANDRA

Police and soldiers yesterday swooped on Alexandra township north of Johannesburg in a massive anti-crime operation, and vowed to remain there until peace was restored. (BD/CIT/BLD/CP/CT/NM/PAT/PN/RAP/SOW/STR/TVL/NM/VW/WM0601)

#### PEACE SECRETARIAT

Statutory provision for the establishment of the national peace secretariat and a special directorate to provide it with administrative assis-

tance has been provided in a new Bill, which was tabled in Parliament yesterday. The Internal Peace Institutions Bill also makes provision for certain justices of the peace to be able to issue orders to combat violence and intimidation when peaceful relations in a community are disturbed. (BD0602 (BD/CIT/BLD/CP/CT/NM/PAT/PN/RAP/SOW/STR/TVL/VW/WM0602)

#### JAN VAN ECK EXPELLED FROM PARLIAMENT

Independent MP [Member of Parliament] Jan van Eck was censured last night and expelled from Parliament until February by a simple majority of 24 votes. Van Eck claimed in Parliament last week that sources in military intelligence and elsewhere had been in contact with him and alleged that former President P.W. Botha and his Cabinet were responsible for the execution of more than 1 000 radicals. (BD/CIT/BLD/CP/CT/NM/PAT/PN/RAP/SOW/STR/TVL/VW/WM0603)

#### NATIONWIDE SURVEY CONDUCTED AMONG TEENAGERS

Urban Black teenagers solidly back African National Congress (ANC) president Nelson Mandela and State President F.W. de Klerk, while white teenagers are not sure if Mr. Mandela is doing a good job. This emerged in a recent nationwide survey conducted among teenagers by Cape Town-based research surveys. Results from the major metropolitan areas showed five percent of white teenagers between 13 and 20 - compared with 87 percent of black teenagers in the same age group - felt Mr. Mandela was doing a good job. No white Durban teenagers sup-

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ported Mr. Mandela, while three percent of white teenagers in the PWV [Pretoria-Johannesburg] region and 14 percent of white teenagers in Cape Town felt he was doing a good job. "Overall, white teenagers seemed more unsure of their opinion than their black compatriots, with almost one in four white teenagers - 23 percent - saying they did not know whether Mr. Mandela was doing a good job or not," Company Director Mrs. Binky Kellas said in a statement. Significantly more English-speaking than Afrikaans-speaking teenagers (27 percent as opposed to 19 percent) were unable to answer the question. Black teenagers overall were firmer in their opinion than whites. Only 11 percent of blacks said they did not know whether or not Mr. de Klerk was doing a good job. On the other hand, 22 percent of white teenagers were unsure. "Among white teenagers, greater support for Mr. de Klerk came from those who currently have voting rights - 65 percent. Even blacks who are currently without voting rights in the same age group expressed their support - 75 percent." (SAPA0602)

#### **MANDELA SLATED FOR "WAR TALK"**

CP [Conservative Party] leader Andries Treurnicht yesterday lashed out at ANC [African National Congress] president Nelson Mandela, claiming his warning that violence could spill from black to white areas was an effective "declaration of war on whites". (BD/CIT0603)

#### **NKOMO'S MEN HELP UMKHONTO, SAYS MAGAZINE**

Former members of Zipra, the guerrilla movement led by Dr. Joshua Nkomo during the war in Rhodesia, are operating with the ANC's [African National Congress] armed wing in South Africa, according to a report in the London news magazine New African. (STR0603)

#### **ANC LIKE A PETULANT CHILD, SAYS BUTHELEZI**

IFP [Inkatha Freedom Party] leader Chief Mangosuthu Buthelezi yesterday criticized the African Na-

tional Congress (ANC) for threatening black unrest to force white concessions in constitutional talks. He urged ANC leader Nelson Mandela to return to negotiations with President F.W. de Klerk. (STR0603)

#### **BOARD "TO PLAY ADVISORY ROLE"**

The establishment of a Police Board in terms of the National Peace Accord marked the true birth of community policing in South Africa, Law and Order Minister Hernus Kriel said yesterday. Speaking at the first meeting of the 22-member Board in Pretoria, Kriel said it could make a major contribution towards impartial policing and to the attaining of credibility among all of the community. The function of the Board, under the chairmanship of former Transvaal attorney-general Don Brunette SC, will be to consider and make recommendations to Kriel in regard to training and efficient functioning of the police. (BD/SOW0603)

#### **TOKYO CONNECTION**

All barriers to Japanese investment in South Africa were removed after understandings reached between President F.W. de Klerk and Prime Minister Kiichi Miyazawa in Tokyo yesterday. Mr. de Klerk arrived in Tokyo yesterday morning on a three-day mission to lure Japanese capital to both South Africa and the southern African region. Japan is already South Africa's second-largest trading partner. According to sources who attended the meeting, Mr. Miyazawa said all doors had now been fully opened for a completely normalized relationship. However, despite the positive approach, the bottom line was that investment remained on hold - at least for the present. (STR/BD0604)

#### **WE'LL RESIST ANC DISRUPTION - F.W. DE KLERK**

President F.W. de Klerk yesterday warned a gathering of top Japanese businessman that the ANC [African National Congress] planned to wring concessions in constitutional negotiations through mass action - but he

pledged that the Government would not compromise on its bottom-line principles. "I would like to give you the assurance that while we are prepared on the basis of give and take to make compromises, on certain fundamental principles there can be no compromise." (STR0605)

#### **PIK WAVES WAND OVER CODESA 2**

The Government yesterday raised the possibility of soon breaking the negotiations impasse. Acting State President Pik Botha disclosed that there had been behind-the-scenes discussions to rekindle the stalled talks process following Codesa 2's [Convention for a Democratic South Africa] failure. It was his impression, he told a news conference, that the ANC [African National Congress] was not reneging on agreements and understandings already reached. His view contradicted recent ANC utterances which said all deals so far reached were off. On threats by the ANC and its allies to engage soon in mass action, he said the Government did not object to peaceful protest. But it did not believe in violence, threats or mass action as a means to achieve political objectives. Mr. Botha raised the prospect of people of color becoming the majority in the National Party (NP). It was possible, he said, that a person of color could one day lead the NP. The NP's purpose was to become a majority party, "and I think it's within our grasp". Mr. Botha said he would even go so far as to say the NP needed only 10 percent more support to have the backing of more than half of the electorate. (STR/CIT/BD/BLD/CP/CT/NM/PAT/PN/RAP/SOW/TVL/VW/WM0604)

#### **OVER 70 POLICEMEN SLAIN IN '92**

More than 70 policemen had been killed this year, Minister of Law and Order Hernus Kriel told the House of Delegates yesterday. (STR0604)

#### **EDITORIAL COMMENT: BUSINESS DAY: "ANC REALISM"**

The populist promises and rhetoric which accompanied the



ANC's [African National Congress] unbanning and Nelson Mandela's release still color perceptions of the organization's economic policies. To an extent, that early populism still affects the ANC's own room for manoeuvre given the expectations it raised. This is the context in which the ANC's weekend policy guidelines should be placed. Their wording is open to interpretation. And the ANC's leadership takes a broadly realistic view of what is possible, of what can be done to relieve poverty and of what needs to be done to ensure that local and foreign investors are not frightened away from the new South Africa. But careful or even ambiguous wording shows the leadership's sensitivity to the dangers of moving faster than the organization's supporters. The leadership had to pay attention to the political and economic demands of the organization's membership. But, equally, it was aware that strident demands for redistribution or confiscation would exclude the country from the market for foreign private sector investment. The ANC's official view that foreign investors will be attracted only to an environment of transparency, consistency, predictability and accountability echoed the sentiments expressed in Derek Keys's maiden speech to Parliament. And while conservative economists might react with knee-jerk criticism to some of the populist economic demands, it is difficult to fault policies based on minimal differentiation between foreign and domestic investors. The present system officially penalizes foreign-owned businesses. They have to deal with long-entrenched restrictions on local borrowing; their participation in industries such as banking is restricted; and exchange controls and withholding taxes prevent them from distributing their full profits to their owners. Cynics in government make the point that any new foreign investor could negotiate whatever deal he wanted. Perhaps he could, but such an arrangement would certainly increase the opportunities for corruption among civil servants who administer those matters. The ANC wants some affirmative action in employment practices - which government doesn't? But its requirements seem tolerable. The or-

ganization has shifted towards calls for a "living" rather than a "minimum" wage - in other words acceptance that poverty cannot be eliminated immediately or by wage policies which make our labor uncompetitive and which destroy jobs. It is difficult to take serious exception to the economic policies proposed at the weekend, and that in itself is a measure of how far the ANC's leadership has shifted from its earlier unflinching support for socialism. Nonetheless this is not a time for complacency. The real testing will come when the ANC is in government and is itself walking the economic tightrope. (BD0602)

#### **EDITORIAL COMMENT: THE BUSINESS DAY: "MASS APPEAL"**

There appears some justification for the suspicion that the Cosatu and ANC proposal for mass action is aimed as much at consolidating their own support base as it is designed to put pressure on government to yield to their list of demands. This is not to question their concern about government corruption and continuing disclosures about the dirty tricks departments of the security forces - a concern most South Africans share. Nor is it to suggest that the bounds of legitimate political activity may not extend beyond gentle persuasion at the negotiating table. Like it or not, the political process is, to a large extent, a power play, and it would be naive to suggest otherwise. But the proposed bout of street politics will incur costs - an indeterminate number of lives (100 were lost during the last stayaway) and, say, 1 % or more of GDP for a three- or four-day strike. Given these potential costs, the motives behind the proposed action program require scrutiny. Cosatu, which has staged a stayaway on some pretext or other almost each year for the past eight, began itching for a stayaway long before the Codesa II deadlock became apparent, and before the release of the Pickard report. The latter forms the basis of the "corruption" leg of the three-pronged motivation for the action devised by Cosatu and rubber-stamped by the ANC at the weekend. A "fix" of mass action to

rally Cosatu's troops was clearly becoming due and, it seems, any pretext would do. Simultaneously, elements within the ANC had been lamenting a perceived growing gap between the negotiators and the rank-and-file. What better way to cement relationships between the leadership and their supporters than by taking politics "back to the people"? It would also be a good way to mobilize and consolidate voter support for an election which the organization hopes will be held by the end of the year. This is, of course, an uncharitable and cynical interpretation of the ANC alliance's motives. But is it wrong? Is the intention a more laudable one - to bring South Africa closer to democracy within as short a time frame as possible? The resumption of talks at Codesa since the failed plenary session has been lethargic. If the protagonists of the mass action campaign wish to demonstrate that their primary goal is a settlement rather than mass mobilization, they could do this by immediately and urgently resuming the search for solutions. Using all the energy at their disposal they should begin devising, in negotiation with government, creative solutions to the disputes over the constitution-making body, interim government and time frames. Only if their truly honest attempts fail can they embark on their program with anything approaching a clear conscience. (BD0603)

#### **EDITORIAL COMMENT: THE CITIZEN: "IFP INVOLVED"**

Chief Mangosuthu Buthelezi has the good grace - and good sense - to admit that rivalry between his Inkatha Freedom Party (IFP) and Mr. Nelson Mandela's African National Congress (ANC) is the cause of violence in the townships. He said at Heathrow Airport yesterday, on his way to the United States, that last week's report by Mr. Justice Goldstone contained nothing new. "He wasn't telling us something we didn't know because, after all, it takes two to tango." Earlier this week, Chief Buthelezi admitted the IFP was involved in the form of self-defence, retaliation and to pre-empt further



attacks, but claimed his organization was a victim of ANC aggression. This should not be perceived as exonerating or defending the IFP, he added. "Let us be man enough to accept our part in the violence and look to the future because we owe it to the present generation and to future generations." Chief Buthelezi appealed to Mr. Mandela to "stand together" with him to end the violence, suggesting they address joint peace rallies. But so far there has been no response. On the basis of similar peace offers in the past, we doubt there will be. Meanwhile, Mr. Mandela and the ANC persist in blaming State President F.W. de Klerk and the security forces for the violence. It is time Mr. Mandela followed Chief Buthelezi's example and admitted the ANC's share of the blame. Unfortunately, the Goldstone Commission has been dragged into a war of words. Mr. Justice Goldstone's report was criticized by the ANC. However, the ANC subsequently adopted a more charitable view after actually reading the report. This week Mr. Justice Goldstone hit at the government, saying the commission's views were unfairly and selectively used by public representatives who had for some weeks been in possession of all the information. The commission's reports, in future, will be directly issued by it in Pretoria. In his statement setting the score right, Mr. Justice Goldstone said the commission had not exonerated elements in the security forces from contributing to violence in South Africa. But action by the security forces alone could not meaningfully curb violence in the Transvaal and Natal areas. The primary cause of the present violence in these areas was the political battle between supporters of the ANC and IFP, and the violence could not abate until these organizations' leaders had taken appropriate steps to cause their supporters to abandon violence. Mr. Justice Goldstone said no evidence at all had been placed before the commission which would justify a finding that there was a Third Force operating in the country. But the commission would continue to inquire into future allegations. The commission's report was critical of the government's failure to take "sufficiently firm steps" to prevent criminal

conduct by individual members of the security forces. The controversy has shown that the commission's findings, if they displease one side or the other, will be politically rejected. Whether a judge should be plunged into this kind of controversy is a moot point. Mr. John Hall, chairman of the National Peace Accord, has suggested that, if necessary, a state of emergency should be declared in unrest areas until law and order is restored. The Citizen has suggested this on numerous occasions, too. But an emergency would be unnecessary if Chief Buthelezi and Mr. Mandela got together to bury the hatchet. For until they do, who will, or is able to, stop the fighting? Mr. Mandela thinks it should be Mr. de Klerk and the security forces. But, try as they might, they can't stop the ANC and IFP from attacking each other. The answer, then, is for the two organizations to bury the hatchet and make peace between them. It's the only solution. (CIT060)

#### **EDITORIAL COMMENT: THE BUSINESS DAY: "GOVERNMENT'S BALL"**

It has taken the appointment of a practical businessman as Finance Minister for the economic message to get through to government. On Tuesday, just as Reserve Bank governor Chris Stals was telling bankers of his plans to ensure that temporarily high liquidity does not derail his anti-inflationary policies, Derek Keys was telling foreign newspapers that Stals's message had got through to government. Keys's comments were illuminating. Not only did they indicate government's fresh realization of economic realities; they also tacitly underscored government's acceptance of the Reserve Bank's independence. His admission that lower government spending was the key to beating inflation stated the obvious. His frank acceptance of the rules set by the Reserve Bank was the first indication that this government might be prepared to pay attention to others and had realized it had to call a halt to its wasteful spending. The Reserve Bank is itself partly responsible for the liquidity it now wants to mop up. Liquidity is high because the reces-

sion, abetted by the Bank's inflation-fighting tight money policies, has drastically curbed demand for credit. On the other side, the persistence of positive real interest rates has attracted savers. Also responsible are the recurrent balance of payments surpluses we have been obliged to run to cover our foreign debt repayment obligations and the exchange controls the government continues to inflict on the country. Arguably, however, the worst offender is government's persistent inability to control deficit spending. That has an immediate effect on liquidity in the money markets - liquidity levels which prompt some operators to believe that further interest rate cuts are near. In March, when Stals last cut the Bank rate, he made it clear it was a pre-emptive move to lower the rate to a defensible level, and that it was based on the assumption that inflation would fall this year. He warned that rates could again increase and monetary policy be tightened if inflation failed to respond. Since then there have been no signs of lower inflation, and the drought has probably put paid to reductions expected by Stals. But fighting inflation cannot be left to the Reserve Bank alone. Its policies inflict inevitable hardship on all South Africans, but they are necessary while government profligacy counteracts the Bank's best efforts. The message of the Bank's latest liquidity absorption plans has not been wasted on Keys. He, though, has to ensure the message is understood by his cabinet colleagues, that it sticks and that realization is accompanied by more than promises of fiscal rectitude. (BD0604)

#### **EDITORIAL COMMENT: THE BUSINESS DAY: "POLICE ROLE"**

There will be some scepticism, particularly among Government supporters, about the validity of the International Commission of Jurists' findings on the violence in South Africa after the two-week visit of a five-man investigating team. There may also be resentment that the team should have come at all. But whatever the reservations, it is interesting to find that the Commission has



highlighted an aspect of the violence on which most people agree: the police are largely ineffective because they do not have the confidence of the people. The Commission concludes that the police could still play a major part in bringing the violence to an end, though it does not believe the force "as presently constituted" will ever be able to gain the confidence of ordinary people. South Africa, it says, needs a new civilian police force. The SAP's [South African Police] lack of credibility - because of its history as an instrument of oppression - has been acknowledged not only by Government but by the force itself. Attempts have been made to improve the police's image by replacing the responsible Minister, advertising on TV, giving treats to children and producing an admirable code of conduct through the National Peace Accord. The SAP may not be converting itself into a civilian force, but this week it was party to the establishment of a 22-member Advisory Police Board including representatives of its critics, such as the ANC [African National Congress]. New Minister Her-nus Kriel knows well enough that his men are hamstrung by their poor relationship with the Black community. "No security force, no matter how powerful, can continue effective policing under a barrage of hatred and criticism," he told the Board members. The International Jurists' suggestions of a "civilian" force and the deployment of a 100-strong international team to monitor the behaviour of law enforcement agencies are unlikely to bring a response, but there must be a strong chance that the move for community involvement will bear fruit. There seems to be general approval of a plan for independent monitoring groups to accompany police on peacekeeping operations, and some arrangement could be formulated at a meeting of the Peace Accord Executive today. The weary police, for so long the butt of accusations from all sides, have apparently realised they could benefit from the presence of independent observers as they go about their thankless task. One point overlooked in the dissection of the police is that rehabilitating the force would remove a scapegoat for organisations which profit from its current pariah status. Now that the

police want to be loved, it is up to their critics to help them fill their proper function as law enforcers and protectors of life and property. (BD0605)

#### **EDITORIAL COMMENT: THE STAR: "THE KINDLING OF OPTIMISM"**

Foreign Minister Pik Botha is hopeful that bilateral discussions between the Government and the ANC [African National Congress] will break the impasse in negotiations. He is hopeful, too, that the ANC will honour its commitments under existing agreements and thus, by deduction, remove the potentially divisive issue of Umkhonto we Sizwe from the agenda. But, as even a cursory glance at the latest ANC constitutional proposals shows, a long road lies ahead. The proposals, adopted at the ANC's four-day special conference, serve as a reminder of obstacles still to be overcome. Even when differences on how the final constitution should be drafted are resolved, major divergences on its details will remain. Three differences stand out: the ANC has opted for an Executive President while the Government remains wedded to the notion of a collective presidency; the ANC wants ultimate power to reside with the Central Government while the National Party wants strongly entrenched, almost inviolable, powers for Regional Governments; the ANC favours a subordinate upper House while President de Klerk's men want one with powers comparable to those of the American Senate. There are, however, major areas of agreement to kindle optimism that the two sides will have the wisdom to negotiate a compromise. Both agree that the lower House should be elected by all South Africans, regardless of race, under a system of proportional representation. Both agree, too, that there should be an entrenched Bill of Rights and a special constitutional court to protect the constitution against the ambitions of aspirant tyrants. Even from the perspective of nervous or conservative Whites, there is much to commend in the ANC proposals. The sooner they can be put to a popularly elected constitution-making body, the better. (STR0605)

## **ECONOMIC UPDATE**

### **TAX BREAK FOR FOREIGN INVESTMENT**

Finance Minister Derek Keys yesterday provided a major boost for foreign investor confidence, announcing government was exempting from tax all interest on foreign investment. The exemption would also apply to emigrants, subject to the further condition that they do not carry on business in South Africa. He said the move had the unanimous support of the Tax Advisory Committee. (BD/CIT/SOW/STR0604)

### **JAPAN PLEDGES TO PROMOTE INVESTMENT**

South Africa and Japan have agreed to co-operate in promoting the economic development of the southern African region. This was disclosed by Japanese Foreign Ministry officials after Wednesday's meeting between President F.W. de Klerk and Japanese Premier Kiichi Miyazawa. Miyazawa said his government planned to encourage vigorous participation by Japanese business in South Africa. The President meets Japanese Export-Import Bank president Mitsuhide Yamaguchi today before attending a state luncheon hosted by Emperor Akihito. (BD0605)

### **TAX BREAK BOOSTS INVESTOR CONFIDENCE**

Finance Minister Derek Keys' tax break for non-residents yesterday boosted foreign investor confidence and saw the financial rand climb to a five-week high against the dollar, dealers said. Dealers said although the decision on non-resident tax was a positive move, continued political uncertainties and the ANC's [African National Congress] threats of widespread mass action remained overwhelming concerns for potential investors. (BD0605)

### **NP, CP WARN ABOUT MASS ACTION DAMAGE**

The NP [National Party] and the CP [Conservative Party] warned last



night that the "unprecedented" mass action campaign being planned by the ANC [African National Congress] and its allies would cause major damage to the economy. NP secretary-general Stoffel van der Merwe said the ANC threats smack-ed of a "political inferiority complex" because of the ANC's "lack of confidence in (its) ability to negotiate". (BD0602)

### **RUSSIA OFFERED R140m REVOLVING CREDIT**

South Africa is to offer Russia a R140m revolving credit line to facilitate expanding trade between the two countries. President F.W. de Klerk, on a two-day official visit to the Russian Federation, told a news conference in Moscow yesterday that the loan would be formalized soon by an exchange of diplomatic notes. A formal trade and aviation agreement would also be signed. It is understood the credit line will be financed by the IDC. The president also renewed his invitation to Russian President Boris Yeltsin to visit South Africa, and Yeltsin had "accepted with gratitude". (BD/CIT/BLD/CP/CT/NM/PAT/PN/RAP/SOW/STR/TVL/VW/WM0602)

### **JITTERS, BUT NO BIG SELL-OFF ON ANC STANCE**

Nervousness in the capital market continued yesterday following the tough line on foreign investment adopted by the ANC [African National Congress] this week - but there were no major overseas sell orders, analysts said. Analysts said although capital market rates were sensitive to foreign sentiment, overseas investors had not reacted as strongly as expected to the ANC's policy announcement. The financial rand at first reacted negatively to the ANC's policy moves. It recovered slightly yesterday and firmed to R3,48 per dollar after dropping to R3,50 on Monday (BD0603)

### **WARNING OF FOOD PRICE "DISASTER"**

The prices of some staple foods, including bread, maize meal, sor-

ghum and edible oils, could increase by an additional 19 to 45 percent this year, Foodcorp chief executive Dirk Jacobs said last night. (STR/CIT/BD/BLD/CP/CT/NM/PAT/PN/RAP/SOW/STR/TVL/VW/WM0603)

### **GROUP TO TACKLE MANPOWER REVAMP**

Major players in industrial relations agreed to form a Working Group to restructure the National Manpower Commission (NMC) after meeting Manpower Minister Leon Wessels yesterday. The working Group would report to the Manpower Minister at the end of June, said the NMC's acting chairman Dr. Frans Barker. About 50 organizations were present, including Cosatu, Saccola, Sacob, the Afrikaanse Handel-sinstituit, Fedsal, Sacol and the Federation of Independent Trade Unions. (BD0603)

### **20 000 WORKERS LOSE JOBS THIS YEAR AS LABOR TAKES RECESSION'S PUNCH**

Nearly 20 000 workers have lost their jobs in the mining, engineering, and construction industries so far this year as labor bears the brunt of the prolonged domestic recession. (BD0603)

### **PLEA TO ARAB STATES**

Foreign Affairs Deputy Minister Renier Schoeman yesterday appealed to the Arab states to follow Dubai's example and that of the country's harshest critics, the U.S., Europe and Japan, by opening their doors to South African business. He made the appeal at a seminar organized by Safto and the Foreign Affairs Department attended by top-level Dubai Chamber of Commerce and Industry representatives. (BD0604)

### **KEYS SETS UP THREE CABINET COMMITTEES**

Minister Derek Keys yesterday announced that three Cabinet working committees had been set up to en-

hance co-ordination of government responsibilities. Speaking in his first debate as finance minister, Keys said the committees would cover social welfare, constitutional and administrative and economic matters. He said the economic committee was supplemented by two further bodies. One was the Minister's Committee for Economic Co-ordination which met once a month. It had a similar membership to the working committee with the added membership of Reserve Bank governor Chris Stals, special adviser to the finance minister Japie Jacobs and Finance Department official Jan Dreyer. (BD0604)

### **MOUNTING FURY OVER FOOD COSTS**

The revolt against spiralling food prices is growing. An increasing number of political and economic organisations are adding their support to demands that the Government stabilise basic food prices and allocate more relief for drought victims. The Co-ordinating Committee on VAT (VCC) has called on the Government to use "the billions of rands in State secret funds" to prevent predicted increases of up to 45 percent on basic foodstuffs, and the ANC has warned that 18 million South Africans could starve to death because of the drought if aid is not mobilised soon. (STR0605)

### **DECLINE IN OFFICIAL INTEREST RATE WILL BENEFIT TAXPAYERS**

Government announced yesterday that it intended dropping the official rate of interest by two percentage points, signalling marginal relief for taxpayers on fringe benefits. In a statement Deputy Finance Minister Theo Alant said government would be recommending to Parliament that the official rate be reduced two percentage points from 19 % to 17 % from August 1. Following the announcement last month by major banks that they were lowering their bond interest rates, Internal Revenue decided to adjust the official rate to keep it at the traditional one percentage point below the prevailing bond rates. (BD0605)



## SOCIAL UPDATE

### THE GOVERNMENT SLATED FOR FOOD AID "INEFFICIENCY"

In spite of the deepening drought, government's feeding scheme - the Nutrition Development Program - has distributed not much more than a sixth of the money allocated to it since the 1990/91 financial year. It was disclosed yesterday that only R124,7m of the R660m freed from the sale of strategic stockpiles since 1990/91, and earmarked for the program, had been distributed. The announcement by National Health Minister Dr Rina Venter was immediately slammed by the DP [Democratic Party], which said that with ever more people affected by drought a system to speed up distribution was essential. Drought could force the cost of basic foods up by 45 % this year. DP health spokesman Mike Ellis said the system used to distribute the money was too cumbersome. Venter said R220m had been given to the scheme in 1990/1, and R440m this year. She said the misapplication of funds by a non-governmental organization had caused problems in fund distribution. This had resulted in the introduction of stringent financial control measures, which delayed payment. (BD0604)

## STATE TO SPEND R294,6M TO UPGRADE HOSTELS

Local Government and National Housing Minister Mr Leon Wessels this week said R294,6 million will be spent to upgrade hostels. The Government had already approved a comprehensive strategy for upgrading. According to the South African Institute of Race Relations, there were about 400 000 beds in 220 hostels countrywide for approximately 1 million people in 1991. (SOW0605)

### POLITICS BARRED SOUTH AFRICA FROM EARTH SUMMIT, SAYS PIENAAR

Politics barred South Africa from the Earth Summit in Rio de Janeiro this week and could thwart the purpose of the meeting, Environment Minister Louis Pienaar yesterday said. Mr Pienaar told a businessmen's conference the government was determined to keep environment issues above politics and to ensure that the use of resources and development programmes were sustainable. (CIT0605)

**Note: The current exchange rate is US\$1.00 = R2.84**

## SOURCES

Sources from which this newsletter is compiled are:

Sowetan (SOW), Citizen (CIT), Business Day (BD), Star (STR), Natal Mercury (NM), Pretoria News (PN), Beeld (BLD), Sunday Times (ST), Sunday Star (SSTR), Argus (ARG), City Press (CP), South African Press Association (SAPA), Transvaler (TVL), Sunday Tribune (STRIB), Cape Times (CT), Weekly Mail (WM).

### Circulation Figures:

Business Day (BD) - 32,000  
Beeld (BLD) - 62,000  
Citizen (CIT) - 242,000  
City Press (CP) - 128,000  
Cape Times (CT) - 119,000  
Natal Mercury (NM) - 62,000  
Pretoria News (PN) - 42,000  
Rapport (RAP) - 360,000  
Sowetan (SOW) - 200,000  
Sunday Times (ST) - 530,000  
Transvaaler (TVL) - 42,000  
Weekly Mail (WM) - 27,000

NB: This news summary reflects the wording and terminology of various newspapers. It does not reflect the views or choice of words of this Consulate General. Comments are welcome.