

THESE ARE DRAFT MINUTES. THEY ARE CONFIDENTIAL AND RESTRICTED TO THE MEMBERS OF THE SUB-COMMITTEE, THE WORKING GROUP STEERING COMMITTEE, THE DAILY MANAGEMENT COMMITTEE AND THE MANAGEMENT COMMITTEE. THEY ARE STILL SUBJECT TO RATIFICATION BY THE SUB-COMMITTEE AT ITS NEXT MEETING.

MINUTES OF THE FIRST MEETING OF SUB-COMMITTEE 3 (THE ADMINISTRATIVE, FINANCIAL AND PRACTICAL EFFECTS OF REINCORPORATION OF THE TBVC STATES) HELD AT THE WORLD TRADE CENTRE ON TUESDAY, FEBRUARY 18, 1992 AT 09:00.

PRESENT: Delegates (See Addendum A)
Mr JL Mahlangu (Chairperson)
WJ Viljoen (minutes)

1. Chairperson's opening remarks

The delegates were welcomed by the chairperson

2. Agenda

The agenda for the first meeting was agreed upon.

3. Closure of meeting

It was agreed that the meeting would adjourn at 15:00.

4. Submissions

The chairperson allotted 5 minutes to every delegate to discuss their submission (if any).

5. Information

It was agreed that, in terms of the Terms of Reference of subcommittee 3, as well as any additional areas of importance, it would be determined what information is needed by the subcommittee and who can supply the information to the subcommittee:

- A. Administrative
- B. Financial
- C. Practical

A. ADMINISTRATIVE

The following issues were identified:

1. Land transfers

- 1.1. A list/lists is required of all pending land transfers to TBVC states by the SA Government.
- 1.2. A list/lists is required of all pending land transfers to the SA Government by the

TBVC states.

- 1.3. A list is required of all funds set aside by the SA Government for the purchase of land for the TBVC states and compensation.
- 1.4. A list is required of future land claims and motivation thereof.
- 1.5. A list is required of institutions through which land transfers take place.

It was agreed that a possible source of the information needed in 1.1., 1.2., and 1.3. is the Department of Regional and Land Affairs, as well as the TBVC Governments.

A possible source of the information needed in 1.4. is the TBVC Governments.

Possible sources of the information needed in 1.5. are the SA Government and the TBVC Governments.

2. Optimal use of existing infrastructure

- 2.1. Statistics of the existing infrastructures in each of the TBVC states is required.

A possible source of information is the Development Bank of South Africa

3. Good administration during transition

Possible sources of information were agreed to be:

- The SA Government document p 10.
- The Development Bank of SA, along with the Governments of the TBVC states.
- It was noted that Structural Adjustment Agreements (statistics only) from the Development Bank of SA might also be of help.

4. The future of the civil service in the TBVC states.

It was agreed that statistics re the civil service in every TBVC state is needed.

Possible sources of information are:

1. The SA Government document pp 10-11.
2. The Governments of the TBVC states.

5. Parastatals

- 5.1. It was agreed that a resume of parastatals and the functions they performed was needed.
- 5.2. It was also agreed that the responsibility for the identified parastatals needs to be identified.
- 5.3. It was agreed that rationalization programmes needed to be investigated and the future roles of parastatals examined.

Possible sources of information are the TBVC states' Report on the Rationalization of Parastatals.

Another source of information might be the SA Government's De Loor Commission Report (if available).

B. FINANCIAL

The following issues were identified:

1. Retention of business confidence

It was agreed that information was needed on the following related issues:

- 1.1. Related tax issues.
- 1.2. Economic policy.
- 1.3. Industrial decentralization incentives.
- 1.4. Extent of investment in sectors of commerce and industry.

Possible sources of information are:

- The TBVC Governments and the Development Bank of SA.

2. Disposal/Transfer of Assets

It was agreed that the following information was needed:

- 2.1. A general summary of liabilities.
- 2.2. A general summary of movable/immovable assets.

Possible sources of information are:

1. The SA Government document pp 9 - 10.
2. The TBVC Governments and the SA Government.
3. The Development Bank of SA.

3. Taxation

It was agreed that information on the following was needed:

1. Information on the differences in systems of taxation.
2. Information on property tax.

It was agreed that possible sources of information are the SA Government and the TBVC Governments.

4. Review of Development Project Priorities

4.1. A list is required of impending and planned projects and budgets involved.

4.2. A list is required of the stages of development of projects already started.

It was agreed that possible sources of information are:

- the SA Government and the TBVC Governments.

5. Future of Civil Service: Pensions and Gratuities

It was agreed that the following information was needed:

5.1. Reports from all pension funds re their status (assets and liabilities).

5.2. Reports on the rates of contribution by individual, employer and state.

5.3. Actuarial reports on the pension funds.

It was agreed that possible sources of information are:

- the SA Government and the Governments of the TBVC states..

6. Servicing and repayment of TBVC-state debts

It was agreed that the following information was needed:

6.1. A list of all direct and guaranteed debts of all para-statal and other bodies in the TBVC states.

6.2. A list of all domestic and foreign loans of the TBVC states and the RSA.

Possible sources of information was agreed to be:

1. SA Government
2. TBVC Governments
3. Development Bank of SA

7. Financial Transfers

It was agreed that information was needed on the following:

7.1. Tax contribution by the SA Government

7.2. Grants from the SA Government

7.3. Other assistance from the SA Government

Possible sources of information were identified as:

- the SA Government and the TBVC Governments.

8. Para-statal

It was agreed that the following information was needed:

- 8.1. Information on the current status of para-statals.
- 8.2. A list/lists of Assets/Liabilities.
- 8.3. A list of Guarantees.

Possible sources of information are:

- the TBVC Governments and the SA Government.

C. PRACTICAL EFFECTS

It was agreed that there was a need for a position paper from both the SA Government and the TBVC Governments. It was agreed that this is not urgent.

6. **Technical assistance**

- 6.1. It was agreed that this matter will be left until Subcommittee 3 has made some progress.
- 6.2. The need for an extended secretariate for subcommittee 3 was stressed.
- 6.3. It was agreed that the Transkei delegate would supply a checklist to the secretariate of outstanding information needed.

7. **Documents circulated**

The following documents were circulated at the meeting:

- 7.1. Submission by the SA Government : Addendum B
- 7.2. Submission by the Ximoko Progressive Party : Addendum C
- 7.3. Submission by the Democratic Party : Addendum D
- 7.4. Submission by the Transkei Government of a SECOSAF list: Addendum E.

8. **Classified Information**

It was agreed that the issue of classified information be taken up with Working Group 4 or the Management Committee.

9. **Future Meetings**

It was agreed that the next meeting of this subcommittee will be on Monday, February 24, 1992 and that the subcommittee will also meet on Tuesday, February 25, 1992 if necessary.

10. **Closure**

The chairperson adjourned the meeting at 15:00.

ADDENDUM A

Working Group 4: Sub-group 3

Attendance

ANC

Bophutatswana Government

Ciskei Government

Democratic Party

Dikwnakwetla Party

Inkatha Freedom Party

Intando Yesizwe Party

Inyandza National Movement

Labour Party

National Party

NPP

NIC/TIC

SACP

SA Government

Solidarity Party

Transkei Government

UPF

Venda Government

Ximoko Progressive Party

A Nzo

DW Schoeman

T Sondiyani

C Simkins

DA Theyane

NJ Mgubane

JL Mahlangu

D Mokoena

J Douw

R Radue

L Dwarkapersad

Y Carrim or S Singh

L Nyembe

G Croeser

D Bagwandeem

M Titus

ER Maponya

SE Moeti

TW Tshabala