

AGRICULTURE — GENERAL

1996

JANUARY — JULY.

WHETHER those who invested money in seats in the SA Futures Exchange's agricultural markets division did so because they believed agricultural contracts had a future in SA or because they did not wish — or could not afford — to be sidelined is difficult to tell. The fact remains, however, that the division, with its market capitalisation of R4,2m, could not have hoped for a better start.

The Safex agricultural markets division was founded in January 1995. The issue was oversubscribed with 84 seats sold at R50 000 a seat. These were taken by 61 members consisting of 15 banks, 12 stock-broking companies, five co-operatives, one control board and 28 trading and other companies.

Nine members also fulfilled the criteria for clearing members (all transactions executed by members have to be guaranteed by a clearing member). Members include well-known players in the agricultural sector such as Tiger Oats, through their trading division Imex, Premier, the Maize Board, Standard Bank, Rand Merchant Bank and Sentraalwies Co-operative.

The agricultural markets division prospectus set a timetable for the introduction of agricultural forward contracts on beef, potatoes, wool, maize and oilseeds (July 1995) and futures contracts for beef (January 1995), potatoes (July 1995) and maize (July 1997).

While the main objective is trading in futures contracts, the division considered it necessary to get involved in forward contracts to help develop a cash market for these commodities, most of which came out of an era of price fixing. One of the main criteria for a futures contract to succeed is a well-developed cash and forward market for that commodity. Such was the interest from the industry that after much administrative and operational planning, a futures contract for beef (July 31) and potatoes (October 16) and forward contract of maize, sorghum, sunflower seed and soya beans (July 31) were introduced.

The futures contracts for beef consists of 10 carcasses of certain specifications traded in the four

Time right for successful agricultural futures market

ANDRE VAN DER VYVER

(3)

BD 3/1/95

nearest calendar months with a margin of R2 500 payable. (The margin is a good faith deposit payable by both seller and buyer to guarantee performance of the transaction). The beef contract is settled by physical delivery. This means that if a buyer has not closed his position (bought back the contract) before expiry, the seller could notify his broker that he intends to deliver the beef to the buyer. Through arbitrage, this process ensures that the futures market reflects the realities of the cash market.

The potato contract consists of 100 pockets of class 1 medium-grade potatoes. The margin payable is R200. Trading months are February, April, June, August, October and December. Unlike the beef contract, the potato contract is settled in cash on expiry. A weighted three-day moving average price based on the potato price on the four biggest fresh produce markets is calculated. On the final trading day all open positions are closed by Safex at the calculated price.

Cash settlement is possible with potato contracts because the fresh produce markets are sophisticated and well developed and the price is difficult to manipulate.

Forward contracts on grains and oilseeds are traded in minimum quantities of 100 tons. The margin is R50 and R100/ton respectively. Forward contracts are between a specific buyer and seller and are set-

tled by physical delivery unless the two parties decide otherwise.

Safex agricultural markets division fees payable are R10/beef contract, R5/potato contract, 25c/ton of grain traded and 50c/ton of oilseeds traded. Safex pays the client interest (daily call rate) on the margin.

Broking fees are difficult to specify as brokers structure them differently, but they probably vary between R50 and R150/transaction if the broker trades on a commission basis. Brokers could also act as principal, in which case they would take a few points on each contract traded, for example 5c/kg on the beef contract. Clearing members also charge a fee of about 30% of the Safex fee. In total, fees are usually less than 1% of the value of the contract.

Interest in beef and potato futures contracts can be described as optimistic. But interest and contracts traded are two different concepts.

Nonetheless, a large number of contracts have been traded: 866 beef contracts worth approximately R13,5m and 85 potato contracts worth approximately R75 000. Although this is still only a fraction of the R3bn beef industry and the R700m potato industry, futures contracts are new to SA agriculture. Potential players are getting more interested as they follow the prices and reports published in most daily

newspapers, including Business Day, and weekly periodicals covering agriculture. (In forward contracts, players have used prices quoted on the screen for their own trading outside of Safex.)

The growth in the market, as a measurement of success, is difficult to quantify since many agricultural futures contracts originated a century ago in completely different circumstances. (Futures contracts were first listed on the Chicago Board of Trade in 1864.)

However, if one compares today's performance with that of the 16 months from April 1987 (launch date of SA financial futures) during which only between 2 000 and 5 000 contracts a month were traded, the future looks rosy. An exponential increase took place during the following six months when volumes increased tenfold. Since then, volumes have fluctuated between 50 000 and 110 000 contracts a month.

Notwithstanding a much larger market which for years was thoroughly accustomed to the concept of a free market and fluctuating prices, trading in financial futures initially grew slowly. When compared with other aspects of the agricultural industry, which until recently was heavily regulated, very little time has been devoted to marketing and selling the futures concept to potential players.

But how much time does Safex have? Although the the agricultural

markets division still outperforming its budget, the latest financial statements (October 1995) showed a net asset value of R3,8m, or R42 200/member seat. But the potential for success might be drastically increased with the planned introduction of futures contracts for white and yellow maize at the end of January or February next year.

Maize remains perhaps the largest single agricultural industry in SA with production valued at R4bn to R5bn a year. Since deregulation in May 1995, prices have fluctuated considerably, with white maize prices jumping to record highs because of the shortages. Next year will probably also bring price fluctuations, and there is a good chance of a normal (surplus) crop and a subsequent sharp drop in prices. A futures contract for maize could therefore be used very successfully to hedge prices.

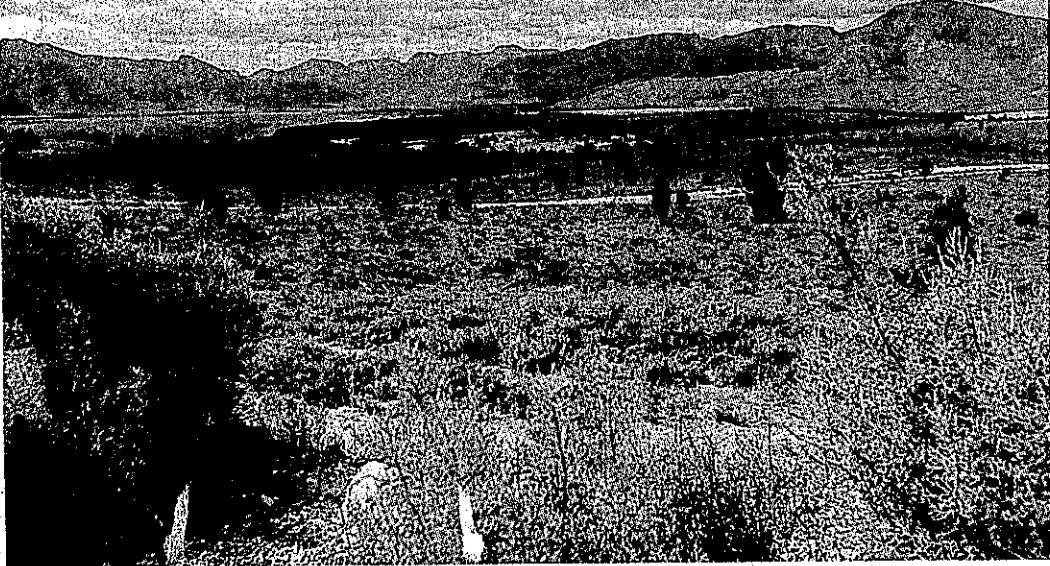
Maize futures contracts are highly successful overseas, and maize as a commodity is traded in large volumes internationally, where SA maize is much sought after because of its high quality. International participation in the maize contracts is therefore a strong possibility, and some interest has already been expressed by overseas brokers and traders, including Cargill and Louis Dreyfus.

The agricultural markets division is investigating the possibility of a general commodity index futures contract which could act as a hedge against inflation and a link between commodity and financial futures. It should attract the attention of institutional investors.

Probably the best indication for future success is that the eight seats that have changed ownership since January 1995 fetched an average price of R61 000 — about 50% more than their net asset value. One seat has also been leased.

Perhaps 1996 will be the big year for the division. Successful agricultural futures markets would mark the full implementation of free market principles in agriculture after 50 years of controlled marketing. The timing could not be better.

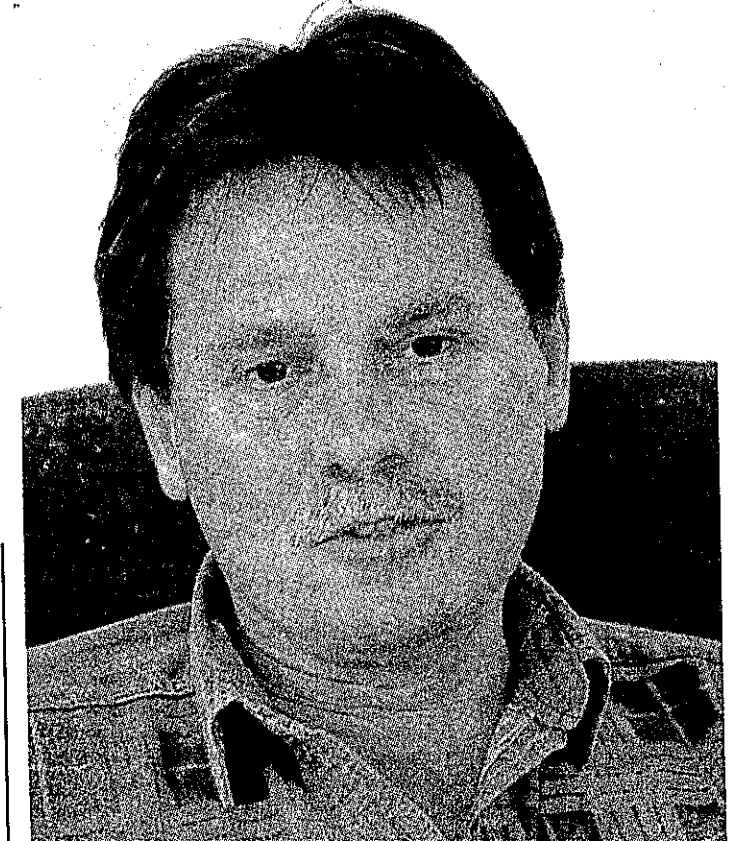
□ Van der Vyver is an agricultural economist with Standard Bank.



WORKERS' FARM: Klipfontein, the 250 ha state farm in Villiersdorp which local farmworkers plan to cultivate for a living.



FREE TIME: Johan Booyen, a member of the Villiersboom Farmers' Association. He will remain a full-time farmworker on Vyeboom while working on Klipfontein in his free time.



MANAGER: Andries Fourie, general manager of Vyeboom Farm, believes the Villiersboom Farmers' Association is a positive step for agriculture.

Safe tenure, better living for workers

AN amendment to the Development Facilitation Act will give farmworkers access to a government grant to improve their living conditions, as well as secure occupational rights on farms.

The director of the Department of Land Affairs' redistribution programme, Nico van Rensburg, said the amendment would allow the Minister of Land Affairs to help farmworker households to get R15 000 each if there was agreement about tenure between the workers, farm owner and minister.

If the farmworker left the farm, there would be an obligation on the farmer to pay out a value equal to that of home improvements the farmworker had made.

The amendment will come before parliament early in the year.

ESTELLE RANDALL Labour Reporter

FARMWORKERS who have never before had the chance to farm for themselves may soon be producing export apples and pears in the fertile Villiersdorp area of the Overberg.

A total of 43 farmworkers who work on farms in Villiersdorp have combined to form the Villiersboom Farmers' Association and are planning to get access to the 250 ha state-owned farm, Klipfontein.

This is the first state-land transaction in the Western Cape between the Department of Land Affairs and farmworkers.

Nico van Rensburg, the Department of Land Affairs' redistribution programme director, met aspirant farmers in November to explain what state assistance they could expect.

Mr Van Rensburg said there was a grant of R15 000 for each household, whether they leased the land or bought it outright.

If the farmworkers decided to buy the farm, the R15 000 for which each household qualified would have to be used to cover the costs of purchase as well as basic services.

If they decided to lease Klipfontein, they would be able to use the R15 000 for acquiring the equipment and infrastructure necessary to make a living from the farm.

To get the R15 000 grant per household, communities must have a project proposal.

For this, they would get a planning grant, which would be six percent of the estimated cost of the project.

The Rural Foundation, which has been working with the Villiersboom Farmers' Association, has applied for a planning grant on their behalf.

Their request will now go to a Department of Land Affairs' priorities committee, which meets monthly.

Mr Van Rensburg said a decision was likely soon.

The department was undertaking a valuation of the land, which would determine what the lease or purchase price would be.

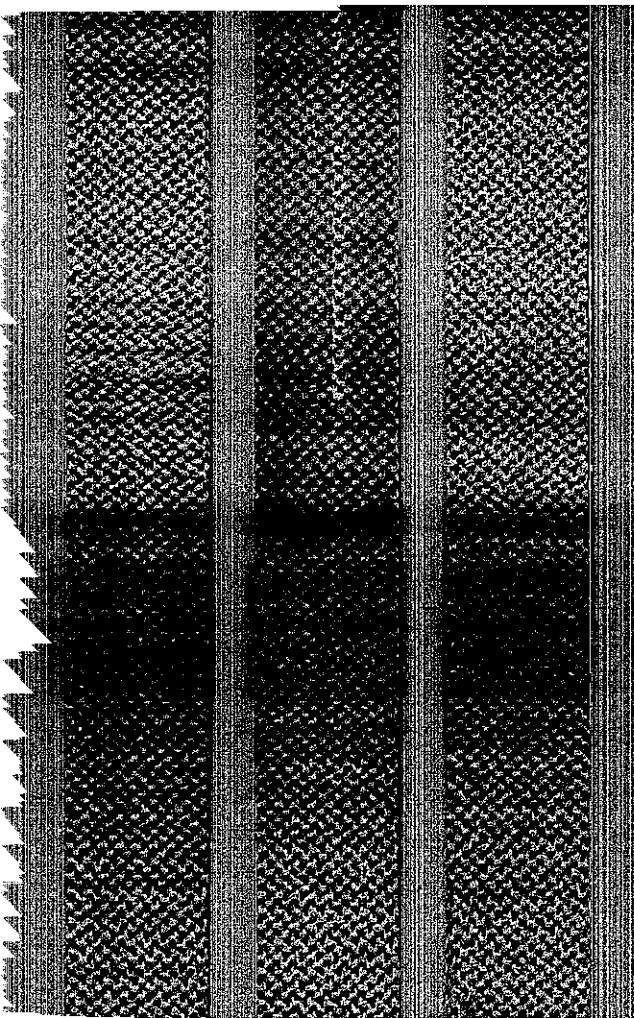
Results of the valuation would help the farmworkers to know what finances they would need to borrow from a financial institution.

Mr Van Rensburg said a short-term lease of the farm could range from 11 months to nine years, while a long-term lease would be nine years and longer.

The Department of Land Affairs was not able to specify how much state land was available in the Western Cape.

Western Cape regional director Mr Jean Ehlers said his department was preparing a state-land register, expected to be completed by the second half of 1996.

(3) (3) (3) ALC 8/1/96
Labourers get a chance to farm for themselves



Pictures: JACK LESTRADE.

NEW FARMER: Karools Fortuin, a farmworker all his life, now has the opportunity to farm for himself.

Karools and friends make first moves to become REAL farmers

Staff Reporter

KAROOLS Fortuin has been a farmworker all his life, as was his father and his grandfather before him.

Born in Worcester on a farm where his father was employed, he now works as a tractor driver and fruit-tree sprayer on Vyeboom farm in Villiersdorp.

He is also a member of the Villiersboom Farmers' Association, a group of farmworkers who have persuaded the Department of Land Affairs to give them access to Klipfontein, a state-owned farm in the area.

"It has always been my desire to farm for myself. Before the election I used to wonder whether the day would ever arrive when this would happen."

His seemingly unreachable dream is about to become reality. Mr Fortuin and his

family will be one of the first to move to Klipfontein.

He is excited at the prospect of finally farming for himself but is also cautious and believes the approach should be incremental.

They will start with vegetables, which will bring in income quickly, and then gradually introduce fruit trees.

Although the plan is to eventually settle 40 families on the 250-hectare Klipfontein, most families will retain their full-time farmworker jobs until the new scheme is capable of supporting the families as full-time farmers.

Johan Booysen, also a member of the Villiersboom Farmers' Association, said association members would pay R50 a month each towards the support of the full-time Klipfontein farmers.

"We will also work at Klipfontein at weekends and other

times that we have free."

Klipfontein has much to recommend it, including a farm house, four dams, three stores, water rights from the Theewaterskloof Dam which borders it, electricity and roads, but making a success of farming will not be easy.

Andries Fourie, general manager of Vyeboom, where Mr Fortuin works, said fruit farming was difficult because one had to wait about five years before one could harvest.

Start-up costs also were high and the work was labour intensive.

He agreed that the best route would be to start with vegetable farming until the new fruit trees began to bear.

He said he hoped the farmworkers would succeed in this positive step for agriculture.

"There should have been farmers like this years ago but they didn't have the chance.

"It will be good if they show they can make a success because then we will be able to talk simply of farmers — not equate farmers (boere) with whites."

Neighbouring white farmers have undertaken to help the newcomers with marketing.

Most farmers in the area use Two-A-Day Ltd as a distribution channel for their produce of apples, pears and peaches.

Mr Fourie said that because the land in the area was fertile, it was possible to make a living on farms of 15 to 20 hectares.

Vyeboom, which he describes as "in the middle regarding its income", is 150 hectares.

However, he warned that Vyeboom had been under cultivation for many years, unlike Klipfontein, and that it was difficult to make a start as a small farmer.

(3) (F) ARG 8/11/95

Land court launch delay

(3)
Louise Cook
BD 9/1/96

FAILURE to find suitable premises has delayed the launch of the new Land Claims Court by about three months, says court president Fikile Bam.

"Just as we thought we were ready to move into one place, the whole tender process had to start all over again because certain procedures had to be followed."

Tenders for premises would close on January 12, said justice department spokesman Amanda Haasbroek. She said the court would be set up in the Randburg municipal area.

Land Affairs Minister Derek Hanekom said he had hoped the court would have been in place this month, but preparations were not finished.

The court would ratify settlement agreements between land claimants, the state and land owners.

About 5 000 land claims, mostly urban, have been lodged with the land claims commission. When parties fail to settle, the court will give a ruling.

Mbeki calls for bigger and better police force

PRETORIA — SA needed more and better trained policemen, deputy president Thabo Mbeki said in Pretoria yesterday.

The country was undoubtedly underpoliced, he said.

Mbeki was expanding on the ANC's 84th anniversary statement, delivered by President Nelson Mandela at the weekend. It said there was a need to increase the strength and logistical base of the police.

Citing examples of underpolicing, Mbeki said the Bulwer area in KwaZulu-Natal had about eight policemen who had to cover a rural population of about 250 000 people with only two vehicles.

"Or you go to Hillbrow (Johannesburg) which has about 200 officers policing a population of 500 000 people with particular characteristics," Mbeki said.

"That the country is underpoliced is without a doubt."

The quality of police training also had to be attended to. Foreign police officers visiting the

country last year pointed out that some practices used by SA police had been discontinued in Europe 50 years ago.

European judicial systems did not allow confessions to be used as proof of guilt. Police there had to produce original evidence to secure a conviction.

"But here we still depended a great deal on confessions," Mbeki said.

"The temptation, of course, then was to beat the hell out of somebody so that he confesses. If you are denied that possibility, you have to be a better detective."

This meant better training was required. Mbeki said a lack of resources was another problem.

The police in KwaZulu-Natal had, for example, only three helicopters to cover vast rural areas not easily accessible by road.

"We clearly need to borrow more helicopters from the defence force."

Mbeki said: "Whether public finances have the possibility to address all of this, I do not know." — Sapa.

...turing. Once a deal is reached on the



RISING LEVELS Despite the recent rains which filled dams and flooded towns, industry is expecting a large increase in Umgeni Water's tariffs

Water price rise to hit industry

By JON BEVERLEY

Durban — Industrial water users in Durban are unhappy about the larger-than-inflation increase in the price of water, expected to come their way in March.

Umgeni Water, which supplies water in bulk for piping by municipalities, said this week it would be lifting the price by 12 percent from March 1 and there would be a 15 percent rise for inland areas.

In previous years, municipalities such as Durban, which buy water in bulk, have passed on Umgeni Water's increases to customers.

But the metro council still has to approve the controversial proposals for a new sliding scale tariff system

and is expected to meet later this month to discuss the question.

The proposals could result in people who use more than 30kl a month being penalised with a heavier tariff.

Trevor Palmer, the financial director of Durban Water, said the proposals envisaged a "lifeline" tariff for disadvantaged sections of the community.

John Bryce, a director of the Durban Chamber of Commerce and Industry, said the increase would, especially if it was going to be much higher than the inflation rate, have a severe effect on heavy industries, such as brewing, paper, soft-drinks and textiles.

John Barton, the general manag-

er of the paper division of Mondi, which makes about 500 000 tons of paper at its Merebank plant each year, said a 12 percent increase would have a "fairly serious" effect on prices. It took 20 tons of water to make one ton of paper, and while the company recycled a lot of water, the price rise would be felt.

Brian Allison, financial director of beverage and investment group Suncrush, said the rise would not have a serious effect on the company's cool-drink bottling operations — but obviously any price rise would have an effect on prices and profits.

Meanwhile, Umgeni Water's chief executive, Brian Walford, said the company was planning to

spend R2,5 billion on infrastructure in the next five years, creating a network of supply points.

Last year it had put a supply levy on suburban users, which would be used to fund the supply programme for the rural areas. About 3 million people are without potable water supplies.

He pointed out that the increase had for many years been below the inflation rate, but Umgeni Water was increasingly having to cope with a finite resource and the costs of supplying all its areas was rising rapidly. Despite this, water in Durban still compared with the cheapest in the world, "which should be a big factor in attracting overseas investment".

ET (M) 10/1/96

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Misery after the poison rain

ARG 13/1/96 (3) (1993)

GLYNNIS UNDERHILL

Staff Reporter

CASH-strapped farmers whose crops were burnt by toxic fumes from a blazing sulphur stockpile at the AECI factory in Somerset West have hit hard times as they wait for compensation.

It is feared some of the smaller produce farmers could go out of business if bridging finance is not provided while their claims are being processed.

Organic vegetable farmer Brian Pickering of Rust-en-Vrede said the devastation could not have come at a worse time. Orders for his produce piled up over Christmas, he said.

While others enjoyed the festive season, Mr Pickering faced a miserable Christmas, hiring extra helpers to uproot damaged crops and replant produce.

■ Farmers who lost financially after a cloud of sulphur from the disastrous AECI fire in Somerset West damaged their crops faced misery over the festive season.

The piles of scorched and discarded vegetables scattered around his farm tell a dismal tale.

Like some other farmers in the area, he believes he has lost some customers who turned to other suppliers after the blaze on December 16 dispersed thick clouds of acrid sulphur over the farming area. When mixed with the rain that followed the fire, the sulphur changed to form sulphurous acid and caused extensive damage to crops in the area.

"I have lost a couple of customers who have gone to other people. It is a difficult time for me and I am up to my limit in overdraft," said Mr Pickering.

This week AECI said its insurance adjusters had apparently not been approached by

any farmers with "particular cashflow problems".

"Any such problems should be referred to AECI, which will endeavour to assist individual farmers," said Michael Blizzard of the AECI communications department.

All farmers who had claims had either been visited or spoken to, he said.

Damage claims have been lodged by 70 farmers, which included flower growers and smallholdings, and 25 nurseries, said Mr Blizzard.

Vegetable farmer Johannes Visser of Vorentoe Farm near Kuils River has estimated the damage to his crops from the sulphur fire could amount to around R550 000.

But not even an experienced farmer like Mr Visser could

have foreseen that many of his prized pumpkins would only grow to half their usual size after the leaves were scorched by the toxic vapour.

"It should have been a nice vegetable crop of quality stuff. We planted five hectares more than last year. Christmas time is the time of the year when we make money and we must make provision for the winter. Now our overdraft account is still staying as it was — even though we were supposed to be in a better position this year," he said.

Farmer Peter Turton, who grows more than 15 flower varieties on his farm near Somerset West, is feeling as glum as his neighbours after many of his outdoor flowers were destroyed.

"There was no Christmas bonus that one looks towards getting and budgets for. When it doesn't come in, you are set back on your heels," he said.



Pictures: ROY WIGLEY, Staff Photographer.

AECI sulphur blaze: Family begins legal action

GLYNNIS UNDERHILL

Staff Reporter

THE family of a Macassar woman who died — allegedly from respiratory failure caused by the toxic vapour released from a blazing sulphur stockpile — are taking legal action against AECI.

Maria Tamboer, 55, died on December 28.

A spokesman for the law firm representing the family said Mrs Tamboer had medical treatment on December 17, the day after the disastrous sulphur gas enveloped Macassar during the blaze at the AECI storage dump in Somerset West.

Lawyer Johan van der Merwe said Mrs Tamboer had apparently died of respiratory failure.

"She inhaled the poisonous air and was given medical treatment. The following day she made a temporary recovery but was hospitalised on December 24 when her condition worsened," said Mr Van der Merwe.

The families of brothers Andrew Williams, 54, and Ronnie Williams, 47, who died when the sulphur gas enveloped Macassar, will also be taking legal action against AECI.

More than 200 residents claiming respiratory problems

were treated in one morning at a temporary medical clinic set up in Macassar this week, according to Henrich Magerman of the Macassar Crisis Committee.

"People are still complaining of respiratory and asthmatic conditions. There is a great demand for treatment," he said.

The sulphur gas cloud from the blaze in Somerset West forced Macassar's 2 500 residents to evacuate on December 18.

A medical unit operating at the Macassar community centre before Christmas was closed between Christmas and New Year.

Michael Blizzard of the AECI group communications department said AECI had seconded some of its medical staff to help out at the Macassar community centre this week.

"Unfortunately, those who previously assisted were unable to help due to other commitments. Local doctors, hospitals and the Department of Health were approached but were unable to assist," said Mr Blizzard.

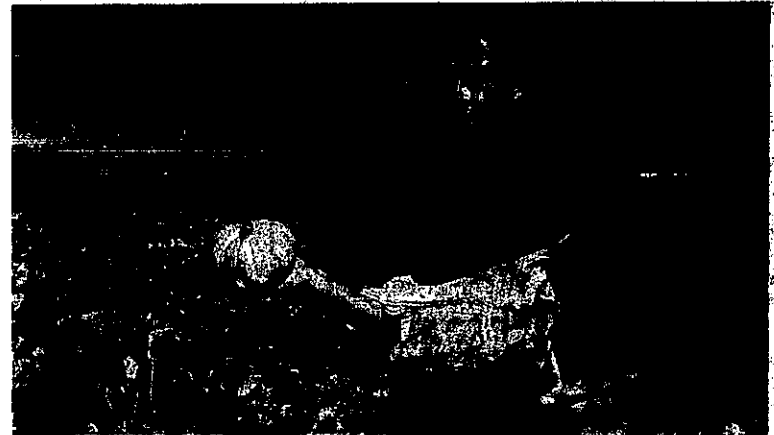
A decision would be made this weekend, in conjunction with community representatives, on whether the unit should remain in place for a longer period, he said.

□ FIRE AFTERMATH:

Organic vegetable farmer Brian Pickering (above) spent the festive season pulling up damaged crops and replanting.

□ HALF-SIZE:

Farmer Johannes Visser says his prize pumpkins have not grown to size as a result of the sulphur fire.





NOT AMUSED: Water Affairs and Forestry Minister Kader Asmal

Umgeni Water gets a tongue-lashing

(3) (ST) (BT) 14/1/96

By MARCIA KLEIN

KWAZULU Natal's Umgeni Water has been rapped firmly over the knuckles over its gilt trading activities.

Kader Asmal, Minister of Water Affairs and Forestry, ordered the company to implement the findings of an independent audit regarding its activities.

The auditors, Fisher Hoffman Sithole, found that Umgeni incurred losses of R162-million to end-February 1995 from its bond trading and bond issues. The report shows that at least R97-million of the loss "results from the taking of avoidable risk positions".

Although the auditors discovered no illegal transactions by Umgeni's directors or staff, Professor Asmal said: "I must express my misgivings about some of the disclosures made in the report... such as those concerning directors' dealings in Umgeni bonds or options, the quantum of what was paid to financial advisers... some accounting procedures, and failure to fully inform the board on all issues."

Professor Asmal released the findings on Friday after appointing Fisher Hoffman Sithole in June to undertake an independent audit of Umgeni and its market makers, Rand Merchant Bank and FirstCorp Merchant Bank.

He censured the Umgeni board for not having sought or received the necessary ministerial authority for its activities and for lack of proper supervision over its officers. He called on its directors to take control of the financial operations and put into place adequate control measures.

By 1993, Umgeni had issued traded bonds to the extent of R2,6-billion. In the year in which most of these bonds were issued, over R1,3-billion was in excess of Umgeni's short-term requirements.

Since the issue of its own stock in 1990, Umgeni has bought and sold bonds to the value of R85,9-billion in nearly 2 400 transactions with its market makers. It

was also involved in 688 option transactions with its market makers involving total premiums of R557-million.

Professor Asmal said the extent of its market-making "got out of hand".

"As a result of the nature, import, ramifications and sums involved, it is considered unacceptable for Umgeni not to have obtained explicit ministerial approval for these activities."

According to the report, an Umgeni director bought Umgeni bonds and traded in options in those bonds, making a net profit of R19 000. Trading in these bonds by a director or employee was "inappropriate and unacceptable", but no illegal transactions were identified.

Umgeni had appointed a partnership of financial advisers "in most inappropriate circumstances" and they had been paid R4-million to date. One of the advisers was employed by RMB although RMB was unaware of this.

Professor Asmal said Umgeni was found by the auditors to be in sound financial condition, and that "there is no question of any compromise of its ability to meet its obligations". Water prices to consumers had not been affected. The new board, appointed in 1995, had been restructured and was now more representative.

Professor Asmal emphasised the importance of the capacity of public utilities to raise money by way of borrowings.

Umgeni's problems had arisen from the need to raise funds on the bond market to finance its water supply activities.

He said the report suggested "a basis for a code of conduct for public water utilities and other public bodies" with regard to risk management, controls, disclosure and conflict of interest.

Strong backing in assembly for draft land law

TYRONE SEALE
Political Staff

DRAFT legislation that gives labour tenants a chance to become the owners of land they occupy and protects them against unfair evictions has been given overwhelming approval in the national assembly.

However, parties such as the Freedom Front, Inkatha Freedom Party and Democratic Party, licking their wounds after a 226-35 defeat in the assembly after IFP MP Koos van der Merwe's call for a division of the house, are gearing up for tough debate in the senate.

While the African National Congress and National Party supported the bill, speakers from the smaller parties rejected the draft legislation out of hand or, in the case of the Pan-Africanist Congress, pledged conditional support.

Opening the second reading debate on the bill yesterday, Land Affairs Minister Derek Hanekom said the bill had been

largely accepted by all involved parties as an acceptable and reasonable measure that would contribute to peace and prosperity in the countryside.

The bill regulates the conditions under which labour tenants may be evicted, including the nature of compensation to be paid to them in the event of an eviction.

Specifically, it states that labour tenants may be evicted only if they fail to provide labour in terms of the contract or are guilty of serious misconduct or if the owner of the land has specific needs for the land in question.

The Land Claims Court is the body responsible for overseeing the process of evictions, which may be carried out only after a court order is obtained.

The bill is retroactive from June 2 last year, the date it was gazetted, and it means labour tenants who left a farm or were evicted after that may apply to the Land Claims Court for a reinstatement of rights

(2) (3) (4) ARG 16/1/96
within a year of the bill becoming an Act.

The bill provides for a four-year period within which labour tenants will have the right to apply to buy the land which they have historically used and occupied. It provides for the state to help labour tenants in this purchase. It specifies that the land owner is entitled to compensation for the land, as provided for in the constitution.

Where conflicts arise between tenants and land owners during a purchase, a mediator may be appointed to help resolve the dispute. Should the mediation fail, the application for purchase will be forwarded to the Land Claims Court, which will appoint an arbitrator to decide the matter. Either party has the right to appeal against the decision of the arbitrator or the court.

Mr Hanekom said the bill was an attempt to extend basic human rights, legal protection and access to resources to one of the most oppressed group-

ings of South Africans.

IFP MP Harriet Ngubane dismissed the bill, saying it failed to provide a precise time-frame in which labour tenants would acquire the land they occupied and used, and this meant there was no clear programme for the abolition of labour tenancy.

Regulations on evictions and the criteria for acquiring land had to be made clear before the IFP could support the bill.

Pieter Grobbelaar (FF) said the retroactivity of the legislation would make life unbearable on farms where there had been evictions since June last year.

The Freedom Front was opposed to the means by which the draft legislation was controlling a private arrangement between the farmer and the labour tenant, who was paying for the land with his or her labour.

DP MP Mike Ellis said his party could not support the bill in its present form.

Farmers abuse drought relief aid, say officials

(3) Star 16/11/96

Northern Province agriculturists shocked by misuse of vouchers while area still suffering crippling drought

BY KARIN SCHMKE
AND NORMAN CHANDLER

Farmers in the Northern Province are bemoaning the drought which is continuing despite recent rains – as evidence emerges that they are abusing drought relief aid given to them in the form of vouchers.

Under a scheme implemented in November last year, farmers received 125 000 vouchers totalling R40,3-million to be used to buy equipment, fertiliser, seeds, diesel or anything they needed to tend their land.

Vouchers for each farmer from the provincial government are worth between R100 and R5 000, depending on the size of their farms and whether they had irrigation or were dependent on rains.

However, officials say they had discovered farmers are buy-

ing groceries and other goods unrelated to agriculture with the vouchers.

Vic Kleingeld, chairman of the province's drought committee, said the scheme was started to help large and small-scale farmers during the difficult period following a four-year drought, which has been only partly relieved since it started raining in November.

"We found some people were buying groceries like maize and sugar with their money from agents who were not appointed by the government," said Kleingeld.

The agents are now clamouring to be reimbursed for the vouchers.

However, the Department of Agriculture and Forestry in the province is reluctant to pay out, pending a decision about the vouchers by the MEC, Tienie

Burgers.

Kleingeld said: "When the scheme was introduced, we negotiated widely with shops and co-operatives and decided on those which served farmers the best and were easiest to reach.

"The agents now claiming money for the vouchers were never appointed by us."

He said a decision on how to proceed on the question was expected later this week.

■ In spite of the recent rains, agricultural officials yesterday said the drought was far from over, calling it "the worst in history", having devastated large areas of the province, particularly the Venda area and north of the Soutpansberg mountains.

Meanwhile, the citrus-growing Letaba area is in crisis, said David Nthankheni, the province's director of agriculture and rural development.

Bill for protection of labour tenants passed

Star 16/1/96

By PATRICK BULGER

At its first meeting of the year, the National Assembly approved the Land Reform (Labour Tenants) Bill yesterday - one of several land reform measures drawn up by Land Affairs Minister Derek Hanekom that were not considered last year.

The Inkatha Freedom Party, the Democratic Party and the Freedom Front voted against the bill which was passed by 226 votes for to 35 against.

Introducing the bill, Hanekom described labour tenants as "one of the most oppressed groupings of South Africans". He said "It (the bill) also attempts to create conditions that would restore stability and certainty to some of South Africa's most conflict-ridden rural areas."

Hanekom also said tenants had no protection under the law and they had been subjected to arbitrary evictions as farmers feared radical new legislation to protect tenants' rights and even to dispossess farmers.

The bill regulates the conditions of eviction of tenants and states they may only be evicted if they failed to provide labour, were guilty of serious misconduct

or if the farmer had a specific need for the land.

Tenants would be given four years to apply to purchase the land they occupied. The state would help them to buy land. Mediators would be appointed in cases of dispute.

The NP supported the bill, saying it provided a legal mechanism for farmers in disputes.

The IFP said the bill failed to outlaw labour tenancy and the FF said it interfered with the land rights of farmers.

The DP said the bill would entrench labour tenancy but the party was in favour of measures to regulate evictions. The PAC voted for the measure.

The bill has to come before the Senate before it becomes law. It is retroactive to June 2 1995.

Sapa reports from Witbank that 75 cases of farm evictions were reported in Mpumalanga in the past three months.

According to Mpumalanga Land and Labour Commission chairman Ivor Jenkins, the number of reported cases was contrary to the perception that "thousands" were being forcefully removed across the province. He stressed, however, this did not diminish the seriousness of the matter.

Public hearings over leased farms

BY MATTHEW BUCKLAND

Members of the public will express their opinions over the next three days at a hearing into Gauteng government plans to sell or extend leases for provincial land for small-scale farming.

The project, the Small Farmer Settlement Programme, was established in November to address the issue of making land available for emerging farmers.

Spokesman for the Department of Development Planning, Environment and Works, Elsabé Ferreira, said it was part of an effort to boost the smaller agricultural sector of Gauteng which had been seriously neglected.

"Up until now, State land has only been made available through monthly leases. These do not provide long-term security, and as a result personal investment in agricultural activities has been limited," she said.

For more information call (011) 498-5563 or fax (011) 458-5559.

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MAJOR PARTIES BACK RURAL REFORM

Bill gives farm tenants right to buy land

THE LAND REFORM BILL was passed yesterday with support from the ANC, PAC and NP, which was satisfied that most objections had been dealt with.

THE Land Reform Bill was an attempt to restore stability to conflict-ridden rural areas and remove labour tenants from the legal twilight zone, Land Affairs Minister Mr Derek Hanekom said in the National Assembly yesterday.

Mr Hanekom said labour tenancy was a semi-feudal system that had continued outside the law in Mpumalanga and the northern parts of kwaZulu/Natal, where labour tenants exchanged their labour for the right to occupy and use a portion of farming land.

A provision in the bill giving labour tenants the right to apply to buy the land they had historically used and occupied would increase the number of black farmers and landowners, he said.

Land Affairs committee chair-

man Chief Patekile Holomisa (ANC) described the bill as a practical step to restoring land rights to indigenous South Africans.

"Malicious farmers" trying to evict tenant labourers before the bill came into law had been thwarted by a clause making it effective from its Government Gazette publication date last June.

NP land affairs spokesman Mr Andries Beyers said the NP supported the bill, which provided a legislative remedy for land owners in situations of conflict.

"We share the view of the Council of SA Bankers that this bill will have a significant impact on the rights of existing agricultural property owners as well as the expectation of labour tenants."

The party was satisfied most of the agricultural unions' objections

had been accommodated.

The IFP's Ms Harriet Ngubane opposed the bill, however, saying labour tenancy was a "shameful practice" and the bill failed to abolish it. She called on Mr Hanekom to refer the measure back to the committee to be redrafted.

Freedom Front MP Mr Pieter Grobbelaar also opposed the measure. It affected the land rights of the individual and would lead to chaos. It was incomprehensible that any knowledgeable farmer could support it.

Mr Mike Ellis of the Democratic Party opposed it on the grounds that it created more problems than it sought to address and would perpetuate labour tenancy. However, the DP did support those sections in the bill dealing with evictions.

It was also supported by the Pan African Congress, despite "flaws".

The bill was passed after a division by 226 votes to 35, with the IFP, DP and Freedom Front voting against. — Sapa

(3) (4) 16/1/96

Agricultural union will lobby for alterations to tenants Bill

Louise Cook

THE SA Agricultural Union (SAAU) yesterday showed signs of greater acceptance of the Land Reform Labour Tenants Bill, passed on Monday in the National Assembly by an overwhelming ANC majority, but provincial farming unions strongly rejected the Bill in its present form.

The union said the Bill had been "greatly improved" since the first draft.

SAAU director Kobus Kleynhans said Land Affairs Minister Derek Hanekom had taken into account farming needs. But the union would continue to push for changes to force labour tenants who retired to provide the farmer with a substitute worker. Cost implications to farmers who needed the piece of land occupied by the labour tenant also needed changing, he said.

3 (4) BD 17/1/96
Provincial unions, including the Natal, Free State and Transvaal unions, slammed the passing of the Bill "in its present form".

Natal Agricultural Union president Graham McIntosh, who last week appealed to President Nelson Mandela to delay the passing of the Bill, said the union would get the Helen Suzman Foundation and the Human Sciences Research Council to validate facts showing that labour tenants were paid better than farm workers, and that only 5% of farmers maltreated labourers.

Free State Agricultural Union president Piet Gouws called for changes to make the Bill "more practical", saying it jeopardised property rights.

But the National Land Committee, representing 300 landless communities, welcomed the Bill, saying it too would push for

"further changes", but refusing to say what the changes were.

The controversial Bill was rejected by farmers last year because it allowed for labour tenants — farm workers who are paid by the use of land rather than in cash — who had been on farms for two generations to gain property rights on the farm, backed by financial help from government.

Wyndham Hartley reports that the ANC in KwaZulu-Natal welcomed the Bill and slammed the IFP for its opposition to a measure that would protect black labour tenants from right-wing farmers.

ANC provincial spokesman Dumisani Makhaye said the approval of the Bill "comes at a time when right-wing farmers in areas like Vryheid, Nqutu, Dundee and Wasbank are on a massive campaign to evict black land tenants".

Land reform bill will create problems — DP

(3) ~~4~~ ET 17/1/96
SPECIAL CORRESPONDENT

JOHANNESBURG: Legislation to give ownership of land to labour tenants would become "an albatross around the neck" of Land Affairs Minister Mr Derek Hanekom, DP spokesman Mr Errol Moorcroft said yesterday.

In a statement following the National Assembly's passing of the Land Reform (Labour Tenants) Bill on Monday, senator Mr Moorcroft said his party had no problem with the second aim of the bill, which was to prevent eviction of tenants from farms.

The bill is expected to affect about 40 000 tenant farmers in kwaZulu/Natal and Mpumalanga by allowing them to buy the land

they occupy on farms in exchange for providing labour to their bosses, most of whom are white. The farmers would be obligated to sell it.

The DP said the bill, still to be passed by the senate, was an irony as labour tenancy had been outlawed for 30 years.

"The protagonists of the bill have described the practice as slavery, yet the bill gives statutory recognition to labour tenancy," said Mr Moorcroft. Mr Hanekom should explain this contradiction.

The DP had found it difficult to oppose a bill in context of the need for reform and a more equitable distribution of land, but the measure threatened to do "far more harm than good".

IFP re-enacts land trust act

(3) (24) Star 18/1/96

Pietermaritzburg – KwaZulu Natal's Inkatha-led parliament yesterday re-enacted the Ingonyama Trust Act despite strong opposition from the ANC which described the move as unconstitutional.

The Ingonyama Trust Act was rushed through the former KwaZulu homeland legislature shortly before the April 1994 election, putting more than 90% of land in KwaZulu into a trust controlled by the Zulu king. The move was slammed by IFP's opponents who claimed it was done secretly and was aimed at ensuring political control over tribal land.

The new national cabinet agreed the act should be amended because it hampered development. It meant people could not own land, participate in state housing schemes or have access to loans or bonds from private institutions.

Land Affairs Minister Derek Hanekom last year told Inkatha that re-enactment of the law would violate the constitution.

But KwaZulu Natal's Traditional Affairs Minister Inyanga Ngubane said yesterday that he was re-enacting the law because it related directly to the affairs of the province. – Reuters.

Crisis looms in rural areas

By **MONDLI MAKHANYA**
Political Reporter

Rural organisations have warned of "an unprecedented crisis in rural areas" if farmers carry out their threats of mass eviction of tenants in response to government land reforms.

Farmworkers Research and Resource Project (FRRP) spokesman Hilton Tolo said farmers were mobilising themselves in "open defiance" of the Government by threatening mass evictions of tenants.

Several provincial farming unions have warned they will be forced to get rid of tenants if the Senate passes the Land Reform Bill, which was approved by the National Assembly on Monday. While the South African Agricultural Union has partially welcomed the bill, saying it was an improvement on the last version, provincial unions have taken a more militant line.

Farmers' organisations and tenant

(3)(4) Star 18/1/96
movements are readying themselves for a lobby season in the run-up to the Senate debate on the matter in February. Public hearings have been scheduled to allow all parties to put their views to the Senate's Select Committee on Land affairs.

The FRRP and other rural organisations have given the bill a cautious thumbs-up, arguing that it is fraught with shortcomings. They said that by applying only to "second generation" labour tenants, the bill meant that workers who have lived on farms for more than 30 years fall outside the ambit of the law.

Arguing against the purchase of land by labourers being "a central tenet of the bill", the FRRP said many workers had worked very long on farms for little pay and that automatically earned them a right to land. It said paying for land was "unpalatable" to many labour tenants and that government subsidies given for land purchases should rather be utilised in development initiatives.

Bill 'may result in farmers' exodus'

(3) (10) BD 18/1/96

DURBAN — Commercial farmers in KwaZulu-Natal may emigrate to neighbouring countries to avoid the effects of the Land Reform (Labour Tenants) Bill, Natal Agricultural Union president Graham McIntosh said yesterday.

Sapa reports the Bill, which was passed by the National Assembly on Monday, enables labour tenants to purchase farmland they occupy from the landowner. Farmers are obliged to sell land or provide alternative compensation to genuine labour tenants.

Farmers have criticised the Bill, believing it will adversely affect property values, create conflict between workers and farm owners and threaten the profitability of commercial farms.

"I think if this kind of unreasonable legislation keeps on coming through, farmers will leave," McIntosh said.

McIntosh said farmers were also concerned about a possible influx of landless people to commercial farms hoping to benefit from the Bill.

The SA Agricultural Union would consider challenging the Bill in the Constitutional Court should the Bill be approved in the Senate, he said.

The new Bill also prevents the arbitrary eviction of labour tenants, who are loosely defined as rural farm workers with historical links to land they have used and occupied in exchange for labour.

Various organisations have welcomed the Bill as a "break-through" for previously disadvan-

taged farmworker communities.

The Association of Rural Advancement said: "We believe the Bill does no more than confirm in law what already exists: That portions of farms are not being used by farmers. The Bill puts all landowners under the same obligations and thus levels the playing field."

Louise Cook reports farming unions calling for further changes to the Bill yesterday sparked off demands from labour tenants for free land.

A government grant was available for the deal but farmers' unions rejected the Bill in its "present form".

Landless community representatives hit back, saying payment for land was "unpalatable". They called for the state grant to be used for development and the farm land to be given to labour tenants for free.

Farmworkers' Research and Resource Project, representing labour tenants on 500 farms in Mpumalanga, said it was also unacceptable that the Bill excluded labour tenants who had worked on farms for years but were born elsewhere.

National Land Committee spokesman Jabo Dada said the Bill needed "tightening up" to provide for free land. Government had succumbed to pressure from farmers and would not have the money to sustain land purchases in the long run. The committee would fight the farming unions' demands, he said.

CT 18/1196
kwaZulu trust
act re-enacted

3) ~~254~~

MARITZBURG: kwaZulu/Natal's Inkatha-led parliament re-enacted the Ingonyama Trust Act yesterday despite strong opposition from the ANC which described the move as unconstitutional.

The act was rushed through the former kwaZulu homeland legislature shortly before the April 1994 elections, putting over 90% of land in kwaZulu into a trust controlled by the Zulu king.

The move was slammed by Inkatha's opponents who claimed it was done secretly and was aimed at ensuring political control over tribal land.

The new national cabinet agreed the act should be amended because it hampered development. It meant people could not own land, participate in state housing schemes or have access to loans or bonds from private institutions.

Land Affairs Minister Mr Derek Hanekom told Inkatha last year that re-enactment of the law would violate the constitution and said the cabinet had agreed that national legislation to amend the act would follow after talks with the provincial government.

But the kwaZulu/Natal Traditional Affairs Minister, Mr Inyanga Ngubane, told a parliamentary sitting yesterday that he was re-enacting the law because it related directly to the affairs of the province. — Reuter

KwaZulu-Natal passes Bill on Ingonyama Trust

(24) (3) BD 18/11/96

Farouk Chothia

MARITZBURG— The KwaZulu-Natal legislature yesterday passed a Bill to re-enact the Ingonyama Trust Act despite the fact that provincial state legal adviser Bongi Ntokweni had not certified the Bill as constitutional.

ANC MP John Jeffery noted that Ntokweni had merely stated that the Bill had been "legally edited". He had avoided stating that the Bill itself was legal. "He has not done so (because) he cannot," Jeffery said.

The Bill seeks to take control of the Act away from Land Affairs Minister Derek Hanekom and place it under the provincial government. The Act makes Zulu king Goodwill Zwelithini trustee of all tribal land in KwaZulu-Natal.

Jeffery said the legislature did not have the power to pass the Bill, as land affairs was a national competence.

Hanekom would pilot his own amendments to the Act in Parliament next week. The Bill, which was also opposed by the DP, would be referred to the Constitutional Court for a ruling.

IFP MP Maurice Mackenzie said he was confident the court would rule in the IFP's favour. Privately owned land fell under central government, while communal land fell under the provincial government. Communal land was

governed by indigenous and customary law, which was a provincial competence in terms of the interim constitution, he said.

NP KwaZulu-Natal caucus chairman Tino Volker said the NP region supported the IFP on the issue. The Bill ensured the "continuation of traditional procedures" on land matters. The Act had been passed by the former KwaZulu legislative assembly, but President Nelson Mandela had failed to assign the Act to the province. Instead he had assigned it to Hanekom.

Jeffery said the NP region's position was different to that of its national caucus. The NP national caucus supported Hanekom's moves to amend the Act.

NP KwaZulu-Natal chief whip Rudi Redinger denied the NP region was flouting NP policy. The NP believed in an asymmetrical relationship between central government and the provinces. This allowed for one province to claim powers greater than other provinces.

In its latest draft constitution the IFP has reverted to some of its hardline demands. It states that the province is entitled to establish an armed force, and that the premier has the power to declare a state of emergency. It also gives KwaZulu-Natal control over the province's public service, and the right to organise provincial elections.

Region's food supply 'depends on ability to save scarce water'

~~ZAPPA~~ (3) BD 19/1/96

HARARE — Southern Africa's crop prospects have improved in the short term, owing to good rains, but long-term food security depends on saving scarce water and increasing irrigation, the UN Food and Agricultural Organisation said yesterday.

"The prospects of food production this season are presently bright because of the rains. If they continue, it will be fine for the year," said the organisation's director-general, Jacques Diouf.

"But the real concern is for the future," he said.

The early warning unit of the 12-nation Southern African Development Community (SADC), stretching from

Tanzania to SA, expects a total regional grain crop for the 1995/96 season of 16,3-million tons, up from last season's 11,10-million tons.

The SADC unit said this week the current seasonal weather forecasts for the region indicated good rainfall prospects for the latter half of the season — January to March — boosting hopes for recovery from the 1994/95 drought which slashed harvests.

However, Diouf cautioned: "The region cannot, for its long-term food security, afford to depend on the vagaries of the weather."

Diouf said Zimbabwe had done relatively well to boost agricultural pro-

duction but like all other southern African states the country needed to work on water conservation, especially construction of small dams and water collection.

Diouf urged African governments and farm leaders to make agricultural development a priority, noting that investment in this key sector had been falling over the years.

"We can provide the technical assistance but there can be no substitute for political will," he said.

Diouf said that his organisation would try to mobilise more support from political leaders at a world food meeting it was organising in Rome later this year.

He said world food security required food production to rise by around 4% this year but there was no guarantee this would happen due to falling investment and droughts.



Boycotting farmers to discuss R1m arrears

Louise Cook

DISGRUNTLED Eastern Cape farmers would meet next month to decide whether to pay about R1m owed in levies to local authorities in the province's rural areas, Eastern Cape Agricultural Union manager Rory O'Moore said yesterday.

Members of the 5 000-strong union have been boycotting payments since the end of November because they failed to win 35% representation on local government structures. They were allocated 10% as a special group.

BD 19/1/96 (3) ~~2/2/96~~
O'Moore said the Eastern Cape Agricultural Council, representing at least 5 000 black farmers, also supported the boycott. However, this could not be confirmed.

The Algoa and Kamdeboo regional services councils said the effect of the boycott had been limited because most levy income came from urban areas.

Algoa regional services council spokesman Robert Verson said farmers made up less than 2% of levy payers, contributing only R200 000 a month to the region's coffers.

Southern Africa urged to save water to ensure food security

ET(BR) 19/1/96 (3)

By CRIS CHINAKA

Harare — Southern Africa's crop prospects had improved in the short term thanks to good rains, but long-term food security depended on saving scarce water and increasing irrigation, Jacques Diouf, the director-general of the United Nations Food and Agriculture Organisation, said yesterday.

"The prospects of food production this season are presently bright because of the rains. If they continue, it will be fairly okay for the year," he said.

"But the real concern is for the future," Diouf said.

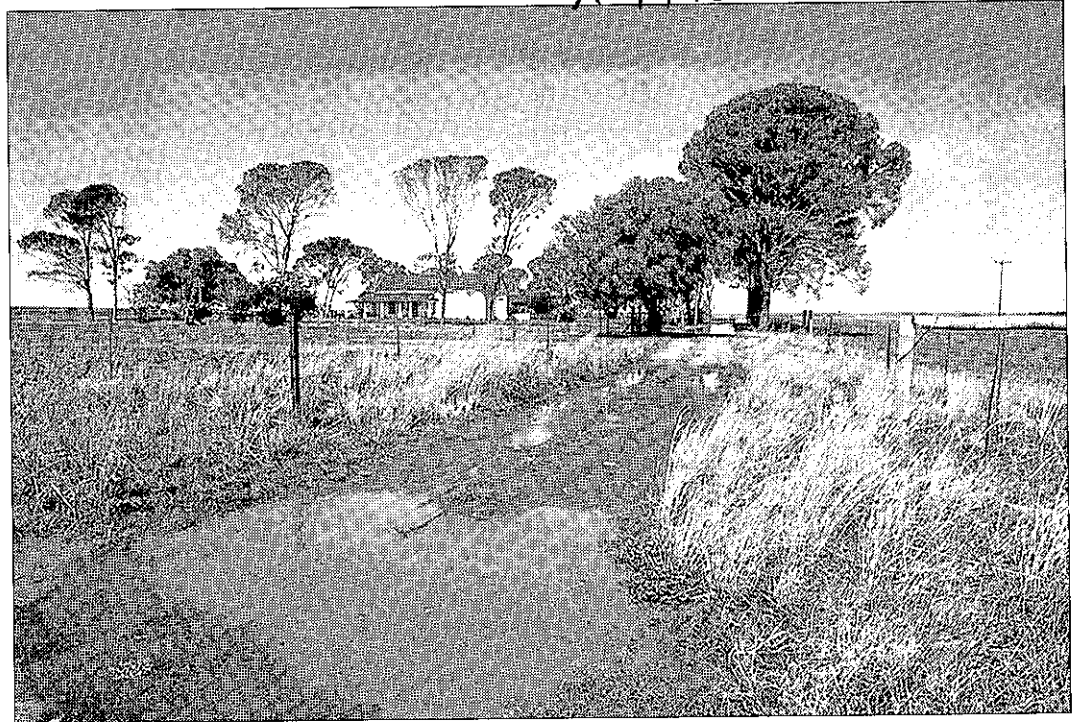
But he said: "The region cannot ... afford to depend on the vagaries of the weather (for its long-term food security).

"There must be greater emphasis on conserving the water we get and greater use of irrigation for real security."

Diouf said Zimbabwe had done relatively well to boost agriculture production but, like all other southern African states, needed to work hard on water conservation, especially the construction of small dams and water collection.

"I believe that in general the policies are right. The question is on greater control of water resources."

The early warning unit of the Southern African Development Community, which stretches from Tanzania to South Africa, expects a total regional grain crop for the 1995/96 season of 16,3 million tons



WELCOME RAIN A puddle left by the good rains which fell across southern Africa recently. The rains have improved the short-term prospects of the region's crops

from last season's 11,10 million tons.

The unit said this week's forecasts for the region indicated good rainfall prospects for the latter half of the season, from January to March, boosting hopes for recovery from the 1994/95 drought which slashed harvests.

Diouf urged African governments and agricultural leaders to make agricultural development a

priority, noting that investment in this key sector had been falling over the years.

"We can provide the technical assistance but there can be no substitute for political will," he said.

He said the organisation would try to mobilise more support from political leaders at a world food summit it was organising in Rome later this year.

He said world food security required food production to rise about 4 percent this year, but there was no guarantee this would happen because of falling investment and droughts.

Diouf said since taking over the leadership of the organisation in 1993, he had doubled the number of technical experts serving Africa. —
Reuter

ANC slams DP for 'bottom-line' demand

Small party risks being marginalised over its 'ill-considered, counter-productive' approach

By **MONDLI MAKHANYA**
Political Reporter

The ANC lashed out at the Democratic Party this week, warning that it risked being marginalised if it refused to budge from its "bottom-lines positions" on the final constitution.

The ANC, which has a 62% majority in the Constitutional Assembly, was reacting to a DP bosberaad resolution that it would not support a constitution that limited provincial powers, did not put enough emphasis on individual rights and did not have a proper bill of rights.

The DP had also accused the ANC of ignoring other parties' proposals and ramming its own proposals into the draft constitution.

In a statement yesterday the ANC said the DP's "bottom-lines" approach was "counter-productive and ill considered".

"The Democratic Party has been irresponsible in issuing demands which they say need to be met if they are to support

Star 24/1/96 (2) (2011)
the constitution. Given that negotiations around the final text have yet to start in earnest, it is premature to start throwing in bottom-line positions," said the ANC.

It said DP claims that other parties' submissions had been left out of the draft were inaccurate as areas of divergence had been left open-ended and various options had been included in the draft.

Pledging that it was committed to finding consensus, the ANC said the DP's sticking to bottom lines would see it marginalised from the constitution writing process.

The CA's deadlock-breaking mechanism - which includes taking specific matters and clauses to the vote - would not favour a small party like the DP so it should rather work with other parties to seek common ground on contentious matters, the ANC said.

"The ANC too has bottom lines. Yet we have committed ourselves to a process of engaging all other parties in an effort to find common ground."

Inkatha wants to amend new land tenure Bill

Star 24/1/96 (3) (2011)
By **PATRICK BULGER**
Political Correspondent

Cape Town - The Inkatha Freedom Party will introduce an amendment to new land legislation which it says undermines the powers chiefs exercise over land affairs.

The Communal Property Associations Bill, one of several land measures introduced by Land Affairs Minister Derek Hanekom to overhaul and update land tenure systems, came before Parliament's portfolio committee on land affairs yesterday. The bill enables communities to form "juristic persons" known as communal property associations which can

then buy, hold and manage land which communities have traditionally occupied.

Centre for Applied Legal Studies land expert Aninka Claassens, who was involved in drafting the Bill, told the committee it was necessary to provide for communities which were entitled to land handed back to them in terms of the Restitution of Land Rights Act.

Claassens said in reply to committee chairperson, Chief Phathekile Holomisa, who is also president of the Congress of Traditional Leaders of South Africa, that the Bill could be used by communities where there was "enormous dissatisfaction" with a chief who administered their land.

Two land rights bills passed, but the IFP digs in its heels

(3) (P) KAW 25/1/96
Cape Town - Two land reform bills edged a step closer to becoming law yesterday when Parliament's land affairs committee passed them, with reservations from the Inkatha Freedom Party.

The Communal Property Associations Bill enables communities to form property associations

to secure rights to land, and the Interim Protection of Informal Land Rights Bill secures the land rights of communities for two years pending more comprehensive tenure reform.

Although the communal property bill was amended so that it does not refer specifically to tribal

communities, the IFP indicated that it opposed both bills and would make its opposition known when the bills reached the National Assembly stage.

Yesterday, however, the bills were passed with only reservations being expressed by the IFP.
- Political Correspondent.

Revolt over Johannesburg

(3) Star 25/1/96 water fines (3)

Millions of rands at stake as private and commercial consumers resolve not to pay penalties which are lifted restrictions in the wake of record rains and overflowing dams

By TROYE LUND

Resident and business organisations from Houghton to Soweto are united in their decision to boycott January's water penalties unless Johannesburg's administration guarantees that money will be reimbursed.

This ultimatum follows the announcement that water penalties will be in place for January even though, on December 28, Rand Water lifted the stiff fines - R5 a kilolitre used above any allocated quota.

Millions of rands are at stake. When the fines were at their lowest in August, Greater Johannesburg ratepayers forked out about R2-million, but this rose to R4-million in October when fines were increased.

A transitional metropolitan council (TMC) spokesman, who did not wish to be named, described the problem as "unfortunate and purely administrative".

She said water matters were now the responsibility of the four municipal substructures (MSSs) and the matter had nothing to do with the TMC.

Because the MSSs have not met since Rand Water officially lifted the restrictions, necessary legislative changes had not been made. The earliest that changes could be made would be at MSS meetings officially scheduled for the end of January, she said.

Councillor and Bryanston resident Liz Clogg described the situation as "typical of a tortoise-like system" which could not cope with emergency regulations. She said it was essential for a mechanism to be put in place that could deal with any emergency legislations needed.

"Business will suffer most by this system and must make representations to central Government to have the necessary provisions added to the Local Government Act," Clogg said.

She warned that MSSs might decide not to reimburse penalties because they had taken a month to implement and the administration had paid for ratepayers' ex-

Thursday January 25 1996

Jo'burg water fines revolt

(3) From Page 1 Star 25/1/96

cessive use during that time.

"It is just gross incompetence. Residents must not pay January's penalties," Emmarenfia Ratepayers' Association chairman Jeanne Loomes said.

After consulting key industries, the newly formed Gauteng Association of Chambers of Commerce and Industry said it rejected the imposition of penalties.

"We will not pay because municipalities were unable or unwilling to interrupt the Christmas recess in order to react to Rand Water's decision," chairman Frank Cauldwell said.

There is a "considerable degree of concern" within commerce and industry at the time it has taken for new municipal structures to "get down to business", Cauldwell said last night.

Soweto Civic Association chairman Maynard Menu agreed that the penalties should not be imposed.

He was not prepared to say what action Soweto residents would be taking until he had "all the facts about the position councils were in" and had discussed the problem with his organisation.

He added, however: "If we believe the MSSs have been unfair, we will make ourselves heard loud and clear."

"And once we decide there is unfairness, there will be no stopping us."

Johannesburg water and gas director George Keay emphasised "it is in the hands of each MSS". He added he had heard nothing about plans to reimburse the fines.



in disbelief as Egypt down his beloved team at the FNB Stadium yesterday.

Upper lip defeat

will now head for to play the Group B their quarterfinal urday.

n Neil Tovey yesterday his side would be oang after the defeat against Egypt coach Clive Barker's un of 15 matches. timistic SA will capcan Nations Cup.

re the stronger side ated Egypt's defence, ack was not on our lovey.

reports Sand Back Page

Entries pour in for the game

Entries for The Star's "Name the Team" competition - an attempt to find a new name for the nation's soccer team - poured in yesterday, as South Africans displayed their love for images of animals and war.

Clearly "the boys" - Bafana Bafana to their fans - have matured into a team worthy of a more flattering name so they can take their place alongside the country's conquering cricket and rugby teams.

One name came forward 12 times which encapsulated our fledgling country's search for non-racialism and its eagerness to do battle: The Rainbow Warriors.

A contestant from Dube,

Soweto, produced a name unlikely to steal the hearts of our nation and of our squad of rodents "The Maluti Rats".

Another chose the rather inappropriate "Amagents", normally translated in township language to mean "thugs". Johannesburg hijackers have of late assumed that flattering term.

Not to be outdone, another called for "The Amabuto" to venture into the planet and do battle. This Zulu word means warrior or regiments and conjures up images relevant to both the early frontier wars and more recent power struggles between Inkath and ANC followers.

Enter The Star's Name th

► ... To Page 2

Budlender to ⁽³⁾ lead land reform

CT 25/1/96
POLITICAL WRITER

A FORMER president of the University of Cape Town SRC, Mr Geoff Budlender, was appointed director-general of land affairs yesterday.

His appointment was approved by the cabinet at its first full meeting of the year in Pretoria, cabinet secretary Dr Jakes Gerwel said.

Budlender, who heads the Legal Resources Centre, chaired the Nusas management committee in 1973 after eight student leaders were banned following a report of the Schlebusch Committee.

An attorney who was involved in several major legal challenges to apartheid laws, Budlender will now spearhead the government's land reform programme.

ANC, NP in judges deadlock

CT 25/1/96
CONSTITUTIONAL negotiations over the appointment of Constitutional Court judges and attorneys-general deadlocked yesterday, the ANC said.

ANC MP Mr Carl Niehaus said the ANC and the National Party were unable to agree on the issues at a meeting of a sub-committee of the constitutional committee.

The ANC believed judges should be recommended to the Constitutional Court president by the Judicial Service Commission, while the NP wanted Parliament to play a role in the appointments.

Niehaus said this was undesirable because the judiciary should be independent of party politics.

The second controversial issue was the ANC's push for a national attorney-general.

Niehaus said justice was a national issue, not a provincial one. The present system of 14 attorneys-general meant policy decisions were inconsistent.

— Sapa



First AECI payments to farmers

ARG 26/1/96
LINDSAY BARNES, Staff Reporter

THE first AECI payouts have been made to farmers affected by the devastating sulphur fire which poured toxic fumes into the air in December.

An AECI spokesman said a farmer was paid an unknown amount, and further payouts were expected to be made today, a little more than a month after the tragedy in which three people died.

The compensation is expected to total between R15 million and R20 million, AECI operations services managing director Boet Coetzee said.

However, claims from farmers may extend over a period of a year due to the nature of farming, he said.

No Macassar residents have been paid out yet as negotiations between

the company and the Macassar Crisis Committee over the method of payment are still underway. Compensation, however, appears imminent.

More residents appeared at the plant yesterday to file claims, including a couple whose wedding was disrupted when victims took refuge in the hall where the reception was held.

A full environmental impact study, being conducted by a professor at the University of Cape Town, will be complete next week.

According to Mr Coetzee, the sulphur dioxide level soon after the incident was at "manageable levels".

Although the stockpile, from which the fumes poured when it caught fire, had been reduced by half, 15 000 tons still remained.

LABOUR TENANTS

(3) DEFUSING CONFLICT

KM 26/1/96

The passage through parliament of the controversial Land Reform (Labour Tenants) Bill saw the small minority parties united in opposition to the ANC. The Freedom Front, Democratic Party and Inkatha lodged strong objections.

There is a possibility of a challenge through the Constitutional Court, though President Nelson Mandela did not publicly respond to Natal Agricultural Union president Graham McIntosh's request for postponement of the Bill. Hanekom's legal advisers have obviously considered the matter and Mandela can presumably proceed to sign the Bill into law.

Perhaps surprisingly, the NP supported the Bill in the debate. Land Affairs Minister Derek Hanekom has been careful to canvass major agricultural lobbies for support and some grey areas appear to have been sufficiently clarified to satisfy the majority Afrikaner party.

The Bill has two main aims:

- To enable labour tenants to buy farmland (with government assistance) that they have occupied for at least two generations, trading their labour for tenancy; and
- To end summary evictions of these tenants in advance of what had been feared would be punitive, redistributive seizure of "white" farmland.

At least some farm lobbies have been persuaded that redistribution is not an issue. As Hanekom explains: "It brings labour tenants out of the legal twilight zone they have occupied for decades. It addresses the problems caused by the fact that the unlawful and unofficial status of labour tenancy has meant that tenants have not had legal protection or recourse in cases of injustice."

A retrospective moratorium on evictions was introduced on June 2.

Hanekom said: "The Bill places the contractual relationship between tenant and farmer as the basis of an arrange-

ing in their overlords, the farm owners. The clearly defined entitlement to government subsidy is modified by the period over which the tenants must have lived on and worked the land, which pre-empted precipitate land invasions.

Market-related payments are envisaged — accompanied by a year's grace for those summarily evicted and four years for tenants to stake claims. Hanekom believes the Bill redresses a situation in which black tenants "probably would have been farmers and landowners, cultivating their own land, had apartheid laws allowed them to do so."

The Freedom Front objects, citing compulsion on farmers to break up their

land holdings — possibly in defiance of the still unresolved property clause in the Bill of Rights. Inkatha argues that those evicted in the past do not have sufficient recourse to reparation as they will have to seek redress through the Land Claims Court, which would be difficult for the homeless and destitute.

The DP is in favour of the rights accorded evicted tenants but its land affairs spokesman, Senator Errol Moorcroft, is suspicious of the legal entrenchment of labour tenancy: "Labour tenancy has been outlawed for 30 years, yet the Bill now gives statutory recognition to labour tenancy and serves to perpetuate it as a legal practice. Farmers and labourers may now legally enter into tenancy agreements.

"The Minister should decide whether he agrees with those who label the sys-



Hanekom . . . attempting to redress an historical injustice

tem as slavery, in which case he must explain why he is perpetuating it, or else he must tell us why he disagrees with those who claim that it is simply a labour contract which has been entered into between two informed people and which carries significant benefits for both."

Hanekom sees the Bill as "an attempt to extend basic human rights, protection under law and access to resources to one of the most oppressed groupings of South Africans."

No-one appears to know how many labour tenants there are — 40 000 is one estimate — nor how many could be covered by the Land Reform Bill. But now that there is a law governing a frequently chaotic sphere of economic activity, it seems only fair that formerly antagonistic sides should be brought together in formal structures to defuse mistrust and conflict. ■

ment that will result in security of tenure under clearly defined terms . . .

"It will also enable black rural people with a knowledge of agriculture to own land for the first time in their lives, for both residential and productive purposes [which] can only strengthen the fabric of rural society."

The Bill will defuse a long-standing cause of legal rancour arising from labour tenants having been subject to a form of slavery with all legal power vest-

Farmworkers given grant to buy land

(3) (4) ST(M) 28/1/96

By JEREMY WOODS

THE face of the agricultural industry in the Western Cape is set to change now that government has passed its Land Bill last week, giving farmworkers a R15 000 grant to purchase farmland.

"While R15 000 is not a lot of money, it allows a group of farm workers to combine their grants and put the money into a trust. We can then gear up, through loan finance and equity participation, to buy into a commercial farming proposition where there is an existing experienced partner," says Hannes le Roux, the managing director of NewFarmers.

NewFarmers is a recently formed organisation to help members of developing communities to buy stakes in commercial agricultural enterprises.

Its mission statement says it aims "to create opportunities for viable farming ventures, focus-

ing on developing communities, through project development, loan finance and equity participation."

NewFarmers has two objectives.

The first is to broaden the ownership base in agriculture. The second is to integrate clients from developing communities into the main stream of agriculture.

And the new organisation packs a powerful financial punch.

Its shareholders list Dr Anton Rupert, the KWV, Outspan, Unifruco, and most of the top financial institutions from Sanlam to Standard Bank.

"One of our major priorities is to expand our capital base, currently some R10-million," says Mr le Roux.

"We have screened some 30 projects over the last year of which 12 have been earmarked for further investigation."

Four projects, three in the Western Cape, have already reached an advance stage of planning and Mr le Roux is optimistic that these deals will be signed by the middle of the year.

"We want to break new ground as far as ownership patterns are concerned as well as contribute to land and agricultural reform across the country."

Mr le Roux says that where workers become involved as co-owners, productivity on the farms can improve by as much as 30 percent.

"There is a wealth of expertise among agricultural workers, particularly among the deciduous fruit and citrus sectors and we would like to make these people entrepreneurs for a new farming generation."

Farmers win turf war in Gauteng

(3) 00 29/11/86
Louise Cook

HUGE tracts of Gauteng public land are likely to be zoned for farming, after potential opponents to the plan failed to take part in recent public hearings on the province's proposed land plan.

The land includes areas in Benoni, Boksburg, Lenasia, Carletonville, Klerksdorp, Klip River Valley, Orange Farm, Sebokeng, Vanderbijlpark and Vereeniging.

Gauteng agriculture and conservation department director Giep Naude said last week fears that mining, housing, industrial and road interests would thwart the plans had proved to be unfounded.

Only farmers or farming organisations had taken part in the recent hearings, neutralising contradictory demands.

Much of the land was zoned for small-scale farmers on a month-to-month basis, Naude said, and that farmers to buy land were now more likely to succeed.

The Gauteng legislature is today to consider proposals from the hearings. Suggestions include selling public land as long as that conditions of sale allow farming, and that land use for farming be prevented from falling into disuse. Calls were also made for the training of farmers on public land and that land prices should be within the reach of small-scale farmers.

Gauteng development planning, environment and works department director Karien Engelbrecht said 400 farmers currently leasing on a month-to-month basis would have their leases extended to five years by the start of the new growing season.

Land could then be sold to farmers subject to certain provisions, including one that they serve a probation period to prove their farming ability.

Consumers' revolt wins the day over water penalties

BY TROYE LUND

Stan
29/1/96

Water penalties in Johannesburg have been lifted and consumers will be credited for fines levied this month.

This follows an uproar over the announcement by the transitional metropolitan council that, despite Rand Water having lifted water restrictions on December 28, municipal substructures would charge penalties for January because the councils had not met in time to lift punitive legislation.

The executive committees of three of the four Johannesburg substructures - Northern, Western and Eastern - have now decided to pass credit on penalties.

Penalties will still show on January accounts, but credits should be reflected on February statements or soon thereafter.

DP Eastern MSS councillor Mike Moriarty said he expected that credits would be recorded on February accounts, or as soon as councils "get their house in order".

The lifting of the tariff has been welcomed by residents and businesses.

The Southern MSS is expected to pass a similar decision this week.

■ A technical possibility - although highly unlikely - could see Johannesburg's 220 councillors paying out of their own pockets for January's fines.

In terms of the Local Government Act, councillors are prohibited from adjusting or backdating levies and rates already set for the month.

A lawyer, who specialises in local government, confirmed that the auditor-general was technically entitled to claim from councillors personally the amount for which they had passed credit, as it contravened the ordinance.

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Revolt over Johannesburg

Star 29/1/96 (3) (7) water fines

Millions of rands at stake as private and commercial consumers resolve not to pay penalties which are lifted restrictions in the wake of record rains and overflowing dams

By TROYE LUND

Residents and business organisations from Houghton to Soweto are united in their decision to boycott January's water penalties unless Johannesburg's administration guarantees that money will be reimbursed.

This ultimatum follows the announcement that water penalties will be in place for January even though, on December 28, Rand Water lifted the stiff fines - R5 a kilolitre used above any allocated quota.

Millions of rands are at stake. When the fines were at their lowest in August, Greater Johannesburg ratepayers forked out about R2-million, but this rose to R4-million in October when fines were increased.

A transitional metropolitan council (TMC) spokesman, who did not wish to be named, described the problem as "unfortunate and purely administrative".

She said water matters were now the responsibility of the four municipal substructures (MSSs) and the matter had nothing to do with the TMC.

Because the MSSs have not met since Rand Water officially lifted the restrictions, necessary legislative changes had not been made. The earliest that changes could be made would be at MSS meetings officially scheduled for the end of January, she said.

Councillor and Bryanston resident Liz Clogg described the situation as "typical of a tortoise-like system" which could not cope with emergency regulations. She said it was essential for a mechanism to be put in place that could deal with any emergency legislations needed.

"Business will suffer most by this system and must make representations to central Government to have the necessary provisions added to the Local Government Act," Clogg said.

She warned that MSSs might decide not to reimburse penalties because they had taken a month to implement and the administration had paid for ratepayers' ex-

Thursday January 25 1996

Jo'burg water fines revolt

From Page 1
Star 25/1/96

cessive use during that time.

"It is just gross incompetence. Residents must not pay January's penalties," Emmarentia Ratepayers' Association chairman Jeanne Lognes said.

After consulting key industries, the newly formed Gauteng Association of Chambers of Commerce and Industry said it rejected the imposition of penalties.

"We will not pay because municipalities were unable or unwilling to interrupt the Christmas recess in order to react to Rand Water's decision," chairman Frank Cauldwell said.

There is a "considerable degree of concern" within commerce and industry at the time it has taken for new municipal structures to "get down to business", Cauldwell said last night.

Soweto Civic Association chairman Maynard Menu agreed that the penalties should not be imposed.

He was not prepared to say what action Soweto residents would be taking until he had "all the facts about the position councils were in" and had discussed the problem with his organisation.

He added, however: "If we believe the MSSs have been unfair, we will make ourselves heard loud and clear.

"And once we decide there is unfairness, there will be no stopping us."

Johannesburg water and gas director George Keay emphasised "it is in the hands of each MSS". He added he had heard nothing about plans to reimburse the fines.



In disbelief as Egypt down his beloved team at the FNB Stadium yesterday.

Upper lip defeat

will now head for in to play the Group B 1 their quarterfinal Saturday. Neil Tovey yesterday his side would be bang after the defeat against Egypt d coach Clive Barker's un of 15 matches. optimistic SA will capcan Nations Cup. re the stronger side sted Egypt's defence, ick was not on our ovey.

sports
3 and Back Page

Entries pour in for the game

Entries for The Star's "Name the Team" competition - an attempt to find a new name for the nation's soccer team - poured in yesterday, as South Africans displayed their love for images of animals and war.

Clearly "the boys" - Bafana Bafana to their fans - have matured into a team worthy of a more flattering name so they can take their place alongside the country's conquering cricket and rugby teams.

One name came forward 12 times which encapsulated our fledgling country's search for non-racialism and its eagerness to do battle: The Rainbow Warriors.

A contestant from Dube,

Soweto, produced a name unlikely to steal the hearts of our nation and of our squad of rodent "The Maluti Rats".

Another chose the rather inappropriate "Amagents", normally translated in township language to mean "thugs". Johannesburg hijackers have of late assumed that flattering term.

Not to be outdone, another called for "The Amabuto" to venture into the planet and do battle. This Zulu word means warrior regiments and conjures up images relevant to both the early frontier wars and more recent power struggles between Inkatha and ANC followers.

Enter The Star's Name +

▶ ... To Page 2

Theft and corruption at City Deep

③ 30/1/96 Star

A one-time employee claims that he was the victim of a Mafia-like terror campaign after he reported that produce sellers were cheating farmers and pocketing huge amounts of cash at produce halls. June Bearzi reports

A former produce market floor inspector says he was subjected to Mafia-like tactics and was told bluntly that paid hitmen would "get him" if he did not keep his mouth shut about theft and corruption at City Deep.

Henry van der Bergh of Rosettenville told Star Line he had paid dearly for his honesty in reporting the theft of produce valued at R250 000 to his superiors at the market in 1992.

He painted a graphic picture of well organised syndicates working from the market halls and robbing farmers of their produce. He also claimed certain produce salesmen lived the high life and flashed large bundles of cash made from the sale of stolen produce.

He explained that farmers were also being ripped off by agents who claimed they would not get payment for fruit or vegetables "as they had arrived at the market rotten and had to be destroyed". But the agents would take the perfectly good produce, sell it and pocket the money, Van der Bergh said. Fake notes would be made out to

I lost my home and my job, because I was honest

"prove" to farmers that goods had not been sold, but destroyed, he added.

"When I tried to do something to stop this I was hounded mercilessly by people with vested interests at the market."

Van der Bergh said he was unable to take the strain of constantly living in fear and being victimised at his workplace and eventually resigned in 1992. He says he has been unable to get a permanent job since.

"Because I was truthful I have lost my home and car and now live a hand to mouth existence. I cannot believe this has happened to me and although I have received a R4 000 payout from the Johannesburg City Council after I went to lawyers this is a mere pittance for what I suffered."

Van der Bergh produced for Star Line a note from market master, Daan Spengler, dated April 15 1991 in which he wrote: "I am impressed with your positive attitude. Keep up the good work".

But the senior market staff's attitude changed in 1992, according to Van der Bergh, when he was promoted to the floor manager's position by the municipality's Human Resources section. He was responsible for checking agents' and salesmen's stock and theft on the floor and said he did not hesitate to take tough action when produce could not be accounted for.

He said he first became unpopular with his superiors when a market employee was put on early retirement when he was found guilty of clocking in his girlfriend's timecard while she



Threats and victimisation ... Henry van der Bergh and Mohammed Abbas say they blew the whistle on corruption at the fresh produce market.

he was warned by senior market employees that they would "sort me out for giving evidence at the hearing".

"When Human Resources department finally appointed me as a floor inspector I was determined to do my job as well as possible and to keep tabs on salesmen's stock. I made a grave mistake by being absolutely truthful about the losses on the floor and eventually was hounded out of my job."

Van der Bergh said the first incident involved a salesman for one of the large agents.

"When I checked I found apples worth R6 000 missing. But the salesman said I need not worry as his senior knew about it. I did not accept this explanation and took the matter further. When I checked on another agent I found fruit valued at R10 000 missing."

"I realised then that I had to keep a sharp eye on things and soon I did another stock check and found yet another agent's salesman could not account for apples valued at R45 000."

The salesmen said the goods were in the cold storage chambers but he was unable to show me where. I also reported him.

"I later found that these apples had been stolen by the salesman, re-packed

and then sent to a vegetable seller in Pretoria. The cash for the sale had been split between three people, one of whom is a senior market employee who still works there."

In continuing his checking Van der Bergh said he established another agent's salesman had moved R60 000 worth of fruit off the floor while yet another had misappropriated goods worth R130 000.

Yet another salesman was stealing crates of farmers' produce by ordering door inspectors to release the goods without the required removal permits.

"This salesman was a big punter and was using much of this ill-gotten cash to play large amounts on the horses virtually every day. I believed the farmers should be protected from this type of theft and corruption."

"The knives were really out for me when these people had to pay back the cash for the missing goods and I was victimised right out of my job."

Three other market employees have confirmed that they have witnessed the theft and corruption, and were subjected to harassment and victimisation.

Acting Town Clerk for the Transitional Metropolitan Council, Stan Verrier, told Star Line that Van der Bergh

Praise ... van der Bergh and Abbas hold a letter which van der Bergh received from the market master praising him for his positive attitude at work.

was away on a five-day jaunt to Sun City. The woman was fired. Van der Bergh had given evidence at the disciplinary hearing.

According to Van der Bergh: "She was being paid with taxpayers' money for not reporting for duty and the cheating of the clock cards went on for weeks."

Soon after this Van der Bergh said

o's produce market

(3) (2) Star 30/1/96

reported that some agents
ports

Senior man in alleged market scam coverup

ETIENNE ROTHBART



A senior market employee was involved in a coverup three years ago when fresh produce agent Chris van der Merwe did a midnight flit after failing to pay huge sums of cash over to farmers for the sale of produce.

Star Line has learnt this from a reliable source who claimed that "damage control" was implemented by a senior staffer still in the employment of the market (Star Line has his name) who told the farmers that the cold storage rooms had broken down and the items had rotted.

To further conceal the theft, Star Line was told, a health inspector working at the market was asked to sign documents to say the "rotten produce" had to be destroyed. These fraudulent destruction notices were used to cheat the farmers, the source said.

Klipriver farmer Manuel Calaca said he had been aware of the wheeler dealings at the market for some time:

"This sort of corruption has a major ripple effect because when farmers are cheated out of payment for their produce they are unable to pay their labourers or for other essential items needed in a farming operation.

"The smaller produce farmers are the most vulnerable and simply cannot sustain these kinds of losses.

"Many farmers live in outlying areas and they have no way of knowing what happens to their produce once they have transported it to the market. This is why some of them are taken advantage of by some unscrupulous agents."

However, one former market agent, Anton Grobler, said he worked as a salesman in the potato section of the fresh produce market for 15 years but was not aware that there were widescale wheeler dealings in this hall. He was unaware, however, of the theft allegations made against Van der Merwe who at the time lived in Alberton.

Grobler explained: "It is not easy rip off farmers in the potato section because the price of potatoes does not change much on a day to day basis. Besides, we were a very close-knit group of people working in that hall and generally knew what was going on.

"I cannot say the same about the fruit and vegetable sections as there are large fluctuations in prices which offer far greater opportunities for agents and salesmen to rake off some cash."

Market master Daan Spengler has not responded to messages and a fax sent to him for reaction to these claims.

...ss say their lives were devastated after

... had resigned from the market in October 1992.

... He subsequently initiated legal action against the Johannesburg City Council in terms of industrial labour legislation and the case was recently settled out of court.

... He also requested that information in their possession could be forwarded to the Auditor-General's office.

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Theft and corruption at City Deep's produce

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A one-time employee claims that he was the victim of a Mafia-like terror campaign after he reported that some agents were cheating farmers and pocketing huge amounts of cash at produce halls. June Bearzi reports

ETIENNE ROTHBART

A former produce market floor inspector says he was subjected to Mafia-like tactics and was told bluntly that paid hit-men would "get him" if he did not keep his mouth shut about theft and corruption at City Deep.

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Gauteng considers draft farms policy

30 30/1/96

(3)

Ingrid Salgado

THE Gauteng cabinet is to consider draft policy on the province's small farmer settlement programme by the end of the month, including recommendations on selling and leasing of government-owned land for agricultural use.

A draft policy document was released yesterday, following public hearings held by the province on the matter earlier this month.

It was examined by the conservation and agriculture, housing and local government and urban and rural development standing committees yesterday.

The programme aims to promote viable and productive urban agriculture in Gauteng, and to address skewed land holding patterns by redistribution of agricultural land.

A draft policy document proposes that only those who have undertaken farming activities on government-owned land for at least five years be eligible to purchase land.

The land should not be required for competing purposes, such as housing or conservation.

Government's selling price would be the lower of the land's productive or market values, to be determined by an independent land appraiser. The purchasing individual or group would pay a 10% deposit of this value.

The draft policy recommends that agricultural leases apply for between five and about 10 years. Lease allocations and renewals would be linked to criteria like capacity to farm, willingness to undergo training, and records of lease payments.

Those qualifying for new leases would not earn more than R3 500 a month, be legal SA residents and own no other immovable property.

Rentals would be based on land size and productive value of the land, again to be determined by an independent assessor. Tenant-farmers would pay a deposit equal to three months' rental.

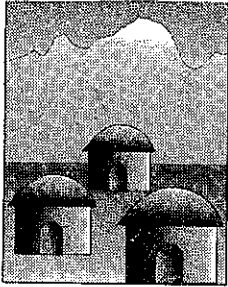
An allocation committee to renew and allocate leases is recommended. It would comprise nominated officials from government and a representative from a proposed advisory committee on allocations, which would monitor the programme's implementation.

New Bill offers some protection for labour tenants

Star 30/1/96

(3) (4)

Certain white farmer organisations are opposed to the new legislation, writes Nomfundo Lumphondwana



The publication of the Land Reform (Labour Tenants) Bill on June 2 1995 and its subsequent passing by Parliament has sparked mixed reactions.

In strict terms, labour tenancy is a semi-feudal relationship between a landowner and a tenant which obliges the tenant to provide free or virtually free labour to the landowner in exchange for the right to occupy and use a portion of the landowner's land.

For some blacks who were dispossessed through apartheid, labour tenancy was used as the only practical mechanism for acquiring land.

The system was outlawed by the Bantu Laws Amendment Act of 1964. Nevertheless, it has survived, mainly in the KwaZulu

Natal and Mpumalanga provinces.

As there was no law governing the system of labour tenancy, labour tenants were left at the mercy of the farmer. In certain parts of the country, a farmer has an almost god-like status and has the power to evict, impound livestock and destroy his tenants' possessions if he pleases.

The present power imbalances between farmers and labour tenants is based on centuries of discriminatory laws which have systematically prevented blacks from entering into ordinary contractual relations of sale and lease.

It is this that gave rise to the current abuses of power and unilateral actions by farmers marked by arbitrary evictions and, sometimes, the harassment of labour tenant families. As labour tenants have never

earned wages, most of their capital and worldly possessions are bound up in their homesteads and in their livestock.

Thus, if evicted, they lose all the assets the family may have built up over the years. In such an event, they are forced to settle in transit camps – some sort of rural township – with nothing to sustain them.

The publication of Land Reform (Labour Tenants) Bill has been welcomed by organisations like the National Land Committee. Although not flawless, it goes a long way in addressing the problems of labour tenants.

Unfortunately, the passing of the Labour Tenants Bill by Parliament has stirred negative reaction from certain farmer organisations and political parties.

The National Land Committee supports the Bill because it aims, among other things, to:

- change the power imbalances be-

tween farmers and labour tenants;

- protect labour tenants from arbitrary evictions;

- give labour tenants rights to land and begin to provide security of tenure of the land; and

- make it possible for labour tenants to acquire land.

It is not surprising that some organisations affiliated to the South African Agricultural Union, as well as some political parties, were opposed to the passing of the Bill. However, some SAAU affiliates were among the parties who were consulted and drawn into the process of amending the contents of the Bill that they now vehemently oppose.

The Bill is welcome, but has the following gaps that need to be addressed:

1. It excludes long-term first generation labour tenants, which is a potentially a large number of the labour tenants who qualify.

2. The Bill merely gives labour tenants a provisional right to land. The full right will depend on whether government has sufficient subsidy to buy the land.

Another area of concern relates mainly to the practical implementation of the Bill. In this regard, a call is specifically made to the Ministries of Justice and of Safety and Security to ensure that magistrates and police officers are thoroughly briefed.

The implementation of the Bill needs to be monitored and it is imperative for every stakeholder to be involved to ensure that proper implementation takes place.

■ *Nomfundo Lumphondwana is the media and publicity officer of the National Land Committee.*

ANC proposes clause for land expropriation

Attempt to get controversial property rights

clause written into new constitution

Star 31/1/96

By **PATRICK BULGER**
Cape Town

ANC constitutional negotiators yesterday proposed a new property rights clause in the final constitution.

The proposed controversial clause opens the way for the expropriation of private property for land reform purposes.

While the courts currently would have to take market value into account when a property was identified for expropriation by the state, the ANC now proposes that "the ability of the state to pay" also be considered.

The new ANC proposal is marked "tentative" and will form the basis of a three-way discussion between the ANC, the NP and the DP over the next week.

Both the NP and the DP have strongly argued that property rights are a fundamental right that should be entrenched in the Bill of Rights.

The political parties are meet-

ing in Cape Town to finalise a constitution by May 9. Yesterday they resumed their discussion on a proposed Bill of Rights, of which property rights is among the most controversial.

Copies of the ANC proposal were handed to the NP and DP.

Market value would be just one consideration

The document is a substantial departure from the property rights clause contained in the interim constitution and has already evoked strong opposition from opposition parties, especially the NP.

While the interim constitution permits the state to expropriate land for "public purposes" such as road-building, the new propos-

al would allow for expropriation "in the public interest".

The proposal also dispenses with the interim constitution's insistence on market-related values being paid for expropriated property.

Instead, the new proposal says that while market value has to be taken into account, it is just one factor which has to be considered alongside others.

The current use of the property, the history of its acquisition, its market value and "the ability of the state to pay" are also factors.

The ANC's proposal says: "The state shall respect property and it shall foster conditions which enable people to gain access to property on an equitable basis."

Property may be expropriated "for public purposes or in the public interest which includes land reform and subject to the payment of compensation within a time period and in a manner as agreed or decided by a court".

Property owners examine rights

Robyn Chalmers

THE SA Property Owners' Association (Sapoa) is re-examining its options regarding the inclusion of a property rights clause in the new constitution, after it was omitted from the draft of the final constitution.

Sapoa CE Brian Kirchmann said yesterday two options were the omission of a property clause altogether, and a clause stating that no-one could be deprived of property except when it was in the public interest for it to be expropriated and for the government to set the level of compensation.

ED 1/2/96
The third option guaranteed the right to acquire, hold and dispose of property and, in the event of expropriation, for payment of fair compensation.

Sapoa former Cape regional committee chairman Anton Musgrave, who chaired a workshop on property rights this week, said the exclusion of a rights clause was the worst possible signal to investors.

Property rights provided stability for residents and was an area that was closely scrutinised by prospective foreign investors, he said.

Sapoa invited members and the public to submit proposals to its constitutional committee before Monday.

Claims could extend back 300 years

Controversial govt proposals to acquire land

Wyndham Hartley
and Louise Cook

BD 1/2/96

CAPE TOWN — Controversial proposals for the below-market-value expropriation of land acquired cheaply under apartheid, and the extension of land restitution claims back to the 17th century, are contained in the Land Affairs Green Paper to be released today.

The Green Paper, a discussion document issued by Land Affairs Minister Derek Hanekom's department, adopts positions in sharp contrast to both the property and the land restitution clauses in the interim constitution.

The Green Paper says while government is committed to a willing buyer, willing seller policy, there might be circumstances where this is not possible.

Land Affairs takes aim, in the clauses on land restitution, at those landowners who paid below-market prices and lower rates of interest in buying land acquired by the apartheid state through forced removals and other means.

In such cases, the "just and equitable" provisions in the constitution meant compensation should be less than the market value of the property.

The Green Paper, which will lead to a final formulation of land policy in a White Paper in May, also recommends a change in the reasons for which land can be expropriated by the state.

At present the constitution says expropriation can be made for public purposes. The paper insists that it should be for the "public good" and that "addressing skewed patterns of land ownership, which are a cause of conflict and social instability, is an example of the public good".

"The state cannot allow a situation to arise where it appears that those who benefited under apartheid are using limited state resources to benefit under a land reform programme," the paper says.

At present the constitution says land restitution can be made only to those dispossessed after the 1913 Land Act through racial discrimination. The Green Paper suggests that the 1913 cut-off date and the qualification that claims must be based on racist laws should be abandoned. This opens the door to those dispossessed of land before 1913 through fraud or violence and, significantly, says that illegal dispossession by similar means after that date could also qualify for restitution.

Historical claims from before 1913 should be considered at the discretion of the minister, the Green Paper says.

Both the property expropriation issue and the extension of the cut-off date would require either amendments to the interim constitution or different-

Continued on Page 2

Land

Continued from Page 1

ly phrased clauses in the new constitution if they were to become implementable policy.

Hanekom said the paper represented a strengthening of policy on land restitution and emphasised that land reform was vital to the RDP.

He said the additional claims likely if the 1913 date was changed were impossible to quantify and could, in theory, date back to Jan van Riebeeck.

It is understood, however, that the measure will in all but a few cases be largely symbolic and a flood of ancient land claims is not expected.

Hanekom stressed, however, that regardless of the number of claims or reform measures, they could proceed only at the pace allowed by the constraints of the national budget and the land market.

Land purchase subsidies could be approved only in terms of the land which was available on the market.

The Green Paper also accepts the Katz commission recommendations that a national land tax should not be implemented. The commission recommended that any form of rural land tax should be a local government issue and this has been accepted in the paper.

Other proposals include:

- A R15 000 government settlement grant for households with an income of less than R1 500 a month, to be used for acquiring and improving land, and;
- Sweeping changes to the land affairs department, including the creation of a national development and planning commission to advise government, provincial development tribunals, a district land office network and regional land reform offices.

Public comment and representations, and further consultation with stakeholders, will begin next month before the White Paper is finalised.

New land Bill may increase tensions

Wyndham Hartley

CAPE TOWN — Legislation which could significantly increase the tension between central government and KwaZulu-Natal over the administration of land, is to be tabled in Parliament soon.

The Ingonyama Trust Amendment Bill, which will modify a statute of the KwaZulu-Natal government, had been approved by the Cabinet, Land Affairs Minister Derek Hanekom said. He had instructed it to be introduced to Parliament as soon as possible.

IPF sources, who declined to be named, said the Ingonyama Trust was a symbolic and emotional issue.

Any amendment by central government would be sold as an attempt to steal land from the people of KwaZulu-Natal. In spite of the fact that this interpretation was wrong it would be "dangerous" and could raise tensions further, they said.

Shortly before the 1994 general election the old KwaZulu homeland government enacted the Ingonyama

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Bill

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Trust Act which placed all the territory of the former homeland under the control of the Zulu monarch. Last month the Ingonyama Trust was re-enacted in the KwaZulu-Natal legislature and immediately the ANC, the NP and the DP in the province petitioned to have the Constitutional Court adjudicate whether it was constitutional.

The Constitutional Court will begin its deliberations on the Ingonyama Trust today with discussions on the guidelines to follow in adjudicating the case. The court's decision will be of crucial importance in the conflict over provinces' powers and functions.

Land matters are not on the schedule of provincial competencies in the interim constitution and Hanekom is

satisfied that it is within his competence as national minister responsible to amend the Ingonyama Trust Act.

It will be the first time in the new order that Parliament has changed a provincial statute.

The amendments to the Ingonyama Act will not attempt to dissolve the trust or wrest control away from Zulu King Goodwill Zwelithini. They seek, however, to make central government responsible for the administration of laws in the land of the Ingonyama Trust. This in practice will mean the new land reform measures, and those in the pipeline, involving tenure and protection of land rights, will become applicable. At present they are not.

Sources in the land affairs department said people living on Ingonyama Trust land were at present unable to take advantage of tenure reforms which would give them access to state housing assistance.

Green Paper to go public

By Joe Mdhlela
Political Reporter

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Sowetan 1/2/96

THE Government will today make public its land reform proposals in a build-up to the passing of new legislation to empower the landless.

Called the Green Paper on Land Reform, the proposals will be unveiled by Minister of Land Affairs Mr Derek Hanekom in Johannesburg.

Ministry spokesman Mr Helmut Schlenther said yesterday the Green Paper incorporated thousands of public submissions across the country. It is expected to be drafted into law and presented to Parliament by the end of March.

"The Ministry of Land Affairs expects to have the Bill on land reform to be presented before Parliament before the end of March, at which point we should have a comprehensive land policy to empower millions of people disadvantaged by the apartheid laws," Schlenther said.

The new land reforms will, among other things, ensure that millions of landless people, and those who had their land repossessed, acquire a piece of land.

Prospective farmers - even blacks living in urban areas - will be able to apply for grants of up to R15 000, said Schlenther.

Government's sweeping land redistribution proposals

By **PATRICK BULGER**
Political Correspondent

Land Affairs Minister Derek Hanekom is issuing a major land reform policy paper in Parliament today proposing wide redistribution and restitution of land and land tenure reform.

The Green Paper on Land Policy is intended to redress inequalities in access to land inherited from the apartheid era and to se-

cure the rights to people living in uncertainty on tribal land.

Among the proposals are:

- A clause in the new constitution allowing for expropriation of land at less than its market value.
- A strong stand against land invasions, and the simultaneous release of parcels of urban land for communities.
- A land tax levied at local government level.
- A systematic legislative pro-

gramme to give individuals and communities living on tribal land security of tenure.

Hanekom said in a foreword to the document - an updated version of a policy paper first presented in August last year - that a white paper on land policy would be completed by May.

The paper calls for constitu-

▶ Restoring land
Page 17

tional measures to assist land redistribution.

"It is essential that the constitution should make effective land reform possible." The interim constitution authorises expropriation for "public purposes" - which does not specifically include land reform - and insists on "just and equitable" compensation.

Land redistribution, land restitution and land tenure reform are the three major planks of the Gov-

ernment's land reform policy.

The ANC, in a submission to parliament this week, proposed a new property rights clause allowing for expropriation at values determined in part by "the ability of the State to pay".

Hanekom's paper dovetails with the ANC's proposal. It argues that "the constitution should not prevent Government from ef-

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Govt's sweeping land proposals

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fectively responding to the demands and needs of the landless".

The paper says "the Government believes it is essential that the constitution should make effective land reform possible".

"If the constitution obstructs or prevents land reform, a constitutional crisis will occur as tension develops between the popular demand and need for land, and constitutional provisions, which make it impossible for Government to respond to that demand.

"The Government is committed to a land reform programme that will take place on a willing-seller, willing-buyer basis, where possible. However, where not possible, the State must be able to expropriate land required for the public good.

"Where land is acquired for land reform purposes, through purchase or expropriation, the State is legally obliged by the interim constitution and other laws to provide for the payment of compensation.

"This should not exceed a reasonable assessment of market value with just and equitable provisions of the interim constitution being applied to prevent profiteering or undue capital gains at the expense of the public.

"The State cannot allow a situation to arise where it appears that those who benefited under apartheid are using limited state resources to benefit from a land reform programme," it says.

The paper proposes that the Government should withhold the R15 000 settlement grant due to families if the agreed price of the land in question is higher than the market value.

It argues that "there are instances where justice and equity would require that compensation is lower than market value". This would apply especially to State land sold to an individual below its market value.

On a proposed land tax, the policy paper says a specialist subcommittee had recommended that "a tax should be levied at a local government level and does not recommend the implementation of a national land tax on agricultural land".

On measures to improve security of tenure for tribal communities, the paper notes that traditional leaders have more power over communal land than was ever intended by traditional or pre-colonial customary law or practice.

The Government is obliged to ensure that all people enjoy the same level of access to the process of law, equality and other fundamental rights.

Major reforms on land policy proposed

3 (3) ARG 1/2/96
 Paper aims for large-scale redistribution

ESTELLE RANDALL
Staff Reporter

LAND Affairs Minister Derek Hanekom today issued a major land reform policy paper proposing large-scale redistribution, restitution and land tenure reform.

The Green Paper on land policy is intended to redress inequalities in access to land inherited from the apartheid era and to secure the rights of people living in uncertainty on tribal land.

The paper says aspirant farmers and people who need land will be able to get government help with buying land for the first time or improving land they already have, up to a maximum of R15 000 a family.

The grant is part of the department's redistribution pro-

gramme and may be used to acquire land, upgrade tenure rights and to improve infrastructure such as fences, roads and water.

It may be given to individuals or groups and is aimed specifically at landless people wanting access to rural or urban land, farmworkers who want to improve their living conditions and tenure and beneficiaries of the Restitution of Land Rights Act.

Priority will be given to marginalised people and those projects which are sustainable and able to achieve results quickly.

Although the grant is aimed mainly at beneficiaries of the redistribution programme, the department has already allocated R3,2 million to five com-

munities who are likely to have their land returned under the Restitution of Land Rights Act.

For redistribution projects, the department has budgeted R73,5 million until 1998, of which R41,8 million has already been allocated to 38 projects.

In the Western Cape, grants totalling R226 000 have been allocated to five communities to enable them to plan their land projects. The beneficiaries include 40 farmworker families in Villiersdorp who intend buying a state farm in the area and the Elandskop community who had their land restored.

Once their plans have been approved by the department, these communities will be assisted with further funds to implement their projects.

Enshrine principle that land belongs to nation, says PAC

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POLITICAL WRITER

CT 1/2/96

THE constitution should enshrine the principle that land belonged to the nation and could not be owned by individuals, the PAC said yesterday.

South Africa's constitution had to facilitate the process of land distribution to correct the anomaly that 87% of the land was in the hands of 15% of the population.

The PAC said this in its submission to the Constitutional Assembly by one of its MPs, Richard Sizani.

"The government must have the power to expropriate land in the public interest with compensation for improvements on the land being guaranteed and regulated by

legislation."

Sizani said it should be enshrined in the constitution that individuals or groups had the right "to seek restitution for their land which they lost either through conquest, fraud or discriminatory laws from 1652 to the present day".

The protection of legitimately acquired private property could be regulated by legislation or left to common or private law.

"The PAC, therefore, does not find its way clear to supporting a property clause in the constitution as this will entrench the same property colonial relations it so earnestly seeks to destroy," Sizani said.

● See Page 6

There shall be land for all?

STATE-OWNED land — about 26% of South African land — should be redistributed to disadvantaged communities, the Green Paper on Land Affairs said last night.

About a million hectares of rural state land was potentially available for redistribution, but there were no estimates of urban land and land owned by local authorities available for redistribution.

"This information gap is a serious impediment to the most effective usage of public land and will have to be addressed," the report said.

The interim constitution provided for the division of state land assets between national and provincial governments and for the classification of state land as national or provincial state land.

The report said provinces should as far as possible be given executive authority for implementing tenure reform legislation on state land.

"As major urban and rural land holders, government agencies are in a unique position to make an important contribution to the RDP by releasing land for social upliftment and economic development."

However, market value should be the guiding principle in determining the value of state land.

The many parastatals all held land, and in some cases their land holdings were extensive and spread throughout the country in both urban and rural areas.

"Transnet, for example, owns in excess of 50 000 properties. There is no easy way to access information on parastatal land, its location or planned stage.

"In many cases, parastatals themselves may not be aware of the full extent of their land holdings.

"It is proposed that the state land inventory be broadened to become an inventory of public land, and that parastatals are obliged by law to enter details of their



Political Writer **BARRY STREEK** gives the lowdown on the government's Green Paper on Land Reform released last night.

landholdings into it.

"Parastatal-owned land not required for core business purposes should be disposed of in accordance with national policy on the disposal of state land."

The report said local authorities should also be compelled by law to enter details of their land holdings and land transactions on the public land register.

Former residents of District Six should be given the opportunity to participate in shaping the future of the areas which were still available for development, the report said. This should also apply to the former residents of Pageview in Johannesburg and Cato Manor in Durban.

"Where appropriate, available alternative land could also be included in the development projects. It is important that this process be driven by local needs."

The report said there were a number of factors which complicated the resolution of claims for restitution in the urban areas.

The large number of investigations that would be

CT 1/2/96

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required to deal with the overwhelming numbers of individual claims could bankrupt the restitution programme before any remedial compensation was granted.

There were also multiple overlapping claims on individual properties involving original owners, long-term tenants and even sub-tenants.

Environment Writer **MELANIE GOSLING** reports that land administration in the former homelands is "chaotic" and in many areas it had collapsed.

The report said there was no single place where all the "myriad" pieces of homeland legislation were collated, nor was there a com-

prehensive inventory of the legislation.

Each of the former homelands had its own laws and administrative systems for land matters, and often routine decisions had to be made at ministerial, parliamentary or even presidential level.

"Day-to-day administration and record-keeping has broken down over a long period of time leading to insecurity of land rights and uncertainty as to the lawful holders of specific rights," the document said.

The breakdown included loss of records and the issuing of permits with no regard to the relevant laws.

In "stark contrast" there was a well managed and clear system of administering land matters in the former white areas. Landlessness and overcrowding in the former homelands had resulted in severe soil erosion and land degradation.

South African soils were deteriorating rapidly and there was a severe risk of increased land degradation unless preventative measures accompanied the land reform programme.

Land reform plan released

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BARRY STREEK
POLITICAL WRITER

CT 1/2/96

THE government last night unveiled far-reaching proposals to promote poor people's access to land and to give secure tenure rights to all.

It also proposed a reduction in transfer costs, speeded-up registration of deeds, restitution for people evicted under racial laws and accelerated redistribution of land.

The government proposals, in the form of a Green Paper on Land Reform, were released at midnight.

"Without a significant change in the racial distribution of land ownership, there can be no long-term political stability and therefore no economic prosperity," the Green Paper said.

● See Page 6

Land to be redistributed

By Joe Mdhlala
Political Reporter

THE Government is all set to redistribute land whether white farmers like it or not, Land Affairs Minister Derek Hanekom said in Johannesburg yesterday.

Speaking at the launch of the Government Green Paper on Land Policy aimed at redressing the disproportionate allocation of land and inequalities of the past, Hanekom said only through redistribution of land to the disadvantaged would part of the problem of landlessness be addressed.

Hanekom also said that the expro-

priation of land at less than its market value would enable black farmers to be on an equal footing with their white counterparts.

The Government was adamant that to build capacity for black farmers, land owned by white farmers would have to be reduced considerably to allocate part of it to black farmers. Land redistribution was also aimed at ending landlessness and therefore curbing land invasions, said Hanekom.

The new policy would also make it possible for "the majority of poor people to access credit in order to complement Government grants".

Through the new land policy, the Government would institute programmes to restore land to people whose land was dispossessed through apartheid laws. "This will be done to provide support to the process of reconciliation, reconstruction and development," Hanekom said.

"In the final analysis, the land reform programmes will seek to establish procedures to facilitate the release of land for housing, public service, recreational and productive purposes.

"For this reason, the Government is hoping that by June a new Act will be enacted so as to take our vision forward," said Hanekom.

NP, DP have reservations on land reform proposals

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(3) (25)

POLITICAL WRITER

THE National and Democratic parties yesterday welcomed the Green Paper on Land Reform, but both expressed reservations about some of its proposals.

The NP spokesman on land affairs, Andries Beyers, said the paper created the opportunity for constructive debate but there were too many ambiguities in the document which could lead to expectations on the one hand and opposition on the other.

Clarity had to be obtained on property rights, land tax, goals, selection criteria and cost implications. The NP would study the details and contribute constructively to a clear and well-thought-out White Paper being produced.

The DP spokesman on land affairs, Senator E K Moorcroft, said

his party agreed with the general principles of the policy and regarded it as a sincere attempt to deal with some of the most urgent problems, but had certain difficulties.

One of the most serious was the implications of the R15 000 settlement/land acquisition grant.

"The difficulties of administering this programme are enormous. If it fails, it will involve a colossal wastage of taxpayers' money.

"If on the other hand it succeeds, it could sharply drive up the price of land. This would not be to the benefit of those who seek to enter the land market."

The DP also had difficulties with the heavy bias towards communal ownership of land. To take new land-owners in this direction was to take them into a cul-de-sac of poverty and destruction of resources.

Farmers likely to oppose bid for marketing boards

Tim Cohen

BD 2/2/96

(3)

CAPE TOWN — Legislation published in Parliament yesterday provides for the reintroduction of agricultural marketing boards funded by levies on agricultural products, but allows for significant influence by consumers and small-scale farmers.

The memorandum of the Marketing of Agricultural Products Bill, which government acknowledges is likely to be controversial, acknowledges that supply and demand is the best way to ensure optimum allocation of resources. But it argues that the market for agricultural products is a special case because of "imperfections" in supply and demand.

Following several years of deliberations in various committees it was now broadly accepted that a degree of intervention was necessary, the memorandum said.

The internal market for agricultural products had been largely deregulated and very limited intervention took place currently to correct "market failure", it said.

The memorandum says that statutory intervention will take place only if it passes the test of "sufficient support", and that any group wishing to intervene will be able to do so.

The legislation proposes establishment of a national agricultural marketing council, made up of three representatives each of large-scale agriculture, small producers, industry and consumers, and one each of government and the agriculture department. It will generally operate by consensus and will have the power to advise the agriculture minister on "statutory measures", which could include determination of a minimum price.

Any "directly affected group" will have the power to establish a statutory marketing authority which might be required to provide information to the

Continued on Page 2

Farmers

(3)

Continued from Page 1

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council or the minister.

The minister is given the power to impose levies on agricultural products to provide assistance to a statutory marketing authority.

Louise Cook reports the SA Agricultural Union warned that parliamentary privilege would be violated by pre-empting the Bill's outcome.

Threats to prove that the Bill was unconstitutional have come from the Livestock Producers' Organisation and citrus farmers wanting to export their own produce.

Union director Hans van der Merwe said the issue was still wide open, although this could change during the standing committee debate. He said the Bill was "controversial" but the union supported it.

Livestock Producers' Organisation chairman Nils Dittmer disagreed, saying there was no way the Bill was needed in farming.

Suggestions that the Bill was needed to promote small-scale farming were ludicrous — there were enough land reforms and other legislation to protect small-scale farming. He said the Bill should be scrapped.

Citrus fruit exporting group Outspan supported the Bill, saying it was needed for effective exports.

Council finally lifts water restrictions

Star 3/2/92

All water restrictions have been lifted in the Greater Johannesburg area and residents who exceeded their quotas will not have to pay fines incurred since Rand Water lifted the restrictions on December 28.

The long-awaited announcement was made by the Greater Johannesburg Transitional Metropolitan Council yesterday.

The retrospective dropping of the punitive tariffs would be referred to the auditor-general's office for condonation, the council said.

Johannesburg's water and gas director George Keay said the council was in recess and this had delayed the amendment of the relevant council legislation. - Sapa

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Agricultural manpower slams Hanekom

BLOEMFONTEIN. — The agricultural manpower forum has strongly condemned Land Affairs Minister Derek Hanekom's plan to establish farm villages on the edges of towns

and cities. **3** **ARG 3/2/96**
 Forum chairman Pieter Moller said the unilateral establishment of farm villages by the government would have negative effects for agriculture.

He called on the minister and provincial governments to consult those affected, including employers and employees, so that people could consider their futures. — Sapa.

Deaths	Deaths	Deaths	Deaths	Found
FFITHS KAPLAN) passed away from illness with courage and dignity. Will be remembered and Corriene and Corriene boys.	LIPSHITZ Harry. Deepest sympathy to family on the passing of Tutties. He was a good friend and a fine gentleman. From partners and staff at Bruk Rosenberg and Company.	MOLL Dr Peter. Our much loved colleague, friend and mentor who passed away peacefully on Saturday 27th January 1996. Will be sorely missed by us all. His compassion for animals led him to dedicate a great part of his life and his career to them. His active involvement in AWS, PDSA, SPCA & AAFL was unlimited and is an example for us all. Our deepest sympathies to his family. From all of us on the Executive Committee of the Animal Anti Cruelty League and Staff.	VANNEEL Chantal passed away 31/1/96. God knows what is best. To live in the hearts of those left behind is not to die. May God's comfort be with her family. From the Lewis family.	A.W.S. DOGS Fox Terrier cross, tri-coloured. Table View Border Collie, bad skin problem. Millerton Pug cross, brown sable, old Parow Fox Terrier, mostly black with white. Table View Terrier cross, grey body, beige legs. Table View Staffordshire cross, black, Tygerberg Cream X breed, medium size. Bonteheuvel Terrier cross, tan, short hair, skin problems. Gardens Terrier X, golden. Blackheath Labrador/Aisatian cross, black, Paarden Eiland Brindle Staffie, little white, stitches. Rondebosch East Boxer/Staffie cross, young, brindle and little white. Observatory
FFITHS KAPLAN) passed away on 26/1. A special friend will be sadly missed always. Remembered by John and family.	LIPSHITZ Harry. The footwear industry will be the poorer with the passing of this great gentleman and character. Tutties. We will remember you forever my One and Eight. Deepest sympathy to his family. Stan, Nigel, Galima & Sharmil of Watson Shoes.	MUZIK Carle, Frantas and Muschis dear friend passed away peacefully. Sadly missed.	VANNEEL Ryan, Cynthia and family. I'll keep you in my thoughts for the tragic loss of my cousin Chantal, who died January 31 1996. Alida, Etroy, Wayne and Maud.	CATS
FFITHS fondest memories always.	LOUBSER Raymonde died tragically 30/1/96. Sadly missed by Roger, Desray, Donna and Ruth.		VAN NEEL O'Rien and Cynthia we mourn with you in the loss of Chantal. May God sustain and strengthen you in this time. Leonard, Liz and Grant.	
PERMARK				

Hanekom faces

(3) (AP) ST 4/2/96

Derek Hanekom has been given one of the toughest jobs in the cabinet — correcting the massive imbalance in land ownership in South Africa. What's more, he has to do it on a minuscule budget. RAY HARTLEY reports

WHAT riles Derek Hanekom, the Minister of Land Affairs, is that the discovery of a tracking device in his upmarket four-by-four vehicle made headlines for days on end, while coverage of his land reform programme has been sparse and low key.

He has a point, for among those in South Africa's power elites and among the largely urban readers of newspapers and viewers of television, the fortunes of his land reform initiatives have simply not been a sexy topic.

And when it comes to political pressure, the organised and vocal urban areas command the attention of government accountants far more than the voices of the dispersed and significantly less powerful rural poor.

As a result the government has allocated a spare 0,33 percent of its budget to land reform, leaving Mr Hanekom with few weapons in his fight to put South Africa's massive land imbalance right.

With a shortage of capacity and a shortage of money, Mr Hanekom has the task of inverting one of South Africa's most infamous statistics: the fact that a meagre 12 percent or so of the population owns 87 percent of the land.

Correcting this imbalance — along with the shameful fact that while white farmers own about 1 000ha of farmland each, black farmers make do with an average of 2ha — has presented a huge challenge.

Mr Hanekom has responded by marshalling the expertise of former land affairs officials, comrades from non-governmental organisations and technical experts to devise an ambitious land reform programme.

The product of their investigations — the Green Paper on South African Land Policy — was publicly launched at Johannesburg's Indaba Hotel this week.

In essence, the paper elaborates on Mr Hanekom's three-tier policy approach: redistribution, restitution and tenure reform.

The object of the redistribution dimension is, in the green paper's words, "to provide the poor with access to land for residential and productive uses, in order to improve their livelihoods".

Key to this process is Mr Hanekom's view that a "willing-buyer, willing-seller"

principle should drive redistribution. In other words, land that comes on the market should be bought by the dispossessed, with expropriation a last resort.

To assist the poor, the state would step in with financial aid in the form of a settlement/land acquisition grant of R15 000 per household wishing to acquire land.

The grant is the rural equivalent of the urban housing subsidy and both would be registered on the same national database.

Legislation making it possible to subdivide farms into more affordable units, is also proposed in the green paper.

Meanwhile, a second process of land restitution has begun working on restoring land taken from black South Africans during the apartheid years.

According to this programme, which is managed by a commission on restitution and the newly founded Land Claims Court, all those who were dispossessed after the passing of the 1913 Land Act qualify for restitution.

THE third process is to "extend security of tenure to all South Africans". The object here is to accord equal status to the myriad forms of land tenure spawned by apartheid, doing away with such inequities as the permit system.

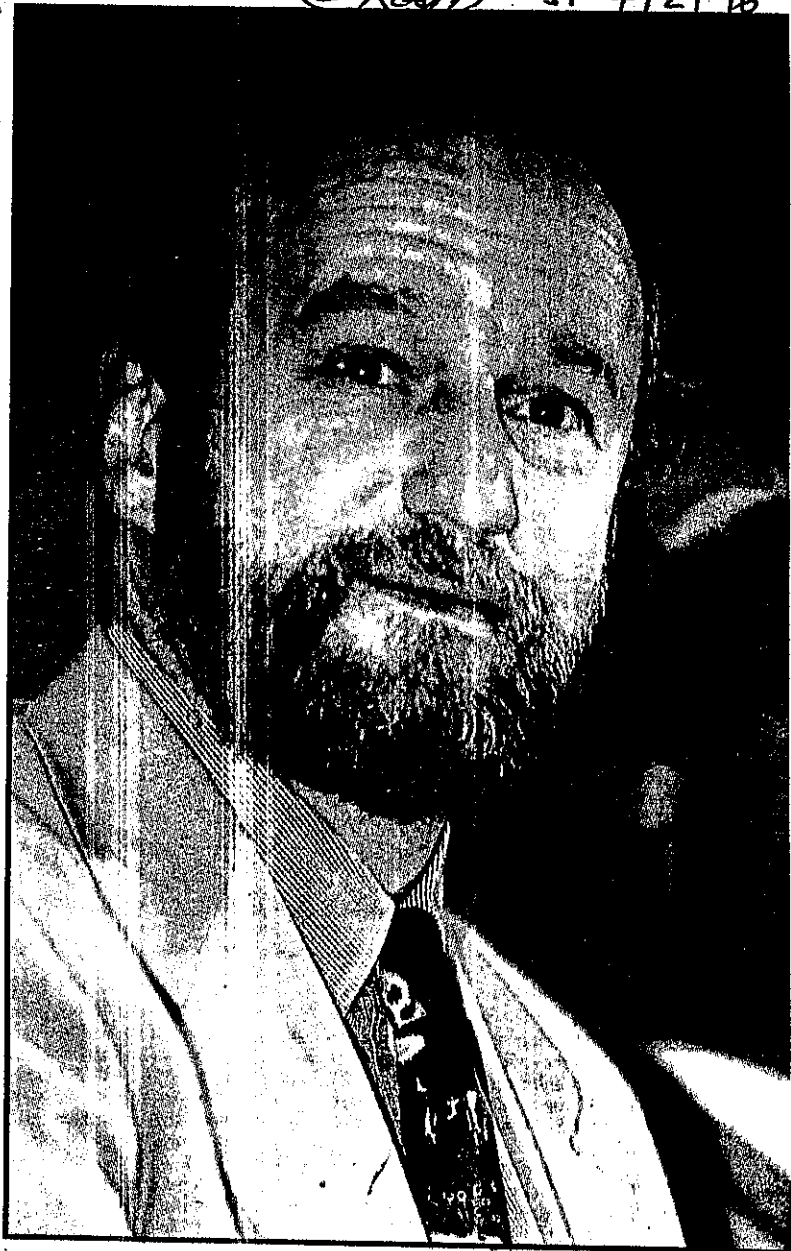
While few question the objectives of the policy package, some question whether it will succeed.

Among the critics is the director of the National Land Committee, Brendan Pearce, who argues that the willing-buyer, willing-seller arrangement is unlikely to deliver substantial change and needs to be backed up by state expropriation.

This in turn adds a constitutional dimension to the land policy debate for, says Mr Pearce, whatever policies are formulated will have to conform to the constitution, and the Bill of Rights in particular.

The presence of a property clause in the final constitution, he goes on to say, will limit the state's ability to expropriate land by making compensation prohibitively expensive.

Mr Hanekom last year argued for the complete removal of the property clause, sparking a debate with Water Affairs Minister Kader



NOT EXPECTING MIRACLES . . . the Minister of Land Affairs, Derek Hanekom

Asmal, who argued for the retention of a modified property clause.

The ANC's latest "tentative" proposal says a property clause would make it plain that the courts could rule on compensation according to four criteria: the current use of the property; the history of its acquisition; its market value and the ability of the state to pay.

A second criticism of the latest proposal is that it could turn land expropriation into a series of protracted court cases in which judges scratch their heads trying to weigh up the four factors and with the expropriated having many grounds for appeal.

In such a scenario, each act of expropriation could be heard by the Land Claims Court and then appealed in the Constitutional Court to test the application of the Bill

of Rights.

All Mr Hanekom would say on the constitutional matter this week was that he had already made his position clear and he did not wish to repeat himself.

On the question of whether his policy package would deal with land grievances speedily enough, he was more candid. "We're not going to have dramatic results in five years time."

With four percent of farms going onto the market each year, even assuming the state used all its money to subsidise purchases by the poor, change would be a slow process, he said.

But this could change, with more land owned by bankrupted farmers likely to find its way onto the market. "At this stage government doesn't have any intention of bailing out indebted farm-

ers," he said.

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ST 4/2/96



and Affairs, Derek Hanekom

Picture: CHRIS COLLINGRIDGE

by the lack of capacity among communities."

Perhaps of greater concern is the vagueness of the land reform programme's economics.

Ministerial advisor Joanne Yawitch says: "The department has commissioned a study looking at the macro-economic impact of land reform".

To date only sketchy conclusions have been reached, including a projection on the percentage of land that will come into the hands of the rural poor if the programme succeeds — around 19 per cent by the year 2007.

How much will the land restitution process cost? Again, the answer is vague. Mr Hanekom says: "The money that's involved in restitution cases is impossible to quantify because we'll have to adjust budgets as we start getting the conclusions of restitution cases and the compensation ordered by the Land Claims Court."

If the National Land Committee is critical of the slow pace of reform, the South African Agricultural Union is as alarmed at what it sees as the rapid erosion of the property rights of its white members.

Replying to the policy proposals, the union's executive director, Jack Raath, said it objected to the use of "a term like redistribution which has a socialistic connotation".

On what did Mr Hanekom base his assumption that small farms were more efficient than large ones, Mr Raath said.

Mr Hanekom replied that if land was to be redistributed, farms would have to be subdivided, or else government would simply be replacing 50 000 white farmers with 50 000 black farmers.

Also of concern to Mr Raath was the proposal in the green paper that a land tax be considered at local government level to help fund local land reform initiatives.

They say the tax would unfairly burden struggling farmers.

Also present at this week's launch was chairman of the parliamentary standing

committee on land, Chief Patekile Holomisa.

Despite several jokes by Mr Hanekom from the podium, Chief Holomisa was a sullen presence throughout the proceedings.

Afterwards he said he had found Mr Hanekom's references to him amusing even though he had sat impassively throughout. "I was laughing inside," he said.

IN a diplomatic faux pas, Chief Holomisa had been refused an advance copy of the green paper by a land affairs official the week before, a gesture he regarded as a snub.

This compounded his fear that traditional leaders had been deliberately excluded from policy formulation. "I'm happy with the green paper, but I'm unhappy that the process of drafting it did not involve traditional leaders," he said.

Chief Holomisa can be expected to subject the green paper to tough scrutiny when it is debated by his committee — yet another hurdle for Mr Hanekom to overcome.

With legislation already passed and more on the way, Mr Hanekom has shown he is determined to use his limited resources to tackle the immense problem of skewed land use.

But his department may be taking on too much and failing to identify manageable tasks that fit its budgetary and capacity limits.

In so doing, however well-intentioned Mr Hanekom may be, he could find his resources stretched to breaking point while he draws growing criticism from restless rural communities.

It is symptomatic of a problem that faces government in general. For, while the National Party became famous for throwing money at its problems, its ANC successors are in danger of throwing problems at their money.

In the months to come, Mr Hanekom will need his bug-free four-by-four to negotiate the steep incline that faces his policy proposals.

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ers," he said.

A second limitation on the government's ability to act is its lack of capacity to cope with large programmes and many communities' inability to put together their applications for land.

Again, Mr Hanekom was candid: "We have hardly any capacity to deal with the few projects that are in front of us. Given the demand-driven nature of the programme, to some extent our lack of capacity is more than matched

CONGRATULATIONS

Decision on land claims delayed

(3) (271)
By JESSICA
BEZUIDENHOUT

PROCESSING of urban land claims of apartheid victims has been held up by four months.

The first batch of claims lodged with the Commission on the Restitution of Land of the Western Cape would now only be settled about mid-year, said Commissioner Wallace Mgoqi.

His office appointed a full-time consultant this week to start investigating the more than 1 000 urban claims in the Western Cape as well as the Northern Cape.

Mr Mgoqi said although his office would attempt to make 1996 "the year of restitution", the first few months would be spent on setting up infrastructure.

ST 4/2/96

Agricultural Bill 'undemocratic'

Adrienne Giliomee

(3)

BDS/2/96

THE Marketing of Agricultural Products Bill was undemocratic and aimed to extend the legislative framework under which agricultural control boards have survived since the 1930s, the SA Futures Exchange (Safex) said at the weekend.

Safex agricultural markets division GM John Wixley said the Bill — which aimed to reintroduce recently scrapped agricultural control boards and price controls on agricultural goods — did not have the support of the vast majority of producers or consumers. "They will have to pay for it through lower producer and higher consumer prices."

He said the Bill did not properly reflect the changes that had taken place in agricultural policy under the new government and in the rest of the world.

ANC plans changes to agriculture Bill

Tim Cohen

(3)
BD 7/2/96

CAPE TOWN — ANC MP and parliamentary agriculture committee chairman Janet Love gave notice yesterday that her party was likely to introduce substantial amendments to the Marketing of Agricultural Products Bill.

Aspects of the legislation, which proposed the possibility of reintroducing single-channel marketing and price controls on agricultural products, were "disturbing", Love said. The ANC was concerned that although the legislation had been proposed about 10 months ago in draft form, the legislation ultimately produced included practically none of the suggested amendments. The fact that there had been so little change despite the objections was surprising, she said.

On implementing single-channel marketing and price controls, Love said the ANC could see the justification for government intervention in agricultural markets in certain circumstances, but was not convinced the forms of intervention proposed by the legislation were the most appropriate.

It could not support exclusion of labour representatives from structures proposed by the legislation and had difficulties with the powers conferred by the legislation to impose levies to fund the regulatory structures envisaged.

Continued on Page 2

Bill

(3)
BD 7/2/96
Continued from Page 1

Government might have to fund these structures directly if they were deemed necessary, rather than allowing a levy to be imposed on the sale of agricultural products for these organisations. Constitutional issues also had to be

taken into account, Love said. The constitution supported freedom of association, whereas the legislation provided only for the right to disassociate.

Love acknowledged that if changes to accommodate these objections were introduced, they would be a departure from the basic nature of the legislation.

The legislation was unlikely to be passed before Parliament's Easter recess, she said.

Dearer water if Govt plan gets the nod

(3) Star 7/2/96

Even farmers realise the right to take precious water from an almost dry river is worthless, says Water Minister Asmal

SAPA, REUTER AND STAR REPORTER
Cape town

Water Affairs Minister Kader Asmal is proposing drastic changes to the way the country uses its water supplies - and the costs for consumers will be higher.

"The price of water would be set at a level which reflected its value, and trading in water rights could be formally acknowledged and encouraged," Asmal said yesterday at a press conference.

"The recent drought has performed one essential service," he said "The need for a review of our water law is now supported by all sectors of society."

He added that while there was understandable apprehension about existing water rights, even farmers realised that the right to take water from almost dry rivers was worthless.

Most people also accepted that growing pressure on South Africa's limited water resources meant that a new framework was needed within which needs could be balanced in the interests of society as a whole.

He said that if the proposals were accepted, the present arbitrary system of water tariffs would make way for one in which the price reflected the cost of delivery.

The system linking water rights to a specific piece of land would be abandoned, trading in water rights would be encouraged, and uncontrolled use of

underground water ended. Asmal stressed that the proposals - from a panel appointed last year - were open to debate. "It should be clear that my approach to this whole matter will not be dogmatic," the minister said.

A refined version of the report would be presented at a conference on water law in July, followed by a white paper in October and new legislation at the beginning of the 1997 parliamentary session.

Public comment would be invited and a special effort would be made to get input from poor, rural communities.

The uncontrolled use of underground water would also end.

"No one will 'own' water. We are one of the few countries in the world to allow uncontrolled use of water and this proposal will abolish the distinction between public and private water," Asmal said.

He admitted that this suggestion would have to be examined carefully as he did not want to create "a bureaucratic monster" that would require everyone with a borehole to get a licence.

The panel said priority should be given to water for human consumption.

Water supply and sanitation services should be regulated to ensure that everyone had access to basic services, and the private sector should be involved. Mandatory provision should

► ... To Page 2

Radical new water policy
► From Page 1

be made to enforce water supplies. Asmal said this would complement the department's national water conservation programme which, he admitted, would have to rely on a mixture of persuasion and tariffs.

The panel said provision should also be made to ensure that enough water was left in rivers to meet South Africa's obligations to its neighbours. "We should also have proper land-use policies," Asmal said.

As a result, the panel had also recommended that present controls on forestry, which soaked up a great deal of rainwater before it reached rivers and dams, should be extended to other activities which had a similar impact. These

Agriculture bill faces opposition

(3) CT (PR) 7/2/96
BY LYNDIA LOXTON

Cape Town — The Agricultural Products Bill is set for a bumpy ride through the parliamentary agricultural committee this year in the face of growing opposition from the private sector and some politicians.

The bill would let producers establish marketing boards to establish price stability.

The committee said it would only do this if all interested parties were consulted and agreed on the steps.

Janet Love, the committee chairman, said the ANC was unhappy with the bill and would recommend extensive amendments.

Gareth Ackerman, the joint managing director of Pick 'n Pay, said he was concerned the bill would pave the way for reregulation of the food industry.

"We have been fighting for so many years to deregulate the market and now they want to put a whole infrastructure in place (to reregulate) ... We think that it is crazy," Ackerman said.

He said he would submit his objections to the committee.

The South African Futures Exchange told the committee that food prices could best be controlled by market mechanisms without costly government intervention and price-setting mechanisms.

Concerned

Love said she was particularly concerned because the bill was claimed to have been the result of wide consultation on food-pricing mechanisms, but it did not seem to have incorporated any of those views.

"The draft bill was released 10 months ago, but there is very little change in this bill despite extensive consultation," Love said.

She said the government was particularly concerned that farm labourers would not be represented on the marketing boards.

John Wixley, the general manager of Safex, said consumers and producers would be best served if pricing was left to market forces.

This should be combined with a strong government role in support for emerging farmers, household food security and measures to reduce levels of economic concentration, he said.

Meanwhile the agriculture ministry said yesterday that it planned to end drought disaster relief for livestock farmers after good rains over almost the entire country.

District drought committees had until February 14 to contact the ministry to appeal for exemption on the grounds that the drought was continuing in their areas.

Otherwise financial benefits would be rescinded with retrospective effect from January 1, the ministry said. — Reuter

R15 000 land reform grants

Sawetan 8/2/96

~~(2)~~ (3)

By Rafiq Rohan
Political Correspondent

SUBSTANTIAL grants have just been made available to people who qualify as recipients under the Land Reform Programme.

The Department of Land Affairs will be giving out the grants because merely providing land and tenure security will not be enough to balance the injustices of the past. Grants of up to R15 000 a person will become available to those who qualify.

The Land Reform Programme focuses on three main areas:

- Redistribution of land to the poor and disadvantaged;
- Restitution of land rights to the victims of forced removal; and
- Tenure reform aimed at promoting security of tenure for everyone.

The grants are aimed at ensuring the productive use of land. Measures for grants in terms of restitution, redistribution and tenure reform will include a settlement and land acquisition grant.

This grant is set at a maximum of R15 000 per beneficiary and will be used "for land acquisition, enhancement of tenure rights, investments in infrastructure, home improvements and fencing".

People who qualify for the grants are landless people, farmworkers and their families, labour tenants and their families, residents wanting to upgrade their tenure conditions, entrepreneurs wanting rural property for production purposes and those who have been dispossessed of land.

Land reform plans welcomed

CT 8/2/96
THE government's proposed land reform measures were welcomed yesterday by the farming company which is backed by seven major business concerns to promote disadvantaged communities' access to commercial farming.

However, chairman of NewFarmers Development Company Mr David Gant said redistribution of land, restitution of land rights and security of tenure was not enough. "Much will depend on how land is utilised to create new wealth in a sustainable way."

NewFarmers shareholders are Unifruco, Absa, Sanlam, Rembrandt, KWV, Outspan and Kynoch.

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Standard to alter rates to farmers

Louise Cook

(3) (3)

PRETORIA — Standard Bank planned to charge risk-related interest rates to farmers, ending its average rates policy of the past decade, the bank said yesterday.

Regional banking services MD Chris Lombard said the bank planned to charge lower-risk and more efficient farms a lower rate — in line with government's recent introduction of market-related interest rates — to reward proper risk management.

Customers would be appraised individually, taking into account solvency, liquidity, security and management skills.

He also warned that farmers may have "less access to financiers" if unions continued to call for non-risk credit policies.

"Farmers can expect in future higher-risk customers will pay more, allowing financiers to charge lower-risk farmers less. This is normal business practice."

Absa Bank's agricultural chief Andre Louw said it had always in all sectors charged risk-related interest rates.

Lombard said it was vital for the survival of the sector that land reform took place "successfully". A greater variety of farm sizes was needed but these had to remain economically viable.

The bank was keen to break in to servicing the emerging commercial farming sector.

BD 9/2/96

5 000¹ and restitution claims

Sowetan
THE Land Claims Commission has received more than 5 000 claims for the restitution of land.

Most of the claims relate to land taken from people under apartheid policies after 1913. Some claims were lodged on behalf of tribes that

9/2/96 (2) (3)
were moved from ancestral lands.

These include the Kgosi tribe's claim to the Lohatla military base in Northern Cape and the Batlounge tribe's claim to farmland in the Lichtenburg district. Urban claims include District Six in Cape Town. — *Sapa*.

R50-m towards removing *ARC 9/2/96* (3) ~~5~~ 'water guzzling' plants

JOHN YELD
Environment Reporter

THE innovative programme to boost water supplies in South Africa's major catchment areas by removing "water-guzzling" alien plants has been given a huge R50 million vote of confidence by the government.

This is the amount awarded by the Reconstruction and Development Programme (RDP) office for the 1996/97 financial year — double the amount provided last year for the start of the project.

The funding was announced yesterday by Water Affairs and Forestry Minister Kader Asmal in a speech to the Royal Society of South Africa's symposium on fulfilling basic needs: the role of science and technology.

The alien vegetation clearance programme, introduced by Professor Asmal's department, has already provided just over 2 700 jobs in the Western Cape alone, and the new funding is likely to provide at least another 2 300 in the region.

Overall, more than 6 000 previously unemployed people — more than half of them women — have been employed through the project.

"And with each worker having something like eight or even 10 dependants, this is having a huge

impact," said Guy Preston, the University of Cape Town environmental scientist seconded to Professor Asmal's office to co-ordinate the department's water conservation programme.

But in his speech Professor Asmal said the R50 million was not enough, and he challenged the Cape Metropolitan Council to match, on a rand-for-rand basis, a further R40 million "investment in the security of water in the Western Cape".

Referring to scientists, he said they had to assist South Africa by making its economy internationally competitive.

"To be able to meet basic needs, to be able to pursue scientific research, and to maintain our democracy, we need a strong economy."

Scientific research was high on the government's agenda and would continue to get the support it deserved, Professor Asmal said.

"But scientific agencies and scientists themselves will have to become more accountable to the people as to the value of the work being done.

"They will have to address the moral and social impacts of the research they are involved in.

"They will have to develop a new patriotism in South Africa."

High-risk farmers face bigger interest bills

BY ROY COKAYNE

Pretoria — Farmers regarded as high risk by banks could expect to pay more interest on borrowings than lower-risk farmers, Chris Lombard, the regional banking services managing director of Standard Bank, said yesterday.

He said the agricultural sector had lobbied for interest rates to be capped at a maximum of prime plus 2 percent. The result was that risk-related pricing did not apply and an average rate was charged.

CT (BR) 9/2/96 (3) (5)

"Agriculture is a relatively high-risk industry in which some enterprises are more risky than others. Producers in the higher-risk enterprises should be aware of this as they can expect to pay more for finance," Lombard said.

He said that an important principle affecting the future of any financier was risk-related pricing and, flowing from this principle, one could expect a higher price to be charged where risks were considered to be higher than the norm.

But Lombard said appraisal of this aspect took place only on an individual basis and factors such as solvency, liquidity, security and management of an individual relationship would determine the level of risk and the pricing.

"Should organised agriculture not give careful and particular attention to this aspect, agriculture might well find itself without financiers," Lombard said.

He said in any business, market share needed to be appraised along with profitability.



Picture: TERRY SHEAN

MP slams 'old style' control board Bill

(3) ST 11/2/96

By CYRIL MADLALA

ANC MP Janet Love, once described by the former government as "armed and dangerous" is waging a new war — this time against bureaucrats trying to re-introduce control boards.

Ms Love is chairman of the parliamentary committee on agriculture, and of the ANC's study group on agriculture, water affairs and forestry.

In 1990 she was part of "Operation Vula", an ANC plan to overthrow the government if negotiations failed, she was one of the most wanted people in the country when the police uncovered the plot. She was granted indemnity in 1991.

She is now an MP engaged in a different war, over the Marketing of Agricultural Products Bill introduced in Parliament this week. The proposed legislation is designed to replace the Marketing Act of 1968.

It makes provision for:

- The institution of a National Agricultural Marketing Council, statutory marketing authorities and statutory measures;
- The imposition of levies;
- The determination of minimum prices for agricultural products;
- The registration of producers, and the appointment and powers of inspectors.

Ms Love wants fundamental changes to the Bill. The proposed arrangements were inflexible, she said. "They are the same old control boards in disguise." Black farmers had been consulted "too little and much too late," while labour representatives would be excluded from the proposed structures.

"There is strong concern about the concept of single-channel marketing. It lessens the possibility of competition and it gives rise to the creation of monopolies by concentrating power in a few hands. The small farmer must have a showing as well," Ms Love said.

The Department of Agriculture emphasised that the Bill was still open to discussion, but denied that inadequate consultation had taken place.

Gerhard Basson, a consultant for the group that drafted the Bill, commented this week: "Black farmers were invited right from the beginning, and it is absolute speculation that we want to re-introduce the old control boards."

**Water Affairs
Minister Kader
Asmal tells RAY
HARTLEY about
his radical plans to
change the way
we use water in
South Africa**

WHEN the once-mighty Magnus Malan was taken down from his perch at the top of the security establishment and made water affairs minister, he spent his last days in government in a permanent state of humiliation.

In those days the Water Affairs Ministry was viewed as one of the cabinet's lesser portfolios, a place from which General Malan would be able to do no further damage to the reforming NP government of then President F W de Klerk.

Now, almost two years after the transfer of power and the subsequent diminution of the security establishment, water has flowed uphill to the top of the government's development-centered agenda.

Leading the aquatic revival is Water Affairs Minister Kader Asmal, who this week struck again, this time with a set of principles set to shake up the way water is used by South Africans.

In the process, Mr Asmal has emerged as one of the Mandela cabinet's brightest stars, not least because of his ability to turn the mundane subject of his ministry into a sparkling national debate.

At the heart of his proposals, what Mr Asmal calls the "extraordinarily exciting notion of a strategic water reserve", is giving certain uses of water priority over others.

From his desk on the 15th floor of his government building opposite Parliament, Mr Asmal somehow manages to imbue every sentence with drama, often adding a wicked mid-sentence aside.

THE three tiers of Mr Asmal's water reserve approach are allocation for human needs, allocation to the environment and reserve for downstream users from other countries.

"We are now beginning to accept that water — this will please the cockles of your editor's heart — has an economic value," he says.

By pricing water in keeping with its scarcity, the new system will put the brakes on unnecessary consumption and generate revenue for the fulfilling of basic water requirements.

The first prong of Mr Asmal's strategy — allocation for human needs — calls for a "lifeline tariff" allowing all people access to between 25 and 30 litres of water a day within 200m of their residences, an official reconstruction and development programme commitment.

Changing the course of our way with water

Then Mr Asmal's economic valuation swings in: "You want more than the lifeline tariff provides for? — You'll have to pay for it."

"When there's a proper price put to water there'll be greater conservation. Giving a value to water is not to punish anyone, it's to ensure it's used in a more rational way."

The second dimension of the new approach would see water allocated to the environment, something that was not done by successive apartheid governments, whose main concern was the dispensing of water to their white constituency.

"The Orange River is a classic example, where the previous regime built vast agricultural developments on the banks of the river or large dams and irrigation works without real understanding of what it does to the natural ecology of the river," he says.

The third area is South Africa's obligations to downstream countries, a development Mr Asmal calls "an extraordinary triumph in our public life".

With countries like Mozambique and Namibia dependent on rivers originating in South Africa, such a strategy is essential to the country's reintegration into the region.

But underlying this approach is the harsh realisation that South Africa may eventually depend on its neighbours for some of its water.

"We cannot be insular and selfish. Our destinies are tied up with the region in more ways than one," he says. For the new hierarchy of water needs to be im-

plemented, Mr Asmal will have to undo decades of apartheid legislation aimed at regulating the flow of water in and out of white households and businesses.

One of the legal assumptions which is to go is the riparian principle, which links access to water to land.

"Associated with this, which all the economists begin to like, is the idea of trading in water rights — that you should be able to sell water rights. Already farmers, which means white farmers, find this very attractive," he says.

Along with this will come changes to the assumption that anybody can draw water from boreholes that have been sunk on their properties.

SUCH seemingly inoffensive actions in fact raid underground water supplies, affecting the use of water by others and having environmental consequences.

"I want to find out what's going on in Israel. Nobody's got a right to plonk a borehole anywhere they like. Even in England, which is a high water area, you license boreholes," he says.

Does this mean that Mr Asmal will be establishing water police to inspect the use of underground water? No, he says adamantly. "There must be no new bureaucracy created. I want it to be as decentralised as possible, with the central government acting as referee."

The current Water Act was passed 50 years ago, at a time when "South Africa" was understood by the rulers to be a nation of a few million whites.

In those days, the water affairs portfolio enjoyed greater prominence than it did in the dying years of NP rule.

"It's not so that this was a bolt hole for the incompetent, the retard. Until 1984, strategic decisions were made in this department. The great needs of white South Africa for mining, agriculture and industry were met," says Mr Asmal.

"When it came to resources, this department got what it wanted."

This changed in 1984, when the water needs of white South Africa appeared to have been catered for.

Another habit of past governments — the dispensing of large amounts of drought aid, such as the R3-billion disbursed in the dying days of the De Klerk government — should also be stopped, says Mr Asmal.

"Drought must be considered as one of the natural things that happens in production.

"If a factory can't get cheap commodities for production, it either adapts or it closes down," he says.

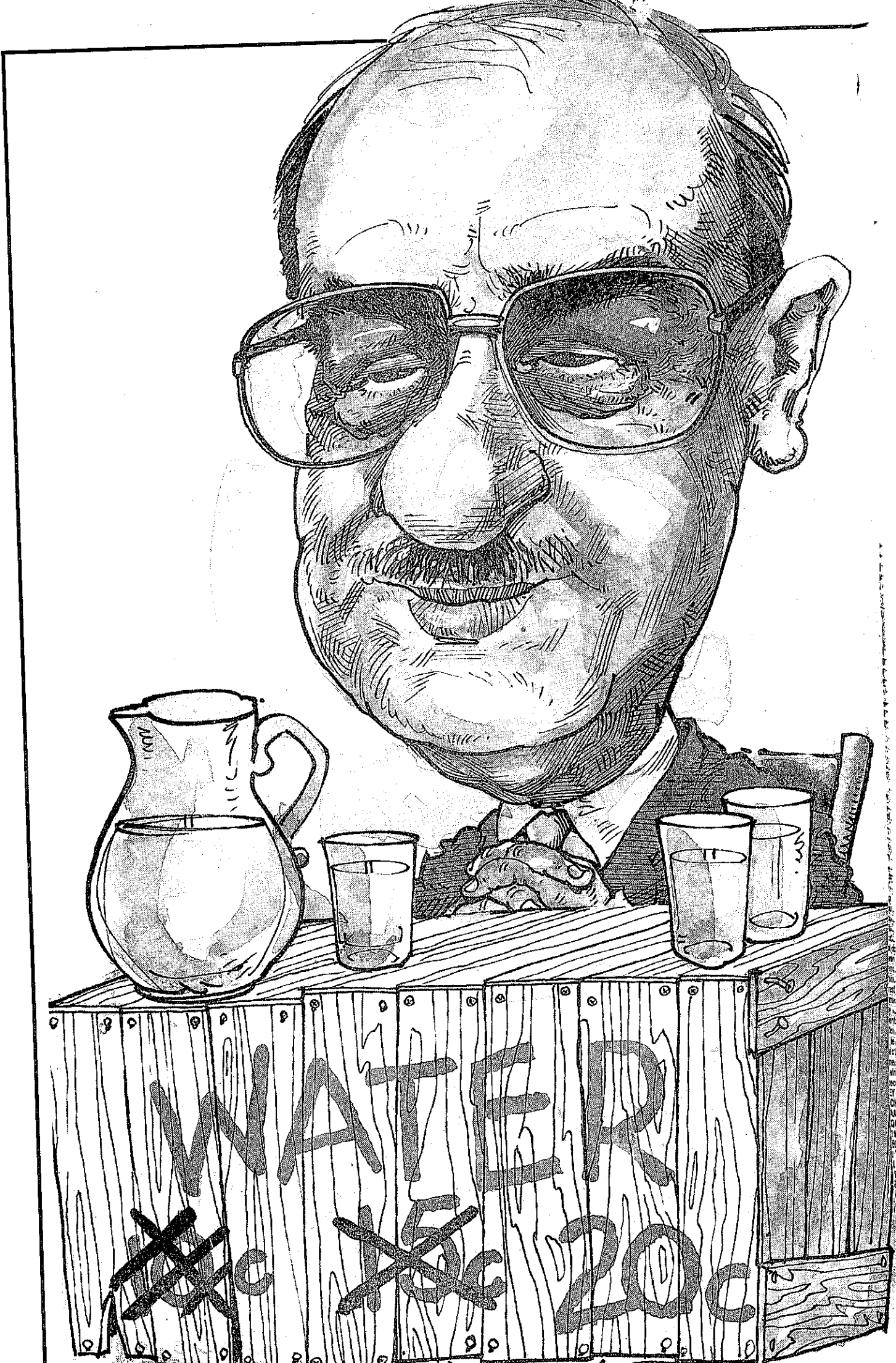
Mr Asmal's programme for the year will see the announcement in February of new bulk water tariffs for government schemes and a huge conference in July to discuss more radical proposals including the trading of water rights.

So, what has driven Mr Asmal into a frenzy of activity over the distribution of water?

"A lot of this has to do with my temperament," he says.

"If you want to be a one-term minister, you must complete the tasks you have in that term."

When there's a proper price put to water, there'll be greater conservation. Giving a value to water is not to punish anyone, its to ensure it's used in a more rational way



Richard Smith

Group aims to turn farm workers into shareholders

Louise Cook

BD 12/2/96

A NEW agricultural organisation with private sector backing is poised to broker deals between commercial farmers and farm workers worth R55m in a bid to broaden the ownership base in commercial farming.

NewFarmers Development Company, whose major shareholders include Absa, Sanlam, Rembrandt, KWV, Unifruco, Outspan and Kynock Fertiliser, was launched recently to create opportunities for viable farming ventures, focusing on developing communities, through project development, loan finance and equity participation.

The company is a response to government's call for the private sector to initiate projects that will turn land reform into an opportunity to stimulate economic growth and job creation.

NewFarmers MD Hannes le Roux said at the weekend the deals, expected to be signed by July, involved setting up fruit export ventures in the western Cape and Mpumalanga. The projects would create at least 400 new jobs in the first two years.

The company planned to mobilise share capital through a pri-

vate placing to local and overseas shareholders by mid-April.

Talks had been held with local and foreign financiers, including the Development Bank of SA, Industrial Development Corporation, International Finance Corporation, Commonwealth Development Corporation and the French Development Bank.

"The fact that NewFarmers enjoys the financial backing of some major roleplayers in the economy without doubt leads to the acceptance of its credentials by potential future business partners and stakeholders," he said.

One of the company's objectives is to broaden the ownership base in commercial agriculture by structuring and investing in partnership deals between developing communities, mainly farmworkers, as well as existing commercial farmers, NewFarmers and other investors.

"We want to break new ground as far as ownership patterns in agriculture are concerned as well as contribute to land reform across the country. Where workers become involved as co-owners on farms, productivity improves by as much as 30%."

There was a wealth of expertise among farm workers, he said.

Expropriation seen as an instrument of last resort, says Hanekom

Wynndham Hartley

LAND Affairs Minister Derek Hanekom, in the green paper released by his department last week, gave notice of the government's intention to ease the qualifications under which the state can expropriate land. These measures, which are also under discussion in terms of the new property clause in the new constitution, are controversial.

Hanekom said in an interview last week that expropriation would be an instrument of last resort.

Notwithstanding that, he indicated his determination to expropriate if landowners were not co-operative in certain situations. "If the only desirable outcome in certain cases is that the land from which people were evicted has to be expropriated, then we will expropriate," he said.

Hanekom said that even in cases where a landowner had satisfied the legal requirements to evict people from a property, expropriation could still be used.

"It is our responsibility to provide land for the landless.

"If it is clearly in the public interest not to move the people, then expropriation is valid," he said.

"If it will be traumatic, or for any number of other reasons, for the people not to be removed, if they or the state has offered to buy the land in question and the owner still refuses, then this could necessitate expropriation," he said.

In fact, we have a case like this in Welverdiend in the Northern Province. "There are more than 100 families living there. The farmer bought the land knowing that, and thought he could make a huge, easy profit by offering the property for sale

at much more than market value.

"It was an unfair move and we have threatened him with expropriation."

Emphasising that market price would be the primary consideration in most cases, Hanekom said he was prepared to use expropriation as a means to pre-empt intentions to evict.

"One of our big challenges is rapid land release. People who have been kicked off the land may not have the capacity, or the organisation, to take advantage of the law. Then we are faced with the situation where we would have to make land available fast by identifying what is available.

"It might be municipal land, state land or land on the market.

"In some circumstances we, the state, might have to buy land as a rapid solution. Failing that we would have to look at what land would be best to expropriate."

Mediation

Asked about the rights of those forced off tribal land by disputes with chiefs or traditional leaders, Hanekom said their first option would be to apply to the land commission.

"Much of the work of the department is mediation work. In that case we would accept that this group of people had lost their land rights. The first step would be to start negotiating. Recognising that much of the land problems begin in tribal areas through sheer pressure on the land, it might emerge that it is not possible or desirable to return them to the original land. In such a case we would then slot them into the programme to find alternative land."

Hanekom said there had to be a dis-

cernible need for land. Need was one of the primary qualifications in the entire land reform programme. Thus a group of 500 who had been forced off the land would get more consideration than a single entity.

"In the case of a tribal leader forced off the land with his people, we would insist that if alternative land is provided it must be registered to a communal property association representing all the people."

Hanekom faces a deeply suspicious fraternity of traditional leaders who see land reform as a threat to their power.

He insists: "We have to introduce measures whereby people can upgrade their tenure." If there is no opposition to the upgrading of tenure from the tribal authority, it is easy. But what if, as in many cases will undoubtedly be the case, the chief and his elders say no?

"That would have to be addressed as part of a tenure reform programme. It took 20 years to evolve a solution to that in Botswana. Tribal authorities now do not have land allocation authority in that country. It is all decided by land boards. We need to go through a much broader tenure reform process. We are embarking on a two-year research programme with pilot projects around the country.

"We will have a comprehensive tenure reform policy and accompanying legislation in place in two years," he says.

Hanekom insists the first priority is to ensure that land is allocated by a democratic process and not through individuals simply making the decisions.

"In a sense it was not the original role of traditional leaders who were supposed to act in the interests of their people. It has been distorted and extraordinary powers

BD 12/2/96



HANEKOM

have ended up in the hands of chiefs.

"We have to ensure that, in the next couple of years, those groups of people who want to move to freehold land should be able to do so, subject to the broader interests of the community. There must be a democratic component in that process. Because a chief and a couple of elders oppose it is not enough. There must be a policy and a legal framework that allow land to be reg-

istered in group or individual names at the deeds office."

The potential for conflict between the state and traditional leaders, particularly in the two strongholds of KwaZulu-Natal and the Eastern Cape, will depend, Hanekom says, "on how we manage the process there."

"Remembering that there was no collusion with chiefs in Botswana, we would certainly hope that through a serious process of workshops, consultation, and engagement we will be able to achieve reform before 1999. That is where the challenge is going to lie.

"We will do it delicately by developing policies which traditional leaders can accept. We must carry them with us rather than impose tenure reform on them."

Hanekom's most controversial legislation so far has been the Land Reform Labour Tenants Bill, which will entitle farm labour tenants to apply for the right to buy portions of the farm on which they live. The Bill faces a court challenge and the criticism that it will harm relations between farmer and labour tenants.

Conceding that the state is not in a position to supply extensive agricultural support services to labour tenants who gain access to their own land, Hanekom says he does not see good relationships between labour tenants and farmer turning ugly.

"Where there is a useful collaborative relationship, that relationship will continue. It is where it does not exist and they face eviction that they will be the first to apply.

"There are a lot of labour tenants who have a mutually beneficial relationship and if the benefits will be harmed by application for ownership of the land, they won't apply

to be the landowners because they are not stupid. Those that apply will do so knowingly and will make the risk calculation.

"In many cases the farmers will welcome the labour tenant gaining ownership because many of them can use the money."

Hanekom suggests services such as the dipping of cattle, ploughing and planting might well continue as a part of a contract between the now former labour tenant and the farmer.

"There are so many positives that come out of this and it is only when I sit down with farmers and explain that they begin to realise it. In some cases they are getting neither labour from the labour tenant nor the use of the land.

"When they are told that they will be compensated for land they cannot use, it starts to make sense to them.

"I really challenge the people who say they have this good relationship and that the labour tenants Bill is putting it in jeopardy. It's not the good relationship that I would understand.

While legal protections for labour tenants and farmers is carefully built into the legislation, Hanekom concedes that the department does not yet have the capacity on the ground to make it work.

"We now have to build capacity. Hopefully the non-governmental organisations will make the shift as well to a collective implementation and monitoring function. The arbitration panels provided as deadlock breakers and the strengthened regional land affairs offices are not yet in place.

"Right now we are able to respond adequately. We have created the legal protection and a lot more has to be done to make it a reality."

THE NATION

Farmers set to leave SA as water shortages increase

ARG 12/2/96 (3)
ECONOMIC pressures and scarce water supplies are expected to prompt South African farmers to move to neighbouring countries in the next five to 10 years, Agriculture Minister Kraai van Niekirk said today.

Briefing diplomats and journalists, Dr Van Niekirk said he would fly to Mozambique tomorrow to finalise an agreement on how farming settlement should take place there.

He did not expect the farmers' northwards trek to have a noticeable short-term effect either on South Africa or its neighbours.

"The impact will not be seen immediately. They are not going to step into a factory or shop that is already functioning. It will take five to 10 years before they are operational."

Dr Van Niekirk said water, along with economic pressures, remained the biggest problem facing farmers.

"Our water supply remains the same while the demand is increasing. This will raise the cost of production."

The water shortages would mean a steady outflow of South African farmers over the next "five, 10 or 20 years".

The resettled farmers could in the long term help stem the flow into South Africa of people attracted by the "carrot of money".

He predicted a 50 percent increase this year in the rate of insolvencies in the agricultural sector, mainly among maize farmers, as a result of the drought in many parts of the country. In "normal" years the insolvency rate was around three percent.

The drought had reduced agriculture's contribution to the national economy from 5,2 percent in 1994 to 4,3 percent last year, while the maize crop had dropped from 12 million tons in 1994 to only 4,2 million tons in 1995.

Dr Van Niekirk said the country remained self-sufficient in food production but still faced the problem of "food security", particularly in poverty-stricken rural areas.

"People there don't have enough money to buy food. We are trying to address this to give the poor an opportunity to produce for themselves. But this alone cannot solve the problem of food insecurity."

This could only be done through the RDP and its capacity for job and wealth creation, he said. — Sapa.

Talking about a river revolution

SOUTH AFRICA'S LIQUID revolution gets under way. The aim: water rights for all. Professor **KADER ASMAL**, MP and Minister of Water Affairs and Forestry, gives his views.

A NEW, negotiated revolution was launched last week that must affect the lives of all South Africans. It involved the publication of *Fundamental Principles and Objectives of a new Water Law in SA*, a document that foresees fundamental changes in the way we South Africans organise water resources and provide access to that scarce, precious commodity.

The next 12 months will be crucial in terms of addressing the situation. Already water projects have been launched that, within a year or more, will wipe out one quarter of the water backlog in SA. A new Water Act is an important further step on the long march to equity.

The aim is to achieve equity in water rights, notably for the 12-million South Africans still denied ready access. At the same time, it is recognised that those who have been privileged in the past have critical functions to perform in the new SA, including the production of food. We have obligations to the environment and domestic users. A sensible balance will have to be struck among the various interests that compete for water.

The report was produced by a panel of experts. Nothing is cut-and-dried. There will be further inputs and refinement of what



LIQUID REVOLUTION: Professor Kader Asmal, MP and the Minister of Water Affairs and Forestry, feels the next 12 months will be crucial in terms of addressing the water situation.

the panel has done. I have set the end of March as a target date for the finalisation of a set of principles for discussion. Then there will be an all-in National Water Law Review Conference provisionally scheduled for July at the University of Transkei. It will not be a mere debate among academics. The voice of the rural poor will be heard.

The outcome of the Transkei conference will culminate in a final set of principles that will guide the drafting of a bill. The principles will be presented to a Cabinet for approval and tabled as a White Paper before formal drafting begins. The conclusion of the process will be the passing of a new

Water Act, to replace the current Act passed in 1956. There are at present about 73 Acts on the statute book to do with water, not including those administered by other departments and authorities. There is a need for a simple, comprehensible water law, with nopicidin legalese or obfuscation.

The new Act should mark a closing of the book on much misery endured by the disadvantaged and dispossessed. For the past 21 months in office, I have travelled the length and breadth of rural villages in South African. I have seen the wretchedness to which these marginalised communities are exposed. Many of them watched helplessly

as rivers ran across their village to serve the interests of relatively few farmers in their neighbourhood. The acute shortage of water led to disease and hunger. Infant mortality rates have continued to rise at an alarming rate.

There are 10 points which this document seeks to address:

- The riparian system, linking the right to use water to a specific piece of land, would go.
- Uncontrolled use of underground water, made possible by its definition as "private water", would end. We are one of the few countries in the world which allows untrammelled exploitation of some water.
- A formal allocation of water to maintain the environment would be made; where necessary, water would be reallocated for this purpose from other users.
- Similar priority would be given to water for human consumption, and water supply and sanitation services would be regulated to ensure not only that all South Africans have access to basic services but that the private sector could be harnessed to help provide them.
- Mandatory provision would be made to require water suppliers to adopt conservation measures.
- Provision would be made to ensure that enough water was left in rivers to meet South Africa's obligations to its neighbours.
- Present controls on forestry, which intercept a great deal of rainfall before it reaches public streams, could be extended to other land use activities, such as sugar farming, which have similar impacts.
- The price of water would be set at a level which reflects its value and trading in water

rights could be formally encouraged. □ Substantial changes would be made in the institutional family responsible for implementing water management.

□ The concept of water as a reserve: to meet the most pressing priorities is one of the most important moves in the process.

Subject to the recognition of existing rights, water will be allocated on the basis of efficiency of use, public interest and equity, with special preference for the development needs of poorer communities, and for the very environment which sustains all life.

The document seeks a balance between water demand, apportionment and usage. It recognises that water in this country is part of a fragile environment increasingly threatened by human development. Yet development and environmental considerations should be seen, not in competition, but as different sides of the same coin. They should go hand in hand.

The re-examination of the legal status of water seeks to ensure that the law reflects the modern physical, economic and social realities in South Africa. The review is part of the democratisation of our country.

Through this document, which will now be added to from other important quarters including the highly expert and experienced Department of Water Affairs & Forestry, which will play a critical role in guiding the process, I extend an olive branch to all South Africans. I invite them to give us their views and to approach a potentially controversial subject as partner-citizens of one country. If we reason together, we can make it on this front as we have done so successfully on others.

(3) (12/2/96) CT 12/2/96

'660 000ha for farmers'

Pretoria — At least 660 000 hectares around Gauteng townships might soon be made available for small farmers, MEC for agriculture and environment John Mavuso said yesterday.

He told a workshop on farming systems there were sizeable areas where willing sellers were looking for buyers.

"Indications are that some 660 000 hectares of land in Gauteng are not being effectively used for

agriculture," he said. "It is hoped that large portions of this may eventually become available for small farmer settlements."

Mavuso said his department was discussing the matter with other departments concerned.

"Such land may be very well suited to the requirements of the small farmer, who often has to supplement his farming income by taking employment in the city," he said.

— Sapa.

(3) Star 13/2/96

Govt increases
finance for farmers.

(3/28)

Stow 13/2/96

Agriculture Minister Dr Kipai van Niekerk, announced yesterday that the Government, which last year made R20-million available in production loans to previously disadvantaged farmers, had made available a further R150-million for loans through financial intermediaries and up to R62-million in grants to supply infrastructural and other farming related needs.

Maputo discussions on fate of migrating SA farmers

CT (PR) 13/2/96
BY FIONA LENEY

controversial exodus by certain groups of farmers has now been fine tuned to meet government and other stakeholder concerns," the ministry said.

Johannesburg — A high-level agriculture ministry delegation is in Maputo today to present the framework of an agreement under which South African farmers who choose to relocate to Mozambique can operate.

Schalk Visser, assistant director of the department of agriculture, said that a key issue of today's talks would be how to protect the interests of South African farmers who decided to move to Mozambique.

The delegation, which includes Freedom Front leader Constand Viljoen, is confident that it will be favourably received.

The ministry said it would only know how many farmers wanted to participate in the project once the deal was signed and arrangements for funding from international aid agencies were clarified.

Viljoen was the main mover behind the programme to allow South African farmers to operate in other southern African states.

This funding would ease the cost of relocation to Mozambique and help to train local farmers, which is one of the main justifications for the scheme.

He and his supporters want to move to land outside South Africa to escape what they see as government interference in their affairs and land rights.

"What may have appeared a

ekout a protest against US censa

'Drop property clause'

(3) (circled) *Sowetan 14/2/96*

THE DEPARTMENT OF Land Affairs' Green Paper on Land Policy mentions that the "Government believes it is essential that the Constitution should make effective land reform possible". We believe that if the property clause is retained in the final Constitution, it will hinder effective land reform.

The entrenchment of current property rights effectively means the reinforcement of highly skewed and unjust land distribution – a result of centuries of systematic dispossession of black people through colonialism and apartheid.

But the debate on the property clause has really revealed the extent of the dedication of various parties to redressing past imbalances.

Property debate

The National Party and the Democratic Party still insist on the entrenchment of current property rights. For the NP, this position does not come as a surprise. The so-called new NP is still caught up in its past policies that will perpetuate inequality.

The DP on other hand, who give the impression that they are champions of human rights, have never been consistent. They are only interested in protecting white land owners, and they care very little about the rights of the majority of the people.

The view expressed by many supporters of the property clause (including the NP and the DP) that potential investors would be unwilling to invest in South Africa if property rights are not entrenched, is not true for a number of reasons.

Firstly, international investors are generally more interested in intellectual property such as their name, research and development expertise, and so on.

Secondly, investors are far more interested in the stability of the country in general. Thus continuous unrest and land invasions by landless people would be a far greater disincentive.

Lastly, the international community is now convinced that the new Government is not about to nationalise all assets, as propagated by previous apartheid governments.

Incorrect perception

Accordingly, if reasons for removing the property clause from the Constitution are made clear, the perceived detrimental effects of scrapping the clause would, in practice, be non-existent.

The insistence by the African National Congress and the Pan Africanist Congress that the property clause should not hinder land reform is commendable, but it is insufficient as it will lead to a lot of uncertainty.

Thus, rather than having a "weakened" property clause that may bring many unintended consequences in future, it would be better to remove it from the Constitution. We are of the

The inclusion of the property clause in the final constitution will not benefit masses of landless people. Instead, it will make land redistribution difficult, argue **Brendan Pearce** and **Nomfundo Lumphondwana** ...

view that the property clause will continue to have detrimental effects on land reform and reconciliation. For one, it will perpetuate the continuation of insecurity over property rights, particularly for black people.

The removal of the property clause from the Constitution will strengthen the confidence of landless people in the reform process, while also avoiding unnecessary lawsuits which may hinder the whole land reform process.

The property clause has serious implications on the Government's ability to expropriate land, and should the Government attempt to expropriate for purposes of land reform, it will be challenged by present land owners as contravening the property rights clause in the Constitution.

This effectively means that land reform will be at the mercy of current landowners. Some sectors of organised agriculture have already taken advantage of the property clause by threatening to challenge the Land Reform (Labour Tenants) Bill – which seeks to provide security of tenure for labour tenants – on the grounds that it interferes with private property.

Furthermore, the property clause compels the Government to pay a "market value" price for expropriated land, thus making land expensive.

This will place great financial constraints on the Government's ability to buy land at "market value". Already, some landowners are taking advantage of this situation by artificially hiking the prices of their land.

The Government is faced with the challenge of implementing the Reconstruction and Development Programme, and it should therefore avoid any obstacles that have a great potential



Flashback ... Mogopa residents rejoice after they returned to their land in 1994. The property clause may limit the Government's ability to address the dispossession of black people's land.

to hinder its implementation.

We argue that the property clause in the Constitution has a potential to hinder land reform and this will go against the Government's commitment to redressing past imbalances.

We are not opposed to the protection of landowners' right to land, but this can be adequately achieved through normal legislation. Other clauses in the Constitution, such as the Equality and Privacy clauses, can then be used to stop excessive expropriation by the state.

Many organisations

It is in the light of the above that many organisations, including the National Land Committee, continue to call for the removal of the property clause from the Constitution.

Land reform should not be at the mercy of present landowners. We are confident that those political parties which are truly committed to redressing the past imbalances caused particularly by apartheid will support this call – with due consideration to the millions of landless people in South Africa.

(Brendan Pearce is Director of the National Land Committee, and Nomfundo Lumphondwana is the NLC's Media and Publicity Officer.)

Emerging farm sector 'largely unbankable', institutions warn

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Louise Cook

BD15/2/96

PRETORIA — Banks have warned that government will have to provide funding to foster most of the emerging farming sector.

The banks said yesterday that the higher risks attached had rendered much of the sector "unbankable" and that such farmers would have to be accommodated by government or institutions similar to the Land Bank.

Though lending into the established farming sector was around R7bn last year, the banks said they were currently prepared to provide credit only to the top end of the emerging market.

A spokesman for Deputy Land Affairs Minister Tobie Meyer said preliminary talks between government and the banks on private sector involvement in land reform took place last week.

Sources said banks were likely to look more favourably on government-backed ventures such as the land affairs department's settlement programme. The programme provided R15 000 grants to buy land.

Standard Bank said it was deterred by low levels of skills in financial planning, the cost of obtaining and verifying information and a lack of suitable collateral in areas with communal

tenure systems.

Agricultural division chief Rudi Wilsnach said the bank had set up pilot projects to finance the production needs of small-scale farmers.

The bank had spent "considerable resources" to learn from the experience of financial institutions in other parts of the developing world.

"There is a strong possibility that with changes in technology and donor funding, this market could increasingly be serviced by commercial banks," Wilsnach said.

FNB agricultural division chief Jan van Zyl said part of the sector was "largely unbankable" due to the lack of financial skills.

"Government will have to address this social problem before these farmers would be a viable proposition to financial institutions.

"If land prices were maintained and individual farmers obtained title deed to their properties, banks would be in a strong position to service the market," Van Zyl said.

Absa, the largest lender to the farming sector, said it needed security of tenure, creditworthiness and a proven track record before it could back farmers. Nedbank said that it focused less on farming, but would grant credit "on merit".

Cosatu joins call on property rights

ARG 15/2/96 (3)

Labour Reporter

THE 1,6 million-member Congress of South African Trade Unions (Cosatu) has joined the call to remove the property-protection clause from the new constitution.

The call is also backed by non-governmental organisations working on land rights, the environment, development and law.

The organisations say entrenching property rights in the constitution will hinder land reform which aims to compensate victims of apartheid, of forced removals and to redistribute 30 percent of South Africa's productive land over the next three years.

The clause could perpetuate the current inequitable distribution of land, they add.

And a provision which states that compensation for expropriated property must be market related, could make land reform unaffordable.

Even a "weakened" property clause which includes the necessity of implementing the government's land reform programme, could have unintended consequences, the organisations argue.

Instead of constitutional protection for property rights, the organisations say that current owners' rights to land should be protected through normal legislation.

● The anti-property clause organisations are: the Congress of South African Trade Unions, the National Land Committee, the Centre For Applied Legal Studies, the Rural Women's Movement, the National Development Forum, the Development Action Group, the Legal Resources Centre, Lawyers For Human Rights, the National Association of Democratic Lawyers, Earthlife Africa, People's Dialogue, the Land Resource Information Centre, the Urban Sector Network and Planact.

Hanekom is firm on Bill

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Wyndham Hartley

BD 16/2/96
CAPE TOWN — Land Affairs Minister Derek Hanekom has flatly rejected claims by IFP leader Mangosuthu Buthelezi that planned legislation for KwaZulu-Natal would tamper with private land.

Hanekom tabled the Ingonyama Trust Amendment Bill this week. It seeks to change a statute of the old homeland government which placed all former KwaZulu land under the Zulu monarch's control.

Hanekom said the land was ceded to the king just before the 1994 poll. "We cannot allow a law passed in great haste to stop people accessing legal title to the land," he said.

He emphatically rejected any suggestion that it was up to the provinces to administer land. Land affairs did not appear on the schedule of provincial functions in the constitution and they remained a national function.

Central government had a duty to intervene to allow land reform measures to be applied nationwide.

□ Hanekom also said that a Cabinet decision on mining at St Lucia could be expected at the next scheduled meeting in three weeks' time.

He reiterated that ANC policy on St Lucia was not to allow mining. It should be declared a world heritage site.

Call for scrapping ~~(2)~~ (3)
of property clause
Star 16/2/96

BY MONDLI MAKHANYA
Political Reporter

A powerful coalition of 23 non-governmental organisations have called for the removal of the property clause from the final constitution and proposed that property rights be protected through normal legislation.

The organisations include the Congress of South African Trade Unions, the National Land Committee, the Human Rights Committee and the National Association of Democratic Lawyers.

The demand coincides with a National Land Committee-organised march on Parliament by representatives of rural communities demanding the scrapping of the clause.

Political parties in the

Constitutional Assembly are deadlocked over the continuation of the clause, which makes it difficult for the state to expropriate land for redistribution purposes. The NP, DP and Freedom Front argue for retaining the clause, saying it is necessary for investor confidence, while the ANC and PAC oppose it on the grounds that it inhibits land reform.

The coalition also opposes the proposed compromise of a weakened property clause, saying this would result in the continuation of insecurity over property rights for blacks.

The grouping said investors were more interested in the security of intellectual property and the stability of the country than property rights.

Western Cape dams stay level with demand

(3) ARC 16/2/96

LINDSAY BARNES, Staff Reporter

WHILE much of South Africa is experiencing flooding, the water situation in most parts of the Western Cape is healthy, after late rains towards the end of last year took the edge off the dry summer season.

Water supplies for the

greater Cape Town area showed, on average, an 8-10 percent improvement on levels this time last year, said Willie Enright, acting regional director of the Department of Water Affairs and Forestry.

But with demand growing at 4,5 percent a year, the water

problem has not been solved.

"The Cape metropolitan area is fairly well-settled for this season, but that doesn't mean we can waste water," he said.

"We will cope with the water demand until the rainy season starts in the middle of May."

Dams in the Western Cape are 80 percent full, after a gradual drop in levels since last month.

Last year the Western Cape had experienced good winter rains and some late rains in December, so the season ended in a better position than the comparative period the previous year, he said.

Steenbras Lower and Voëlvlei dams, at 97,9 percent and 81,1 percent respectively, have significantly higher levels than this time last year - 45,8 percent and 54,1 percent respectively.

The other three main dams remain at similar levels to last year's: Theewaterskloof at 82,9 percent compared with 76,2 percent; Steenbras Upper at 97,9 percent compared with 96,4 percent; and Wemmershoek at 66,9 percent compared with 61 percent last year.

FINANCE

New Farmers: A bid to help the landless

MAUREEN MARUD
Business Reporter

THE expectations of previously disadvantaged communities to own land could go a long way to being satisfied by a new programme designed to raise capital.

Next month a prospectus will be placed privately with prominent financial institutions and several businesses, says Hannes le Roux, managing director of NewFarmers Development Company, a private-sector organisation established in 1994.

Based in Durbanville, NewFarmers seeks to create opportunities for viable farming ventures, focusing on developing communities, through project development, loan finance and equity participation.

Mr Le Roux said substantially more capital was needed than the estimated R10 million raised by existing shareholders which includes a group of seven companies operating in the commercial agricultural sector and related industries.

"We need an investment of

R55 million, which will create 800 jobs, for four projects already in an advanced stage of planning. These are based in various parts of the country."

No figure had yet been targeted as the total required capital for the new placement, he said.

"We are discussing the matter with our shareholders to come up with a final figure. We need substantially more funds to make our ideas work."

Several potential farming projects have been identified apart from those under investigation, Mr Le Roux said.

They included the farm Verlorenvlei in the Ceres district, where about 180 ha could be developed for cultivating fruit, flowers or vegetables. The capital investment needed was about R20 million.

Another potential project, requiring a capital investment of between R1 million and R3 million, was one to encourage small farmers for the cultivation of oriental tobacco.

There were two ways in which developing communities could share in agricultural ownership, Mr Le Roux said.

"One is the farm-worker eq-

uity route, through which we enable them to buy into the existing successful commercial set up, with the proviso that there must be room for expansion to create further wealth."

In such a system the individual would own shares instead of land.

He welcomed the newly announced government incentive of a R15 000 settlement-grant to buy into existing commercial farming operations.

"If you have 40 farmworkers, together they could pool R600 000 for a capital base to take up further loans for a bigger stake.

"We act as a facilitator to structure such deals, but it can only work with really successful, existing commercial farms."

Another way for communities to participate was to settle people in their own right on their own land to farm on a small scale, but this was a riskier route because access to supportive services was very limited, he said.

A modification to this route was being considered, which involved several satellite farms receiving certain services from

the main farm.
"We are working on two projects in the Western Cape where we will be able to implement that concept."

Mr Le Roux said the essence of NewFarmers was a philosophy of partnerships between itself, members of developing communities, existing commercial farmers and other individuals and institutions who identified with the company's broad aims.

Partners would be expected to offer relevant expertise and, or funding and a commitment to make the process work.

"NewFarmers provides the ideal conduit for the business community in South Africa and from abroad to invest in well managed, carefully selected and commercially viable agricultural projects, but with strong emphasis on the creative economic empowerment of developing rural communities.

"All investments will be based on detailed feasibility studies. Reasonable prospects for market related dividends to shareholders will be a key criterion for making investments."

(3) (2) ARG 17/2/96

Farmers sow discord over Marketing Act

ST(BT) 18/2/96

(3)

REBEL farmers are launching a three-pronged attack against the Agricultural Marketing Act as thousands of farmers are reportedly refusing to pay levies to agricultural boards.

The Organisation of Livestock Producers, the Independent Fruit Growers Association and the Wool Free Market Organisation are each planning to challenge both the existing Marketing Act and the draft Agricultural Marketing Bill, tabled in Parliament last week, in the Constitutional Court.

Agricultural sources say the OLP has reached an out-of-court settlement, exempting members from the existing Act. This means that the applicants cannot be charged for non-payment of levies and non-compliance with the provisions of the Act.

Nils Dittmer, director of the OLP, says the draft bill confers sweeping new powers to the agricultural boards. The OLP recently served papers on 14 agricultural boards, the Transvaal attorney-general and the minister of agriculture, claiming the existing Act is unconstitutional. It says the Act violates farmers' constitutional rights to freedom of association and economic activity, and is discriminatory in that it imposes levies on certain sectors of the industry and not others. The OLP says the Act also violates of Section 24 of the Constitution guaranteeing administrative justice.

Kraai van Niekerk, Minister of

By CIARAN RYAN

Agriculture, this week defended the draft agricultural Bill, claiming it was "enabling" rather than prescriptive. Although it enabled the creation of agricultural boards, this was "not the intention from the start".

Mr Dittmer says the intention of the Bill is "very clearly to regulate the industry and control every aspect of agriculture".

Rebel farmers say the draft Bill differs little from the existing Act. They fear that agricultural boards will bring back single-channel marketing and price controls.

Under the draft legislation, control boards can be created if supported by a two-thirds majority of producers in a sector. Mr Dittmer says while this has the appearance of transparency and democracy, the control boards will be rubber stamped into existence by the South African Agricultural Union on the grounds that it represents commercial farmers.

The Independent Fruit Growers Association is planning a separate court action against Unifruco and Outspan, claiming their monopolies on the export of deciduous and citrus fruit violates the Maintenance and Promotion of Competition Act, as well as the Constitutional property ownership rights of farmers.

In addition, the association plans to bring an action in the Eu-



KRAAI VAN NIEKERK: New agricultural boards not the idea

ropean Court against Capespan, Outspan's overseas marketing arm, on the grounds that it violates European monopoly laws.

Valdy Jensen, executive director of IFGA, says farmers' property rights are being violated by Outspan and Unifruco because farmers lose control of their produce as soon as they export.

"We started off lobbying for more accountability at Unifruco and Outspan, but it has gone beyond that. We want to be free to market our own produce."

Pikkie van den Heever, spokesman for the Wool Free Mar-

ket Organisation, says rebel wool farmers are planning a similar court challenge and may decide to join the OLP in its action.

The Wool Board no longer has single-channel marketing powers, but farmers object to paying compulsory levies. Allegations by the auditor-general that the Wool Board used its funds in a manner contrary to the Marketing Act have not been satisfactorily answered, says Mr van den Heever. He says nearly 300 wool farmers are refusing to pay levies and the Wool Board has threatened to refer them to the attorney-general.

Property clause has no place in constitution

(3) ~~(4)~~

BD 19/2/96

BRENDAN PEARCE

EFFORTS to rectify the wrongs and injustices of the past will be frustrated should the property clause remain entrenched in the constitution. The clause will promote inflexibility and make it hard for government to proceed with reconstruction and development. And it will perpetuate the property and income differences between races.

It is in landholding that disparities are very large, and they are mainly a direct result of conquest, unjust laws and other inequitable measures. The role of the market in the acquisition of land as private property was both minimal and a consequence of these fundamental forces, used by erstwhile governments for the interests of one section of the population at the expense of others. These governments overrode or distorted the rules. They instituted a highly skewed and unfair land distribution.

As free and equal access to land has until now been absent, there can be no absolute guarantee of property. The present government has a moral duty and historic task to ef-

fect an equitable redistribution of land. It is fair to say that products of the past that have a bearing on the present situation should be taken into account when assessing needs and ways to bring about parity and meaningful development.

But with government's hands tied by the property clause, very little can be done to advance the land reform process. Even the land affairs department has come to this realisation. In its recent green paper, the department says "it is essential that the constitution should make effective land reform possible. If it obstructs or prevents land reform, a constitutional crisis will occur, as tension develops between the popular demand and need for land, and constitutional provisions which make it impossible for government to respond to that demand."

Although white farmers make up less than 0.17% of the population, they own virtually all the agricultural land. About 55 000 white farmers own more than 11-million hectares, or an average of 2 000ha each. Contrast this with blacks as a

whole, most of whom have access to only about 0.5ha of non-agricultural land each. Nowhere in the world does a similar disparity exist.

If vast tracts of land are not to remain in the hands of a few white landowners, government must intervene deeply and decisively. Those who advocate retention of the clause (like the NP and the DP), do so because the bulk of their supporters have property. But they are in danger of reinforcing the racist spirit that underpinned unacceptable differences.

A realistic and equitable property situation in this country requires that we jettison unfair baggage from the past. The spirit behind the property clause goes against this. Parties supporting the clause are creating an albatross for themselves. Since these parties are presumably committed to justice, the free market and equitable development, they cannot, in all honesty, support a measure which goes against the

speedier establishment of a just, free and equitable property framework. And if they have confidence in the country, the efficacy of the law and the efficiency of the market system, they should relinquish a measure that will only bring about injustice and discontent.

Failure to get rid of the clause could result in more land invasions, contributing to general instability and threatening the viability of the very economy that such parties make so much noise about sustaining. Such developments are likely to discourage foreign investors more than the absence of a property clause — something which does not apply in most democratic countries.

This is not to call for wholesale expropriation of land from the present holders. Nor am I saying there should be no protection or due processes of the law and the operation of the market.

However, government must be more active in intervening directly and deeply in making land accessible to the disadvantaged. If this means it should either suspend or

tamper with the market to achieve equity and economic growth, then so be it.

As long as the property clause makes land ownership an absolute, to be determined entirely by market forces or market-related prices, government's power to implement reform programmes will simply be challenged by present land owners, as contravening their rights, as enshrined in the constitution.

Protection of land owners' rights and procedures for redistribution could be taken care of by ordinary legislative and legal methods. The constitution should not be an instrument for entrenching or safeguarding injustices; nor should it preempt or supplant other measures that could do a more effective job in realising both the spirit and letter of justice and development.

As things stand, the clause ties the hands of government in getting rid of obvious and gross aspects of the apartheid legacy.

□ Brendan Pearce is the national land committee director.

BOOKS

Fishermen's protest fades

ROGER FRIEDMAN
Staff Reporter

POOR fisher-folk from communities across the Western Cape turned out in droves at Witsands slipway near Kommetjie to take part in the symbolic reclamation of dwindling crayfish resources from large, white-owned companies.

But what was billed as the beginning of the threatened "scorched sea policy" by poor fishermen to protest against their alleged marginalisation by the Quota Board fell into disarray when a main organiser pulled out after talks with Environmental Affairs Minister Dawie de Villiers last week.

Originally the fishermen were to have taken to the sea and hauled out

(3) ARG 19/2/96
as much crayfish as they could, and then braaied them on the beach for the community in a symbolic gesture of defiance to officials enforcing the rule allowing a catch of only four crayfish a day for personal use.

But protest organiser Andy Johnson of the organisation, Informal Fishing Communities, who is on the board of the Fisheries Policy Development Committee, reached a "compromise" in talks with Dr De Villiers.

Mr Johnson said Dr De Villiers had agreed to expedite an urgent investigation into claims of irregularities levelled against the Quota Board.

"I hope the assurances will result in concrete results. It is more and more of a task keeping the fishermen calm," he said after the meeting.

Property rights row brewing

(ZAP) (3) ARG 19/2/96

Labour Reporter

THE Congress of South African Trade Unions (Cosatu) will meet the African National Congress on Wednesday to discuss its concerns about including a clause on property rights in the new constitution.

Cosatu spokesperson Neil Coleman said national office bearers of the 1.6-million strong federation would come to Cape Town specially for the meeting and would also raise other contentious clauses such as the labour relations clause, which currently gives employers the right to lock out workers.

Cosatu also hopes to meet the National Party on Wednesday.

Mr Coleman said Cosatu stood by its belief that property rights

□ *Cosatu set to meet ANC to discuss the constitution*

should be dealt with under normal legislation, not in the constitution.

This position is shared by several rural and landless communities and organisations working in the land rights sector.

On Thursday last week, a delegation representing rural communities from several provinces met with Cyril Ramaphosa, Constitutional Assembly chairman, and negotiators from the NP, Democratic Party and the Pan Africanist Congress.

In a statement on behalf of the community representatives, the National Land Committee (NLC) said after the meeting that the

parties had listened to them but not heard what they had said.

"It seems clear that the NP and DP remain committed to protecting the property of the minority at the expense of the millions of landless people," the NLC said.

Although the NP and DP tried to justify a property clause in the constitution as a way of also protecting black landowners, the NLC questioned this "change of heart".

"This is a cheap shot coming from parties who have never been interested in the secure tenure of black people.

"The public needs to see their

arguments for what they are - an attempt to entrench racism in ownership of land."

The NLC said that while the ANC and PAC favoured having no property clause in the constitution, neither party had the political will to take a stand on the matter.

"As a result they have compromised on the issue which is central to transformation of the currently skewed and unjust land distribution in this country."

They said the ANC had invited further discussion but community representatives believed this would be in vain, as they had already made their position quite

clear to all the negotiators.

"If a property clause is written into the final constitution, it will be obvious that our government will not be able to help us get land. If this happens, we will be forced to use land invasion as our last resort."

Besides the call for no property clause to be included in the final constitution, there are two other options on the table.

One option proposes guaranteeing the right to own property and says nobody may be deprived of that right unless this is done for a public purpose or in the public interest.

When property is expropriat-

ed the state must compensate the owner, taking into account the market value of the property and any improvements that have been made to it, its current use and how it was acquired.

Another option proposes that the state be able to pass a law which allows it to expropriate property when it is for the public interest - for example, land reform - or for a public purpose - for example, to build a road.

If property is expropriated, the state would have to compensate the landowner, weighing up public interest against the interests of the landowner.

One of the factors which would have to be considered in calculating the compensation would be the state's ability to pay.

'ANC, PAC lack will for land reform'

BARRY STREEK
POLITICAL WRITER

~~25/11~~ (3)
CT 19/2/96

THE National Land Committee (NLC) has slammed all parties in Parliament, including the ANC and PAC, for failing to take a stand promoting land reform.

Both the ANC and the PAC had said they favoured the option of having no property clause in the constitution "but neither parties have the political will to take a stand on the matter", the NLC said.

The NLC issued the statement after a delegation of "rural and landless people", representing communities from eight provinces, last week met Constitutional Assembly chairperson Mr Cyril Ramaphosa and members of the ANC, PAC, National Party and Democratic Party.

Community representatives reminded negotiators that landless people had insisted on three previous occasions that a property clause in the constitution would stop land reform taking place.

They had reiterated their call for the property clause to be removed from the final constitution when they met representatives of the political parties.

"From the ... responses, it seems clear that the NP and DP remain committed to protecting the property of the minority at the expense of the millions of landless people in our country."

The NLC said the community representatives had responded after their meeting that they had been listened to, but the parties had not heard what they had said.

The ANC had promised the representatives for further discussions but they felt these discussions could be in vain as they had already made their position clear.

Land tenure systems 'should be re-evaluated'

BD 20/2/96

(3) (2)

Samantha Sharpe

CAPE TOWN — SA had to re-evaluate its land tenure systems, which included communal land ownership by local chiefs, to reduce rural poverty, Deputy President Thabo Mbeki said yesterday.

Speaking at the opening of a workshop on approaches to rural poverty alleviation in Southern African Development Community countries, Mbeki said the development of small farmers was the key to reducing poverty.

This was a decisive step towards meeting the challenge of poverty countrywide, with the poorest provinces in SA overwhelmingly rural provinces.

About two thirds of SA's poor are found in three provinces — the Eastern Cape (24%), KwaZulu-Natal (21%) and Northern Province (18%).

Mbeki said government would have to "develop and empower the small farmers" by ensuring that land tenure systems encouraged growth in agricultural production.

This meant access to land and capital as well as training, extension services and marketing support for agricultural products.

About 28% of SA's rural poor had

access to some land for crop production of which more than 80% was communally owned. About 95% of the value of production originated from the large scale, commercial subsector.

Small farmers also had to be supported by a labour-intensive infrastructure and a strong drive to raise literacy and numeracy levels in rural areas, he said.

Mbeki said reduced poverty in rural areas would translate into lower employment levels in the countryside and a slowdown in rural-urban migration and the development of urban slums.

However, democratic institutions in rural areas had to be strengthened to encourage popular participation in decision-making processes.

World Bank spokesman Katherine Marshall warned that poverty alleviation had to become the real goal of government policy, with words translated into deeds.

She said policymaking in many countries was "still too top down".

There was a danger that governments could become preoccupied with the goal of a healthy macroeconomic environment without immediate relief to the poor, Marshall said.

SA places low on social order

CAPE TOWN — SA's social indicators and income inequality record were among the worst in the world compared with similar middle-income developing countries such as Brazil, Malaysia and Thailand, a World Bank report says.

The study found that social indicators such as health, education, safe water and fertility were not very different from those of some low-income sub-Saharan African countries.

Moreover, if SA's indicators were limited to only Africans, black SA social indicators were worse than a much poorer country like Kenya.

The report — made available yesterday to delegates at an international workshop on alleviating poverty in southern Africa — said also that between 36% and 52% of South Africans were poor, with at least 45% being children below 16 years.

Nearly 95% of the poor were black, 5% coloured and less than 1% Indian or white, it said. — Sapa

BD 20/2/96

Technology and credit 'a must' for small farmers

Kathryn Strachan

MAKING technology and credit available to small-scale farmers was essential if southern Africa was to break its cycle of poverty and hunger, the International Food Policy Research Institute said last week.

Per Pinstrup-Andersen, director-general of the Washington-based institute, said that two decades ago China's crop yields were the same as yields in southern Africa. But through investing in technology and producing better hybrids, China's yield per hectare was now four times higher than that of southern Africa.

The institute was involved in producing varieties of maize that were more resistant to drought and insects. It is estimated that an investment of \$30m over 10 years in southern Africa would produce a crop which yielded 25% to 50% more during droughts. A new hybrid had been successful in Mexico, but had to be tested locally.

Southern Africa was also in a worse position than many other underdeveloped regions as its people had no access to land.

India was another developing country which had gained through investing in technology, and now had surplus food. However, starvation was still high as people did not have the money to buy food.

"If small-scale agriculture is improved through credit and better technology, this spills over into the larger economy," he says. While the larger farmer depends on imports such as tractors, the small scale farmer needs locally produced things such as a hoe or a bicycle, and the local spending pattern creates an economic engine which brings the rest of the economy along.

While small-scale farmers needed access to credit, this did not mean the credit had to be subsidised. Government subsidisation of farmers was far too expensive and it was far more important to remove trade barriers which tried to keep prices down by prohibiting exports.

For this reason, the institute was critical of SA's decision not to export maize and proposed instead that local farmers should be paid the price they could get on the export market.

Southern Africa's policy of prohibiting exports to keep prices low had backfired. In comparison, Asia allowed free trade which enabled farmers to get higher prices and in turn gave them an incentive to produce high yields.

The answer was not to keep farmers' prices down through trade controls but to keep their production costs low through technology and research, and in this way to bring down prices.

Over the past decade, the US had been steadily cutting agricultural aid to Africa's poorest countries. But the institute was trying to impress on US donors that giving foreign aid was in fact "a good investment and not a handout". Every \$1 given for agricultural research boosted the recipient country's economy and, from its new export market, the US got \$2,5 back. When the job creation generated in the US through the new export market was brought into the equation, the \$1 now yielded four times its original worth.

This argument held true for SA as well, said Pinstrup-Andersen, because the rest of the region held such great export opportunities.

BD 20/2/96 (3)

Farmers' boycott could grow

Louise Cook

BD 20/2/96

PRETORIA — Western Cape farmers have threatened to join their Eastern Cape counterparts in refusing to pay local government levies. The region's agricul-

3
tural union said yesterday that although it was comfortable with its members' representation on local government structures — the Eastern Cape farmers' main complaint — it might join the boycott.

"If you look at politics today, the trend is to show solidarity by joining," Western Cape Agricultural Union GM Frikk Bosman said.

About 8 000 Eastern Cape farmers started withholding levies in November when the farming sector failed to obtain more than 10% representation on local government structures.

The farmers decided at the weekend to continue withholding the levies, and are demanding 35% representation.

The Western region district council, one of the Eastern Cape's six rural government structures, said outstanding levies were about R2m.

Claims that the boycott would spread to KwaZulu-Natal could not be confirmed, but sources said the region's farmers also objected to the 10% representation.

See Page 5

Property clause widely rejected

Samuelson 20/2/96

(3) (21)

By Joe Mdhlela
Political Reporter

THE NATIONAL Land Committee and a number of non-governmental organisations are calling for the scrapping of the property clause from the final constitution – three weeks after the Government unveiled its green paper on land reforms.

Other organisations fighting for the removal of the property clause include: the Congress of South African Trade Unions, the Association for Rural Advancement, Association for Northern Cape Rural Advancement, Border Rural Committee, the Rural Women's Movement, Free State Rural Committee,

There are fears that entrenching the clause will hinder reform

Transvaal Land Restoration Committee, Surplus People Project, Southern Cape Land Committee, National Rural Development Forum, Farmworkers Research and Resource Project, Urban Sector Network, Development Action Group, Transkei Land Service Organisation and Earthlife Africa.

Unjust distribution

Spokesperson for the land committee Ms Nomfundo Lumphondwana said even lawyers' organisations such as the National Association of Democ-

atic Lawyers and the Centre for Applied Legal Studies were opposed to the clause. She said it was the view of most organisations that the constitutional entrenchment of the clause will reinforce the highly skewed and unjust land distribution and serve to perpetuate and protect white land ownership at the expense of millions of landless blacks.

"A property clause which insists on market value compensation for expropriating land will prove unaffordable for the Government in the long-term," she said.

PROPERTY RIGHTS

THE CONFLICT INTENSIFIES

Are we facing the possibility of what redistribution of land from the white farmers to a dispossessed peasantry has meant for Zimbabwe? The dilemma posed by conflicting formulations of the property clause in the constitution (*Current Affairs* February 9) is intensifying.

This week a delegation from Cosatu intends meeting the ANC and NP to argue its case that there should be no property clause at all — an option favoured by the Pan-Africanist Congress and at times slated as a mandate for wide scale expropriation with scant or no compensation.

The Constitutional Assembly (CA) has moved away from the three property options as formulated in the draft text through which it is working. The ANC and DP have tabled new proposals which indicate a narrowing of divergences. But it is clear that fundamental problems remain that relate to land reform and the State's ability to pay.

This week the SA Agricultural Union (SAAU) took matters further by submitting a detailed analysis of the situation, and suggesting its own wording of a property clause. The union argues that any attempt to weaken the right to own property in an attempt to effect land reform, or to link expropriation payments to the State's ability to pay, would fail the certification test of the Constitutional Court.

It bases its arguments on Constitutional Principle 2 — an entrenched principle with which the new basic law must accord. The clause states in part: "Everyone shall enjoy universally accepted fundamental rights, freedoms and civil liber-

ties, which shall be provided for and protected by entrenched and justiciable provisions in the constitution which shall be drafted after having given due consideration" to the Bill of Rights in the interim constitution of 1993.

The SAAU suggests that the property clause in the interim constitution — which asserts a right to own property free of arbitrary infringements by the State — overrides ANC attempts to entrench land redistribution in a new clause declaring that anything in the property right "shall not invalidate reasonable legislative and other measures that are designed to bring about land reform to redress the results of past racial discrimination."

The SAAU view accords, in broad terms, with that of the DP and NP, whose original proposals are reflected in Option 3 on property in the Working Draft for public consumption published last year.

Understandably, the SAAU is talking to its book. It accepts that "the constitution should not prevent government from implementing reasonable land reform measures redressing the results of past racial discrimination." But certain ANC provisions "would eliminate the constitutional protection of immovable property altogether. They would pave the way for expropriation without compensation, as well as other violations of property rights."

It is "appalled by the suggested inclusion of 'the ability of the State to pay' in the list of factors relevant to the determination of compensation. It is self-evident that this change, if effected, will allow the

State to embark on a massive and ever-widening programme of land confiscation. For the inexorable logic of the compensation formula will entitle the government to decrease the amount of compensation payable upon an expropriation simply by increasing the number of expropriations."

The so-called socio-economic clauses in the Bill of Rights are likely to be made contingent on the ability of the State to fund them. But expropriation of land without compensation could destroy the fabric of society.

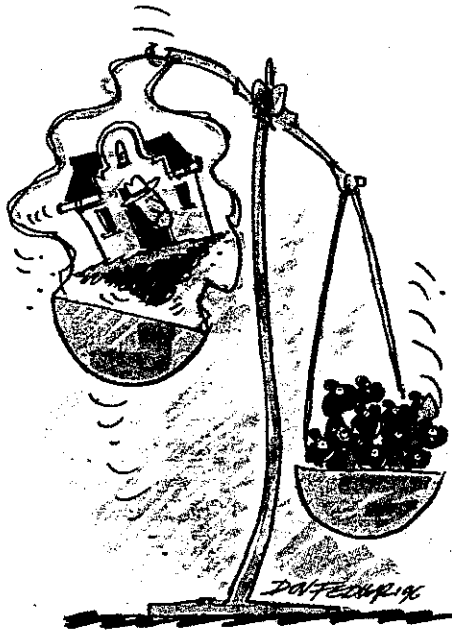
In its revised proposal for a property clause, the DP suggests that "property may be expropriated only in terms of a law of general application — (a) For public purposes or in the public interest, which includes land reform to redress the results of past discrimination; and (b) Subject to the payment of compensation within a period and in a manner agreed or decided by a court."

In its proposal the SAAU accepts this clause, strengthening the payment entitlement by deeming it to be "just and equitable." Like the DP and NP it wants the history, use, market value and investments in the property to be taken into consideration.

Behind these disagreements lie dangers and passions. Minister of Land Affairs Derek Hanekom would prefer no constitutional property clause. Cosatu will reaffirm that position to the party leaders this week. And the National Land Committee — representing "community" interests — has gone even further.

In a statement issued last week, the committee claimed that while the PAC and ANC were against any property clause, neither had the political will to enforce this view. It added: "If a property clause is written into the final constitution, it will be obvious that our government will not be able to help us get land. If this happens, we will be forced to use land invasions as our last resort."

If organised labour takes its support for this position further, some form of mass action seems inevitable. ■



RISING COSTS AND NEW POLICY FLOWING DOWN THE PIPELINE

Lesotho project no panacea

Recent heavy rains have held water price increases at bay only temporarily. In a major shift in policy emphasis — from seeking to guarantee supply to managing demand — the Department of Water Affairs & Forestry is determined to force farmers, industry and householders to use less water.

The reason is plain enough. SA's population continues to grow while opportunities to exploit water resources shrink. Experts believe that SA could face continuing water crises in 25 years' time.

Tapping into two vast rivers, the Zambezi and the Zaire, is a remote prospect. The cost would be huge — as much as eight times that of water from the Vaal river system, since the Zambezi is 1 200 km from Gauteng and the Zaire twice as far. Nor can the willingness of their many "basin" states to sell water to SA be taken for granted.

No-one, however, will use water more efficiently except under pressure. That is why the department will start raising the real price of water from April — and why it is pondering a clutch of recommendations from lawyers to make fundamental changes in the Water Act.

Minister Kader Asmal has not yet accepted these proposals. He wants them to inspire "informed discussion, including frank and honest dissent."

He won't be disappointed. Farmers could lose legal rights. Many others will ask whether the proposals won't create a huge but ineffective bureaucracy.

Will the price mechanism meet As-

mal's dream of bringing water to the many millions who now lack it for consumption, let alone sanitation, and enable him to guarantee sufficient water for city dwellers and industry? The answer

is: probably not. That is why the lawyers propose that water be regarded as an asset owned by all and administered and allocated by the State.

At present, a significant proportion of water used in SA is categorised as "private" (found on or under privately owned land) or enjoyed in the name of riparian rights. Private water is beyond consumption control measures, including the price mechanism. Riparian rights are seen by the department as limiting its power to allocate water

to different classes of user.

That is considered far from satisfactory because of the way enjoyment of private rights can adversely affect others. Ex-

(3) FM 23/2/96
perts describe the hydrological cycle (see diagram) as a fragile, interdependent system. Abuse one of its parts and the rest are seriously affected.

For example, commercial forestry or sugar plantations greatly reduce run-off to lower areas. That could affect their level of ground water as well as the amount of water flowing into rivers.

The latter could, in turn, affect riverine ecologies with unpredictable results, not only for insects and birds — and therefore, perhaps, for agricultural crops as well as natural growth. It could also impair the ability of rivers to purify themselves through the natural biochemical processing of organic waste, and increase salinity levels.

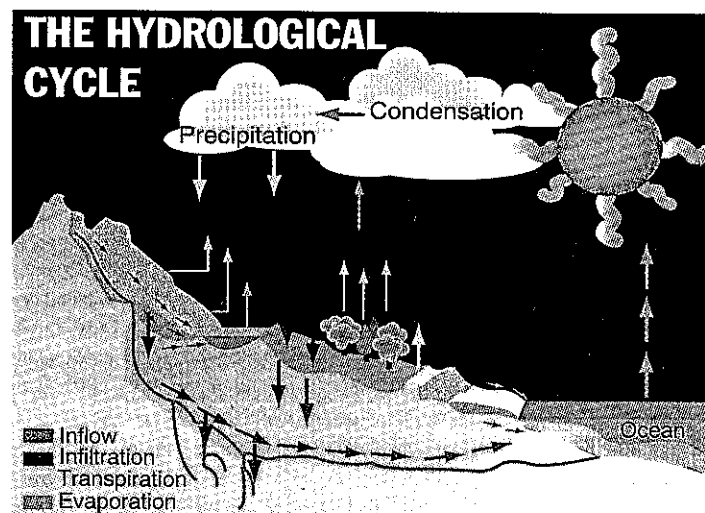
The same disastrous effects can be produced by State or farm dams. That is why a question mark hangs over the later phases of the Lesotho Highlands Water Project, designed to exploit the headwaters of the Orange River.

The statistical data on which the overall project is based was produced in 1971. Since then, says Water Affairs deputy director-general of development Paul Roberts, there have been many water-using developments in the lower Orange, and Namibia now also has a legal claim on the river's water. During the past 25 years, hydrologists have acquired better rainfall records and analytical tools for determining what any river system can provide on a sustainable basis.

The department is looking at other dam sites. There aren't many left, though. To minimise evaporation, they must have naturally steep walls to provide a



Kader Asmal . . . seeking a balance between theory and practice



'Arid' SA to restrict the use of water

Within five years stringent curbs will be necessary and in 10 Israel-style regulations will be in force as supplies dwindle

OWN CORRESPONDENT
Cape Town

Two bills are to be placed before Parliament this month to severely restrict the consumption of water by households, businesses and local authorities and they could become law within months.

Major restrictions proposed in the Department of Water Affairs' National Water Supply Regulations include:

A summer ban on watering gardens and sports fields between 11am and 3pm from October to March each year.

A total ban on hosing down pavements or any other hardened area. Businesses that use high-powered hoses to clean fouled pavements daily will be particularly affected as will local authorities which water public gardens and lawns during the hot part of the day in summer.

Other regulations include:

A ban on flushing urinals which are not self-activated.

A ban on gates or doors which operate by the use of water pres-

sure.

A ban on lavatory cisterns with a capacity greater than 9 litres. All new cisterns must be fitted with dual flushing devices, one using less water for flushing liquids.

A ban on shower heads with a flow rate of more than 10 litres a minute.

Hand basins will have a maximum flow of 6 litres a minute.

Car washes will have to ensure that 70% of water is recycled.

New geysers must be adaptable for connection to solar water-heating systems.

The chairman of the National Water Regulations Drafting Committee Neil Macleod said people used water as if this were a water-rich country.

"We're an arid country, comparable with Israel, and these regulations are the first step in a national process to conserve water," he says. "In about five years we will have to introduce stringent regulations, such as tariff hikes and compels people to fit water-saving devices."

"In 10 years we will probably have the same regulations as Is-

rael, where even the type of appliances used in the home are regulated, and the type of plants one can grow in gardens is controlled."

Macleod estimated that within 30 years, the amount of water available per person would have halved to about 650 litres a day.

"Our rain remains constant. We're not going to get more. But the population is growing, living standards are rising, and commerce and industry are growing.

"We urgently need to change people's behaviour from a free-and-easy approach of using as much water as they like, to one which balances consumption with availability of a scarce resource," Macleod said.

He said the old Water Act of 1956 would be replaced by two new acts - the Water Services Act and the Water Resources Act - which were due to go before Parliament this month.

"Once the Water Services Act is in place, it will empower the minister to make the regulations law. They could come around the middle of the year," Macleod said.

Star 1/4/97

3 (113)

All are guilty — Tutu

Sowetan 20/2/96 (2)

By Rafiq Rohan
Political Correspondent

CONFESSING the horrors of apartheid, in Truth Commission terms, is something that everyone in South Africa will have to do.

In different measures we all have been guilty. Black people also need to confess, Truth Commission head Archbishop Desmond Tutu told *Sowetan* in an interview yesterday.

Tutu was equally forthright about the question of the huge salaries that commissioners on the TRC will be earning. They are earning over R23 000 a month, salaries equivalent to those of judges.

Not so long ago Tutu accused Members of Parliament of riding the gravy train because of their high

salaries. At the time he became something of an official spokesman for gravy train critics.

Many MPs argued that they worked long and hard hours and that they had actually taken salary cuts by coming to Parliament.

Could the TRC commissioners also not be seen as hopping aboard the gravy train, I asked Tutu?

"I am glad that quite a few of the commissioners felt sufficiently uneasy for it to have been raised immediately in our first meeting.

"The principle is one that I think is quite right. If you are going to second three people from the Supreme Court — as has happened — to operate within the commission you cannot expect them to come from where they are used to their particular

salary level and come and take a lower salary. That is the principle," Tutu explained.

He said that he was shocked at salary levels that people actually earned before coming to the TRC.

"Some of the professional people on the commission actually seriously considered not accepting because even this level (of salary) is lower than what they earn.

"If you are looking for the best people to appoint, and quite a few of them are professional people, it is then up to the commission to decide."

Tutu has volunteered to donate part of his earnings to charitable causes. He also said the salaries were due to the two year period that commissioners would serve.

● See page 12.

Land claims date now extended

Sowetan 20/2/96 (3)

THE Regional Commission on Restitution of Land Rights has extended the period for the submission of claims for the restitution of land rights in the Alexandra, Pageview and Albertsville in Johannesburg to April 9.

The initial deadline was December 13 last year. While the commission said it had received a great num-

ber of claims, there is reason to believe that not all potential claimants have submitted claims.

Meanwhile, all former stand owners in Kliptown, near Soweto, have been invited to a meeting on Sunday to discuss land claims. Organiser of the meeting Mr Mthethi Mngomezulu said the meeting will be held at the

former Lilydale Community School from 9am.

He appealed to all landowners or their children to attend. All interested parties should bring along their title deeds, identity documents, death certificates of landowners and sworn statements to prove that they are the rightful applicants.

POLITICS

SAAU demands 'just and equitable' compensation be paid for land

Wyndham Hartley

(3)
21/2/96

CAPE TOWN — The SA Agricultural Union (SAAU) has softened its demands for a property clause in the new constitution by acknowledging that expropriation to rectify apartheid wrongs is necessary.

But the union has strongly opposed the suggestion that the compensation paid by the state when expropriating property should be based on what it can afford.

In a late submission, handed to the Constitutional Assembly by

President Chris du Toit, the SAAU reviewed developments in the debate on a property clause in the new constitution and warned that land reform could harm national economic stability.

The property clause is one of the remaining major obstacles in the constitution-writing process.

In Land Affairs Minister Derek Hanekom's green paper it says that expropriations should be allowed for the "public good".

This is a departure from the phrase "public purposes" in the in-

terim constitution. It would allow expropriation for land redistribution and restitution.

The SAAU suggested in its submission that the clause should retain the "public purposes" definition allowing for roads, dams and parks, but it should add "including land reform to address the results of past racial discrimination".

It also insists that "just and equitable" compensation should be paid.

The ANC has suggested that the ability of the state to pay compen-

sation should be a consideration.

The SAAU said this would encourage government to deny the availability of money in order to bring down the price.

It would also mean that the more the state expropriated the less money it would have and consequently the level of compensation would progressively be reduced.

"The success of the agricultural sector and the continuation of sustained growth in food output are key considerations in the reconstruction and development of SA. Capricious,

ill-considered or unjustified interference with property rights will render the commercial farming sector helpless and would undoubtedly threaten the fabric of a free market economy," Du Toit said.

He also reminded the assembly of President Nelson Mandela's undertaking to the SAAU in 1994: "Any land owner who bought his land legitimately has a right to protection.

"The constitution provides for that protection and no sensible government can deprive people of property obtained legally."

ANC senators query farm tenants' Bill

PD 21/2/96
Wyndham Hartley

CAPE TOWN — The Land Reform Labour Tenants Bill was approved by a Parliamentary committee yesterday after unexpected opposition from ANC senators, who asked why tenants' rights to land expired after a year if they were not exercised.

Land Affairs director-general designate Geoff Budlender explained that if a father had failed to take up his rights to the land and neither he

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nor his sons were prepared to offer labour for the right to remain on it then they would have one year to vacate the land.

The committee adopted numerous amendments to the Bill which were the result of compromises between the National Land Committee and the SA Agricultural Union, and submissions by the judges of the Land Claims Court. After debate in the Senate today the Bill will again have to be considered by the National Assembly.

Rand Water will rehabilitate three catchment areas, create 1 650 jobs

(3) (127) Stav 19/7/96
Gauteng's major water supplier, Rand Water, has put R10-million on the line to improve and rehabilitate the catchment areas of rivers from which it draws water.

The money will go into three projects and create 1 650 jobs, the majority of which will hopefully be sustainable, Vincent Bath, chief executive of Rand Water, said in Pretoria.

The water supplier was actively involved in three specific Working for Water projects. These addressed issues such as alien invasive tree removal, soil erosion and river rehabilitation.

Three areas have initially been targeted. They are the Liebensbergvlei River, the Seekoeivlei wetland and the upper Tugela River catchment.

Removal of alien invasive trees in the headwaters of the Liebensbergvlei River, which rises in the vicinity of the Golden Gate National Park, will aid in improving water flow to the Wilge River which in turn feeds the Vaal Dam. About 200 people in eastern Free State will be employed

on this project.

The Seekoeivlei wetland on the Klip River drainage system near Memel in eastern Free State will be rehabilitated by construction of anti-erosion gabions to raise the water level. This will increase flooding levels, restore natural wetland functions and increase water retention time in the wetland with an improvement in the water quality of the Klip River and Vaal Dam. More than 400 jobs will be created during this innovative operation.

Infestation by alien trees in the headwaters of many rivers in the upper Tugela river catchment has reached the extent of closed canopies being formed which impacts negatively of water flow.

About 10 000ha of riverine and adjacent slopes of the Pocolan and Futterills river systems will be cleared of alien vegetation using mechanical, physical and chemical control methods with employment for 1 000 people.

Work on all three projects will start within months. - Own Correspondent.

Farmers warn on land reform

3 (3) ARG 21/2/96
Political Staff

COMMERCIAL farmers have warned such organisations as the Pan Africanist Congress and the African National Congress not to "underestimate the power of the farmers" when implementing land reform programmes.

SA Agricultural Union (SAAU) president Chris du Toit said it was crucial that land reform did not threaten or destroy commercial agriculture.

"Such threats would not only lead to personal hardship and dissatisfaction, but to national economic instability."

Mr Du Toit was speaking at a media briefing yesterday after handing in to constitutional assembly executive director Hassan Ebrahim the SAAU's submission on the property clause to be included in the final constitution

One of the options before the constitutional assembly details circumstances under which expropriation of property might be undertaken in future, the way in which courts considering compensation should balance the public interest with the interests of those in need of land restitution, and the ability of the state to pay for such expropriations.

Mr Du Toit said although the SAAU recognised and supported in principle the need for land reform, this should be balanced by appropriate protection for property owners under the new constitution.

Asked what actions farmers anticipated if their proposals were ignored by the constitutional assembly, Mr Du Toit said: "We'll start nothing that we can't pull right through to the end. Don't underestimate the power of the farmers."

from moves to encourage payment of service charges, was presented to the city council.

School loses whites-only bid

Stephané Bothma

BD 22/2/96

PRETORIA — A bid by the Potgietersrus Primary School in Northern Province to have the Constitutional Court decide on whether it was compelled to admit black pupils, failed in the Transvaal Supreme Court yesterday.

Judge TT Spoelstra last week ordered to school to admit pupils of all races. An application by the school for leave to appeal against this finding was rejected with costs by Spoelstra.

He said there was no reasonable prospect that the Constitutional Court would interfere in any part of his earlier judgment.

Spoelstra rejected an argument by lawyers representing the school that the draft constitution allowed parents to determine the culture, language and religion of pupils at a state school.

Section 32(c) of the constitution referred only to private schools and Potgietersrus Primary was clearly a state-aided school, the judge ruled.

Flood management policy in the spotlight

Theo Rawana

BD 22/2/96

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THE water affairs department was investigating a more comprehensive flood management policy that would cater for "diverse physical and socioeconomic conditions", Water Affairs Minister Kader Asmal said yesterday.

Sapa reports Asmal, in an interpellation in the National Assembly, said emphasis in the policy would be on prevention, not reaction, to disasters. The report was expected by the end of April.

"A good balance must be found between structural solutions and managing human activities, by, for example, reducing poverty, appropriate land use and ensuring community participation. A partnership between communities and officials is essential."

He was replying to Janet Love (ANC), who said flood management needed to be part of a much broader approach. Issuing flood

warnings without prior organisation did not work. A disaster management discussion document released three months ago by the constitutional affairs and local government department had received little attention, she said.

Asmal suggested that a disaster management office be set up in the president's office to deal with and prevent natural disasters.

Meanwhile, water affairs issued a flood warning to small towns along the Limpopo River. Floods might hit when water from the Crocodile River reached the area. The confluence of the Limpopo and Crocodile rivers was reportedly a kilometre wide. Floods had already reached Buffelsdrif.

□ The Small Business Development Corporation has offered loans to help viable small and medium-sized businesses overcome cash-flow problems caused by flood damage. Amounts of up to R3m are available.

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GARTH LUMLEY

Land reform welcomed

CAPE TOWN — The Senate land affairs and agriculture committee's approval of the Land Reform (Labour Tenants) Bill was welcome, the national land committee said yesterday.

The Bill was tabled on Tuesday.

The committee said labour tenants would now have protection from arbitrary eviction. The Bill would also provide for labour tenants, assisted by the state, to acquire land and rights in land.

At least 500 000 labour tenants and their families would be affected by the Bill, the committee said.

Land owners might now be evicted only for a breach of contract, or for being guilty of misconduct or if the owner had very specific needs for the land.

"The process of eviction is circumscribed and is governed by the Land Claims Court," it said.

It believed that labour tenancy was semi-feudal and had to be transformed entirely.

The committee describes itself as an independent umbrella organisation of nine regional affiliates, working with rural and landless communities throughout SA. — Sapa. **BD 22/2/96**

Transnet pensions 'will be paid'

TRANSNET's pension deficit would not jeopardise future pension disbursements to its employees, Public Enterprises Minister Stella Sigcau said yesterday.

The company's deficit on March 31 last year amounted to R4,209bn she said.

Transnet became liable for the funding of a deficit of about R17,1m which the company had immediately prior to the transfer of the business of the SA Transport Ser-

vices to Transnet on April 1 1990. This obligation was in turn guaranteed by the state.

Transnet had taken steps to address the deficit, including issuing bonds to the value of R10,394bn and increasing its contribution rate from 11% to 15,526%.

The rules of the pension fund were amended to provide for the fund to invest in growth assets and the board of trustees reduced the benefits of fund members. — Sapa.

Intellectual rights Bills

Wynham Hartley
BD 22/2/96

CAPE TOWN — Three Bills which will bring SA into line with its international obligations regarding the protection of intellectual property rights have been approved by Cabinet.

Cabinet secretary Jakes Gerwel told a news briefing yesterday that the Intellectual Property Laws General Amendment Bill would bring domestic law into line with SA's agreement at the Uruguay Round of GATT talks on trade-related aspects of intellectual property rights legislation.

The Counterfeit Goods Bill, which aims to provide adequate protection against trading in counterfeit goods for the benefit of both lawful producers of goods and consumers, was also approved. The third bill, the Intellectual Property Laws Consolidation Bill, will remove anomalies that exist as a result of different laws in the former TBVC homelands.

Language board stumped

CAPE TOWN — Parliament was unable to supply interpreters for a meeting of the special senate committee to set up a pan-South African language board yesterday.

Hansard deputy editor Paul Wise said in a memorandum to the committee his section was hard pressed even to sustain a rudimentary translation service for sittings of the National Assembly and Senate. "It is virtually impossible to provide interpreters for committees as well."

Parliament had no full-time interpreting staff, and staff with interpreting skills were "borrowed" from Hansard's reporting and translating sections, often disrupting this section.

The committee was to have compiled a list of up to 26 candidates for the 18-member board meeting yesterday but was unable to do so because the ANC, IFP and DP had not submitted nominations.

Committee chairman Attie Jooste said the nominations would all be in by the end of this week and the committee would discuss them on February 26. It was hoped that interviews would take place early next month and the Senate would confirm the appointments by the middle of the month.

The constitution calls for creation of a language board to foster development of all official languages and to advise on language legislation. — Sapa.

Mine sues for R10-m

Owner claims water project has interfered with diamond prospecting

By Russel Molefe

SWISSBOURGH Diamond Mines, which has kept water authorities on their toes since the establishment of the Lesotho Highland Water Project in Rampai, is claiming R10-million for loss of mining rights in the area.

The multi-billion-rand water project will, through a series of dams, supply Gauteng with water through underground tunnels from 1998.

Diamond prospecting

Swissbourgh owner Mr Josias van Zyl claims the Katse Dam, which has filled to the maximum level that it can contain at this stage of construction, has encroached on a tract of land which was leased to his company for diamond prospecting.

Van Zyl has been in and out of the Lesotho High Court several times and obtained an interdict which stopped the Lesotho Highlands Development Authority, a joint body which oversees the project, from

continuing with construction in the area in 1991.

But the Lesotho government later passed a law which revoked the company leases and indemnified authorities from any claims for compensation.

Last year, the Lesotho government also passed legislation providing for expropriation of any mining rights in the area and for full compensation for the owners.

However, Van Zyl has refused to be compensated and has opted to sue the LHDA. He initially demanded R60 million but is now asking for R10 million.

The Department of Water Affairs and Forestry in South Africa, in turn, has instituted proceedings in the Lesotho High Court to have Van Zyl's mining rights declared invalid because the "legally prescribed procedures were not followed".

The department said the LHDA had done studies and consulted international diamond experts who all agreed that there were "no economically mineable diamonds in the area".

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Sometan 22/2/96

Labour tenants can now buy land they farm

(3) Star 22/2/96

By PATRICK BULGER

Cape Town - The Senate yesterday passed legislation which gives labour tenants the right to buy the portion of land they farm.

Land Affairs Minister Derek Hanekom, speaking during the debate on the Land Reform (Labour Tenants) Bill, described the legislation as "modest but historically significant" and said it would

help labour tenants, who were "one of the most oppressed and fragile groupings in our society".

Although labour tenancy is technically illegal and has been discouraged for decades, up to 60 000 labour tenants still work on land on farms in the Piet Retief area in Mpumalanga and in Kwa-Zulu Natal. Labour tenants occupy a piece of land on a farmer's farm in exchange for their labour

but they have no rights to the land.

The new law gives them rights against eviction and provides for the state to offer financial assistance to help them to buy the land.

Hanekom's law, which passed through the National Assembly last month, was opposed by the Inkatha Freedom Party, the Democratic Party and the Freedom Front.

Farmworkers now allowed to buy land

LEGISLATION giving labour tenants a chance to buy the land they use and occupy was passed by the senate today over the opposition of the Freedom Front.

The Land Reform (Labour Tenants) Bill now has to go back to the national assembly to have senate amendments ratified.

Senator Dries Bruwer (FF) said the principle that farmworkers were entitled to property rights where they worked was wrong.

If taken to its logical conclusion it meant that a city worker should be able to get property rights "in some or other way" at his place of employment.

He favoured land redistribution if it was scientifically done, but this bill had a political motive.

- Sapa

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ARG 22/2/96

Van Niekerk slates ANC proposal on compensation

BD 23/2/96 (3)
Louise Cook

AGRICULTURE Minister Kraai van Niekerk yesterday attacked an ANC proposal before the National Assembly to base payment for expropriated land on the state's ability to pay, accusing the party of trying to abdicate its responsibility to the public.

Describing the proposal as ridiculous, Van Niekerk said farmers would reject it outright.

He told an agriculture conference in Pretoria that land reform was sensitive. However, commercial farmers should not ignore the emerging sector, but should rather assist in getting it established.

Single-channel exports contributed to SA's international competitive advantage and state intervention, provided for in the draft Marketing of Agricultural Products Bill tabled in Parliament recently, could be motivated as being reasonable and justifiable, he said. "But it is not the intention of the Bill to bring back control; the local market will remain free."

National Maize Producers' Organisation chairman Cerneels Claassen said the domestic market for maize was deregulated, but single-channel exports by the Maize Board would continue. To date, the board had received 422 000 tons of yellow maize in its export pool and had "sold virtually all of it".

He said 3,6-million tons of yellow maize and 4,8-million tons of white maize were expected this year.



Trade and Industry Minister Trevor Manuel signed a promotion and reciprocal protection of investment pact with Danish Foreign Minister Niels Petersen at the opening of the Nielsen tap factory in Bedfordview, Johannesburg, yesterday. From left are Nielsen Tap MD Sally Marengo, Manuel, Nielsen Tap director Kurt Nielsen and Denmark's Prince Consort Hendrik.

Picture: ROBERT BOTHA

Property rights not 'to protect the rich'

(3) (10) B123/2/96

CAPE TOWN — Business groups' desire to defend property rights in the new constitution is not an attempt to protect the status quo, says Business SA constitutional committee chairman Bobby Godsell.

"It is a very deep mistake to think that the constitutional defence of property is in any way a protection of the rich or of the status quo," he said before the business lobby presented its latest proposals to the Constitutional Assembly yesterday. "The defence of property is a central part of a free society. It is at least as important — and probably more important — for the poor." This was highlighted by land hunger and the question of security of tenure in land invasions.

"It is about laying a foundation where individuals participate in a market economy with the confidence that their savings and investments will be secure and protected," he said.

The body favoured the idea that labour rights should be dealt with through legislation rather than in the constitution. However, powerful opposing groups were lobbying for the right to strike and to lock-outs. If this had to be specified in the constitution, it was "absolutely imperative that the constitution deals even-handedly with employers and employees", he said. If not, there would be a "fundamental imbalance" between the rights of investors and workers.

"That would be very bad for the investment climate in SA and our growth rate," he said.

The SA Chamber of Business (Sacob) said the constitution should not exclude the death penalty and should have little control over labour relations. "We believe the way must remain open for government — in the light of the high incidence of violent crime — to restore the death penalty as part of a package of anti-crime measures," Sacob said. A strong groundswell of business opinion favoured reintroduction of the death penalty.

With job creation a priority in SA, the constitution should have as few enshrined labour rights as possible, the business group said. It preferred the exclusion of both the right to strike and employers' right to lock-outs.

Labour relations should be regulated by labour law and collective bargaining, not by the constitution, which had to send a strong signal that SA was irrevocably committed to an open market economy and social stability.

Exclusion of a property clause from the Bill of Rights was unacceptable. "Without a guarantee of basic property rights, economic growth and the economic system would be damaged." A government able to violate property rights could also challenge rights to land, shares, vehicles, machinery, savings, patents, livestock and other assets. — Sapa, Reuter.

Farmers will face competition from Europe

BY NORMAN CHANDLER

The European Union is expected to grant South Africa significant concessions over a 10-year period to allow this country to become a legitimate player in international agricultural trade.

In turn, says Agriculture Minister Dr Kraai van Niekirk, South African farmers will have to take up the challenge with "cool heads and the best utilisation of opportunities".

He told the Agrocon agricultural outlook conference in Pretoria yesterday that competitiveness was the keyword.

Negotiations with the EU began in September and had

reached a stage where Europe was considering granting concessions that would in 10 years be turned into a free trade agreement.

"South African agriculture has to adapt to this scenario. The EU is a major producer of agricultural products, dominating world markets in certain instances. If not planned for, increased imports of EU products could seriously jeopardise local products.

"The negotiations should be seen within the framework of the ongoing liberalisation of agricultural markets in South Africa. The Government cannot guarantee the same protection to producers as was given in the past, due to in-

ternational commitments and the financial restructuring (taking place) within the country."

The negotiations with the EU were not the only ones vitally affecting farmers, he added.

Talks on the a new-look Southern African Customs Union Agreement had already started and were expected to make the union "more transparent in its decision-making process". No final decision had yet been reached on how it would operate.

■ The UN Conference on Trade and Development takes place in SA next month. Van Niekirk told the conference that SA had "lost contact with Unctad during years of political isolation".

(3) Star 23/2/96

A rotten life on the 'fruit route'

Rehana Rossouw talks to the fruit-pickers at the centre of a political row

MTG 23-29/2/96

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THE "fruit route" which wanders through the Boland town of Grabouw is not as well known as the Cape's wine route, but the panorama it offers is easily on a par. Apple trees weighted down with starkings and golden delicious apples send a sweet perfume waiting through the air.

Hidden behind the valleys and dales studded with trees are huge packing sheds, where conveyer belts send thousands of apples hurtling towards hundreds of women who grade and select the best for packaging and export around the globe.

It's apple season in the Cape and the harvest needs the labour of thousands of people to pick and pack the fruit. Seasonal workers are roped in for a three-month period until the end of the harvest in May. Most live in the area, raise their children and spend their income there, but will be precluded by Western Cape Local Government MEC Peter Marais from participating in the rural councils on May 29 if they work for less than six months a year.

The majority of the seasonal workers at Mizpah Farm in Grabouw are women, colourfully decked out in green

scarves and overalls and white boots.

Maria Windvogel has lived in Grabouw for 13 years. Every season she waits anxiously for the farm manager at Mizpah to let her know whether there is work for her at the packing shed.

"My mother, my sister and I only have fixed employment for three months every year. At the end of the season we have to ask for other work, and most of the time it's work outside in the orchards," she says.

"I don't really like working the orchards because it's so tiring. When the trees are pruned they expect the women to carry the heavy ladders all over the orchard all day. We're doing the work men used to do before because women work so much harder but they get paid less than men.

"But when the farmers give full-time work, the men get those jobs. A single mother like me can't find work and farm housing, but a young man without a family will find it easier to get a house."

Windvogel would like to vote on May 29 as there are many issues she would like addressed by a rural council — like housing and improved conditions at the farm school her children attend.



Fruitless labour: The majority of seasonal workers are women, but they still earn less than the men

PHOTO: RODGER BOSCH

"I voted in 1994, but didn't enjoy it at all. The farmer where I was working loaded all the workers on to his truck on the afternoon of the last day of voting and said we must all go and vote for the National Party. I did what he said and only found out afterwards

that I could have voted for anyone I chose.

"This time round, I know who I want to vote for. I want to vote for the people who are going to make life better for the seasonal workers. If the union puts people up to stand in the elections, they will get my vote."

The 1991 Agricultural Survey, conducted by the Western Cape government, showed there were 79 281 seasonal workers employed in the region. The lowest income, in the Little Karoo, was R515 a year and the highest, in the Cape metropolitan area, was R1 010.

According to researchers Andrietta Kritzinger and Jan Vorster, whose report was finalised in November last year, up to 72% of all seasonal workers are women. "The use of female workers has increased on nearly half the farms over the past five years."

They added that the extension of

Farmworkers row threatens Cape elections

Rehana Rossouw

WITH both Western Cape MEC for Local Government Peter Marais and the African National Congress threatening court action, the elections scheduled for May 29 in the Western Cape are in jeopardy again.

The ANC is disputing a model proposed by Marais for rural local government which it says disenfranchises farmworkers. Marais counters that the model was proclaimed last December, and that the ANC's protests have come too late.

The ANC's objection is that if the model is implemented, it is likely to remain in force until the next local government elections, after 1999.

The ANC says Marais's proposal — that transitional rural councils have 60% of their councillors nominated on the basis of half the positions going to farmer organisations and half to farmworker organisations — gives unfair representation to farmers.

It also objects to the definition of a farmworker, which excludes any person working on a farm for less than six months of the year.

the Wage Act to the agricultural sector could result in farmers decreasing their permanent workforce.

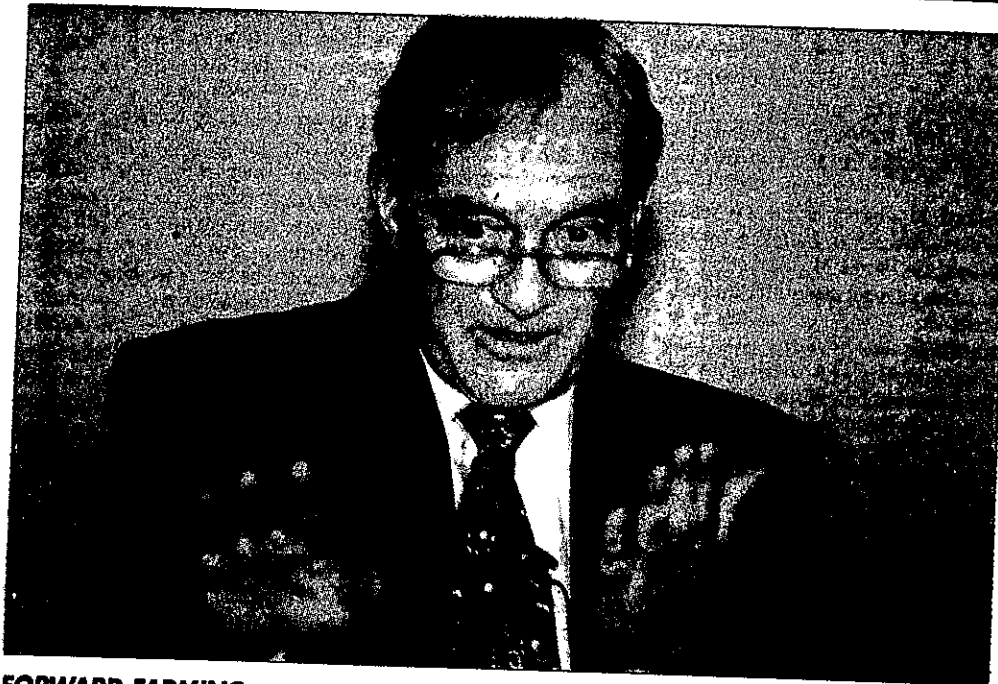
But workers like Windvogel have seen an increase in their earnings in the past two years, largely because of the efforts of the South African Agricultural and Plantation and Allied Workers Union (Sapaawu).

Joanie Fredericks, the gender coordinator of Sapaawu, works full-time at Mizpah and is the only female forklift driver in region.

Fredericks says if the union nominates her as a councillor, she will probably be prepared to stand, as the position offers a greater chance to improve the lot of seasonal workers.

"Marais has made sure seasonal workers can't speak for themselves. But he's in for a big surprise if I get on to the council," she says with a cheeky grin.





FORWARD FARMING Agricultural Minister Kraai Van Niekerk warns farmers that 'in the end it is economic rules that dictate, not political ones'

PHOTO: JOHN WOODROOF

Don't resort to politics, farmers told

By JAMES LAMONT

Johannesburg — Farmers should work with economic agricultural realities and not resort to politics, Kraai van Niekerk, the minister of agriculture, told farmers yesterday.

"In the end, it is economic rules that dictate — not the political ones," he said, urging them not to dabble in politics, but rather to seek economic solutions to their problems.

In the opening address at the 1996 Agricultural Outlook Conference, Van Niekerk told farmers they had no alternative but to adapt to new circumstances posed by the government of national unity and the country's re-entry into world markets.

"We have a new set of norms that we must bring into our statute books and rules," he said. Farmers would lose the political fight if they chose to oppose the winds of change, he warned.

"The climate created by the government is the field that agriculture has to play on," he said.

He said agriculture "must not be a millstone around the neck of the new government".

Although Van Niekerk acknowledged that the most profound changes in the industry were the steps being taken to bring developing farmers into the mainstream of agriculture, he assured them that economic good sense would prevail.

"My point of departure is not to give a person a piece of land if he can't manage it," he maintained. "Any efforts merely to employ land for the satisfaction of ideological obsessions should be discouraged."

Van Niekerk advised farmers to put their efforts into overcoming the economic difficulties facing them with market deregulation and international trade, the futures market and electronic auctions.

Renegotiating the Southern African Customs Union, illegal and subsidised imports, and provinces still operating old tariff systems were among the challenges facing the industry, Van

Niekerk said. However, he issued a warning about the onset of the World Trade Organisation agreement governing international free trade.

"Within one generation the free market can cause tremendous havoc" if trade liberalisation was not matched with universal reductions in subsidies. If rules were not applied, it would spell "the destruction of the farmer and agriculture", he said.

Van Niekerk said that after 10 hard years, the agricultural industry had successfully moved towards operating in the free market and now had a positive outlook.

In spite of flood damage from heavy rains, he said agricultural indicators were strong for this season.

He expected a maize crop of between 8 million and 9 million tons for the 1996/97 season, the delivery of 2,06 million tons of wheat in the 1995/96 season, and citrus exports rising to 60 million cartons a year by the year 2000.

Bid to foster emerging farming sector

Louise Cook

PRETORIA — Government is attempting to broker a R665m deal with banks in a bid to entice reluctant private finance into the emerging farming sector.

A senior bank source said at the weekend that outgoing Land Affairs Deputy Minister Tobie Meyer had held talks with Standard Bank, First National Bank, Absa, Nedcor and Boland Bank.

The proposals are based on pooling the state's proposed R15 000 settlement grants for

emerging farmers, to lever bank debt.

The plan aimed at 150 farm equity schemes, the source said, which would benefit 10 000 farmer families during the next five years.

Preliminary estimates pointed to government providing R100m for the scheme and banks R565m.

The banks have previously warned that they were unlikely to enter the emerging farming market because of perceived high risks, which could hamper government attempts to foster the sector.

The source said the farm equity scheme would enable beneficiaries of the R15 000 grant to pool the money, using it as collateral to buy shares in commercial farms and go into partnership with commercial farmers.

"The success of the scheme is based on the high leverage level the grant would generate."

"It would come down to a return on public investment well above the normal 6% to 10%. We are looking at each R15 000 grant generating between R60 000 and R80 000 private-sector money."

A spokesman for Meyer's office said the banks had "responded positively" to the proposals.

Standard Bank agricultural chief Rudi Wilsnach said it would consider participating "provided the scheme was based on sound business principles".

Meanwhile Absa agricultural chief Andre Louw said it would commit itself only after evaluating each proposed farm equity project individually.

Govt outlines tariff plan

Louise Cook

BD 26/2/96

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TENSION between farmers and Trade and Industry Minister Trevor Manuel over food imports and protection of the agricultural sector has prompted the release of a Green Paper at the weekend on a customs tariff policy for agricultural products.

Agriculture Deputy Minister Thoko Didiza said the aim was to pinpoint vulnerable areas in SA's agricultural trade because of subsidy support levels in the US and other trading partners. The paper would also kick-start a process of finding export opportunities overlooked by SA farmers, she said.

The paper — drawn up by the agriculture and trade and industry departments — was a first attempt to spell out protection levels in agriculture. It suggested that the difference between the landed cost of the imported product and the price of the local product formed the basis for protection. But it warned that government expected protection of a sector to be "justified" and that none would be given simply be-

cause it was "needed". It proposed that viable farm industries faced with "abnormal" competition be protected.

"International trade in agricultural products is distorted owing to government intervention in other countries. The fact that the price of a product in SA may be significantly higher than that of the imported product does not necessarily indicate that SA producers are uncompetitive." The sector needed to "sharpen its competitive edge".

Reacting, SA Agricultural Union president Chris du Toit said tariffs needed to be applied fairly. National African Farmers' Union spokesman Steve Mokwena said the paper would stimulate debate as many emerging farmers wanted to break into exports.

Last year tension between Manuel and farmers reached fever pitch over imports of chicken, beef, mutton and pork. Farmers accused the customs and excise department of failing to police imports properly and said government had failed to respond quickly enough to calls for tariff adjustments in cases of "unfair" competition.

ANC has no plans to scrap controversial agricultural marketing bill

By ANN CROTTY

Johannesburg — ANC sources said at the weekend that the party had no plans to scrap the highly controversial Agricultural Marketing Bill.

This followed industry speculation that the ANC had decided to scrap the bill — which appeared to have minimal support from both the agricultural community and the

agricultural industry — and start the process again from scratch.

The bill was discussed at a top-level ANC meeting late last week. Much was made of its shortcomings, but there was no mention of scrapping it, perhaps because of the inordinate delay that would result.

Janet Love, the ANC member of parliament who heads the parliamentary agriculture committee, said that the bill had been lying

around for about 10 months — ostensibly to accommodate suggested changes. Despite input from a wide range of interested parties, the bill still represented a continuation of the old system.

“The bill ... would reintroduce the stranglehold of the old system,” Love said.

The difficulty for the ANC was that in terms of its policy requirements the bill should be scrapped,

but the existing legislation would remain in place during the resulting delay of about a year. Its strategy was likely to involve making fundamental changes to the bill.

Significantly, trading in maize futures is due to begin today, the day before the bill was to be discussed by the agricultural and land committee in the senate.

The bill will be put before the committee tomorrow. This reflected

an unusual course for parliament in that it was being discussed by the senate before it went to the national assembly portfolio committee.

Many players in the industry and politicians were said to be shocked that the bill reflected none of the considerable input provided by a range of interested parties.

Its many opponents have argued that the final bill is unchanged from the initial bill that

(3) CT(BR) 26/2/96
was proposed about 10 months ago. The first bill was little changed from the old legislation.

Love stressed that fresh hearings would only be called if the bill were altered significantly. She said that if it were not changed at tomorrow's senate discussion, it could be altered when it went before the portfolio committee.

See Page 16

Farmers oppose proposed right to buy land

By NORMAN CHANDLER
Pretoria Bureau

Farmers remain opposed to the principle of the Labour Tenants Act and are objecting, as well, to actions being taken by some farmworkers in occupying land that does not belong to them.

The new law would allow workers to buy land they occupy with government money.

According to Transvaal Agricultural Union president Dries Bruwer, "no right-thinking person who understands normal marketing principles can support this legislation".

"It is obvious that the Minister of Land Affairs, Derek Hanekom, is subtly introducing the communist system of land ownership in South Africa. Socialism ruined the economies of eastern Europe and many African countries."

The SA Agricultural Union also voiced its objection.

(3) Star 26/2/96

ANC decision to back property rights brings parties closer to deal

David Greybe

CAPE TOWN — An ANC agreement to guarantee property in the Bill of Rights had brought parties closer to a deal in the latest round of private talks, senior negotiators from the ANC, NP and DP said yesterday.

NP and DP negotiators, however, were still at loggerheads with the ANC over its continued insistence that expropriation payments had to depend in part on the "state's ability to pay".

However, NP and DP negotiators

said they were satisfied with the progress made during an all-day meeting on the Bill of Rights last Friday. The parties are scheduled to meet again next Tuesday.

A DP negotiator said the ANC shift had improved the property clause enormously. An ANC negotiator said while the ANC was prepared to be flexible on the property guarantee, it would depend on agreement on the other outstanding issues in the clause. A few weeks ago the ANC was still opposed to the inclusion of a property

clause in the new constitution.

Critics of the ANC have repeatedly accused it of trying to weaken the right to own property so as to carry out land reform. The link it has drawn between expropriation payments and the state's ability to pay has also come under heavy attack.

The ANC negotiator said yesterday the party's willingness to specify that the institution of property was guaranteed was based on the German model. However, he also said: "The form of property to be protected should not be

an absolute notion of property." That was not international practice.

The ANC wanted details of the regulation of property rights to be left to legislation. Otherwise it would adversely affect, for example, land reform, rent control and environmental protection. He stressed that the part of the clause dealing with compensation for expropriated land had to give the courts — not government — the power to decide when it was appropriate to pay the market value or a lesser value.

The ANC was "not married" to any

27/2/96

particular formula, but wanted a clause that provided for a "balance between public interest and the interests of those affected by expropriation".

The parties also discussed the important Bill of Rights limitation clause, and agreed to study a reformulation proposed by technical experts which sought to break a stalemate between the parties. The ANC had proposed that rights might be limited on "reasonable and justifiable" grounds while the DP and NP demanded a stricter "reasonable and necessary" test.

About 80% of people who receive water do not pay for it

Water supply 'likely to go private soon'

BY JAMES LAMONT

~~28~~ (3)
JCLBR) 28/2/96
Johannesburg — The distribution of South Africa's water could be managed by private companies before the end of the year, the executive director of Lyonnaise Water Southern Africa, Jean Claude Ambert, said yesterday.

"Before the end of the year, a few tenders for delegated water management could well come up in various parts of the country," he said.

Lyonnaise Water, in partnership with Group Five, has successfully operated the sanitation and water supply of Queenstown since 1992.

The project has become a model for the RDP with employees and consumers feeling the difference, Ambert said.

"In a township, a leak or block can be fixed in a matter of hours, where before it was insurmountable," he said.

The company, which has contracts in Morocco and Gabon, was confident that should it win water supply tenders, it could raise the finance necessary for upgrading services and create an environment where people would pay for what came through their taps.

Ambert doubted whether local authorities could reform water provision "because of the complexity of the situation".

The pressure on local authorities to deliver should make them look for alternatives, he said.

He cautioned that though draft law allowed for private sector involvement, he did not wish to pre-empt "a political decision". Nor did he want management contracts confused with privatisation, he said.

The ministry of forestry and water affairs was not averse to the idea of private involvement in water supply.



WATER WORKS Jean-Claude Ambert, the executive director of Lyonnaise Water, prepares to manage local water distribution

PHOTO: JOHN WOODROOF

The ministry spokesman, Temba Khumalo, said the ministry "was quite flexible on the issue", though "water as stated in the constitution remains a function of central government".

He said subject to negotiations with local authorities, the ministry had no objection to private sector participation "as long as they (private companies) don't make capital out of water, which is fast becoming a scarce resource".

Khumalo would not comment on a time frame for tenders.

Ambert said private participation in the supply of local water was gaining credibility as newly elected local authorities were faced with the task of supplying water and sanitation to poorly serviced townships.

About 80 percent of those people who receive water do not pay for it, while 12 million people in South Africa have no access to tap water.

There can be no ambiguity on property rights

(3) ~~3~~ BO 29/2/96

IN THE interests of our citizens as individuals and the country as a whole there is an overwhelming case, moral and pragmatic, for the unambiguous protection of property rights in the long-term constitution.

The constitution should have three objectives in this regard: first, to restore and protect the rights of dispossessed people (many have already acquired property in the new SA); second, to protect the rights of present holders of justly acquired property; and third, to protect the rights of people who acquire property in the future.

There is no conflict between the interests of past, present and future holders of property. They can and should be protected at the same time. Indeed, the case for protecting present and future rights is the same as the case for compensating for past wrongs.

When it comes to righting past wrongs, the principles of restitution and non-coercive redistribution are an extension of property rights in that people whose property has been

stolen are entitled to compensation. By contrast, expropriation without proper compensation, for the purpose of redistribution, entails a further violation of property rights.

Fortunately there are several non-coercive means by which government can redistribute land. For example, a plethora of statutory and institutional restraints designed to protect whites prevent spontaneous redistribution of land.

These constraints include laws governing credit, subdivision, township development, licensing, zoning, building codes, transfer and stamp duties. By scrapping or amending these laws government would achieve extensive, market-driven redistribution without threatening security of tenure.

Secondly, the state can redistribute its own vast property holdings and other assets to the poor. Thirdly, it can acquire property for redistribution in the market place, using funds, for example, from the proceeds of privatisation.

While people whose rights were

TEMBA NOLUTSHUNGU

violated should be compensated, present bona fide owners of any race should not be penalised for past injustices. However, to justify protection, property rights must have been acquired legitimately. Ad hoc legislation, now being considered by the land affairs department, may be needed to deal with those who acquired property by unjust means.

The demands of transition, restitution and affirmative action are more than adequately provided for in the proposed general limitation clause, to which the property clause would also be subject. What might the state want to do that the limitation clause does not allow? The answer must be something unacceptable "in an open ... society based on freedom and equality".

More fundamental than the principles of restitution and redistribution is the need to protect citizens from the violation of their property rights by future governments. Typ-

ically, arguments against a strong property clause rely on assurances by members of the existing government that they have no intention of violating property rights. This misses the point. The purpose of constitutional restraints is not to protect people from a government that respects their rights, but from one intent on abusing them. Leaders with no intention of violating rights should be happy to ensure their successors also respect those rights.

The constitution should at least ensure that those who acquire property legitimately, especially those whose property rights were ruthlessly violated in the past, are never at risk in the future. Apartheid would have been impossible had there been an effective property rights clause since 1910.

Brendan Pearce recommends that the property clause is removed entirely from our long-term constitution (Business Day, February 19) because it will "make it hard for the government to proceed with reconstruction and development". On the

contrary, with no property clause the RDP will be jeopardised by inadequate economic growth.

Security of tenure is essential to economic growth. Local entrepreneurs will have little incentive to take risks and work hard unless they are certain of retaining the fruits of their labour, and being able pass on their savings (in the form of moveable or immovable property) to their children.

Bankers report that mortgage markets have already been destabilised because of the uncertainties surrounding tenure and restitution. International investors will not enter the SA market unless they know their assets are safe from expropriation. If the property clause in our interim constitution is weakened, or worse still removed altogether from the final constitution, a strong message will be sent to investors around the world and they will steer clear of this country.

Tembangu is a director of the Free Market Foundation.

LETTERS

Raw Water price increase

Wyndham Hartley
CAPE TOWN

price of raw water — A 30% increase in the cost of raw water — with unquantified implications for industry — will increase the cost of domestic water by about 10% and of domestic water by 3%.

Water Affairs Minister Kader Asmal announced the new tariffs yesterday, which are a fundamental departure from past subsidisation. At a news briefing in Parliament he stressed that the 30% rise was for the supply of raw water from government schemes and was not the increase to be applied to domestic water tariffs. He said the increase was a step towards establishing the true cost of water. He warned that the cost of water in a "water stressed" country like SA would in the future be many times higher than in the "water rich" country of Annapolis, he said.

Giving the assurance that the impact on consumers had been carefully considered, he said the increase would be translated into an approximate 10% increase in the average monthly household bill. "This will be the first step in a phased approach which has been adopted so as to minimise the negative impact on the economy," rather than a single, large increase.

Year until the "objective of pricing water on economic principles has been achieved", he said. Increases in irrigation water costs would raise total farming water costs avoided by farmers who used more efficient irrigation practices. The cost could be shared by farmers who used more efficient water operations using the municipal water supply. He said he believed this would encourage more efficient water operations using the municipal water supply.

Director-general of Agricultural Union on the principle he achieved. He said that a rational debate had only proceeded on how the principle should be achieved. In rural areas where communities had only primitive standpipe facilities there would be a "three-charge" for a household. This charge should be affordable in all but the poorest communities.

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Will not have a big effect on household bills

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Authorities 'dilly dally' with report

3
Sowetan 29/2/96

Report alleges corruption at Jo'burg fresh produce market and is overdue

JOHANNESBURG authorities have for more than two weeks denied the media access to an attorney general's report which lawyers and politicians say should be available for public scrutiny.

"They are in breach of the Constitution's guarantees of government in the sunshine," lawyer Mr David Dison said yesterday.

The report on alleged corruption at a city fresh produce market was first discussed by the city council on February 13 but not released to the media.

It remained secret yesterday when the council referred it to the Office for Serious Economic Offences. Repeated requests for a copy of the document have been denied.

"It is a public document as far as I am concerned and should be made available to the public," said Ian Mr Davidson, the Democratic Party's spokesman on local government and former chairman of the city's management committee.

"This is a matter of extreme public importance," he said, adding: "It is a document which indicates there have been malpractices if not fraud at the market."

A statement by the council on February 13 said the report should remain confidential while comment was obtained from people and bodies named in it.

Yesterday the council said numerous requests for copies had been considered by its executive committee.

"It was resolved that the report be released on request only to those individuals or organisations who are entitled to information in terms of Section 23 of the Constitution."

This decision had been taken in order not to prejudice an independent investigation of the market, chairman of the executive committee Mr Collin Matjila said in a statement.

Section 23 of the constitution reads: "Every person shall have the right of access to all information held by the state or any of its organs at any level of government in so far as such information is required for the exercise or protection of any of his or her rights."

Dison said the council was interpreting this section in the most restrictive way.

"They are in breach of openness," he said. - *Sapa*.

Market report goes to OSEO

Star 29/2/96 (28) (3)
By JUNE BEARZI

Star Line

An Auditor-General's report into corruption at the Johannesburg fresh produce market has been handed to the Office for Serious Economic Offences.

There has been an outcry that the authorities have failed to show transparency by not releasing the report for public scrutiny.

Over the last two weeks the authorities have kept the report under wraps, refusing to allow Star Line - which helped expose the corruption - or other media access.

Lawyers and politicians have said it should be made available so that it can be monitored.

Advocate Jan Swanepoel, head

of the Office for Serious Economic Offences, confirmed today that the report had been passed on to him and that talks would be held with the city council soon.

He refused to provide a copy of the report to Star Line: "We have a secrecy clause which prohibits us from releasing it."

The market report was first discussed by the city council on February 13 after which a statement was released saying it would remain confidential while comment was being obtained from bodies and people named in it.

"The authorities are in breach of the constitution's guarantees of government in the sunshine," communications lawyer David Dyson said.

Water payments may be set by new body

ARG 29/2/96

CLIVE SAWYER
Political Correspondent

THE government is considering setting up a national body to regulate the water tariffs charged by all levels of government.

This was disclosed by Kader Asmal, Minister of Water Affairs, in the wake of an announcement of steep increases in charges for water supplied from government schemes.

The increases, to take effect in April, will average 30 percent.

New tariffs will be announced next month for domestic consumers in rural areas.

The country faces worsening water shortages, aggravated by recurring droughts, unless effective water management measures are taken.

"Either we pay now or we pay more later, and not only in cash terms," Dr Asmal told a briefing yesterday.

South Africa was one of 25 countries where the scarcity of water was a matter of survival.

The World Bank had predicted that in the next century wars would be fought about water.

The government was talking to neighbouring countries about the issue. "There are no easy fixes," Dr Asmal warned.

Long-term solutions would require a planning span of about 15 to 20 years. In future, water would cost "immeasurably more," he said.

Water tariffs would have to be based on the value to society. He said the tariff increases would be staggered to reduce the impact on the economy.

While the government understood that the new measures would not be popular, only 58 percent of operating costs of the large water schemes were being recovered.

The increases in irri-

gation water costs will mean a rise in total farming costs by two to three percent.

The SA Agricultural Union had been consulted about the measures, which were being taken with their agreement, Dr Asmal said.

He emphasised that the spirit of Masakhane would have to apply to all water users.

Water was being charged for at present at below cost, leading to inappropriate levels of use by the affluent.

Part of the aim of the new tariffs was to get people to save water.

Chris Triebel of the Department of Water Affairs told the briefing his department had been trying for 26 years to get measures like those announced yesterday introduced.

The additional income from the tariff increases could be used to help towards the costs of further bulk water supply schemes.

State warned to entrench property rights

CT (NR) 1/3/96 (27) (3) (10)

BY MAGGIE ROWLEY

Cape Town — The failure to entrench property rights in the constitution, coupled with the Katz proposals to tax returns on pension funds, will force institutional investors out of property and into equities, Farie Lategaan, the general manager: asset management of Sanlam Properties, said yesterday.

Sanlam properties is the largest institutional property investor in South Africa. It has a portfolio of about R11 billion. Lategaan said serious danger signals were becoming apparent as a result of uncertainty arising from the present constitutional debate over property rights.

"It would appear that political parties are making concessions to one another on this issue, and we face the danger of having to live with a political compromise which is not founded on economic realities and is not in the interest of either property development or job creation, on which the country's economy is so dependent."

Property development, he said, was one of the largest job creators, providing opportunities, not only during the construction phase, but permanent positions within commercial and retail projects when completed and as tenants moved in and projects expanded.

"Thabo Mbeki's ideal to achieve an economic growth rate of 6 percent by the year 2000 will be seriously hampered unless the uncertainty in the property industry is addressed. To achieve growth of this rate, fixed investment will have to escalate by 10 percent in real terms."

Lategaan said fixed investment represented 18 percent of the gross domestic product, with the building and construction industry in turn representing about 40 percent of all fixed investment. He said the failure to entrench property rights or to allow for market-related compensation in cases of expropriation would seriously undermine the drive to encourage fixed investment and scare off foreign and local investors.

Coupled with the Katz commission's recommendations of taxing property returns of pension funds at 30 percent, this will lead institutional investors to switch from property and interest investments to non-job creating share-related investments which will become more tax efficient than property investments.

"It is critical that property rights be protected by the new constitution as their entrenchment is the cornerstone of a vibrant economy. Politicians have to take cognisance of this clear message from the business community."

The Agricultural Marketing Bill, now going through parliament before being written into law, is still the subject of hot debate.

Strongly criticised by major food companies and free-enterprise supporters, the Bill is seen as an effort to call back the past and impose — yet again — the will of powerful producer lobbies and old control board structures on consumers. Some of the provisions are also rejected by the ANC-linked Land & Agricultural Policy Centre.

Though the ANC and the centre appear united in their opposition to the proposals for domestic single-channel marketing and price-fixing, the centre seems unsure about statutory intervention.

"The Bill should include an expanded set of aims that emphasise food security and the promotion of market access," says the centre's agricultural economist, Brendan Bayley.

Rejecting the Bill's provision that intervention would be justified if "sufficient support" can be proven, he nevertheless says "the wisdom of using provisions in the Bill to intervene in agricultural markets should be judged against the aims of the legislation, not a popularity vote which is skewed in favour of a particular interest group."

But, by suggesting that "food security" be included, Bailey effectively justifies the use of this principle as a more ac-

ceptable rationale for intervention — rather than the proposed "proof" that a selected majority supports intervention.

And, he says, this "social" aim should be seen as enough cause for statutory intervention. While standing on a platform of public criticism of the Bill's "impractical" and "ill-conceived" interventions, the centre also seems to find intervention acceptable, on its own grounds.

But former Marketing Council chairman and convener of the Bill's drafting committee Gerhard Basson rejects the suggestion of "food security." He adds that the blanket proposal to reintroduce single-channel marketing "should refer only to export marketing."

But Basson's position is firmly rejected by a number of commentators.

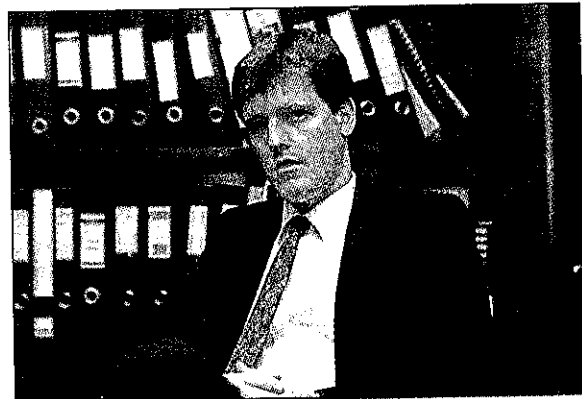
"The new Bill is virtually a rehash of the old Marketing Act. The fact that it is an enabling Bill doesn't soften it," says Tiger Oats executive director Hamish McBain. He says there's enough legislation to obviate the need for any new marketing Act and that the market mechanism should be allowed to determine price-forming.

"This is an attempt to turn back the clock and I am astounded by the Bill's provisions, which give all-encompassing interventionist powers to the Minister of Agriculture and allows for the possible formation of new statutory bodies," he adds.

McBain says the SA Futures Exchange (Safex)'s Agricultural Marketing Division — which launched new futures contracts for white and yellow maize this week — in conjunction with the Amex spot market are good examples of free market mechanisms that efficiently fulfil any role that an interventionist statutory body would see for itself to create "market and price stability."

Safex AMD MD John Wixley says proposals to intervene in the market are merely disguised attempts to subsidise either producers or consumers. "If the State wishes to subsidise either party, it should openly budget through the central fiscus rather than distort the essential market."

Wixley also criticises the Bill's proposal that "sufficient support" would warrant intervention. "I doubt if the majority of farmers have ever been asked to vote on any statutory interventionist



John Wixley . . . disguised subsidies?

measures. And I'm sure that if a democratic opinion poll is called for, the majority would reject these measures." ■

Waging war on water privatisation

CT(OR) 1/3/96

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TERRY BELL

Water is likely to be at the centre of the first serious — and possibly brief — battle in what promises to be a guerrilla war against privatisation by sections of the trade union movement. These followed the belated realisation by the unions that the private sector bandwagon had already begun to roll, in the form of long-term, delegated management contracts for water and sanitation services.

Now there is a frantic attempt by the unions to draw in international expertise and background information. This week, the British-based and trade union-funded Public Services Privatisation Research Unit filed its report on controversial Paris-based transnational Lyonnaise des Eaux to the South African Municipal Workers Union (Samwu).

Five years ago, Lyonnaise des Eaux, which manages water and sanitation for cities such as Paris and Barcelona, teamed up with locally based Group Five.

Both companies had a shared interest in construction and services provision and Group Five had identified water and sanitation provision as a growth area.

Group Five had already established a company called Aqua Gold Services. Its purpose was to develop and manage water and sanitation services.

The company was renamed Water and Sanitation Services

(WSS) and became a subsidiary of Lyonnaise Water Southern Africa (LWSA), which is a joint venture between Group Five and Lyonnaise des Eaux.

It was LWSA, established to deal with larger, metropolitan areas, which was pitching for the contract to manage Johannesburg's water and sanitation services. WSS, which concentrated on smaller councils and rural areas, already managed such services in Queenstown, Stutterheim and Fort Beaufort.

The 25-year Queenstown contract — the first in the country — was signed in 1992, but Samwu only became aware of it a year ago.

"We found out when they tried to get into Kimberley," said Samwu water co-ordinator Lance Veotte. That was the first skirmish.

Now, with Johannesburg casting about for possible management services and WSS apparently involved in talks with a number of local authorities, including Kimberley, the battle lines are drawn.

The next skirmish will take the form of a workshop to be held before the end of April, featuring union and private sector representatives — and paid for by LWSA.

The company sees the workshop as an opportunity to clear the air. LWSA and WSS delegates will stress that their contracts do not amount to privatisation, that there is no selling off of assets, that profit will come through more efficient operations and that by taking water and sanitation out of the

restrictive political environment, a more efficient service will be assured.

The orientation will still be towards profit.

Samwu is concerned at profit becoming a priority in a vital area like water. Discussions in the workshop are likely to be heated if LWSA refuses to divulge the financial details of existing WSS contracts. Copies of these confidential documents, minus the financial details, have been made available to union representatives, who now want full disclosure.

Much is likely to be made of the nod of approval to delegated management contracts from Kader Asmal, the water affairs minister. His proviso was that these contracts must be in the public interest and that "the views of organised labour" must be taken into account.

In the case of existing contracts, organised labour was not consulted. But consultation is about to begin and Willem Munting, the managing director of WSS, has promised openness about the company's activities.

Samwu's official view is that it is opposed to privatisation in any form, that "cost-plus" contracts, especially where capital expenditure remained the province of the local authority, should not be entertained.

Said Veotte: "With a resource as vital as water, we can't let that happen. You don't rent out the family jewels."

Report damns Johannesburg market

The auditor-general has produced a damning report on the lack of controls and systems at the Johannesburg fresh produce market.

There was a public outcry when the report, dated February 9, was presented to the Johannesburg council but not made public. The council referred the report to the Office for Serious Economic Offences, and released it only yesterday.

Vegetable growers have al-

leged a R1-billion fraud at the market and a coverup by the council.

The report portrays the market master, his staff and agents and producers in a very poor light.

And the auditor-general lists six pages of "irregularities and potential weak areas" in the market's systems.

The auditor-general found employees did not make independent checks into how much

produce was being bought on to the market, but relied solely on figures from agents and producers.

Of particular concern was "the apparent reluctance" of the market master and his staff to accept responsibility on whether the actual quantities brought into the market were in agreement with the actual documentation supplied by the agent, the auditor-general said.

TO PAGE 2

FROM PAGE 1

◆ Market probe

A conflict of interest existed at the market because agents were responsible for capturing stock details in the market computer system, in which they had to pay a 5% commission on produce sales, the auditor-general found.

If producers and agents were in collusion, producers could not only avoid the 5% commission by selling produce outside the market system, but also avoid levies to the control boards, which averaged out at 2%.

The auditor-general said the market did little "to sanction" those agents who contravened the market by-laws with regard to the misappropriation of other agents' consignments. The conduct of the market did little or nothing to deter the agents' behaviour."

The report said other weakness in the market's systems included security weaknesses in the barcoding system, lack of security regarding access to the market's computer system, insufficient reconciliation of documentation, and inadequate supervision.

Market management had abdicated its responsibility relating to the checking of stock leaving the halls. And certain of the market employees appeared to be poorly trained and supervised and did not have a clear understanding of their responsibilities.

The report also said wholesalers were trading on the market floor in contravention of market by-laws, and agents were contravening by-laws by allowing wholesalers to remove produce without paying for it.

The council, in releasing the report, said the auditor-general's findings had not yet been substantiated and it was taking measures to investigate properly. It recognised its responsibility to ensure the market was administered efficiently.

"Until all investigations are completed, the correctness of any allegation or information in this report should not be presumed," the council said. The report was not released earlier so as not to prejudice an independent investigation, council executive committee chairman Collin Matjila said earlier this week. - Sapa

Produce market hit by agency's collapse

By JAMES LAMONT

(3) (BR) 4/3/96

Johannesburg — The crash of a Pretoria-based agricultural marketing agency last week has ignited speculation over the future of the Pretoria fresh produce market in the wake of stinging corruption indictments against its Johannesburg counterpart.

Jacaranda marketing agency, a trader on the Pretoria fresh produce market, went into liquidation on Thursday night after an investor decided to withdraw his money before an agreed redemption date, said Piet Bothma, a director of the company.

"An investor has decided to bring an order against his money", which was due for repayment on 15 March, explained Bothma.

The investor's initial investment was R95 000.

However, Botha said, after interest service over 14 months, the owed sum was about R80 000.

Though a source in the industry claimed that the agency was being wound up because R1,5 million had been stolen from it, Bothma said there was no question of foul play.

The company, which sold farmers' produce on commission, has had all its assets frozen and awaits a court hearing on March 19.

All farm produce in the agency's care was handed to another agency.

Bothma explained that should the liquidation go ahead, he would lose everything.

He estimated the total loss of the agency, which had a turnover of R2 million a month, at R700 000.

The marketing agents' council had issued the liquidation order on Thursday, said Charles Hamilton, the deputy general manager of Pretoria market.

He said an audit was under way to establish the stock under the agency's control to make sure no one lost any money.

He confirmed that "problems between the partners" had caused one of the partners to request the withdrawal of his investment.

Recently, farmers have struck out at local produce markets, marketing boards and agents over high commissions and levies, and illegal cash sales. They have demanded the right to sell directly to wholesalers and consumers.

The Johannesburg metropolitan council has deferred the release of a report by the Gauteng auditor-general into allegations of fraud, corruption and mismanagement at the Johannesburg fresh produce market.

Hamilton, however, argued that the Pretoria market was clean by comparison.

He said: "We don't have the hassles that Johannesburg has. We are looking very carefully at the operations of market agents."

"The Pretoria market is being handled with a stern hand because of the problems with the Johannesburg market and we are so close to it," Bothma said.

Southern Africa's scarcity of water places severe restraints on development

By ANITA ALLEN
Science Writer

Today is Rivers Day in South Africa – an appropriate time to look at the individual water rights of our citizens, and our responsibilities. The harsh reality for the people of southern Africa is that water scarcity places severe restraints on development.

In his parliamentary new year resolution, Water Affairs Minister Kader Asmal committed his ministry to a three to four-year process to work out the developmental water needs for the whole of South Africa within the Southern African Development Community (SADC).

The commitment is not surprising in the context of a landmark SADC "Vision for the Future" water resources conference in November last year in Pretoria. At the time, Asmal received unanimous support from his 10 counterparts that water had to be moved to the top of the SADC agenda.

One possible long-term solution for South Africa is collaboration with our neighbouring countries. However, as the November conference highlighted, our history in the management of shared

water resources could prove to be a stumbling block.

Together, the SADC countries share 16 rivers, which makes them international systems. In principle these should all be jointly administered on the basis of equitable and sustainable utilisation. Mozambique fares the worst, sharing 10 international river basins, and in each case it is at the bottom end of the particular river system. The future of Mozambique lies in the hands of its upstream neighbours.

Northern and eastern SADC countries, where resources have not been harnessed and excess capacity exists, are relatively better endowed with water.

The south and west, in contrast, are arid to semi-arid and subject to devastating droughts, as well as periodic floods. Rivers are therefore subject to fluctuating and seasonal flows. Dams are needed to impound water to supply domestic and industrial consumers, or for hydro-electric power.

Concentrations of people do not coincide with the location of sufficient water resources. Gauteng is a case in point, but by no means the only place, where people have outstripped available water supplies.

Asmal's words at the November conference are still pertinent:

"It is abundantly evident that the welfare of all countries in our region is inextricably linked, not only by history and geography but inexhaustible demands of poverty. None of us can fulfil the aspirations of our people in isolation.

"We have realised that water is our most critical resource, and that most development and policy initiatives, such as those relating to trade and agriculture are interrelated with water. Therefore no decisions in other spheres should be made without taking into account the water implications. I intend to take this matter up with the Cabinet as a matter of urgency."

Fine fighting talk, except, as subsequent speakers pointed out, South Africa is pulling more than



It never rains but it pours ... the Olifants River before its confluence with the Inkomati, a shared river system with Mozambique, turns into a flood plain during recent rains. Development pegged to these periodic wet spells is not sustainable.

its fair share of water from international rivers. In addition, the pressure is on for South Africa to draw water from even further afield in inter-basin transfers from the Zambezi or Zaire rivers.

In fact, the SADC ministers were not very impressed with arguments that their countries could best help themselves by allowing their water to be trans-

ferred southwards to help South Africa solve its water scarcity.

Speakers pointed out that South Africa's development of shared water resources in some instances already threatened the principles of equity and sustainability. An example was the Orange River Basin, where more than twice as much water was transferred out of the system than

was returned.

Namibia has raised the issue of having a say in water resource developments in the upper Orange catchment. The Namibian government was requested to give a "no objection" to the five-phase Lesotho Highlands Water Scheme but so far it has only approved phase one.

In the Limpopo River Basin, Botswana is planning a new dam on a tributary to augment water supplies to Gaborone. Three further dams are currently

under investigation as part of the Joint Upper Limpopo Basin Study by Botswana and South Africa. All this at a time when the Limpopo is dry for eight months of the year for downstream Mozambique.

At present, South Africa, Zimbabwe and Swaziland take out 40 to 60% of the river flow into Mozambique and this consump-

tion threatens its future development.

During wet periods, such as that last month, we tend to forget that dry spells are bound to follow. Perennial rivers in the southern region of Mozambique have in recent years been dry for several months of the year. Last year, a tributary of the Inkomati, the Sabie River, stopped flowing for the first time in recorded memory at a time when construction of a dam on the Sabie has been started by South Africa.

There is also scepticism about South Africa's transferring water from the Zambezi.

This river is the biggest shared river system in the SADC region, with eight countries involved. The river has huge fluctuations from 40% of mean annual flow to 200%. Its maximum recorded monthly flow varies from 8 720cu m per sec in March to 161cu m per second in September 1995 – the lowest yet recorded. The level of Kariba Dam dropped within one metre of halting all electricity generation. These factors do not make for easy decisions on further water development of the Zam-

bezi River.

Many speakers at the SADC conference expressed concern at the potential for conflict over shared water resources.

Looked at as a whole, excess water capacity exists in the SADC region, which could be utilised through collaboration on river basin management. A step in that direction was the signing of a protocol on shared watercourse systems at the SADC conference.

For Asmal, the biggest challenge will be to convince his Cabinet colleagues and other South Africans of the water imperative. That water

resource management can no longer be based on a supply oriented approach of how much water we need and where we get it from.

We are a water scarce nation in a water scarce region. As Professor Malin Falkenmark of the Swedish Natural Sciences Council pointed out: "The key is to take a resource-oriented approach by asking: How much water is there to share and how can society best benefit from that limited amount?"

We tend to forget that dry spells will follow

(3) Star 4/3/96

Agriculture welcomes produce market report

BD 4/3/96 (3)

ORGANISED agriculture and market agents on Saturday welcomed the auditor-general's report on alleged corruption and mismanagement at the Johannesburg Fresh Produce Market, and endorsed its recommendations.

The report listed six pages of irregularities and potential weaknesses in the market's systems. It has been referred to the Office for Serious Economic Offences for investigation of possible criminal prosecutions. It also makes a number of recommendations, from improved security to new computer systems and monitoring of cashiers.

Transvaal Agricultural Union president Dries Bruwer commended the auditor-general for exposing irregularities at the market. He criticised Johannesburg city authorities for not protecting farmers.

"If a farmer has to pay for services, it is fair to expect protection against corruption," Bruwer said.

Farmers could not afford to appoint staff at markets to look after their interests. They depended on the ability and honesty of market masters and agents, he said.

Institute of Market Agents of SA (Imasa) Johannesburg branch chairman Mike Loutfie said agents were an integral part of the free market system and implementation of the report's recommendations would ensure a better-managed and more efficient market. "Imasa believes the recommendations made by the auditor-general are sound and in the interests of all parties involved in, or served by, the market system," he said. — Sapa.

Market fraud 'continuing unabated'

(3) (28)
BY JUNE BEARZ

Star 4/3/96

Fraud amounting to about R1-million a day is continuing unabated at the Johannesburg fresh produce market while the Greater Johannesburg Transitional Metropolitan Council is investigating an auditor-general's report that exposes serious flaws in the market, fraud investigator Bartholomew Henderson claimed at the weekend.

In support of his claims of unabated fraud at the market The Star was shown yet more illicit cash sales slips in Henderson's possession which were made out by market agents on Saturday morning. This system is used by agents and wholesalers on the

market floor to circumvent the computerised financial system.

"What more evidence do they need before they take urgent steps to prevent further losses? I provided them with evidence of fraud at the market in April last year and the TMC also had details of fraud provided by a former employee almost two years ago."

The R1-million estimate of the fraud committed daily ties in with the April report handed to the TMC in which Henderson said agents were skimming off about R400-million a year.

Evidence suggests that the TMC, which receives a 5% commission on all legitimately recorded sales on the market floor, could be losing up to R20-million a year.

Protest due against property rights clause

Louise Cook

(3) PD 5/3/96
 TWO thousand rural landless people would march on the Union Buildings in Pretoria this morning to protest against the property clause in the constitution, threatening to start land invasions if the clause were included.

Unconfirmed reports last week suggested the ANC had reached a compromise with the NP and DP on a property clause in the final constitution.

The marchers, backed by the Transvaal Rural Action Committee and the National Land Committee, had been bussed to Pretoria from Northwest, Mpumalanga, Gauteng and Northern Province early this morning.

The action committee said community members were losing faith in the legal processes and organisations could no longer encourage people to follow complicated legal procedures. The inclusion of a property rights clause in the constitution would make it more difficult for the State to act decisively in restitution cases and cripple land reform.

"Because of the history of dispossession in rural parts of SA, such a clause was likely to entrench existing inequalities in land ownership. If effective land reform is unable to proceed, future stability and growth will be seriously jeopardised."

An action committee source who did not want to be named said thousands in Northwest had been trying unsuccessfully since the early 1990s to move back to the land from which they had been removed.

"The land commission (Commission on the Restitution of Land Rights) lacks proper resources, and bureaucratic wrangling at the land affairs department as well as farmers wanting outrageous land prices, have become unbearable."

The protesters said in the memorandum to be handed to Mandela they had been "infuriated" by the presence of the property clause in the interim constitution. They demanded that the clause be left out of the final constitution "for the sake of justice to those who were historically dispossessed".

The memorandum said it was not necessary to protect land rights through a constitutional clause as normal legislation gave adequate protection.

"If the clause is not removed it would maintain unfair land redistribution, give white land owners the right to continue arbitrary evictions and make it impossible for government to expropriate land."

Council accused of fraud coverup at produce market

Star 5/3/96

(3)

Investigator says auditor-general's report only showed

tip of iceberg regarding wheeler-dealing and profiteering

By JUNE BEARD

Star Line

The Greater Johannesburg Transitional Metropolitan Council has been accused of covering up the vast extent of fraud and corruption at the Johannesburg Fresh Produce Market.

This new twist to the market scandal comes after last week's report by the auditor-general confirming the existence of widespread irregularities in cash sales. He also slammed market master Daan Spengler and his staff for not performing their duties adequately.

Market critics, including fraud investigator Bartholomew Henderson and Independent Vegetable Growers' Association chairman Johnny Gonsalves, say the report has scratched only the tip of the iceberg regarding wheeler-dealing and profiteering at the market.

Henderson said yesterday the failure of the council's internal audit department to pass on several documents had severely compromised the auditor-general's ability to carry out a proper investigation.

The only market agent fingered



in the report is W L Osche. Yet a report compiled by Henderson almost a year ago showed that many market agents were also involved in illicit cash deals. This information was apparently not passed on to the auditor-general. Henderson is adamant that much of his evidence vanished after it was left with the council's internal audit department, which is responsible for monitoring the market's finances.

According to Henderson, other documents brought to council officials' attention would have shown how agents manipulated the market's computerised financial system to cover stock shortfalls. These occurred because of the huge volume of under-the-table cash transactions.

As a result of this manipulation by agents, farmers and the council had been losing millions of rands.

He explained: "The council was first made aware of corruption and theft 22 months ago when a former market inspector spoke out. In April last year I brought the matter to the attention of the council, but officials neglected to act until Star Line focused on the market. Now several more millions have been lost by the continued activities of crooked agents, and the council has had to pay more than R70 000 to auditors Errist & Young for information that it received from me free of charge several months ago."

Gonsalves said yesterday: "The farmers will not rest until all the corruption at the market has been uncovered. The auditor-general's report focused only on one aspect of the fraud, illegal cash sales. Farmers want to know which agents have skimmed off funds, how they did it and how much was stolen."

As recently as Saturday, Star Line received more evidence that illicit cash sales are still taking place. In a response, the council said further allegations would be probed properly.

Farmers to fight invaders

ANGRY farmers are threatening "the worst form of resistance" should land invasion threats made by the National Land Committee (NLC) be carried out.

This is the blunt message given to the government yesterday by the South African Agricultural Union (SAAU) and the National Maize Producers Organisation (Nampo).

The NLC has said that if a property clause was to be included in the new constitution due to be published in May, it would consider land invasions as one way of drawing attention to the plight of landless people.

The first stage of its campaign takes

place in Pretoria today when about 1 000 people from Northern Province march on the Union Buildings to protest against the unavailability of land. A memorandum will be handed to a government representative.

SAAU president Chris du Toit said yesterday: "The NLC is playing with fire and can expect the worst form of resistance should any of the threats be carried out."

He did not elaborate on the form of resistance to be followed but it is understood from agricultural sources that farmers are prepared to "arm themselves if necessary to repel these

people from settling on legitimately-owned property".

Another source said that a blockade of major cities was also being openly discussed on the platteland.

The last time farmers resorted to such a protest was when thousands of farmers invaded and brought Pretoria to a standstill in 1989 over marketing policies. *

Watered down

Du Toit added that if a property clause was omitted from the new Constitution, or was "watered down", it would "not only destroy commercial agricul-

ture in South Africa but wreck economic stability in general.

"The SAAU stated its viewpoint very clearly to the Constitutional Assembly, viz that the union in principle recognised and supported the need for land reform but that it was convinced the inclusion of a property clause would by no means prejudice the implementation thereof."

Nampo's general manager, Giel van Zyl, said yesterday that the NLC, Cosatu and NGOs were blatant in their demands for mass land invasion "and is the most serious attack on the democratic order in the new South Africa".

~~(2)~~ (3) *Sowetan*
5/3/96

Landless communities in march on Pretoria

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Sowetan 6/3/96

By Joshua Raboroko

MORE than 500 rural and landless communities marched on the Union Buildings in Pretoria yesterday and handed a memorandum to the Government and political parties, demanding that the property clause be removed from the final constitution.

Carrying placards and chanting, they presented the memorandum to the director-general of the Department of Land Affairs, Mrs Angelina Bester, a representative from the office of the

President, Mr Basil Moonsamy, PAC deputy president Dr Motsoko Phoko and the DP's Mr Solly Verveen.

Most of the protesters, who were from the rural areas of Mpuinalanga, North West and Gauteng, said they were infuriated by the presence of the property clause in "our interim constitution".

They believed the clause would make it impossible for them to have access to and control land because "we are poor, as a result of continuous evictions, impounding of our livestock and

destruction of our possessions".

Chairman of the Transvaal Rural Action Committee Mr Peter Ntshoe said if the clause was not removed, the rural communities would continue to invade farms and make it impossible to regulate the use of land.

After receiving the memorandum, Bester said Minister of Land Affairs Mr Derek Hanekom would study the document and reply later. There was no assurance that the clause would be removed from the interim constitution.

No protection for land bought by 'foul means'

Wyndham Hartley

CAPE TOWN — Property obtained by "foul means" during the apartheid regime by local and foreign investors would not be protected from expropriation, Trade and Industry Minister Trevor Manuel said yesterday.

Speaking in an interpellation debate in the National Assembly, Manuel was responding to NP suggestions that investment protection agreements with foreign governments were in conflict with ANC negotiations in the Constitutional Assembly.

Manuel acknowledged that 10 agreements had been settled and a further 17 were in the pipeline guaranteeing market level compensation in the event of expropriation by the state or losses due to war, insurrection, armed conflict, revolt or riot. He said this was important if SA was to provide the security needed by foreign investors.

BD 7/3/96 (3) ~~21~~
He said that while the agreements concluded, which will shortly be presented to Parliament for ratification, did not contain clauses relating to land restitution, it was accepted in principle by other countries that "market-related compensation may not be paid in cases where the investor has benefited directly from the acquisition of apartheid-tainted land".

MP Sheila Camerer (NP) said she was disturbed by the contradiction between the investment agreements and the positions adopted by the ANC negotiators in the Constitutional Assembly on the property clause. She said the refusal of the ANC to specify market value in the property clause meant domestic investors would enjoy less secure rights in their own land than foreign investors. It was possible that the agreements were "not worth the paper they are printed on" because the ANC in Parliament might refuse to ratify the agreements.

Farmers give SANDF damages ultimatum

Louise Cook

BD 7/3/96

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FARMERS along the Limpopo River have given the SA National Defence Force (SANDF) a week to settle a R60m claim for herbicidal damage to crops, or face court action.

However, the Agricultural and Veterinary Chemicals Association of SA, representing the agricultural chemicals industry, said the March 14 deadline was too soon for a proper investigation.

Transvaal Agricultural Union representative Gert Ehlers confirmed that a group of vegetable farmers along the river held the SANDF responsible for damage to crops when herbicides were sprayed in a fight against bush encroachment in a sisal hedge.

The farmers refused to comment because, they said, they were negotiating with the SANDF about the matter.

Chemicals association executive director Jan Kleynhans said a joint probe into farmers' complaints by his organisation, the Agricultural Research Council and the poison working group of the SA Endangered Wild Life Trust had started. However, the matter could end in a legal battle because more time was "probably" needed for the probe.

Kleynhans said abuse of chemicals or herbicides was a criminal offence.

Sapa reports at least 10 farmers along the Limpopo said labels of three types of herbicides found in soil samples on their farms and along the river specified that the herbicides should not be used near water or irrigation lands.

THE green paper on tariffs for agricultural products is important and timely, and is stimulating public debate and research.

The green paper seeks to transform the present regime of customs tariff policy, which has been in existence for more than 50 years, to align it with the new constitutional dispensation, the national growth and development strategy, the new agricultural policy, the new general economic thinking and international trade relations.

The green paper identifies improvement of the agricultural sector's international competitiveness as the primary objective of the planned tariffs policy on agricultural products.

It goes on to propose a formula, stressing that protection should be determined by the difference between the landed cost of the imported agricultural product and the price of the product produced in the custom unions of SA, Swaziland, Namibia, Lesotho and Botswana.

Such a formula, argues the paper, will ensure that protection is justified, and concludes that such a tariffication formula should — among other things — encourage the agricultural sector to use the natural, human and financial resources at its disposal optimally and in a sustainable manner.

The implications are that greater and particular attention will be paid to important issues like employment, investment, effective competition, concentration of economic power, productivity, exports, imports, the development of human resources, technology, consumer interests, international competitiveness, international agreements, international trade relations, balance of payments, price stability, economic co-operation and balanced development in southern Africa.

Of particular importance is the emphasis which the green paper places on the interplay between agricultural policy and the tariff policy on agricultural products.

It argues that such an interplay, as outlined in and evolving from the white paper on agriculture, should be pre-eminent in the formulation of

Green paper aims to make SA produce a world competitor

(3) BD 7/3/96

THOKO DIDIZA

the tariff policy. It concludes that "only in conjunction with a general agricultural policy" is a tariff policy on farm products possible.

This conclusion leads the green paper to make several important observations, which centre on the complex nature and strategic position of agriculture as a sector in the country and internationally.

The first observation is that "extreme caution should be exercised to guard against oversimplifications of the matter and excessive emphasis" on objectives like employment, investment, competition, concentration of economic power, productivity, technology, consumer interests, international competitiveness and international agreements.

Rash and ill-considered measures taken in pursuit of these objectives in the tariff area may inflict more harm on agriculture and the economy in general.

The second observation is that the required removal of unnecessary and distortionary government measures in the agricultural import and export sector should not take place overnight, but should be carefully phased out over time to ensure no undue disruption occurs within the domestic agricultural economy and those industrial sectors closely linked to it.

The third observation is that international trade in agricultural products is heavily distorted and

full of obstacles due to government interventions, especially in developed countries.

Failure to appreciate these international realities has often led to the incorrect perception that some SA products and industries are not internationally competitive.

Lastly, the green paper stresses the role and importance of agriculture in SA, saying it should not be reduced to its contribution to gross domestic product, because the sector provides employment and a livelihood for up to 6-million people, and 57% of agricultural output is

used as input by the manufacturing sector.

Policy legislative changes along the lines of the white paper on agriculture, the RDP and international conventions, provide an armoury from which the green paper derives instruments for the tariff policy on agricultural products.

The green paper has reduced the broader definition of agricultural products in the Marrakesh Agreement to a much narrower definition, which excludes industrial products.

Within that narrower definition, the green paper identifies two forms of competition: normal and abnormal competition.

It defines normal competition as "effective competition where supply and demand are in balance and consequently neither demand nor supply can force its will on the other".

It defines abnormal competition as having resulted from "government where intervention which distorts cost and price structures, or an imbalance between supply and demand which results in abnormally high and abnormally low prices".

The green paper argues that the general customs tariff policy on agricultural products should provide few and weak instruments of protection against normal competition, because normal competition is desirable for the agricultural sector and promotes international competitiveness.

On the other hand, protection against abnormal competition should be "granted to viable agricultural industries which are faced with such competition and which are not able to contend with such competition from their own resources".

The green paper warns that fiscal consideration should never play any role in custom tariffs for agricultural products.

Some specific instruments are considered. These are: ordinary custom duties, anti-dumping duties, countervailing duties and safeguard duties.

Ordinary custom duties would be generally used to provide protection against normal competition. Such duties are often too weak to provide sufficient protection against abnormal competition.

Anti-dumping duties are self-explanatory, while countervailing duties are used specifically against subsidised imports.

These countervailing duties would be equivalent to the amount of subsidisation.

fully endorse the green paper's perspective that unnecessary protection against ordinary competition with measures designed for abnormal competition should be removed.

The removal of such undesired protection, which has been characterised by deregulation and the decline of control boards, should put many areas of the agricultural industry under the necessary pressure to make them domestically and internationally competitive.

However, throughout this process, care should be taken to do this in a phased manner to guard against disruption and instability being created in agriculture.

The green paper is emphatic that the agriculture minister should and will be contacted for input into the formulation of a custom tariff policy on agricultural products.

This will enable the agriculture department to canvass all interested parties to become involved in the process.

□ Didiza is the deputy agriculture minister.



DIDIZA

Land policy shift slated

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THE "sudden change of heart" by Land Affairs Minister Derek Hanekom in favour of inclusion of a property clause in the final constitution was inexplicable and very disappointing, national land committee director Brendan Pearce said yesterday.

He was reacting to a statement by Hanekom earlier this week, to the effect that committee members were wrong to want the property clause removed from the constitution, as its removal would prohibit government from expropriating land for redistribution.

"On a number of occasions ... Hanekom publicly said he was opposed to inclusion of the property clause as he believed it would hinder effective land reform," Pearce said.

Pearce said Hanekom was aware a property clause would in practice hinder land reform. Property rights could not be constitutionally entrenched until effective land redistribution had taken place. —Sapa.

BD 8/3/96

Govt offers to buy fruit farms for workers

Patrick Wadula

GOVERNMENT has offered to buy three bankrupt Mpumalanga farms from Crookes Brothers for R16m for the 600 farm labourers who work there.

Land affairs department communications director Maurice Smithers said the ministry had made the offer earlier this week, and

the JSE-listed company was still considering it.

The three fruit farms — Lomati, Doornkraal and Ooshang — were liquidated at the end of last year after owing almost R28m to creditors.

Crookes Brothers bought the farms after they were liquidated, with the intention of turning them into sugar plantations, but it was prevented from taking

control of them by the workers, who feared retrenchment.

Smithers said government planned to make R15 000 available to each household through the Inala Trust, formed by the farm workers to manage the farms, for a total of R9m. The department would advance the farm workers the remaining R7m, repayable within a year.

~~STAFF~~ (3) BD 8/3/96

Gauteng land programme 'innovative'

Ingrid Salgado

3 (3) (4) (5) BDS/3/96
THE Gauteng farmer settlement programme is to be tabled in the provincial legislature next Tuesday, paving the way for provincial land to be leased and sold for agricultural purposes as early as May.

A joint meeting yesterday of the conservation and agriculture, housing and local government and urban and rural development standing committees accepted the amended document outlining the programme.

Conservation and agriculture standing committee chairman Trish Hanekom said the document contained "innovative proposals" that would have far-reaching implications for Gauteng. Other provinces had expressed interest in the programme.

The programme aimed to address

skewed land holding patterns and to provide for the redistribution of agricultural land to farm workers, labour tenants, share croppers and members of disadvantaged communities.

It stipulated that land would be leased for three years with an option to renew the lease or an option for the tenant to purchase the land if the provincial government intended disposing of the land.

The committees rejected that the option to renew leases would be based on "satisfactory performance". The stipulation was vague and gave the farmer no security, they found.

Tenants would have to commit themselves to the sustainable use of land and environmentally acceptable agricultural practices as determined by the conservation and agriculture department when leases were signed.

Warnings on entrenchment of property clause

(3) (27) Star 8/3/96

By **MONDLI MAKHANYA**
Political Reporter

South Africa would face a constitutional crisis if the present property rights clause is entrenched in the final constitution, National Land Committee director Brendan Pearce said yesterday.

He said the ministries of Land Affairs, Justice, and Safety and Security had failed to curb arbitrary farm evictions because their hands were tied by the interim constitution's property rights clause. The clause was also giving trade unions difficulties in gaining access to farms for the purpose of organising farmworkers.

"While these are clear instances of racism and union-bashing, farmers are able to hide behind the property clause to perpetuate these evils associated with the

apartheid past," said Pearce.

He also criticised Land Affairs Minister Derek Hanekom for apparently doing a somersault on the property clause and now saying it posed no threat to land reform. Hanekom said earlier this week he felt "comfortable" that the clause would not prevent land reform.

"On several occasions Minister Hanekom publicly said he was opposed to the inclusion of the property clause as he believed it would hinder land reform," said Pearce.

The National Land Committee charged that the upcoming local government elections in KwaZulu Natal and the Western Cape were in danger of being frustrated by farmers who could prevent workers from voting.

"Property rights cannot be constitutionally entrenched until effective land redistribution has taken

place, otherwise the property clause only serves to protect and perpetuate apartheid land policies. The majority ANC government has at least a moral duty to ensure the property clause is not included in the final constitution," Pearce said.

The property clause would also entrench economic disparities, imbalances and unjust distribution of land, according to the country's largest black farming organisation.

The National African Farmers' Union (Nafu) warned that a property clause would "not be worth the paper it is written on" because peace and stability would be threatened as a result of landless people invading property, writes Norman Chandler.

"Nafu is strongly opposed to the inclusion of even a modified form of property clause in the new constitution. It will be denying the

existence of (the) cruel results of apartheid in dispossessing through land redistribution," a spokesman for the organisation said yesterday.

"To include the clause will also be a denial that land-grabbing by whites and dispossession of Africans did occur. It will also be ignoring (the fact) that misguided legislation and attendant regulations and procedures were used as a prime instrument of successive apartheid governments to deprive and deny Africans of any means of wealth creation, thus sentencing them to the current state of abject poverty, marginalisation and disempowerment as well as being cheap labour and beggars in our country."

A property clause would prejudice landless African farmers and deprive them of access to the means of production and land settlement.

Bank could pull plug on scheme that teaches farmers to go it alone

(3) Star 11/3/96

Rustenburg's Tlholego scheme finds funds are drying up after five years of training, building and development

By **BOBBY BROWN**

The foundations have been laid for an innovative project aimed at agricultural self-sufficiency, but all the plans could come to nought if much-needed funds for the next phase are not forthcoming.

The Tlholego Development Project in Rustenburg may well be South Africa's answer to feeding the unskilled masses with its vision of teaching conservation with permaculture and ecologically friendly farming.

Permaculture is a form of advanced agricultural technology which has been used overseas for years. The aim is to teach rural families and potential farmers to exploit abundant resources and become completely self-reliant.

Paul Cohen, who has been spearheading the Tlholego project for the past five years, says the next five-year phase of the project is ready to go ahead if the funds come through.

So far, the project has been primarily funded by the Development Bank of Southern Africa, together with smaller trusts and organisations. There are indications, says Cohen, that this funding will be reduced:

His team meets bank officials today, but Cohen says their chances of receiving a loan are slim, and they are investigating other avenues of finance.

Tlholego, overseen by the Rural Education Development Corporation since its inception in 1991, is a permaculture, education, demonstration and research non-governmental organisation (NGO) which has the sole aim of teaching individuals how to successfully plant crops and feed their families.

Tlholego, which is situated on 122ha of land outside Rustenburg in the North West Province, aims to upgrade the 10-year-old Tshedimosong school on the smallholding and establish a self-supportive community which will generate its own income and have continuous access to advancing technology and information.

The school will focus on agriculture as a main subject, but offer other compulsory subjects from an agricultural point of view.

"Teaching a child abstract mathematics is counter-productive, but teaching him mathematics from the point of view of how

sure this thing would work, but that may also have been our mistake. There are many worthy NGOs out there who start the other way round, by first making the contacts and then doing the groundwork.

"That's where we missed out. But the other NGOs may have spent all the money available to them on research before the project takes off. With us, the grassroots work has been done and we have proven that this thing can work," says Cohen.

If completed, Tlholego will house an adult education centre with access to follow-up support from the centre, a farm, a wilderness area, a village and a school with the capacity for about 300 pupils. Prototype homes, made from mud sacks for the village, have already been built, complete with solid-waste toilets for the purpose of recycling.

"The idea we are wanting to sell is cutting-edge technology and information. We want to empower people with self-sustenance and small-scale farming. At the moment, crops are being carted to the market, bought by a distributor and sold back to the rural communities for consumption," Cohen says.

Tlholego, meaning "place of natural origins", is not just an NGO aiming at community service. Cohen points out that the idea is so advanced that it is destined to become a money-spinner if sold to other countries, or it could end up with offers of joint ventures from institutions, including the CSIR.

Cohen and his team are hoping to secure finance so that they may continue with "South Africa's litmus test for its post-apartheid intentions".

“
We got our hands dirty to make sure this thing would work
”

big to build a storage dam to hold the exact amount of water he will need for his crops will serve a purpose," Cohen says.

He laments the fact that so many people put in so much time during the first phase of the project - researching, mostly by trial and error, to make sure that certain ideas would work, only to stare a possible closure in the face. During the project's first phase, five permaculture courses, which trained 100 largely unskilled people, have been carried out.

"We basically got down there and got our hands dirty to make

Compensation for farmers

By Joshua Raboroko

STANDING committees of the Gauteng Legislature are to announce their findings on amendments made to the programme aimed at reimbursing farmers who dispossessed thousands of communities of their land during the apartheid era.

The Conservation and Agriculture, Housing and Local Government, Urban and Rural Development and the

Land Reform and Environment committees are expected to submit their report in Johannesburg today.

The committees were appointed by the Gauteng MEC for Development Planning, Environment and Public Works, Mr Sicelo Shiceka, to work on a "farmer settlement programme" to investigate ways and means of buying back dispossessed land and to empower rural communities.

Gauteng Legislature's communica-

tion officer Mr Moemise Motsepe said yesterday that members of the public, including the farming community, have been invited to the meeting.

Rural communities and the Transvaal Rural Action Committee have claimed that white farmers hoped to make "a fortune out of the government's land reform programme."

Farmers are demanding about R22 million in compensation before the land is restored to its rightful owners.

Sometan 11/3/96

Labour tenants may soon be landowners

By **KARIN SCHIMKE**
Gauteng Reporter

Gauteng's labour tenants who have farmed land they leased from the Government on 30-day contracts for the past 20 years could soon own the land if the Gauteng legislature decides today to implement a programme that will allow them to buy land from the province.

The proposed Gauteng Farmer Settlement Programme was re-

Star 12/3/96
vealed at a public meeting yesterday and was hailed as "innovative" and "precedent-setting" by contributors, including Trish Hanekom, chairman of the legislature's standing committee on conservation and agriculture.

The programme is marked by its unusual protection of both the possible beneficiaries and the state's assets, in that the provincial government will be entitled to re-acquire land it has sold if the owners use it for any purpose

(3) (4)
other than agriculture.

Around 140 000ha of state-owned land is affected by this programme, but Hanekom said not all of it would be sold off in this way as some of the land may later be used for development or conservation.

If the legislature adopts the programme today, mechanisms for the sale of land are expected to be in place by May 1. Hanekom was confident the programme would be adopted.

Farmers claim agents 'destroyed' produce before selling it again

By JUNE BEARZ

In the ongoing Johannesburg fresh produce market scandal several angry farmers claim they were dealt severe financial blows because they were being systematically ripped off by crooked market agents.

In yet another development, a man who has given Star Line information about theft and corruption at the market has

Threats of violence

gone into hiding as he says he has been targeted by "tough guys" threatening him with violence if he continues to talk to the press.

A source with inside information about the market has explained how certain agents run their theft rackets by telling unsuspecting farmers that their goods have been "destroyed".

According to the source: "I have watched these agents taking crates of top class produce and disguising it by piling rotten fruit and vegetables on top. They call in an inspector who writes out a destroyal note. Once the agents have their 'proof' that the goods have been destroyed they re-pack the produce and sell it as their own. This way they pocket a fortune and the poor farmer gets nothing but a fraudulently obtained destroyal note."

A Vryburg farmer related how he was recently cheated out of 3 100 boxes of tomatoes by a large Johannesburg agent and only discovered the theft through a chance phone call.

The Johannesburg agent had told the shocked farmer that the entire tomato consignment had been destroyed as the produce was rotten.

The farmer later discovered that the agent

had sold the tomatoes to a Durban agent and had pocketed the cash.

Groot Marico farmers Henrie and Gail Smith described a similar experience and said they initially got absolutely no support from the market's management when they complained that agents were consistently claiming that their good quality produce "had been destroyed".

"In the beginning I thought it was strange that my one-day-old cabbages were being destroyed. I told the market management that none of my produce should be destroyed until I had examined it or given them permission.

"Despite this, the agent continued to tell me he had destroyed consignments of long-life tomatoes as well as fantastic quality boerepampoen which can be stored for at least one year.

"I demanded an explanation or proof that the goods had been destroyed but nothing was forthcoming."

She says market mas-

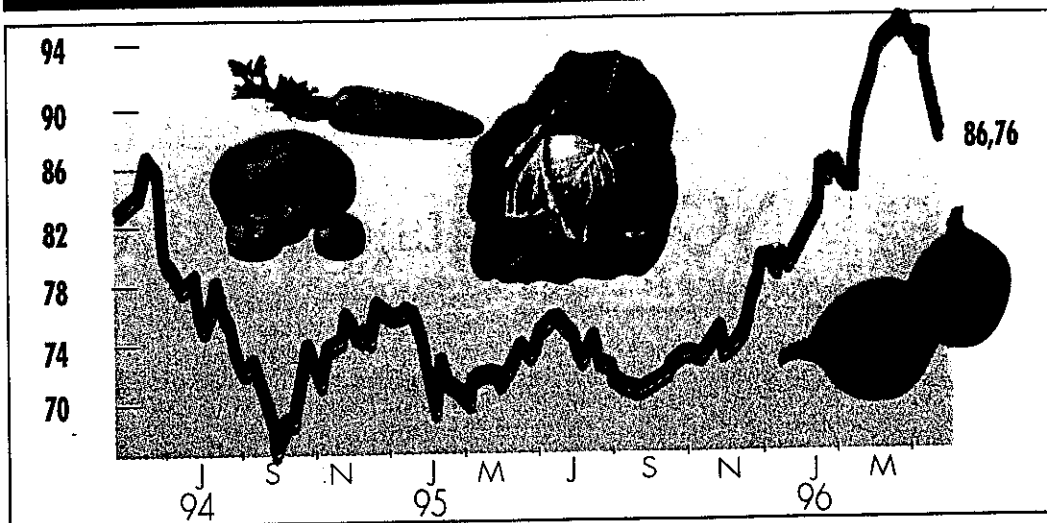
Severe financial losses

ter Daan Spengler only last week agreed to pay her out for some of the missing produce.

"Spengler knew all along about our problems but only took action because of the pressure from Star Line's exposés."

Six weeks ago former market security officer, Henry van der Bergh, related to Star Line how certain agents were stealing huge amounts of produce and pocketing the cash.

When he told the market's management Van der Bergh said he was forced out of his job by victimisation and terrorist tactics.



NEW REGIME In a deregulated agricultural industry the share-price performance on the JSE's food sector is likely to be more volatile. Opponents of deregulation say that in the long term consumers will suffer

Separating wheat from the chaff

(3) CT(BR)B/3/96

ANN CROTTY

As the Agricultural Marketing Bill begins its journey through the parliamentary process, industry players, food analysts and consumer bodies will be trying to determine who will benefit from a deregulated agricultural industry — or at least a less-regulated industry.

Members of the various control boards facing a trimmed-back role argue that in the long term, consumers will suffer from the demise of the boards because of the increased volatility in supplies and prices.

As may be expected, food manufacturers take a contrary view. They argue that the removal of statutory controls will see market forces ensure better long-term pricing structures for consumers.

Those backing deregulation argue a more convincing case, if only because they do not have the mountain of evidence against the effects of deregulation that the control board supporters have.

In the eyes of food manufacturers and consumers, years of statutory controls have built in additional costs and inefficiencies in the industry.

Removal of statutory controls will take these costs out of the system and reward efficient producers appropriately, with inefficient producers going to the wall.

It remains to be seen whether the bureaucratic-type costs that are in the system and add to food prices will be removed to the benefit of manufacturers or consumers.

If the control boards are put on a tight leash, the government will be watching closely to ensure this is not merely to the benefit of food companies.

Certainly the experience of the bread market, which was deregulated in 1991, is not encouraging for anyone — apart from

store owners who can now charge whatever mark-up they like on bread.

Before deregulation of the bread market, not only was the price of bread controlled, but so was the allocation of bakery licences and the distribution area of a bakery.

In the late 1980s it was thought a deregulated bread market could lead to reduced prices for consumers and improved margins for bakers who were part of one of the large food groups.

After deregulation there was a dramatic increase in bread prices which precipitated a fall in demand and a sharp increase in the number of bakeries.

The bigger bakers got involved in cost-inefficient deliveries to sustain volumes for their milling operations. As one of the major players says, "since deregulation the industry has become much less cost-effective".

The government's regulations were designed to ensure a cost-effective bread market. In some regards this was achieved.

The cost-plus basis for pricing bread, which was done in consultation with the large bakers, allowed no incentive for bakers to produce efficiently, but distribution was more efficient.

Food analysts argue that the deregulation under review is different. Much of the regulation has not been aimed at cost-efficiency but at protecting vested interests in the industry.

By dismantling a system that encourages an over-supplied market or that does not reward efficient production methods, deregulation will lead to cost benefits which can either lift corporate margins or reduce prices and thereby increase demand.

Another option is a combination of margin improvement and price reduction. Prices tend not to move downwards so it would be more a matter of restrained price increases.

The food sector has enjoyed something of a run in recent months, after a fairly sluggish performance last year. But ratings are down on levels seen two and three years ago.

This reflects cyclical factors in the industry. It also reflects the uncertainty facing players.

It is not only maize and wheat manufacturers who are in the throes of change. The fishing industry faces changes in quota allocations and dairy producers are up against reductions in tariff protection.

Analysts point out that no player will benefit more or less from deregulation. Efficient manufacturers will be able to reap more rewards than in the past when regulations provided a considerable, but limited-profit, comfort zone. Inefficient manufacturers will not survive.

Among the big players, Foodcorp appears to have made the most of the initial limited deregulation that has been in place for the past year.

Tiger's early performance will need to be improved and, to a much greater extent, so will Premier's.

On the milling front, Tiger and Premier are pursuing different strategies. Tiger has rationalised its milling facilities to two large mills which should allow efficiencies of scale.

Premier is using smaller mills spread more widely around the country. This should save hefty transport costs which will no longer be subsidised.

Among the smaller millers, Brenmill could do well because it is located close to the major market.

It is likely that in a deregulated future, share prices in this sector will be more volatile and not move in unison, thus reflecting more appropriately the rewards to varied management talents.

Rural strategy is inadequate

ANNIE BERNSTEIN
CONTRIBUTING EDITOR

FOR decades South Africa has neglected the needs of the millions of people living in rural areas. The country desperately needs an effective rural strategy as part of its new national vision of growth and development.

The government's draft rural strategy document is an inadequate companion to its urban strategy document and a poor step-cousin to the new Green Paper on land policy.

The document, essentially a "wish list" of what the authors would like to happen, fails to identify, understand or define the elementary building blocks of terms for analysing rural areas. Key policy choices facing the government and a practical and achievable national strategy are not identified. While many facts are available, few are provided.

Against this background, there is little possibility that sustained and positive development will occur in the rural areas.

They are complex places which include the former white platteland and the former "homelands".

Within these two categories are many sub-sectors including: black tenants on white farms; small towns and dorps; resettle-

ment areas and towns in homelands; commercial farming areas; areas close to and far away from cities; areas in high rainfall zones; and areas in low rainfall regions.

Generally the document speaks of "rural" without clarifying what kind of area it is referring to or the specific development challenges confronting very different types of places.

What is required is an analytical and quantitative assessment of the nature of the "problem", followed by demonstrably viable strategies to deal with it.

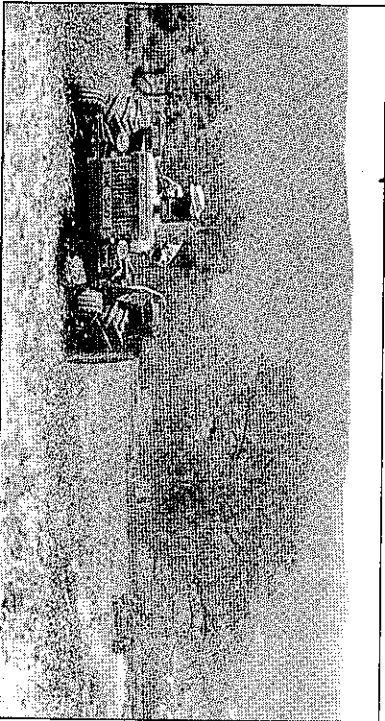
The document tends to assume a common understanding of the "problem" and the best way to respond to this.

For many decades, the countryside has become increasingly dependent on the urban economy and urban options are part of almost every rural person's life choices.

The dynamic nature of rural-urban relationships is not appreciated. For many decades, the countryside has become increasingly dependent on the urban economy and urban options are a central part of almost every rural person's life choices.

Rural areas have to deal with increasing urban unemployment and the consequences of declining migrant labour possibilities. What this means for rural development options is unclear.

A number of key policy issues are inadequately dealt with. For example, what will increased urban development mean for the rural areas?



What are prerequisites for effective and sustainable growth and expansion of opportunities for rural people? What are our rural options as sub-Saharan Africa's most urbanised country?

Other issues which need much more attention include: the potential of small towns in terms of facilities and infrastructure; "apartheid's hidden urbanites" in the dense settlements of former homelands; facts about rural people's "land hunger" and its importance in development strategy; the scale and location of demand for farming; small-scale farming and its importance (or not) as a component of future rural policy; regional differences between rural areas; communal land tenure and its effect on development opportunities; the effect of urban competition on rural markets; the complicated legacy of homelands in rural areas; and the politically sensitive issue of development.

Economic growth and employment.

both of critical importance, are tackled inadequately.

The draft strategy provides no sense of connection between rural development and the national aim of achieving 6% economic growth a year. What is the economic potential in rural areas? How does one maximise this? What should be done about those parts of rural South Africa that have little or no economic potential?

With the exception of the idealistic discussion on "periodic markets" and a cursory discussion of tourism and local economic development, rural unemployment does not feature prominently in the government's document.

This is surprising, given that the critical challenge is that of wealth creation and job expansion in rural South Africa. What are the possibilities for new job opportunities arising out of the tourism sector, for example? Can job expansion and wealth creation take place on a greater scale and in a more inclusive way than at present?

CT 14/3/96

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BUCOLIC: The draft strategy fails to take into account the range in rural areas, from commercial farms to towns in former homelands.

Will "state-induced wage increases" as advocated help create more employment? What effect on migration? What is the Government's response to the reality of large-scale unemployment among rural school leavers?

The document lists everything as of equal importance. The real world of limited capacity, resources and time, demands that priorities are identified and choices made.

The government must go back to the drawing-board and ensure the process of drafting rural strategy involves a wide range of expertise. The Centre for Development and Enterprise recommends that the government appoints a special presidential commission on rural strategy, chaired by a leading independent South African.

The commission must be a partnership between public and private sectors and perform a threefold task.

One, produce a thorough and factual analysis of rural areas and regions. Two, develop rural strategy options for government that complement overall national economic growth and development strategy. And three, develop a national strategy specifically to deal with the negative legacy of the homeland policy.

In the meantime, a government task team representing directors-general from relevant departments should identify short-term actions to be taken in rural areas.

South Africa's neglected rural areas demand much more serious attention at the very highest level of government. They have not yet received this.

Ann Bernstein is executive director of the Centre for Development and Enterprise.

R863m for agriculture fails to take care of research — Kraai

BD 14/3/96

(3)

Louise Cook

PRETORIA — The R863m budgeted for agriculture — 5,3% less than last year's allocation — failed to address research needs adequately, said Agriculture Minister Kraai van Niekerk.

Although R318m had been allocated for the Agricultural Research Council, Van Niekerk said he had hoped research and rural agricultural development, pinned at R221m, would have been higher. However, taking into account that provincial allocations pushed the total budgeted expenditure for farming to R2,2bn, he was "generally happy".

Farmer support was set at R221m. Special programmes to boost capacity building and a number of new RDP farmer development programmes would be undertaken this year.

The SA Agricultural Union (SAAU), National Maize Producers' Organisation and the National African Farmers' Union (Nafu) deplored "further cuts" to the farming sector's allocation.

SAAU president Chris du Toit said farmers would be hit hard by higher levies on petrol and diesel.

Nafu adviser Mosebjane Malatsi said "much more" than R221m was needed for farmer support programmes. It was not clear if govern-

ment provided for compensation for crop losses because of the recent rains.

Meanwhile, Land Affairs Minister Derek Hanekom said land reform expenditure of R645m, just 0,33% of the budget, was adequate now but would have to rise in future if land reform was to make any impression.

The Budget allocation — R168m more than last year — covered restitution costs of R116m, redistribution costs of R329m and RDP-funded land reform projects at R370m. Another R18m was provided for development facilitation, R120m for land reform pilot projects and R20m for labour tenants, he said.

Hanekom said land reform's allocation was suited to immediate targets, bearing in mind the department's current limited capacity for delivery.

If the current percentage allocation was maintained land reform would be stymied.

Hanekom said land reform's share of the cake had to be seen in the context of other state departments — a portion of the housing department's household subsidy was used to secure land tenure rights, he said.

Nafu, representing 500 000 previously disadvantaged farmers, said the R116m allocated for restitution was lamentable.

ANC proposes agricultural changes

Louise Cook (3) BD 14/3/96

PRETORIA — The ANC has proposed sweeping changes to marketing agricultural products, including scrapping floor prices and all marketing boards.

The proposals — presented earlier this week to the Senate select committee on agriculture and land affairs — also include boosting the representation of beginner farmers and consumers on the National Marketing Council, empowering Parliament rather than the agriculture minister to make appointments to the council, and ending compulsory levies.

ANC agricultural spokesman Sam Motsuenyane said the proposals represented a "total transformation" of the Marketing of Agricultural Prod-

ucts Bill proposed by Agriculture Minister Kraai van Niekirk.

The Bill has aroused dissatisfaction in agricultural circles following its publication a year ago.

Van Niekirk is understood to have been "upset" by the ANC's proposals, but his office said yesterday that his resignation was "not an issue".

The DP said it was "comfortable" with the ANC's proposals, but wanted to see its final submission. The Freedom Front said it "provisionally" supported the ANC and was not opposed to profound changes to the current set up.

Motsuenyane said the ANC wanted to prompt debate on the issue and needed the input of the other parties. "Nothing has been finalised — this is the start of discussion and debate."

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'Objections to concessions for those classes of employers had been received and the Department of Trade and Industry had been asked to comment by SANSEA. Originally the Chief Directorate, Small Business Promotions reacted positively to the removal of these exceptions. In the letter (Appendix B) dated 12th March 1996 from the Department of Trade and Industry reservations were expressed in connection with the possible effect of the proposed order on the promotion of small businesses. Copies of this letter were only communicated to your Board by facsimile transmission on the 27th March 1996. Your Board is in an invidious position because of the lack of information at its disposal on the issues raised by the Department of Trade and Industry. We are caught between the old dispensation and the new. Your *Comprehensive Labour Market Commission* is giving its attention to many of these issues but has yet to submit its report. Further measures are also being envisaged to promote small business. These may well clarify policy in future. Your Board is very mindful of the tension which exists between trying to decrease unacceptably high levels of unemployment by creating employment including that in the small business sector and alleviating poverty by maintaining and or improving income or other welfare levels. Reducing ordinary working hours and limiting overtime may prove more effective in creating employment than freezing or reducing real wage levels. Nevertheless economic activity continues with the potential for conflict and industrial unrest.'

Amend second sentence beginning 'Objections to.....' to read

Paragraph 5.1 Area and Scope

each year from 1992 on.

MAN ALONE A JSE trader watches anxiously as Finance Minister Chris Liebenberg delivers his Budget speech. There was little immediate reaction from the floor

PHOTO JOHN WOODROOF

ANC praised for revisions to Agriculture Bill

By ANN CROTTY

Johannesburg — Food manufacturers have enthusiastically welcomed the ANC's submission on the Marketing of Agricultural Products Bill, which recommends radical amendments to the bill that is being presented to parliament.

They believe that the revisions recommended by the ANC could go a long way to releasing South African agriculture from the laager mentality that ignores the reality of

CT(BR) 14/3/96 (3)
free-market trading in an open international system.

Sources in the industry said that the bill, as presented by Kraai van Niekerk, the agriculture minister, flew in the face of the World Trade Organisation agreement signed by South Africa, as well as the government's stated commitment to an open economy. It also took no cognisance of the ANC's commitment to helping emerging farmers.

The ANC's submissions are dramatic on a number of fronts. Of par-

ticular significance is its questioning of the need for government intervention in the industry.

One recommendation is: "Before a statutory measure is instituted, credible evidence must be placed before the minister through the national agricultural marketing council that such measure will further one or more of the following aims substantially". The aims include increasing market access for

□ Continued next page

ANC praised for revisions to agriculture bill

□ Continued from previous page

farmers who are disadvantaged because of the small scale of their operations, enhancing food security, promoting the continuing affordability of staple foods, maximising export earnings and promoting the cheapest route from the producer to the consumer.

This is in sharp contrast to a highly controversial section of the proposed bill allowing for "an institution which is representative of producers or an organisation" to request the minister to establish a statutory marketing authority.

The marketing council may accept the request if there is "sufficient support". Sufficient support is

CT(BR) 14/3/96 (3)
narrowly defined as relating to the level of producer support or of "directly affected groups" at meetings arranged by the council.

The ANC's submission broadens proposed membership of the national agricultural marketing council considerably.

Knowledge

It includes people who are academically qualified in agricultural economics or have a sound knowledge of consumer issues relating to agricultural products.

Among the representatives of buyers, Hamish McBain of Tiger Oats said: "We strongly support these amendments and we agree

with much of their submission, which represents a marked improvement on the bill as it has been tabled."

Among those supporting the minister's bill is the National Maize Producers' Organisation, which argues that only a few minor adjustments need to be made to make the bill technically practicable.

The opponents are concerned that if the minister does withdraw the tabled bill, there could be considerable further delay and uncertainty in the industry.

The ANC's submission is aimed at keeping the parliamentary process on track and effecting the necessary significant changes to the contents of the bill.



Project beating deadlines

(3) Star 19/3/96

July next year may see the completion of the R7-billion Lesotho Highlands Water Project, which will benefit often-dry Gauteng

By Shirley Woodgate.

D-Day for the R7-billion Lesotho Highlands Water Project (LHWP) boost to Gauteng's critical water supply may be pushed forward to July next year, despite construction hitches which delayed the original January 1997 delivery date to early 1998.

Chief of the RSA delegation to the LHWP's joint permanent technical commission, Wynand Maartens, said last week: "At this stage it depends on completing the lining of the transfer tunnel where work is four months ahead of schedule and may be improved by another two months."

Maartens was speaking after a four-day media tour of the scheme, tunnelled deep through the Maluti mountains.

The initial 30cu m will flow into the Vaal Dam despite hiccups which include a three-month construction delay after cracks were discovered when the foundations under the Katse dam wall was opened in 1993, and more recent problems, which required addi-

plan to reverse the direction of the Orange River to take Lesotho's abundant water to SA's industrial heartland in the country's driest region got off the ground with an official treaty between the two countries in 1986.

Ten years later, as the dam - which includes 80km of tunnels and a hydro-electric scheme - nears completion, the full benefits to both countries are clear. For drought-stricken SA, and more specifically Gauteng, where urbanisation and industrial growth have overtaken the local water supply, it is temporary relief from the water crisis.

For the two million residents of poverty-stricken Lesotho - which relies on wages from its men who work on SA gold mines for up to 70% of its economy - the royalties from the sale of its "white gold", instead of labour, will reduce its dependency by about 40%, said Maartens.

tional lining of the transfer tunnel.

Alarm bells sounded in January after earth tremors registering over 3 on the Richter Scale occurred and a crack of up to 70mm was discovered running through the village of Mapeleng on a hill above the dam as it started filling up.

The event damaged 16 huts and dried up the local spring.

It also split geologists into two camps, with a Cape Town-based geophysicist insisting the gunshot sounds and mild earthquakes might be warnings of a "devastating earthquake and landslides".

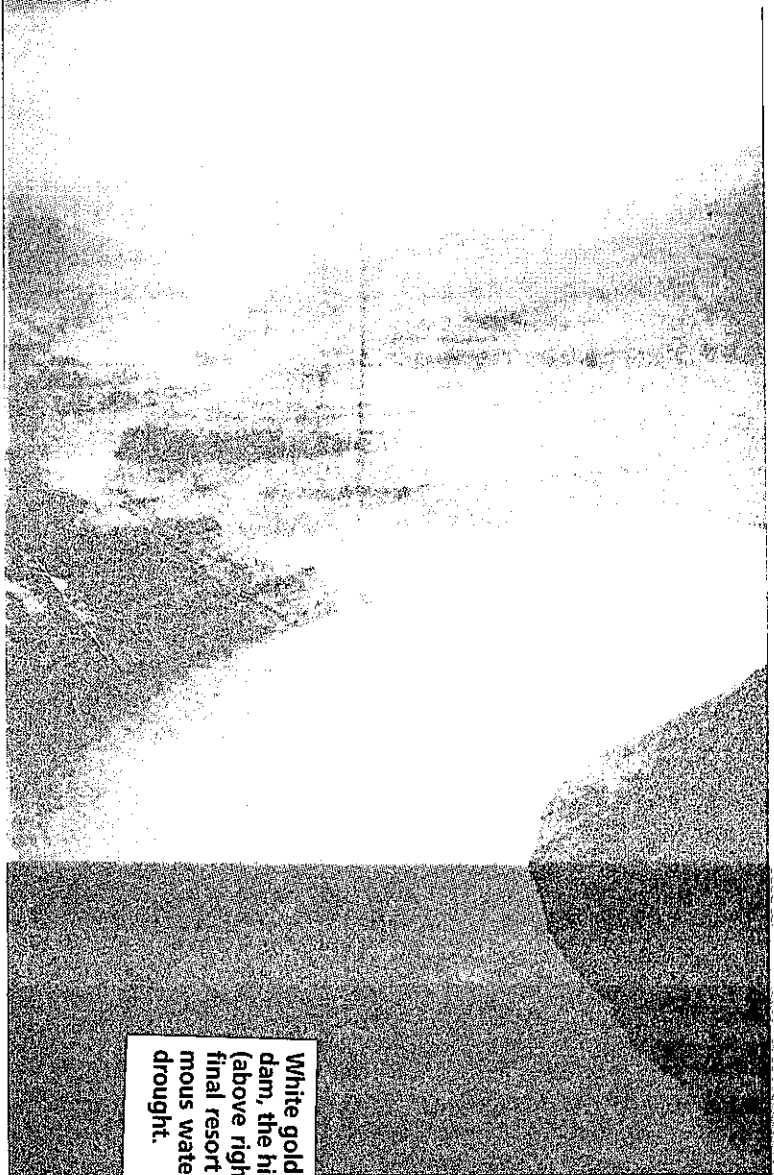
SA managing engineer WS Croucamp, backed by foreign experts, suggested relocation of the villagers despite the fact that the unique event posed no danger of massive rockslides and the dam was planned to withstand tremors of up to 4.5.

Recently, further cracks were discovered higher up the hill from the original fault but, although the LHWP was confident they posed no danger, the discovery revived local fears that the snake "Tsoanafike" was trying to escape from the ground.

Conceived by SA engineer Ninham Shand 30 years ago, the

Another major benefit from what is known as Phase One (which can loosely be described as development focused on the 1950cu m Katse dam and its 185m wall, the highest in Africa) is the electricity generated by the new hydro-electric power station. This will be enough to satisfy present needs for the whole of Lesotho, which currently relies on Eskom power from SA.

Ultimately, tourism is expected to increase and the effects of the environment action plan initiated by the LHWP authorities will be felt. They include compensation by way of relocation, cash and training for more than 6 000 households affected by the project and an ambitious rural development plan which is now getting off the ground. That includes education and assistance through projects linked to agriculture, fisheries, water supply, health and land use planning.



White gold .. (above left) construction of Lesotho's Katse dam, the highest in Africa, is nearing completion. The dam (above right) is 20% full and could have been used as a final resort to assist Gauteng, whose industry uses enormous water reserves, if recent rains had not broken the drought.

Agriculture Bill turned on its head by ANC proposals

Wyndham Hartley

CAPE TOWN — The controversial Marketing of Agricultural Products Bill has been turned on its head by an ANC proposal which restricts state intervention and increases the exposure of agriculture to market forces.

The ANC component of the senate select committee for agriculture and land affairs yesterday tabled what was effectively an alternative Bill to that under discussion before Parliament.

Agriculture Minister Kraai van Niekirk's original Bill has come under fire for returning SA to rigid control of the agriculture sector through marketing boards. Committee chairman Piet Gous (Freedom Front) said the two proposals were "irreconcilable".

The ANC proposal, instead of allowing ministerial discretion before intervention in the marketing of agricultural products, specifies circumstances under which this can be done. Intervention should be undertaken to in-

crease market access of disadvantaged farmers, to develop market infrastructure, secure the nation's food security or promote affordability of staple food.

Sources close to the committee said the proposal significantly reduced opportunities for state intervention in marketing agricultural products and proportionally increased the extent to which organised agriculture would be exposed to market forces. Powers and functions of the proposed National Agricultural Marketing Council will be more closely defined.

DP committee member Errol Moorcroft said the ANC proposals held the promise of freeing up the market and the DP welcomed any proposal that reduced the power of bureaucrats.

The ANC has agreed to make a presentation on its proposals at next Tuesday's committee meeting. It has also agreed to negotiate with organised agriculture and other interested groups. Discussions on the Bill will begin afresh after the Easter recess.

BD 20/3/96

(3)

Farmers to sue SANDF

AN OFFICIAL summons will be served on the SANDF today or early next week for damage caused by herbicidal contamination of irrigation lands in the Madimbo corridor on the Limpopo River. Farmers are claiming millions of rands.

Spokesman Johan Duvenhage said a fair opportunity had been granted to the SANDF to react for crop losses caused by herbicides used by the military to combat bush encroachment. Research conducted by the Agricultural Research Institute had indicated that the herbicides had spread to the Limpopo river bed. Through irrigation it had then spread to the lands.

22/3/96

3

Agricultural Bill delay creates 'uncertainty'

Louise Cook

BD 22/3/96

(3)

THE Senate select committee on agriculture's plans to delay discussion on the Marketing of Agricultural Products Bill until mid-May was causing uncertainty among food companies and farmers, industry sources said.

Contentious ANC amendments to the Bill — effectively creating a

new Bill — were tabled in the committee on Tuesday, but discussions were postponed after pressure from the SA Agricultural Union and the agriculture minister and his officials.

Meanwhile, a veil of secrecy was drawn over maize marketing Wednesday, as the Maize Board advisory committee objected to media coverage of a key meeting.

Asmal vows not to dam the Palmiet

ANDREA WEISS
Municipal Reporter

PRECIOUS fynbos that abounds in the Palmiet River valley has been given a reprieve - for now - by Water and Forestry Affairs Minister Kader Asmal, who has promised to explore all other avenues of water management before considering a dam.

Mr Asmal gave this undertaking while inaugurating a R350 million water purification plant at Faure, built by the Cape Town City Council to serve metropolitan Cape Town's needs until 2007. The plant is part of the Rivieronderend/Palmiet River water scheme and involves transporting water from a variety of sources via pipelines to Faure for treatment.

Mr Asmal said that while a politician should learn "never to say never", he hoped that with "sensitive and participatory planning, such an eventuality need never come".

His said his department was working with the Cape Town City Council on a Western Cape System Analysis aimed at finding the best way of ensuring sufficient water supply for greater Cape Town.

The results of this project are currently the subject of a public participation exercise.

"I do not wish to pre-empt the results of this evaluation, but I will listen without prejudice to

ARG 23/3/96 (3) (3)

Water and Forestry Affairs Minister Kader Asmal has promised not to dam the lower Palmiet River valley while there are other ways of managing the water supply to metropolitan Cape Town. His promise came on World Water Day as he opened a R350 million water purification plant at Faure.

the voice of the public in this matter,' he said.

"Without pretending that I have the gift of second-sight, it would not surprise me if, amongst other things, the people agree that we should preserve our natural assets, such as the lower Palmiet River valley as a resource for future generations.

"For as long as I am minister of water affairs and forestry, such a dam will not be permitted while there are other ways we can use water more efficiently."

Mr Asmal said the decision about the Palmiet would have to be made within a year or so, and would have to be made on a long-term basis "however difficult and controversial".

Mr Asmal said that although

the seeds of the Palmiet 1 Scheme were already going into the ground, he was not aware of any real progress being made in the area of demand management.

"In the past we have focused too much on managing the supply of water. It is time now to polish up the demand side of the coin."

Possible measures to lower consumption included tariffs and excess surcharges, repairing leaks and meters and water audits, consumer oriented strategies such as dual flush toilets and lower-flow shower heads, scheduled irrigation, industrial process modification, the use of water efficient appliances and educational strategies.

He said the culture of abundant entitlement was as unfortunate as the culture of non-payment "which we hear so much about from those who have plenty".

"When I hear that the average consumption of water in affluent areas of greater Cape Town reaches as much as 1 750 litres per person per day, and yet millions of South Africans have no access to even 30 litres a day, I realise how much work we still have to do," he said.

A water board to manage water supply for the greater metropolitan area was on the cards.

He said boards were better placed for planning and raising funds.

Agricultural control boards on short notice

(3)
ST(BT)24/3/96

CONTROL boards will have one year to disband should proposed amendments to the Agricultural Marketing Act become law.

The ANC has proposed the formation of a National Agricultural Marketing Council comprising members with a wide range of expertise and with the power to appoint ad hoc committees to advise, exercise powers or perform functions on behalf of the council, provided these advance the objectives of the proposed Act.

The minister may appoint a pool for the sale or export of produce, but no producer will be compelled to sell to these pools, and the export of produce may be prohibited in certain circumstances. Export desks would open the market to competition and signal an end to single-channel exporters such as Unifruco and Out-

By CIARAN RYAN

span. The proposals have the support of rebel farmer organisations, agricultural workers unions, the National African Farmers Union, the National Black Consumers Union and the National Chamber of Milling.

"The less the level of government intervention, the better," says Janie de Villiers, general manager of the National Chamber of Milling. The proposals may end nearly 80 years of price fixing and monopoly powers over the marketing of agricultural produce by control boards. The proposals are also a slap in the face for Agriculture Minister Kraai van Niekerk, who was accused this week of attempting to push through "neo-Nationalist reforms".

The Organisation of Livestock Producers and the Independent Fruit Growers and Export Association have called for Mr van Niekerk's removal.

Janet Love, chairman the parliamentary standing committee on agriculture, says Mr van Niekerk needs to "take stock" of the opposition to his proposed agricultural marketing Bill and consider the interests of those outside organised agriculture.

In terms of the proposals, control board assets, reckoned to be worth more than R2-billion, may not be privatised, sold or unbundled, pending a government audit. Their 1 370 employees will have to find alternative work, or reconstitute themselves as voluntary bodies without statutory funding.

Land issues 'key' to chiefs' survival

BD 25/3/96

(3) (2)

Stephen Laufer

CONTROL of land allocation could be crucial to the political survival of traditional leaders in many rural areas, a study to be published today shows.

The land allocation function, says the study entitled *Down to Earth — Land Demand in the New SA*, is "critical to traditional leaders because it is one of the few remaining actual powers and sources of influence they have".

But in many areas an increasing land hunger and tendency towards urban settlement structures was fuelling warlordism.

The picture was not uniform across the country even though traditional authorities were central to land administration in all provinces except Gauteng and the Western Cape.

While the land allocation practices of many traditional leaders were "clouded by corruption, patronage, and, increasingly, the influence of market forces", many chiefs were still committed to traditional tenure forms out of a genuine concern for welfare and equity.

Complicating the picture, said one of the study's authors, Prof Tessa Marcus of Natal University, was an increasing tendency towards urban settlement patterns even in rural areas.

Reduced plot sizes, the conversion of arable and grazing land to residential use, and increasingly fragile kinship relations were weakening traditional authority.

Most people who supported the traditional authority system did not necessarily support individual

traditional authorities.

As a result, such institutions were increasingly succumbing to "the sway of powerful individuals who take and maintain control over the allocation of residential sites with the assistance of informal armed forces and party political patronage."

But the traditional tenure system had also guaranteed access to land for even the poorest of rural residents, and the baby should not be thrown out with the bath water during the land reform process.

There was a danger that a move to freehold ownership without any alternative tenure possibilities or guaranteed access to common pasturage would finally dispossess those unable to articulate or pay for their land needs adequately.

Injection

The success of alternative mechanisms for administering communal land would depend on the emergence of effective local government to provide support and services. Marcus said this could work only if there was considerable injection of finance and skills into the rural areas.

A lack of sufficient resources would make land released under reform programmes prone to "elite capture". Those who had historically been well placed — often for the wrong reasons — would be in the best position to take advantage of new land allocations.

Researched over a two-year period in all nine provinces, the study is the first attempt to analyse popular land needs across SA.

Conflict looms as ANC revamps agriculture Bill

Wyndham Hartley

CAPE TOWN — Increased conflict between government and organised agriculture looms following the almost total revamping of the Agricultural Products Marketing Bill by the ANC.

Despite declarations by the ANC's Senator Sam Motsuenyane that the ANC was determined to end price fixing in the agricultural sector and levies against organised agriculture, the SA Agricultural Union said yesterday resistance could be expected from farmers if the ANC amendments were adopted.

Last week the ANC turned the progress of the Bill through Parliament on its head when it tabled alternative statutes in response to those proposed by Agriculture Minister Kraai van Niekerk.

Yesterday the ANC, as agreed when its controversial proposals were tabled in the Senate agriculture and land affairs committee last week, gave a presentation on its proposals.

It claimed the proposals would lessen state intervention in agricultural marketing and enhance the effects of the free market.

Motsuenyane told the committee yesterday that the ANC opposed the inclusion of price-fixing provisions in the legislation and insisted that price should be determined by the market.

He stressed that the ANC's intention was to take agricultural marketing out of the hands of entrenched boards and place it in the hands of committees with limited life spans. He also declared that the ANC wanted to create less scope for government intervention in agricultural marketing.

Union vice-president Japie Grobler said the union supported the original Bill as tabled and would need certain "preconditions" to be met before it participated further in the process. Among these were the inclusion of all affected parties in the committees of the proposed National Agricultural Marketing Council, and specifically stronger representation for those who paid levies on agricultural products; that levies should not be used for developmental purposes; and a longer phasing-in period for the system.

He warned that if these conditions were not met,

(3) BD 27/3/96
organised agriculture will seriously re-evaluate its position and course of action". The union also warned that if farmers were not adequately represented on structures created in the legislation "much resistance should be expected".

Jack Raath, the union executive director, said the proposals were not clear. They seemed to involve more central control, rather than less. The confusion as to whether the ANC amendments meant more or less intervention had to be clarified.

Raath and Grobler said they supported efforts to get new farmers on their feet, but stressed that this should not be done through a marketing Act but by means of "direct intervention". The ANC's proposals provide for intervention in support of previously disadvantaged communities.

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Officials 'ignored govt directives about land'

(3) (4) BD 28/3/96
CAPE TOWN — State officials had repeatedly ignored government directives on the disposal of land earmarked for incorporation into Qwa-Qwa, the Budlender commission of inquiry has found.

Some farmland in the Harrismith and Bethlehem districts, acquired by the state in 1986, had not been incorporated, and in 1993 had been put up for sale, the only commissioner, Geoff Budlender, said in his report released yesterday.

In late 1993 and in 1994 public works department officials had moved to sell this land back to its former owners, contrary to recommendations of the former land allocation commission, ministerial decisions, standing procedures of the public works department and the moratorium on the alienation of state land imposed by Public Works Minister Jeff Radebe.

Budlender could not establish who in the department was responsi-

ble for the irregularities, but all the officials had been aware of the instructions and therefore should all bear some part of the responsibility.

The original owners of the land did not have any preferential claim on it now as they had been fully compensated in 1986.

If it was decided that the remaining land should be sold to commercial farmers, it should be sold on the open market, pre-empting any disputes over its true value.

Different considerations might apply if it was decided that the land should be made available to communities needing land, or to beginner farmers.

Sapa

SPECTRE OF STATE CONTROL LOOMS AS IN DAYS OF OLD

③ PM 29/4/96 29/3/96

Regression by another name

The powers of effective lobbying and of free debate in a democratic society may well be the eventual winners in the creation of a new, widely accepted Marketing of Agricultural Products Act containing the best elements of proposals submitted by Agriculture Minister Kraai van Niekerk's Department, the ANC and other interested groups.

This, at least, is the hope of free marketeers after the encouraging responses from Senate leader and ANC member of the Senate's Portfolio Committee on Agriculture Sam Motsuenyane to criticism of the ANC's controversial proposals for a new Marketing Bill.

Motsuenyane says he is awaiting submissions and amendments to the ANC's proposals from the National Party, the Freedom Front and the SA Agricultural Union (SAAU). "We have started negotiating and the ANC is open to reasonable suggestions or options to its proposals. We would obviously like to promote the developing sector of agriculture but do not want to harm commercial agriculture in the process."

Motsuenyane's amenability to criticism of the ANC's proposals should go a long way towards allaying fears that the ruling party was about to launch a Marketing Act so heavily laden with socialist aims that it would make the current law — and the Bill proposed by Van Niekerk's ministry — seem like veritable shining beacons of liberal values.

Some of the overriding social aims — justifying interventionist "statutory measures" — contained in the ANC's proposals include steps to:

□ Increase market access for disadvan-

taged small farmers;

□ Develop market infrastructure and ensure it's available to all;

□ Enhance food security;

□ Make staple food more affordable;

□ Underpin job security within the agricultural sector;

□ Maximise export earnings;

□ Advance the profitability of agricultural producers;

□ Press for the "cheapest route" from producer to consumer; and

□ Promote the registration and regulation of independent marketing bodies or institutions.

Laudable as these might seem from a broader social upliftment or welfarist perspective, enshrining them in a Marketing Bill — as the overriding rationale and guiding perspective — and imposing them on a market that has been substantially liberalised since the publication of the Kassier

Committee report on the deregulation of agriculture would have meant a huge step backward, possibly even towards a Soviet-style control structure.

"What we see in the ANC proposals is a paradigm shift — from a Marketing Bill that is at least broadly market-orientated to one that is socialist in its aims. Coupled with this, the new National Agricultural Marketing Council (NAMC), proposed by the ANC, would have vast executive powers, compared with the advisory powers that we would support," says National Maize Producers' Organisation GM Giel van Zyl.

Adds independent agricultural economist Johan Willemse: "The ANC's aims are

too loosely phrased and imply broad-based social interventions (building of infrastructure, possible price controls or price fixing, labour regulations and even the possible regulation of independent marketing bodies such as the SA Futures Exchange, fresh produce markets and grain traders such as Cargills), all of which seemingly have to be funded from indeterminate levies which could be charged on producers, processors and even consumers."

ANC spokesman on agricultural policy issues Janet Love confirms that the ANC would favour ceiling and floor prices in certain circumstances — such as a combination of a severe local drought pushing up local maize prices, coupled with a spike in global grain prices. This was the case last year, when the local maize price shot up by almost 90%.

"Our view is that if you intervene in the market, you need to do this in pursuance of clearly set objectives. Moreover, such intervention should further one or more of the aims we set out in our proposal, without being substantially detrimental to any of the other aims."

Love says the ANC's view is that agriculture can no longer be "isolated" from the rest of the market and from trade and industry and should be open to the influence of broader national policies.

But, says Free Market Foundation executive director Leon Louw, social aims should be the prerogative of a Department of Welfare, whereas the Agriculture Department should focus on production issues.

"The market should be allowed to operate freely and determine prices. Both parties (Agriculture Department and the ANC) seem to want to take us back to the rhetoric of the Thirties, when intervention in agriculture started. A cheap food policy should consist of two main compo-



Kraai van Niekerk



Leon Louw

nents: allowing imports of cheap food without unnecessary protection and funding food and other social aid directly from the fiscus (using something like US food stamps, for example), not through market intervention."

The same thing happened in Britain during the time of the Anti Corn Law League in the late 17th Century, adds Louw, when the government disallowed cheap continental imports, leading to the saying that "bread is so dear and blood is so cheap." Eventually, it was forced to bring down tariffs and allow cheap imports.

In SA, meanwhile, the secretive Wheat Forum (consisting of representatives of producers, major milling groups, labour unions, the Wheat Board and government) meet behind closed doors and decide on the season's wheat price.

And, though nominally deregulated, some observers say even bread prices — at wholesale level — are still determined at the forum's monthly meetings. Proponents (including ANC-supporting spokesmen) say this is a "democratic" way of managing the industry and could point the way towards future sectoral management in agriculture once the control boards are done away with.

But consumer groups and free marketers say it is just another method of keeping consumers in the dark.

On Tuesday, the SAAU also issued an incisive and wide-ranging criticism of the ANC's proposals (which, says Van Niekerk, should also be subjected to "an open and transparent process" allowing all the parties concerned "to furnish their comments, inputs, criticism or proposals — in other words, to present their arguments").

The SAAU's case — which surprised many observers, coming as it did from a body traditionally seen as supportive of the "old order," consisting of organised agriculture, co-operatives and powerful control boards — is partly ascribed to new vice-president Japie Grobler. Its proposals include:

□ Cutting back and limiting over-regulation of agriculture and government intervention;

□ Promoting open and inclusive debate on the new Marketing Bill, including the ANC's social aims and objectives on the position of "disadvantaged groups" in agriculture;

□ Acknowledging that government intervention in agricultural marketing "can only be justified if it is aimed at improving the performance of the markets" and that laudable objectives — improved production, profits, cheap food, social security, food self-sufficiency — cannot be pursued through a market intervention without distorting results and should thus be achieved by direct measures;

□ Eliciting the views of "affected parties" on intervention as a matter of primary, not secondary, importance.

"If market imperfections necessitate government interventions or government lacks the means to finance market-related services, it should be up to the affected parties to propose and accept the need and nature of balancing measures. It should be a bottom-up, not a top-down, process. We are concerned that the ANC's proposed amendments regard parliamentary and political discretion as of overriding importance compared with the needs and views of affected parties," says the SAAU in a statement released this week.

Currently, only two marketing legislative proposals are on the table — and were discussed again on Tuesday by the Senate's portfolio committee on agriculture as part of the democratic process before being submitted to both Houses of parliament for final enactment.

These are the 46-page Bill submitted by Van Niekerk's ministry and the ANC's alternative, 15-page "Guidelines with regard to the Marketing of

Agricultural Products Bill, 1995."

Both proposals have come in for sharp criticism — but now it seems that a meeting of minds might be in the offing, helped along by an incisive policy statement (and criticism of the ANC's proposals) submitted by the SAAU to the portfolio committee on Tuesday.

Motsuenyane confirms the ANC will again meet the SAAU next week to discuss its own amendments to the ANC's proposals. Sharp views of various parties

involved in the debate seem to have been the crucial factor in allowing a new spirit of co-operation to come to the fore. The winners should be agriculture, consumers and the economy.

The ministry's Bill was the first to be subjected to pointed criticism, especially from the private sector.

"We wish to put on record our strong objections to the Marketing of Agricultural Products Bill. It appears to us to be a regression to the old, interventionist style of legislation . . . (and) the ideas behind the Bill are so fatally flawed that tampering will only make the situation worse. Accordingly, we can only suggest that the entire Bill be scrapped and that a new draft be prepared along the lines of free-market principles," says Pick 'n Pay MD Gareth Ackerman.

As a long-time supporter of free-market principles, he says he's "extremely disappointed to see that the new Bill is nothing more than an attempt to re-regulate an industry that was involved in spontaneous deregulation. We cannot understand such a knee-jerk reversion to the protectionist values of the past."

A better solution than misguided intervention, he adds, would be to see SA as part of the broader regional market and to allow countries such as Zambia and Zimbabwe to play a bigger role in producing cheaper, quality food and other agricultural products for the regional market — rather than protect maize farmers, for example, in dry areas such as the western Transvaal.

Maritzburg-based independent agricultural consultant and *Damage by Debt* author Symond Fiske says the best solution is to scrap the Marketing Act, not rewrite it.

But, he says, apart from the politicians, powerful lobbies of "middlemen" would not allow such a free-market solution as they benefit most from any interventionist policies.

"For example, Unifruco, Outspan, the wheat lobby and powerful co-operatives are said to have been the prime motivators for and supporters of Van Niekerk's Bill, whereas milling groups and other vested interests are also said to be supportive of the ANC's stance. The reason is obvious: they benefit the most, not the poor, the farmers or the indigent."

It's hoped Motsuenyane's committee will still find the happy medium — for consumers and producers — between the Scylla of the lobbyists and the Charybdis of the politicians. ■



Sam Motsuenyane

Agricultural Credit Board must go, says Strauss report

Louisa Cook

PRETORIA — The government-appointed commission into rural financing has called for the scrapping of the Agricultural Credit Board and for the opening of the Land and Agricultural Bank to the entire rural sector.

The Strauss commission, in its interim report, also recommended that the Land Bank Act be urgently redrafted so that the bank could serve sectors outside farming, and called for the ending of credit provision by all agricultural departments.

The bank should be transformed into a rural bank with a new board of directors, becoming the "key institution to act as the state's agent in the rural financial services sector". Provision should be made for a name change to the Rural Bank of SA.

80 29/3/96
The commission suggested government's direct role in agricultural financing should change, recommending credit provision by the national and provincial departments of agriculture and the Agricultural Credit Board be ended as soon as possible.

The report said it was unlikely commercial banks would be willing to enter the land reform programme in a big way.

Properties owned by the Land Bank were a potential source of land and the bank should put these farms on the market, offering reasonable financial packages.

Monitoring village banks and development corporations should be done by the Rural Bank and the RDP office.

No changes were recommended to the Banks Act, but the report said laws governing farming, banking and land should be "harmonised".

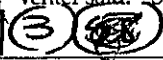
Farmers pay more interest

Star 3/4/96

The Department of Agriculture has increased the interest rates charged on short-term loans to 14% with effect from December 1 last year, department spokesman J B Venter said yesterday.

Interest on loans in arrears would also rise to 14% from April 1 this year, Venter said. The increases had been announced in November last year.

Farmers' debt to the Agricultural Credit Board amounted to 8% of the total agricultural debt, Venter said. -Sapa.



Outlook for farming very positive - report

Business Editor

ARG 3/4/96

(3)

THE agricultural sector should grow between 11 percent and 17 percent this year in spite of recent heavy rains, says the Nedcor Economic Unit.

In its latest Guide to the Economy, Nedcor says the outlook for farming is "extremely positive".

Research by the Economic Unit suggests that most agricultural crops have not been affected by the heavy rainfall over the last couple of months.

Hectares of maize planted this season rose from 2,95 million to 3,31 million and the official crop estimate for the 1995-96 season - 9,6 million tons - is more than double last season's output.

Estimates of the loss of wheat production from rain damage have been revised downwards, Nedcor says, and the high rainfall is good news for the 1997 crop, since wheat depends heavily on ground water.

Sugar production in 1995-97 is likely to drop slightly and both results and prospects for deciduous fruit are disappointing. Only plums are expected to show good export growth, while grape exports are expected to drop by 1 percent, exports of apples by 0,6 percent and of pears and apricots by 7,8 percent.

Citrus, on the other hand, should benefit from the rains: orange exports could rise 21 percent, exports of lemons by 34 percent and grapefruit exports could double.

Nedcor expects a "modest" increase in red meat supplies.

Good results from farming should boost Gross Domestic Product by 0,7 percent, Nedcor says, forecasting economic growth of 3,5 percent this year in spite of a slowdown in manufacturing.

Farmers face rise in interest rates

Louise Cook

NEARLY 7 000 commercial farmers, in arrears with debt repayments, faced sharp interest hikes on their Agricultural Credit Board (ACB) loans, threatening many with bankruptcy, sources said yesterday.

The defaulting farmers were given until April to catch up the outstanding debt of R527m following an agriculture department policy change in December. Farmers in arrears were to be penalised with a 6% increase in the interest rate on arrears to 14%.

Rates went up on arrears in medium- and long-term loans as well as on all new short-term loans.

Sources said the 8% rate would

BD 3/4/96 (3) (3)
still apply on new medium- and long-term loans, a move which was believed would benefit mainly beginner black farmers, on condition they remained up to date with repayments.

Reacting to accusations in financial circles of the ACB's high default rate, the agriculture department said it had resulted from the "structures of the past that have failed to induce in farmers an attitude to consider the loans seriously."

Agriculture department chief director Masiphula Mbongwa said banks had the clout to ensure repayments which the department lacked.

He said government tended to be more sympathetic to farmers' plights, but in future it planned to

move away from giving direct credit to farmers. Current thinking was the use of state funds to support banks.

"We are moving towards guarantees to banks and getting away from crowding them out and competing with them", he said.

Sources who did not want to be named said that the ACB had loaned to 8% of farmers, with the balance coming from banks and co-operatives.

SA Agricultural Union chief economist Koos du Toit said the board's decision to put up rates would cause "hundreds" of bankruptcies over the next few months.

"We can only hope that the bulk of farmers would be able to manage this radical hike," he said.

Hike in diesel price to affect agriculture

Samantha Sharpe

CAPE TOWN — The latest 6c hike in the diesel price to 193c, which comes into effect today, would cost the agricultural sector R60m a year — an expense farmers could ill afford, the SA Agricultural Union warned yesterday.

Higher oil prices, the

BD 3/4/96 (3) (3)
weaker rand and increased European demand for diesel over the past winter have put pressure on the diesel price, with the hike bringing the price rise to 16% in the past year.

The union's chief economist Koos du Toit said the higher cost of diesel — the diesel price is currently more expen-

sive than petrol — would harm the agricultural sector, already struggling to raise its international competitiveness.

For every 1c increase in the diesel price the sector pays an annualised R10m, with the latest rise translating to a R60m surge in fuel costs over 12 months. Econometrix economist Tony Twine said: "This is a crucial period of demand for the sector and, even without an exceptionally large harvest, it spells a substantial increase in costs for farmers compared with a year ago."

Du Toit said that while the agricultural sector's fuel bill rose only 4,4% last year to R1,72bn, a much higher rate of increase was expected for this year. Fuel costs currently make up about 15% of the sector's total intermediary goods and services bill.

But nothing could be done to change the current situation, with diesel prices now market-regulated and the agricultural sector a victim of fluctuations in the oil price, changes in demand and the strength or weakness of the rand, he said.

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Land of guilt and money

MtG 4-11/4/96

A few white farmers in North West province want a big chunk of the land compensation budget — for farms which were dirt-cheap in the first place, reports **Hazel Friedman**

FIFTEEN white farmers in North West province are threatening to hijack the government's land reform programme unless they are awarded millions of rands in compensation for their farms.

And the Batloug people — rightful owners of the land who were forcefully removed in 1977 — have threatened to invade the land in protest against the government's "bureaucratic delays".

At the core of the conflict — a test case for the future of the government's land policy — is a controversial section in the Department of Land Affairs' Green Paper on land reform. It concerns the calculation of "just and equitable" compensation for land restored to its rightful owners, and a clause in the Restitution of Land Rights Act of 1994.

The 15 farmers, who bought the land in 1981 at well below market-related prices, have refused to move unless they are compensated at market value, estimated at R22-million — a substantial portion of the

restitution budget for the entire country, which presently stands at R89-million.

The farmers are demanding between R700 and R1000 per hectare for their farms, even though they paid less than R250 per hectare when they purchased the land in 1981. The Green Paper has proposed that compensation should be below market value for land acquired cheaply under apartheid.

The Batloug — deprived of their ancestral land for 19 years — simply want to go home. The ongoing delay has increased their distrust of the Land Claims Commission (established by the Department of Land Affairs to investigate and process land claims).

Says Peter Ntshoe, chairman of the Transvaal Land Restoration Committee, and a member of the dispossessed community: "The commission is widely perceived as part of the Department of Land Affairs,

which, as the Department of Native Affairs during apartheid, was responsible for robbing blacks of their land."

He adds: "The Batloug are a farming community. We made a good living off the land, yet we were deprived of our livelihood and ditched into a place without schools, shops or even arable land. Now, we are prepared to take whatever action is necessary to reclaim our land."

In 1992, the 1000-strong community lodged a restitution claim with the former Commission on Land Allocation. Yet the council could not deal with the claim as it was only concerned with state land claims and the Batloug claim was referred to the former Department of Regional Land Affairs.

In April 1994 the previous government agreed to return the land to the Batloug. In July 1995, the farmers claim, Land Affairs Minister Derek Hanekom undertook to buy their land — but in November of that year they were told this would not happen.

In December 1995 the Batloug claim was passed onto the Land Claims Commission to re-investigate the claim and make recommendations to the Land Claims Court, which is due to start operating in April this year.

In the same month, the farmers sought an urgent interdict against Hanekom, Public Works Minister Jeff Radebe and the Land Board chairman, claiming they had employed "delaying tactics" in buying the farms. Although the Pretoria Supreme Court dismissed the application with costs, the farmers have refused to move until they are given what they describe as a "fair deal".

Hannes de Villiers, spokesman for the 15 farmers said: "We did not kick the Batloug off their land. We bought the farms when there was nothing but veld and poor soil. We have worked to make the land productive and deserve to get out as much as we put into it."

Yet when the farmers bought the land in 1981, they paid a maximum of R220 per hectare for dry land and R84 per hectare for grazing areas. According to court papers in this case, the market price at the time for dry land was R700 per hectare and R200 per hectare for grazing. In addition, farmers received substantial government loans and subsidies over 20 years, with interest at a mere 5%, compared to the then interest rate of 10, 5%.

Despite the generous aid, however, many of the farms remain heavily in debt and operate at a loss.

Durkje Giffillan, a

lawyer at the Legal Resources Centre who is representing the Batloug, says: "The farmers had a chance to make a go of their farms, but many failed, more as a result of bad management than drought, and they should not deprive the owners of their rights. If they receive the market price for the farms they will benefit twice from the previous government's policies of forced removals."

The Department of Land Affairs's Glen Thomas says: "There is no doubt the Batloug must be returned to their land, but the Land Claims Commission still needs time to complete its investigations and recommendations before the matter can be taken to the Land Claims Court."

Run by a small staff of five on a tiny budget, the Land Claims Commission is only able to process about one claim per week.

"Yet already the number of land claims being lodged with the commission is in excess of 3 000. Obviously this calls their future efficacy into question," says Norman Abrahams, a lawyer with the Legal Resources Centre in Johannesburg.

And there might be more at stake in the Putfontein conflict than community rights and equitable compensation. The Putfontein area is rich in minerals, particularly diamonds.

When both the Batloug and the farmers bought their land, mineral rights were excluded from most of the deeds of sale. Now, the question is: once the land is returned to the Batloug, who will own the mineral rights to Putfontein?



Bonded to the soil: Farmer Gerrie van Zyl faces an uncertain future

PHOTOGRAPH: HAZEL FRIEDMAN

Paying for the sins of the past: Two different views

Simon Ndebele

THAT'S where the school used to be", says Simon Ndebele, pointing to a piece of veld dotted with fragments of rubble. "My parents helped build it in 1946, and it became a wonderful place of learning for the Tswana aristocracy. By 1956, with the help of the missionaries, we had a clinic. The soil was rich, our lives were good."

He pauses. "Then they chased us from paradise and dumped us on dry grass."

We are standing on a sand path overlooking a vast pancake of land which seems to have been overlooked by the recent heavy rains. Yet the canvas Ndebele paints, the rough edges of memory blunted by nostalgia, is of a pastoral paradise, with fertile alluvial fields teeming with plant life and livestock.

"It looks dry now but there is an underground water source which once served our subsistence farming needs perfectly. What I miss most of all is the sense of belonging. For 19 years my people have been like the Israelites exiled from the Holy Land."

The "holy land" is the district of Putfontein

in what was the Transvaal, later part of Bophuthatswana. The area was purchased by the Batloug under chief Shole shortly after the Anglo-Boer War. With the implementation of the Native Land Act of 1913 and the Native Trust and Land Act of 1936, the Batloug — along with millions of other black people — were deprived of the right to own land.

Ndebele was only 10 years old when the trucks arrived to relocate his community to Ramatlabana, more than 100km away. But he remembers every detail of October 31 1977, when he was awakened by the sounds of dogs and shouts.

At gunpoint, 1 000 people were herded onto open trucks alongside sheep and cattle and transported to their "new home".

But, says the son of a Batloug elder, "It was nothing like home. It was like the desert." Paid between R15 and R40 for their Putfontein plots covering thousands of acres, the Batloug were provided with little water, no sanitation, shops or schools, and scant shelter.

"When the government officials showed the chief and my father this so-called promised land, it was like throwing shit in our faces."

Gerrie van Zyl

ON either side of the only route to Gerrie van Zyl's Putfontein farm are two road signs saying "Cecilia's Home and Sweet Home". They frame the route like bookends.

Called Omega, one of three subdivided, identically titled farms, it is more than a home to the Van Zyl family. It is an invisible umbilical cord constantly feeding into and off them, entwined with their identity.

But soon the cord will be cut: Van Zyl is one of 15 farmers who will have to return the land to the Batloug community. Van Zyl accepts the inevitability of it. He is willing to move on, but not at any price.

"I bought this farm in 1981, when there was nothing here. I have made it the flourishing place it is today," he says, indicating manicured gardens and fertile sunflower and millet fields melting into the horizon. "I have planted every blade of grass and hammered each nail. This farm became my life and my family's future. Now the only life we have is uncertainty. As for the future ... God knows."

Born in Stellenbosch, Van Zyl studied agri-

culture before coming to the Transvaal in search of the quintessential South African dream. He thought he'd found it in 1981 when he saw an ad in the newspaper offering farms for sale in the then northwestern Transvaal at absurdly low prices.

"We were aware at the time that other communities had been occupying the land before us," he admits, "but for a farmer just starting out, it was a fantasy come true."

Van Zyl insists the purchase price of the farm, although below market value, grew to a substantial investment, because the farm had to be developed from scratch. "It would have been much easier for me to purchase a farm with an existing infrastructure, instead of having to develop one myself. How then can the government calculate the value of my land? They did not witness the work, commitment and love that went into it."

"All I ever wanted was to farm," says Van Zyl. "And that is all my son wants to do. Yet unless we receive adequate compensation to enable us to start up another farm, we will have nowhere else to go."

"This land is not for the faint-hearted, it drains you. Yet my soul is bound to it."

Land Bank faces overhaul

3 (38) ST(BT) 7/4/96
By **THABO KOBOKOANE**

A COMPLETE overhaul of the Land Bank is on the cards in line with the Government's efforts to make finance more available to rural people.

The transformation is recommended in the draft interim report of the Strauss Commission of Inquiry into rural finance.

The commission suggests that the Land Bank should get a new board of directors, a new name (the Rural Bank) and that the Land Bank Act be redrafted "as a matter of urgency" to allow the Rural Bank to assume wider responsibilities.

These would include offering "wholesale" development finance to retailers who serve the needs of people in the "deep" rural areas — including capacity-building support to retailers.

The commission, headed by Standard Bank chairman Conrad Strauss, further recommends the shutting down, "as soon as possible", of the credit provision functions of the national and provincial departments of agriculture and the Agricultural Credit Board, and that the loan books be transferred to the Rural Bank within 12 months of its establishment.

The Commission says this measure should apply to credit extended by other national, State-supported institutions, such as the Development Bank, to farmers, and further suggests this "could apply" to the Financial Aid Fund of the South African Sugar Association.

The commission was appointed last year by Minister of Land Affairs Derek Hanekom and given the task of investigating the provision of financial services in rural areas. It is due to present a final report by July. The commission was set up in response to assertions that existing credit and agricultural financial services in rural areas were inadequate to meet the needs of those sections of the community who had been denied access to these services in the past.

According to the report, the function of the Rural Bank would be to "nurture, support and co-ordinate" financial institutions at various levels.

It says the Rural Bank should be charged with the responsibility of monitoring the performance of

institutions at retail level, and of evaluating the success of rural finance system in terms of contribution to the RDP.

The commission has recommended the setting up of a national-level co-ordinating body in view of the number of existing and proposed bodies that intend providing financial support.

It is further recommended that a Development Council be established by statute, deriving its members from the Development Bank of Southern Africa, the Industrial Development Corporation, the National Housing Finance Corporation, Khula Enterprise Finance, the Rural Bank and the provincial governments. The council would serve as a regulator of the wholesale institutions.

Panic over mooted SA use of Zambezi water

A SOUTH African proposal to draw water from the Zambezi, Africa's fourth largest river, has created panic in at least one of the eight nations that share the waterway.

The South Africans say they have not yet decided whether to go ahead with the plan, but Zambia is already in a state of panic over the proposed construction of a canal from the river to South Africa's industrial heartland, Gauteng.

According to the Zambians, the canal would ferry about 4 500 million cubic metres of Zambezi water a year. "This plan is not environmentally friendly," Zambia's En-

ergy and Water Development Minister Edith Nawakwi said.

South African officials say pumping water from the Zambezi remains a futuristic alternative.

"We are looking at various options and if it ever comes off the ground that alternative may be considered, but it would cost an astronomical amount of money," said Water Affairs spokeswoman Marie Ashpole. "It is a possibility that has often been mentioned."

Ashpole added: "We are at present exploring all possibilities within our borders first.

"There are eight countries involved and we would have to talk to all of them. It would be a diplomatic nightmare. It took us 20 to 30 years for example to negotiate the Lesotho Highlands Water Project."

Touchy

Water is a touchy issue in the Southern African Development Community region. An estimated 70 percent of the area's waterways are shared by various countries which compete for their use.

But it is the Zambezi case that is most complicated since it would in-

CP 7/4/96 (3)
The river runs through or borders Angola, Botswana, Mozambique, Namibia, Zambia and Zimbabwe. And some Tanzanian rivers flow into Lake Malawi, which in turn is drained by Malawi's Shire river that empties into the Zambezi.

Hydrologists in Zambia say the country's rivers contribute 41 percent of the Zambezi's water since almost all the other seven countries have far less rainfall.

Only about one percent of Zambia receives less than 500 mm of rain a year compared to 65 percent of Botswana and 23 percent of Zim-

babwe.

The question being asked in Zambia is whether South Africa, which does not share the Zambezi, should be allowed to build a canal that would use water from the river. The canal would have to pass through Zimbabwe and/or Botswana, and would be about 1 340 km long.

Zambia's Minister of Environment and Natural Resources William Harrington says "a proper environmental impact assessment should be carried out to assist my government to come up with a stand on the matter". - Sapa-IPS.

R250-m down the drain in water seepage

Star 8/4/96

(100)(3)

Up to 50% of water supplied to some municipalities unaccounted for

By LORNA ZOKUFA
AND TAMSEN DE BEER

Gauteng lost R250-million in water unaccounted for by local authorities last year, and municipalities might be forced to undertake expensive repairs to water equipment throughout the province.

The loss was revealed by a survey conducted by Rand Water, and is equal to 250 kilolitres of water, or 20% of the total water put into supply each year by Rand Water.

In certain local authorities, as much as 50% of the water supplied by Rand Water was unaccounted for.

Rand Water chief executive Vincent Bath said the province's water wholesaler intended to take "a very strict line on water loss in municipalities", including imposing tariffs on municipalities that could not account for water losses.

"We are planning to look at tariffs charged for unaccounted water so it becomes very uncomfortable for municipalities to allow leakage," he said.

Local Government and Housing MEC Dan Mofokeng said the survey had identified a need for municipalities to implement a method for a water audit.

In a written response to questions by DP MPL Jack Bloom, Mofokeng said: "The survey identifies that there is a scope for a general reduction in the percentage of unaccounted water in most municipalities in Gauteng, particularly in townships which fell under the black local authorities in the past."

According to Blorn, R120-million of the unaccounted water could have been saved had there been a well-managed water loss prevention system in place and legislation requiring municipalities to implement annual water audits.

Bath said between 5% and 15% water loss was regarded as a "reasonable norm" in well-managed cities. By comparison, Gauteng's local authorities could not account for between 6% and 50% of the total water supplied by Rand Water.

While the former black local authorities experienced the highest levels of water unaccounted for - between 15% and 50% of the water provided - they used less than 25% of the province's total water consumption, he said.

"For the population and industry we support, our country is not well-endowed with water," he

► ... To Page 2

Farmers' cash cow dries up

By **NORMAN CHANDLER**
Pretoria Bureau

The days of so-called cheap money for farmers has come to an end.

Agricultural Credit Board vice-chairman Peter Velelo has told a red-meat producers' conference in Pretoria that "the state is not a bank" and that irrational decisions made by entrepreneurs and farmers could no longer be bolstered by financial assistance from the Government. "There is no more easy money," he said.

"Interest rates are now becoming market related, and the state is promoting and ensuring equitable access to efficient and effective financial services," he added.

The Government would gradually dissociate itself from direct farming finance, but would take an active role in "levelling the agricultural finance playing field", especially in regard to finance for previously disadvantaged farmers who had had little or no opportunity to obtain loans.

Velelo said the credit board would be using various criteria, including a means test, to check on the viability of farmers who applied for assistance.

The Department of Agriculture has increased interest rates on short-term loans and the interest on all loans in arrears. Farmers are paying 14% with effect from April 1 - compared with 8% previously.

(3) Star 8/4/96

130 smallholders go on tour

The Government has sent 130 people on an international tour to evaluate "smallholder farming" methods.

In a move designed to "deracialise agriculture", says the Department of Land Affairs, the group has visited Indonesia, Zimbabwe, Zambia, Chile and Kenya as part of its new Broadening of Access to Agriculture Thrust (Batat) programme to support services available for farmers who previously did not have access to resources.

Although aimed primarily at disadvantaged farmers, the programme does not exclude established commercial farmers.

Batat was formed after work

done by a design team established by the national and provincial agricultural departments and which included input from the National African Farmers' Union, the SA Agricultural Union, the Input Suppliers Forum, the World Bank and the Agricultural Research Council.

It is aimed to assist about 700 000 farmers with financial services, human resource development, delivery systems, technology development and marketing.

Immediate priorities are to train farmers and extension officers, to reform institutions in the service sector, to disseminate information, and to review existing legislation. - Pretoria Bureau.

(3) SPAN 8/4/96

rets expert predicts wth of 4% this year

omy should grow at in 1996 despite slow- in a number of the omic sectors, Syfrets omist Peter Hilsen- esterday.

itions from the agri- id mining sectors af- tic declines last year ure a growth rate of 3%. Corporate earn- h would remain re- arm, while interest ld fall and inflation hin single digits.

entiment is cur- tious, especially fol- benberg's departure r of finance and the atility in the equity markets," he said.

factors will provide market with a meas- ort."

r, certain sectors of my were showing ver growth.

Manufacturing production had slowed down, he said, while fixed investment, which had driven the economic upswing over the past two years, was falling significantly.

Consumer spending had grown at a modest rate of only 4,5% last year.

The spending would slow further this year and next, as the high level of personal debt began to take its toll, Hilsen- rath said.

"The situation is likely to be compounded by extremely high real interest rates and the fact that the RDP has yet to come through in full strength."

Inflation, although likely to be higher than originally fore- cast, would remain below 8% this year.

Regarding foreign exchange, the rand was expected to trade between R3,85 and R4,15 to the dollar this year. — Sapa.

Green paper to be tabled on employment equity

Renee Grawitzky

A GREEN paper on employment equity, expected to be tabled in Parliament on April 25, could act as a mechanism to achieve organisational transformation to create a climate for employment equity.

This is opposed to legislation merely outlining quotas for affirmative action placements. A team appointed by the labour department to draft a green paper had presented its recommendations to the department and it was understood that its main thrust differed vastly from a fifth draft discussion paper leaked to the media earlier in the year.

Although the green paper, as with the fifth draft, would include various enforcement mechanism options such as fines, tax or other incentives to ensure compliance, it would attempt to act as an enabling document to guide organisations in human resource development strategies. This could impact on remuneration systems, grading and career path planning.

Meanwhile, negotiations on the employment standards green paper are scheduled to begin in the National Economic Development and Labour Council's labour market chamber tomorrow, although it is doubtful whether these would take place as not all the parties had submitted their positions to Nedlac.

The employment equity green paper, instead of focusing on affirmative action positions, would focus on processes that organisations engaged in, therefore, focus would be given to affirmative action organisations rather than positions.

Labour department equal opportunities director Mpho Makwana said in the latest edition of People Dynamics that "it is not the candidate who is need of affirmation, it's the organisation which is the candidate for affirmation". He said "affirmative action is a means to an end, whereas employment equity is about dealing with current discrimination and preventing future discrimination in the broader sense."

The green paper, after being tabled in Parliament, would be presented to the social partners within Ned- lac for negotiations.

Farmers' interest rate reprieve

Louise Cook

PRETORIA — The agriculture department is offering a six-month stay of execution to farmers facing hefty interest rate hikes on cheap loans from the Agricultural Credit Board.

The department — which wants to lift interest rates from 8% to 14% on the R527m farmers owe — said yesterday that it would delay introducing the new rate from this month until September for "deserving" cases. It did not specify how many of the 7 000 farmers who faced the increases were judged to be deserving.

Financial assistance and land administration director Johan Venter dismissed farmers' claims that the higher rates could force many into bankruptcy.

He said that board loans made up only 8% of total farm debt — the remainder came mainly from banks and co-operatives.

The board has loaned money to about 12 000 farmers, but 60% of its clients have fallen behind in repayments, prompting the department to announce rate hikes last year.

While the SA Agricultural Union condemned the increase, commercial banks welcomed it, saying market-related interest rates had been "long overdue".

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Proposed changes to marketing Bill raise fears

Unifruco rejects ANC proposals

CT(BR) 11/4/96
(3) ~~2/1/96~~

By ANN CROTTY

Johannesburg — The ANC's suggested amendments to the Marketing of Agricultural Products Bill would result in increased bureaucracy and increased government intervention, said David Gant, the chairman of Unifruco.

Unifruco is South Africa's deciduous fruit export organisation.

At a media briefing yesterday, Gant said the ANC's proposals were rejected by 90 to 95 percent of producers and that implementation of a marketing Act along the lines suggested by the ANC would have the potential of breaking up the South African deciduous fruit industry.

In terms of the ANC's proposals, Unifruco's position as an effective single-channel marketing organisation would come to an end. Under existing legislation there was some leeway for deciduous fruit producers to apply for permits for independent export, but food analysts said this was extremely limited and that producers were effectively obliged to use Unifruco.

The ANC's proposals allow for the creation of "no less than five agents for the purposes of exporting products to different markets". The use of a co-ordinated single-desk system that would unite the five agents in their approach to the international market is also suggested by the ANC.

The ANC's proposals are aimed at ensuring producers have a choice of agents with whom to deal and if they are accepted, would mean the end of Unifruco's position as sole export agent.

Gant said Unifruco "passionately believes in a controlled and co-ordinated marketing approach". Among the reasons he put forward was the fact that as an agent of all South Africa's deciduous fruit producers, Unifruco enjoyed "massive economies of scale", which helped in the negotiation of freight rates and increased its power in negotiations with very large and powerful retail buyers in Europe.

"Because of our size we have been able to develop a partnership situation with the European retailers," said Gant. Unifruco was also able to set prices in that market.

ANC sources were adamant that their proposals would not increase levels of bureaucracy or intervention, but would increase the levels of transparency and freedom in the industry. They believe the importance of size in dealing with foreign markets can more efficiently be accommodated by a united single-desk system operating with a number of agents.

Food analysts responded with cynicism to Unifruco's claims that it offered the most efficient export system for deciduous fruit producers, referring to the inherent inefficiencies of a legislated monopoly and complaints from producers.

Farmers want state of emergency over crime

~~Star~~ (3) Star 12/4/96
BY NORMAN CHANDLER
Pretoria Bureau

The Government has been asked by the South African Agricultural Union (SAAU) to declare a state of emergency and impose a curfew to stop crime, particularly in rural areas.

This follows farmers' warnings that they intend withholding payment of certain taxes and taking other action to protect themselves and their communities if the security situation does not improve "rapidly and noticeably".

The general council of the SAAU decided at a meeting in Pretoria yesterday to make the appeal "to stem the continuing

and increasing plague of murder, crime and assault".

SAAU president Chris du Toit said it was unacceptable that the state repeatedly declared its intention to combat crime but did not take action.

He said: "The security situation has reverted to the same level as during the terror onslaught and farmers no longer have confidence in existing security systems.

"If farmers have to set up their own security systems at considerable cost, the council will have no choice but to recommend to farmers that they withhold certain taxes for this purpose," Du Toit said.

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Land Bank haunts rural reform

The future role of the Land Bank is fraught with conflict and vested interests, reports **Aspasia Karras**

AS South African institutions face transformation under the Government of National Unity, the Land and Agricultural Bank has been singled out for major reform.

Established in 1912 to ensure preferential loans and subsidised protection to white farmers, the bank has served to reinforce the rift between white farmers and black rural communities and perpetuated the skewed rural economy envisioned by the 1913 Land Act.

By 1957, the bank had gained enough impetus to finance itself. However, it remains a traditional parastatal — the Department of Finance appoints its chairman and board of directors, and expects a report each year.

The issues surrounding the reform process are fraught with conflict and vested interest. Key to the whole issue is the need for state protection of agriculture in its present form. Is development of the black rural population equivalent to agricultural finance, and is the current understanding of transforming the Land Bank into a Rural Bank going to address the larger issues of development finance?

The Rural Financial Commission could have played a critical role. Instead, in a furor of disagreement, it has withdrawn its final report, originally due in November 1995, and has published an Interim Report carrying the objections of two members who felt they could not be associated with the proposed final report.

The commission has called for public response and debate, so it appears the Land Bank's future will be battled out in public.

On the side of the institution, managing director Freddie van Staden says: "We have played a major role in getting agriculture in South Africa where it is today. What will happen if we ignore agriculture? We cannot import everything, we will be thrown to the wolves; overseas traders will dump their rubbish on us. South Africa is not at this stage an industrial country. We are an agricultural country, and we have to help the emerging black farmers to sustain themselves."

The commission has proposed that the bank continues to function as it has in the past, but with an additional function. "We will become involved in the financing of emerging black farmers on a wholesale basis through intermediaries, such as non-

governmental organisations, co-operatives and even commercial banks, in the deep rural areas," says Van Staden.

In light of these changes the bank is seeking a director to fulfil this new function, and has created a directorate. It has also begun to restructure itself for the sake of efficiency.

The alternative voices, coming from the Land and Agricultural Policy Centre (LAPC) and the more radical National Land Committee, are questioning these assumptions.

David Cooper of LAPC argues that the commission, after a year of deliberation and little research, has endorsed the existence of the Land Bank. "It has made certain assumptions about the role of the state and the institutions it has created in order to carry out its programmes and the things it believes in, but it has not produced a report that can stand up to scrutiny."

He points out that while the proposal for the financing of rural farmers may in itself not be problematic, it is a question of definition. The report does not address the issue of development finance. While various institutions have been set up to finance development, such as the Development Bank of South Africa (DBSA), and the Industrial Development Corporation, the relationships between them are not clear.

The commission has renamed the bank, calling it a Rural Bank, which implies that it only deals with rural finance, and the rest of the institutions are urban. Cooper is adamant: "If it is an agricultural bank only, then it will not meet the needs of the rural people, who need other services as urgently. Transmission services are crucial, as is the extension of loans for purposes other than farming."

The argument follows two options: either privatise the bank and allow it to continue financing agriculture, and designate the DBSA or the other institutions to deal with rural development finance.

Alternatively, the bank should be substantially transformed so that it deals with all aspects of rural development. "Nobody is saying one is right and one is wrong, but the fact that the commission did not examine all the options is a problem. The recommendations are strong, but you cannot trace the arguments," argues Cooper.

Critics of the commission argue it has confused its terms of reference. Its initial goal was to investigate what rural people's needs were and how development finance could assist. Instead the commission looked at the development finance institutions themselves, and even then did not come up with clear recommendations.

The Land Bank has R21-million worth of farm land in its possession, although the value has reached R120-million. Under the new act, it is required to sell it immediately.

Brendan Pearce of the National Land Committee argues: "We consider that land to be state land and therefore it must be redistributed, but government is afraid and has not

wanted to take a firm position."

Cooper is less militant. "As they exist now they cannot finance land reform, which is probably a good thing as one does not want the state to own land.

The question is how then do you ensure it gets into the hands of the Land Reform participants. It is not a straight choice: if you argue that Land Reform should operate through market mechanisms, you create a universal good, which is understandably a problem."

"The debt on the land is still outstanding, but we are prepared to bargain with the Department of Land for a nominal amount," says Van Staden.

The issue is heating up, both for land reform, and for rural development. The proposed Rural Bank is a

key player, but the Land and Agricultural Bank, like most inherited institutions, still haunts the playing field.

Van Staden argues: "I do not know how the farmers would survive, the subsidy is necessary."

The strong agricultural co-operatives will back him.

Cooper counters: "New entrants need some support — not necessarily through subsidised interest. We are faced with the terrible scenario of creating another rent-seeking sector. We are already in a self-perpetuating cycle of large-scale, unviable farming. We have created an abnormal

situation, and we respond abnormally to prop the thing up. We do not want enclave economies *ad infinitum*."



Freddie van Staden:
"We are an agricultural country"



Agriculture in need: Who will finance the emerging black rural farmers?

PHOTOGRAPH: HENNER FRANKENFELD

Cash crops and 1 500 jobs for Pietersburg

Star 15/4/96

By MICHAEL SPARKS

Pietersburg – A successful cassava industry in the Northern Province could be a massive boost for the local economy, and provide employment for about 15 000 people in the first phase of the project.

Jim Casey, managing director of Cassava Starch Manufacturing – the company behind the project, which will cost an estimated R100-million to set up – said the crops would be grown in two stages.

First, large-scale white farmers will be given the growing material free of charge, and would be required to sign a contract agreeing to sell the harvest at a pre-determined price to the company.

Later, the material will be given free to small-scale black farmers – and the purchase of their entire harvest, at a pre-determined price, will be guaranteed.

While about 200 people will be employed at the company's factory on the outskirts of Pietersburg, more would be employed in the fields – about 8 000 among the small-scale black farmers of Bochum, near Pietersburg, and a similar number among the large-scale white farmers.

The factory will remove starch from the cassava tubers.

While most people think of starch only as something put on shirts during ironing, it is used mostly in the food and paper-making industries.

It is also used as an adhesive in making corrugated cardboard.

Casey is involved in importing cassava starch from Thailand, but hopes the local venture will overcome the need to spend \$5-million (more than R20-million) a year importing it.

Casey says he hopes the venture will increase local consumption levels and in time he may export chipped, dried cassava used extensively in Europe as a nutritional cattle feed.

Cassava is also suitable for human consumption.



Restoring the soil ... Northern Province farmer Alwyn Botha (left) is optimistic cassava will provide the perfect rotation crop for potato growers. Potatoes deplete nutrients in the soil and, after just a single crop, cannot be planted again for five or six years.

Cassava ... the root of all good

(3) Star 15/4/96

N Province farmers sing praises of drought and disease-resistant starchy tubers

By MICHAEL SPARKS

Pietersburg

Pietersburg farmers, always with an eye on the next drought, are turning to cassava as their saviour crop.

Although the crop is new to them, it is common throughout Africa, with small fields grown by subsistence farmers in countries like Mozambique or Malawi and particularly West Africa.

Some potato growers, like Alwyn Botha, turned to cassava as a rotation crop.

Potatoes deplete nutrients in the soil. After just a single crop, which is in the field for nearly six months, potatoes cannot be planted for five or six years, to enable the soil to recover.

Farm manager Basie Breytenbach said: "Anything that we can earn from cassava would be welcome. It would be like a bonus, because otherwise it is dead land that we can do nothing with until it is ready for potatoes again."

The primary reason why farm manager Ben van Staden will be planting cassava is the guaranteed market, as he has signed a contract with Cassava Starch Manufacturing.

Botha points out some of the benefits he sees in cassava farming, which include the crop needing a minimum of 400mm rain in the 18 months until it is harvested – the same needed by potatoes during their 6-month lifespan.

Potatoes are susceptible to a variety of diseases and bugs

which – if they do not destroy the crop – cause enough damage to make it impossible to sell the potatoes at the fresh produce market. The cassava is going to a factory, so its appearance is not an issue.

Last year, when some potato crops were either baked by the sun in soil temperatures of more than 55degC, or washed away by the rains, or rotting in the wet soil, the cassava crop thrived.

The oldest plants, which were planted in May and are now nearly 11 months old, look lush and green and stand chest high.

At a recent meeting of the Bochum Land Forum – made up of small-scale black farmers – the organisation's chairman, Mathunya Manthata, made it clear black

farmers were eager to plant what would effectively be one of the first cash crops for them.

But first they must be allocated land by the Department of Agriculture, a process that the forum argues is taking too long.

For members the many uses of cassava, including using leaves as cattle feed, has caused great excitement which may lead to a move away from sorghum crops.

The members hope they will have their land in time to plant their first crop in the spring.

While the forum believes the cassava industry will lead to improved infrastructure, for Ignatius Legodi one of the more tangible benefits is that, with the guaranteed sale of the crop, farmers would be able to raise bank loans.

Ramaphosa's move to business welcomed, except by IFP

By **MONDLI MAKHANYA**
Political Reporter

ANC Secretary-General Cyril Ramaphosa's move to the private sector would help improve the ANC's understanding of business, political parties said at the weekend.

NP spokesman Dr Johann Steenkamp said Ramaphosa's and other young ANC MPs' move to the private sector would bring the ANC, "with its socialist leanings", closer to the free market.

"The NP welcomes this gradual and natural narrowing of the gap between prominent and dis-

enchanted ANC members and the NP's vision for the future.

"This can only bring stability into politics and the country's economy."

But Roelf Meyer, NP Secretary-General said Ramaphosa's departure was a loss for SA politics.

"The ANC made a big mistake in not retaining his qualities and skills for the benefit of the overall political scene," said Meyer.

Freedom Front leader General Constand Viljoen said the move would provide "an excellent schooling for Ramaphosa" to use when he makes a return to politics in the future.

DP parliamentarian Dene

Smuts said Ramaphosa would be "a great asset to the economic life of the country", but added that his departure represented "a very real loss to parliamentary life".

"There are not enough people of his kind of efficiency, incisiveness and his particular kind of leadership around," she said.

Sounding a discordant note was the IFP's Velaphi Ndlovu, who accused Ramaphosa of having engineered the party's exclusion from the constitution-writing process.

He said Ramaphosa was running away from his responsibilities by leaving at a time when the IFP was preparing to oppose the

final constitution which was written in the IFP's absence.

He said together with the NP's Roelf Meyer, Ramaphosa had crafted the 1992 Record of Understanding which eventually led to the IFP walk-out of the multi-party talks in 1993 and was also behind the ANC's failure to honour the international mediation agreement which resulted in the IFP's boycott of the CA.

"He was a destroyer of the IFP position and point of view. He possessed an intolerance and believes only he can be right."

► See Business Report
Page 1

Trade pact with EU 'not on' say farmers

Star 18/4/96

(3) (4)

Rural communities could be destroyed, warns union

By **NORMAN CHANDLER**
Pretoria Bureau

Farmers in South Africa's maize-producing regions have said "no" to a proposed free trade agreement with the European Union.

Representatives of the Government are currently involved in tough negotiations with the EU, which has also come in for fierce criticism from some EU partner countries who also do not see the necessity.

Wilco Beukes, president of the North West Agricultural Union - which represents farmers in the northern Cape and the maize-growing former western Transvaal districts - says that a willingness by the EU to enter into a trade agreement "is not intended to help a

developing African country".

He says an agreement of this kind would be detrimental to South Africa as it would "merely strengthen the EU's trading position in increasing international competition", and there was concern in general about the effect the proposed agreement could have on farming in this country.

"Should the agreement be accepted, member states of the EU will only have to abolish duties on half the agricultural products imported from South Africa, while, on the other hand, South Africa will be obliged to abolish duties on 95% of agricultural products imported from Europe," Beukes said.

This would create "unmanageable competition" and it

was feared that many manufacturers of agriculturally based goods would have to close, bringing further serious economic and social problems.

Beukes adds that rural areas have only now started to recover as a result of the collapse of infrastructure brought about by the recent drought and that a trade agreement would only contribute to a weakening of an already weak infrastructure.

"Agriculture supports rural areas and the damage the proposed agreement can cause to the economy will totally destroy agriculture and with it the entire rural community," he warned, adding that the agreement would also severely damage the economies of member states of the Southern African Customs Union.

deprecate and, of course, something that I can only address through my department by asking my officials to ensure that they send out circulars to the effect that people must respect the public. What I mean is that employees of the department must really respect the public.

Debate concluded.

Marketing boards: wishes of nominating bodies (3)

2. Dr E A SCHOEMAN asked the Minister for Agriculture and Land Affairs:*

Whether the wishes of nominating bodies in respect of the appointment of members of marketing boards have been carried out; if so, (a) to what extent and (b) what criteria were used in cases where *primarii* nominations were not appointed; if not, (i) why not and (ii) what criteria were used in respect of the appointment of members by non-recognised nominating bodies?

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The MINISTER FOR AGRICULTURE AND LAND AFFAIRS: Madam Speaker, the answer is yes. [Laughter.] The wishes of nominating bodies were carried out, and if hon members will give me an opportunity, I will even say to what extent. All individuals appointed were nominated by one or other nominating body. Of course, not all of the bodies held the same opinions.

In answer to the question about what criteria we used in cases in which the so-called *primarii* nominations were not appointed, the answer is that the general criteria for all boards were the following. No person over the age of 68 shall be appointed as a member of a control board, no person of unsound mind shall be appointed as a member of a control board and only citizens of South Africa shall be appointed as members of a control board. [Interjections.] Yes, I heard you, Trevor. There have been people of unsound mind there before. [Interjections.] That is true! No insolvent person shall be appointed as a member of a control board, no political office bearer, as defined in section 190A of the Constitution, or a member of a provincial House of Traditional Leaders, of a Board of Traditional Leaders, of the Volkstaatsraad or of a local authority, or an official of a political party, shall be appointed as a member of a control board.

When *primarii* nominations were not appointed, I took it for granted that the nominating bodies

were confident that any of their nominations would be acceptable if appointed. I took into account not only the confidence expressed in an individual by a particular nominating body, but also the views of other affected parties. I recognised that in certain cases there may have been a strong lobby that only favoured the promotion of those who had limited interests and that had been promoted in the past by the boards. I saw it as appropriate that the new boards should have at heart the broader interests of a particular commodity sector, as opposed to the interests of a small set of individuals.

Given the requirements of the new marketing legislation, it made the most sense to appoint control board members who are interested in managing the transition and winding down the activities and affairs of the boards in an orderly fashion. I was also concerned that wherever possible the new boards should be as representative as possible. In some cases, for the purposes of representivity, we are still awaiting nominations.

I believe that for the purposes of what is a transition process, and a phasing-out period for the boards, it is better to have smaller and more focused boards, and I also took into account the need to save costs. I therefore did not appoint people to all available board positions. I have no doubt that these considerations will not necessarily have coincided with the desires of all nominating bodies. One must also bear in mind that one cannot satisfy the wishes of all nominating bodies when these differ. Having said all of this, I must say that it is particularly gratifying to see that a Transkei wool farmer, a black farmer, has now been elected as the deputy chairman of the Wool Board for the first time in history.

Dr E A SCHOEMAN: Madam Speaker, the hon the Minister must think that we on this side of the House are extremely gullible. He has made a deliberate and lame attempt to justify his actions as being reasonable and moderate. The fact is that that Minister managed to appoint a deceased person to one of these boards. [Interjections.]

The commercial agricultural sector wanted to give that Minister a chance. Most of us here on this side wanted to give him a chance, and I, in particular, thought that he deserved an opportunity to prove himself, and I urged others to do the same. But the hon the Minister failed dismally. At the very first opportunity he had to prove his bona fides, namely with the appointment of the marketing boards, he blew it. [Interjections.] And I have

not measured this by my criteria or that of the NP, but by his own party's criteria, namely that of democracy, transparency and accountability. [Interjections.]

The SPEAKER: Order!

Dr E A SCHOEMAN: Furthermore, he proved that the interests of agriculture were subservient to his own petty political agenda and his so-called programme of transformation. He decided, as usual, to ignore principles in favour of short-term popularity. This time, however, he misjudged the climate, and I do not envy him the consequences.

Names were forwarded to him in order of preference, after a democratic process by nominating bodies. In many instances he ignored this process by either appointing *secundi* or failing to appoint anyone, thereby questioning the integrity of the nominating bodies.

Of course, the almighty Hanekom and his private advisers have better judgement. The recommendations of his own departmental National Marketing Council were, in many cases, ignored. Like a good Minister who instills confidence and trust in his staff by his loyalty, he has publicly stated that most of the National Marketing Council members are not indispensable and can easily be replaced by others. If this blatant disregard went hand in hand with some transparency, it could possibly have evoked some sympathy. But no, he lends his ears to small maverick splinter groups, listens to foreign advisers, whom he apparently regards as the ultimate sources, and ignores expertise within his department. What a way to win friends and influence people. What a way to instil confidence. Furthermore, some of his appointments were made clandestinely over a weekend. There is no other way to describe this other than "absolutely disgraceful".

Under the guise of wanting to save money, he failed to appoint sufficient producer members. The result was that many boards could not be constituted. In one instance, namely that of the SA Wool Board, he proceeded to elect a producer to represent the trade, and all this to achieve a power shift with a view to serving his own agenda. So much for not manipulating democracy. And then, his excuse for appointing members from maverick splinter groups is apparently to open up an open and fair debate. This shows his ignorance of the structures of organised agriculture. There is sufficient debate within organisations such as the National Wool Growers' Association, but when

people are nominated to decide about the expenditure of producers' money, it is done in a responsible way. We do not need a gambling Minister who is prepared to put the future of an entire industry in jeopardy.

The MINISTER FOR AGRICULTURE AND LAND AFFAIRS: Madam Speaker, I think that this is very interesting. If we are talking about ignorance, well, for the information of those who are ignorant about these matters, including the hon member, the person whom he refers to as deceased died after appointment to the Oilseeds Control Board. [Interjections.] He was one of those who was nominated. So, ignorance is the hallmark of some of the people I am speaking to right now, ie people sitting across the road, amongst the NP, who know nothing about democracy, accountability and transparency, and do not pretend to. It is something they know nothing about whatsoever.

It is very interesting that these concerns are expressed by Dr Manie Schoeman who was nominated to serve on the SA Wool Board. And one wonders whether he is not guilty of being motivated by some self-interest and sour grapes. [Interjections.] Dr Schoeman has the dubious distinction of having been on the SA Wool Board when it made a secret loan to Premium Cape Wool of R160 000 and which the Wool Board only admitted to after strenuous efforts by certain individuals, including the new SA Wool Board chairman, to establish how Wool Board money was being spent.

For far too long hypocritical people and people such as the hon member have regarded positions on control boards as their personal property. This has led to gross mismanagement, for example the huge loss made when the SA Wool Board used farmers' money to gamble on the currency market in the 1980s, or the losses made in 1993 when the SA Wool Board paid too high a voorskot to farmers and the self-enrichment which cost the wool industry hundreds of millions of rands and the Government R116 million in 1993 when it decided to use taxpayers' money to bail out the SA Wool Board. All of this merely serves to illustrate why the control boards must go as soon as possible and why Dr Schoeman and his like... [Time expired.] [Applause.]

*Mr I D VAN ZYL: Madam Speaker, farmers in South Africa need not make an appointment with the Minister for Agriculture and Land Affairs in order to try and convince him of commercial

David and Goliath in diamond lease dispute

22/4/96

(3)

Multi-million Lesotho Highlands Water Project could face bigger bills if they lose court challenge

By Shirley Woodgate

A R1-billion damages claim and a threat by Swissborough Diamond Mines (SDM) to attach the water from the Lesotho Highlands Water Project and claim royalties due to the Lesotho government from South Africa, are at stake in the Lesotho High court today.

The court will be asked to rule on an application by Lesotho Highlands Development Authority (LHDA), challenging the validity of SDM's Rampai diamond mining lease.

Part of a multimillion-rand five-year legal battle leading up to the augmentation of Gauteng's water supply from neighbouring Lesotho in 1998, the string of court cases have been conducted since SDM's Josias van Zyl took on the Lesotho and South African governments, the LHDA, the Trans-Caledon Tunnel Authority (TCTA) and the Joint Permanent Technical Commission (JPTC).

Van Zyl related the sequence of events after five mining leases were registered to SDM in October 1988 along courses of major rivers in Lesotho.

"SDM commenced mining in all five lease areas, Rampai, Patiseng, Matsoku, Orange and Motete and applied for a further seven mining leases.

"In September 1990, the Lekhanya Military Council, the Mining Board and the Council of Ministers agreed to grant the extension mining leases and for SDM to abandon that part of the Rampai lease which may be affected by the LHWP.

In 1990/91 SDM built a R10-million bulk sampling pilot recovery plant in the Patiseng lease area.

"Shortly after General Ramama came to power in 1991, military personnel told SDM that unless it paid \$14-million, the extension mining lease agreements would not be registered by the new government.

"In April 1991, SDM was granted an urgent application in the High Court of Lesotho stopping all LHDA unlawful activities in its Rampai lease area.

"The LHDA launched a counter application to set the order aside.

It was agreed that SDM



ANDREAS VLACHAKIS

Resilient ... prospector Josias van Zyl taking on the big guns

would uplift the interdict which it had won, and that both parties would embark on a programme which would include bulk sampling under joint supervision.

"The Lesotho government issued a prohibitive entry order against me and the mining commissioner cancelled all five SDM registered mining leases in August 1991.

"In November 1991, the SDM brought an urgent application in the Lesotho High Court for an order declaring invalid the Lesotho government's

unlawful cancellation of the five leases.

"An interim order was granted in favour of SDM on November 20, restoring the leases and preventing the LHDA and the Lesotho government from interfering with SDM's rights.

"The SDM application interdicting the LHDA from continuing its unlawful interference of SDM's rights in respect of the Rampai lease, was to be heard in the Lesotho High

Court on March 23 1992."

Van Zyl said: "But then the military regime cancelled by decree all SDM's mining leases without compensation or recourse to the courts.

"All pending applications brought by SDM to protect its rights were stopped and removed from the court roll.

"SDM's application for setting aside the Revocation Order was heard in Lesotho in May 1992, when judgment was reserved by the then Chief Justice BP Cullinan.

"Later that month, the SDM Patiseng processing plant valued at some R15-million was destroyed.

"In September 1994, the Chief Justice of Lesotho, Cullinan, delivered a landmark 700-page judgment declaring invalid the Revocation Order passed by the Lesotho government and ruling the leases to be valid.

"He interdicted the LHDA from interfering with SDM's rights in Rampai, ruled that SDM's leases could not be impugned.

In January 1995, the Lesotho Appeal Court ruled that the Revocation Order cancelling by

decree SDM's leases was unlawful and should be set aside.

"But nevertheless, the Lesotho government refused to guarantee the safety of SDM's personnel and equipment during the evaluation process at Rampai, also rejected an SDM invitation to conduct joint evaluation studies in Rampai.

"They promptly appealed to the Lesotho High Court to declare SDM's Rampai lease invalid on the grounds that the government of Lesotho had not followed all the prescribed procedures when it granted the lease in 1988.

"SDM opposed the application and while the case was pending, the Lesotho government passed expropriation legislation in August 1995, aimed at SDM's Rampai lease, and authorising SDM to claim compensation only if it was the holder of a mining lease that was duly granted and executed.

"In terms of the LHDA application, it was stated the Lesotho government did not properly grant the Rampai lease in 1988 and SDM was therefore not entitled to compensation.

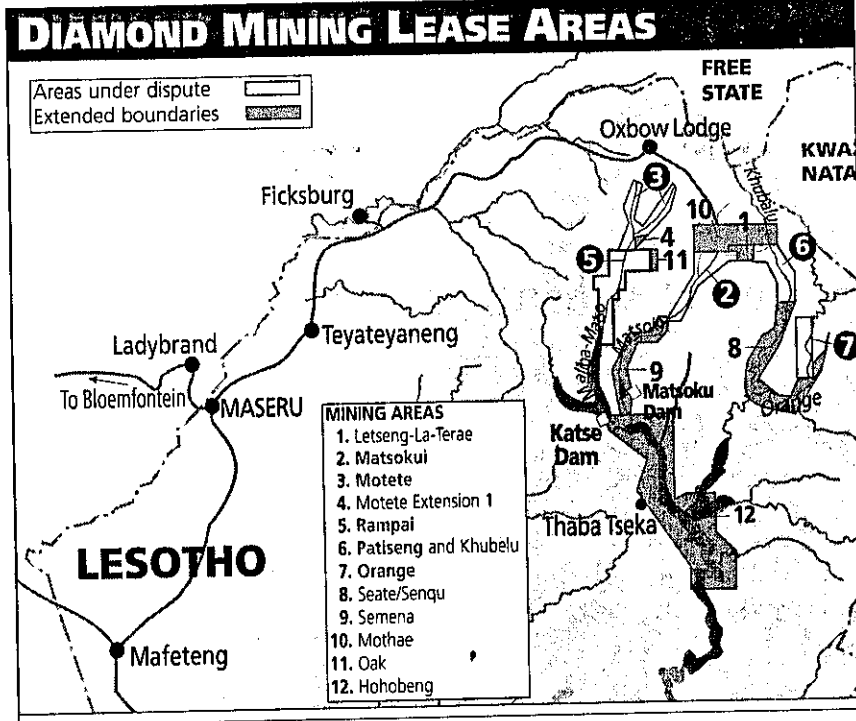
"This application by LHDA declaring invalid SDM's Rampai lease will be heard in the Lesotho High Court today.

Van Zyl said: "The South African Government has stated in public that it does not wish to be involved in SDM's court cases in Lesotho, but SDM has JPTC documents and minutes of meetings which show the Government condoned, supported and promoted the LHDA's action in declaring invalid SDM's Rampai lease.

"SDM has issued summons for damages of R1, 59-billion resulting from the Lesotho government's repudiation of SDM's mining leases.

"Statements by Lesotho government officials that SDM obtained the leases merely to obtain compensation are nonsense and the officials are being sued for defamation in the High Court of Lesotho for R60-million.

"In October 1995 the Katse Dam started filling up and the Rampai lease area is now under water," Van Zyl said.



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ute (3)

'SA officials were not in on any corruption' – Govt

Star 22/4/96

BY SHIRLEY WOODGATE

The South African Government has reacted to SDM claims.

Water Affairs spokesman U S Hiddema stressed that although SDM had had some successes in Lesotho, they were against that government which passed legislation cancelling all their mining rights.

He said Josias van Zyl had no realistic chance of success in his cases against South Africa and the TCTA and had lost all interest in pursuing them.

The South African Government had rejected offers of settlement because of serious allegations of fraud and collusion against the government and certain officials. "It wants exoneration in a court of law," he said.

He stressed that the department had a duty on behalf of taxpayers

and water users to hold a watching brief over court cases involving the LHDA. "No evidence of any improper conduct has ever been produced by Van Zyl," he said.

Hiddema said despite claims by SDM, the LHDA had sworn affidavits by various international experts that there were no economically minable diamonds in the Rampai area. SDM had never done sampling in Rampai nor produced any diamonds.

"The mining rights in Rampai are considered valueless and SDM is no longer claiming compensation for their value, only compensation for alleged losses."

He said a working group had been asked by the ministers for the two government departments responsible for implementing the treaty, to explore the feasibility of a compromise.

The SA Department of Water Affairs said: "Van Zyl usually claims vast amounts of money in litigation. Whether the most recent claim of R1 059-billion is derived from litigation in process or constitutes a new claim is unknown.

"Van Zyl's sequence of events is to some extent included in court papers and to that extent is known to the department. All allegations of complicity, collusion or improper conduct by the RSA officials have been and still are denied.

"The department has no knowledge of Van Zyl's dealings with the Lesotho government or of the existence of relevant mining leases prior to the urgent application in 1991 and, besides taking note of Van Zyl's attempt to gain publicity, the department has no comment.

"The matter is in the hands of the courts in Lesotho and South Africa and will be finalised there in due course."

e court challenge

decree SDM's leases was unlawful and should be set aside.

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"Statements by Lesotho gov-

Water rights targeted in discussion paper

Linda Ensor

BD 24/4/96

(3) (22)

CAPE TOWN — Preferential rights to water running through a person's private property could be withdrawn, and the existing legislative distinction between private and public water abolished if principles for a new Water Act — to be gazetted on Friday — were adopted.

The draft set of principles, drawn up over several months by a panel of experts and ordinary people, appointed by Water Affairs Minister Kader Asmal, were finalised by a water law steering committee.

Other far-reaching principles included a new system of water rights, which provided for compensation where these were removed.

Also, there were principles that water required to meet peoples' basic domestic needs should be reserved and enjoy priority use; that the principles of public interest, sustainability, equity and efficiency govern the use of water; and that polluters should pay for the use of water for waste disposal.

Economic incentives and penalties should be used to reduce pollution, the consultation document of draft principles suggested.

Fundamental of all was the principle that "all water wherever it occurs in the water cycle is a resource common to all, the use of which should be subject to national control". National government, as the representative of public interest, was the custodian and manager of the nation's water resources.

This definition included ground water and water originating on private

property, and contrasted with the present Water Act, which recognised different legal categories of water, including private and public water.

One of the most important results of adopting this principle will be to enhance government's ability to control the abuse of ground water, where resources are overexploited on the basis of the water being "private", the document noted.

The other controversial principle was that "the location of the water resource in relation to land should not in itself confer preferential rights to usage". The effect of this would be that owners of land adjacent to a natural stream would not automatically be entitled to priority use. "There are many thousands of farmers and other people in the country who do not own riparian land (land adjacent to flowing water) and a fairer way of allocating water needs to be found," the document said. The document stressed, however, that rights to water use should be more substantial and carry stronger guarantees than existing rights, and should be allocated in good time "and in a manner which is clear, secure and predictable". The aim was not to penalise people who had rights but to improve the quality of water rights.

Furthermore, it was stated that the price of water should reflect the fact that it is a scarce national resource.

Deputy director-general Mike Muller said at a portfolio committee on agriculture, water affairs and forestry yesterday that the draft would form the basis of a consultation process involving workshops in each province.

(3) PM 26/4/96

THRESHING TIME

As farming debt nudges the R20bn mark, the Department of Agriculture has stepped in and is poised to phase in a rate of 14% on loans from the Agricultural Credit Board over three years.

The move will bring the 8% rate in line with a White Paper recommendation that loans should be at market-related interest rates.

"Though farming assets increased by an average of 5% a year from 1986 to 1995, debt surged by 5,6%," says Rodney Dredge, the department's director of agricultural statistics.

Total farming debt is now about R19,6bn and capital assets amount to R72,2bn. This brings the debt:asset ratio to 27,1% for 1995, which is in sharp contrast with the 12,8% in 1979.

Recognising that cheap loans tempted borrowers to settle more expensive obligations first, the board is now reining in loans in arrears by raising rates.

The board has an estimated 8% share of total farming debt. Of its 12 000 outstanding loans (R1,2bn), 7 000 are unserved with R172m payable in interest and R355m in capital.

Johan Venter, the department's director of financial assistance and land administration, says the interest rate on all new short-term loans granted in terms of the Agricultural Credit Act went up from 8% to 14% in December.

"And all loans in arrears at end-March 1996 or 30 days overdue for payment will be hit. After raising the rate, there will be no chance of lowering it."

Absa agricultural division head André Louw says cheap loans have to be subsidised. "And subsidies will tempt a borrower to seek more than is required."

The Strauss Commission of Inquiry into the Provision of Rural Financial Services is reviewing subsidies which are expected to be phased out.

Says SA Agricultural Union chief economist Koos du Toit: "Those who deserve extensions are farmers with good crops who have been forced by a decade-and-a-half of hardship into arrears. They have until the end of this production season."

Venter says all 7 000 farmers in arrears could arrive at a postponement arrangement with the department should they present a workable plan of payment. Commercial banks, financing 34% of the

agricultural market, lend at prime-plus. Loans are risk-related, stressing credit-worthiness. The board, as "lender of last resort," often lends to farmers who don't meet the requirements of other lenders.

Venter says that since the board's share of loans to farmers is so small, the rise is not expected to cripple the farming community. And bank loans are still more expensive than those granted by the board. Prime is now at 18,5%.

Adding that defaulting farmers are often also indebted to other financiers, he concludes that the board's decision to raise rates is not the only factor determining the well-being of farmers.

As some defaulting farmers are often also indebted to private banks, the possibility of a misallocation of resources will ultimately stifle any industry. So higher rates will bring a welcome end to over-borrowing and force out those who shouldn't be in the business. ■

Record world grain prices may earn SA R10bn

MAIZE (3) # ET (22) 29/4/96

By NANCY MYBURGH

Johannesburg — Maize exporters might earn up to R10 billion through sales of maize overseas this season as a result of the plummeting rand and record world grain prices, an agricultural commodities trader at First National Bank said on Friday.

Heavy worldwide demand for maize and drought in the agricultural states of the United States that threatened summer grain shortages, helped push maize for May delivery on the Chicago Board of Trade to \$4,99 a bushel, or more

than \$200 a ton, last Thursday.

It was the first time in more than a century that the price challenged \$5 a bushel on the exchange.

Coupled with the rand's collapse last week to a record low of R4,5650 to the dollar in early trade on Friday, the rising world price boosted the price of South African maize almost R200 a ton last week.

"Buyers were trying to buy it at about R470 (a ton) two months ago. Now they won't buy for less than R670 at the silo," said John Wixley, the head of the agricultural markets division at the South African Futures Exchange.

Maize for July delivery was even higher late on Friday at about R740 a ton, he said.

While South African farmers expected a surplus maize crop of about 2,5 million tons this season, the Maize Board recently relinquished its monopoly on maize exports to allow private exporters to obtain export permits easily.

The trader said that the board was expected to export about 1 million tons of maize this year, while private exporters were expected to sell about 1,8 million tons overseas.

But the timing of this year's crop threatened the export opportunity

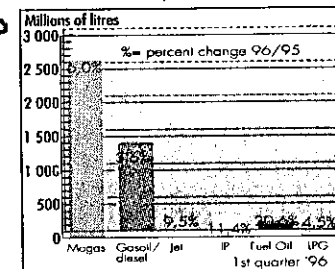
created by the simultaneous surge in world prices and the plunge in the local unit, Wixley said.

The crop would be later than usual because of wet conditions on South African farms, which would put pressure on producers to transport their crop to Durban harbour for export in time to take advantage of the high price.

While the First National Bank trader said the US was "long overdue for a correction", Wixley said world prices for September and December delivery were expected to fall as the US harvest went to market.

Petrol sales up 6%

Petroleum product sales



A graph carried in Friday's Business Report under the heading, First quarter petrol sales rise 6 percent, contained incorrect figures. As the corrected graph shows jet fuel sales rose 9,5 percent and fuel oil 20,6 percent over the same period last year.

Water price to increase by 15%

PETER DENNEHY

THE price of water is to go up in Cape Town by an average of 15% — excluding VAT — from July 1 this year, the City Council decided yesterday.

Communist Party councillor Mr Mzukisi Gaba complained about the extent of the increase, but his fellow councillors said this was necessary to subsidise those who

CT 15/5/96 (3) (4)
either did not pay for water, or paid less than it cost to get water to them.

The new cost per kilolitre of water in Cape Town is 85c for the first 30 kilolitres used by a household in three months (up from 80c), then 167c (up from 148c) for the next 120 kilolitres, and 251c (up from 209c) after 150 kilolitres.

The actual cost of providing water is about 147c per kilolitre.

I want to work with the landless and the farmers, says Hanekom

By JOVIAL HANTAO
Political Correspondent

(3)
Star 15/5/96
Land Affairs Minister Derek Hanekom yesterday welcomed the addition of agriculture to his portfolio and described the merger as a rational step which would ensure that the needs of a wide range of people, including the dispossessed landless and commercial farmers, would be addressed.

In a statement, Hanekom said he looked forward to strengthening the strong relationship between the departments of Land Affairs and Agriculture and to build on a constructive interaction with all role-players in these fields.

"It's my intention to work with all farmers in a way that serves the national interest and complies with constitutional requirements," he said.

Hanekom added that while the public response to President Mandela's announcement had been overwhelmingly positive, some of the reactions, in particular that of the Transvaal Agricultural Union, was disappointing.

He said the time had arrived for the TAU to make a decision on whether to come on board and play a constructive role in the processes of rural upliftment and in developing a strong agricultural sector, or to stand aside, which would be to their detriment and possibly the country's.

"A sound agricultural sector is fundamentally important to economic growth and rural development, and is thus also

essential to the success of the land reform programme's efforts to provide access to land and improved livelihoods.

"Agriculture is a pivotal economic sector. Its development as both a supplier of food and of inputs to other sectors is fundamentally important to our country's growth path. It is a sector that has considerable potential to create jobs, and the enhancement of this will be of special priority. It is also a substantial foreign exchange earner and in this regard a special focus on its most competitive sectors will be important," Hanekom said.

He said that as agriculture minister-designate he was committed to the achievement of household food security for all South Africans as well as national food security.

In achieving that he would like to ensure the establishment of a policy framework that would support both large and small-scale agriculture.

"In particular, I am committed to the continuation and an expansion of the existing efforts to support new entrants to agriculture and small-scale farmers," Hanekom said. One of his first actions would be to revisit the agricultural policy of the ANC that was adopted before the election in 1994.

"It will be necessary to evaluate it in the context of the current situation and, where necessary, elements of it could be revisited. I believe that a programme to remove state involvement in marketing of agricultural products is a cornerstone of policy."

**Committed
to food
security for
all in SA**

Reassurance for white farmers (3)

Star 15/5/96

White farmers in North West Province would not be discriminated against and their lives and property would be protected, North West Premier Popo Molefe said yesterday. He told three agricultural unions in Mmabatho that the NP's withdrawal from the Government of National Unity made no difference to the province's attitude towards all farmers. However, the farmers from the Transvaal Agricultural Union, North West Agricultural Union and National African Farmers Union told Molefe that the Government had to come up with special and innovative programmes to foster the growth of emerging farmers in the province.

- Sapa

40 000km of cable for Africa to stay in touch

By **NIKKI WHITFIELD**

By the end of 1999, the seabed surrounding the whole of Africa will be neatly laid with nearly 40 000km of optically amplified submarine fibre-optic cable which will significantly improve the continent's telecommunications.

And the procedure is not nearly as complicated as it sounds.

In fact, according to a US businessman, it's relatively simple. Five ships will set sail next year at the start of the project, each with massive reels on board.

The cables will be dropped into the ocean where they will come to rest on the seabed.

3
Those in deep water will bury themselves in the sand in time. Those nearer the shore will involve a bit more work - because of the dangers of human interference, they will have to be buried with special machinery.

The project is being explained at the Information Society and Development Conference and Exhibition in Midrand at the stand of the US-based company AT&T.

"The project, called Africa One, will enable people to talk to others in countries across the globe without the time delays currently experienced in trans-continental communication," said AT&T's president and chief executive officer Walter

Fulcher.

"And Africa One's state-of-the-art link will also give African-based businesses, governments and individuals the opportunity of making easy use of the latest applications in the fields of electronic commerce, distance learning and telemedicine."

The system had been designed to be tamper-proof, Fulcher said. "No one will be able to tap in to it and steal information."

Countries would buy the capacity from AT&T, he said. In South Africa, for example, Telkom would own it and use the revenue the system generated to pay for it.

Star 16/5/96

Breaking new ground in landscaping SA

(3)
CP 19/5/96

MINISTER DEREK Hanekom could be forgiven if he felt a trifle burdened this week as he contemplated tackling the portfolio of Agriculture in addition to the arduous task of spearheading Land Affairs.

But instead, there was a spring in the minister's step and a gleam in his eye as he discussed the new responsibilities allocated to him by President Nelson Mandela during a cabinet shuffle earlier this week.

"I have an enormous interest in agricultural policy; you might say it is my passion," Hanekom confided. A down-to-earth politician and efficient manager, Hanekom is known for travelling to far-flung hamlets in order to experience first-hand the priorities and problems of the government's land reform programme. Despite having added responsibilities, Hanekom intends to continue his grassroots approach and not re-

treat into the office and the boardroom.

He said the President's decision to have a single minister responsible for the two portfolios was a golden opportunity to dovetail the work of the two ministries not only at a policy level, but also in terms of the work done by government officials in rural communities.

"Combining the two ministries is a rational step which will ensure the needs of a wide range of people - ranging from the dispossessed landless to commercial farmers - will be addressed," he said.

Agriculture was fundamental to economic growth, rural development and the land reform programme.

While the government's White Paper on agriculture was a "good framework", Hanekom said he foresaw some policy changes and intended "revisiting ANC agricultural policy". However, the real challenge was

FAR FROM being daunted of the prospect of handling Agriculture in addition to Land Affairs, an excited Minister Derek Hanekom (far right) says the combination of the two portfolios is a rational step that will benefit both the landless and farmers. CHIARA CARTER reports.

not drawing up policy but translating this into reality.

He hoped to establish a "good and appropriate agricultural service environment" and intended increasing the effectiveness and efficiency of the Department of Agriculture.

"I intend translating policies into

practice through focusing on the necessary organisational changes and improved management systems," Hanekom said.

Before assuming official responsibility for Agriculture at the end of the month, Hanekom intends meeting with outgoing minister Kraai van Niekerk and deputy minister Thoko Msane-Didiza. He also intends meeting with the Department of Trade and Industry to discuss new tariff policies.

But even before these meetings, Hanekom has already begun to identify his priorities.

He intends "almost immediately" to evaluate the work done by agricultural extension officers - who he envisages playing a key role in supporting the Land Reform Programme by doing back-up work with those who received land.

"The main entry point for new farmers must be through land re-

form. After obtaining land, such entrepreneurs must have a supportive environment," Hanekom said.

This support might include incentives and subsidies, but these should be carefully defined and be of short-term to prevent people becoming dependent, he said.

Hanekom said other key concerns would be encouraging people to undertake competitive farming, job creation and ensuring a secure food supply for South Africans.

Agricultural policy needed to be situated in "broader government priorities" such as the Reconstruction and Development Programme and the Growth and Development strategy.

The agricultural policies of the previous government had encouraged capital intensive farming - yet farmers had become less competitive and more debt-strapped, Hanekom said.



③ ST 19/5/96

By RAY HARTLEY
Political Correspondent

A LAND revolution is sweeping through rural South Africa with black farmers taking advantage of government subsidies to buy vast tracts of formerly white-owned land.

Deals already approved and those in the pipeline amount to the biggest transfer of land into black hands since the passing of the 1913 Land Act, which denied them access to more than 80 percent of the country's land.

Land Affairs Minister Derek Hanekom has already approved deals in 16 magisterial districts which will give farming land to 1 500 formerly landless families.

In the pipeline are a further 86 deals in the Free State and more than 70 in Kwazulu Natal.

The new black farmers are paying for the land by pooling the R15 000 government subsidy that each family is entitled to and, in many cases, farming the land on a co-operative basis. The land transfers are taking place without the state having to expropriate land from white farmers.

Instead, market-related prices for the property have been negotiated in terms of Mr Hanekom's "willing buyer-willing seller" policy.

Land Affairs deputy director general Sue Lund has described the deals concluded so far as the "tip of the iceberg".

"We are now at a point where we can expand the programme," she said.

Free State land affairs official Debbie Newton said the province aimed to complete its 86 projects by March next year, more than doubling its set target.

The largest project concluded to date is the purchase of land, valued at R6,3-million, from the Richards Bay Transitional Local Council for the settlement of 570 families — represented by the Mandlazini Community Trust — who will establish an "agri-village" on the land.

A second project will see the settlement of 232 people on land near Weenen in Kwazulu Natal.

Another large project is the purchase of three farms for R2,8-million for settle-

THE LAND REVOLUTION

The biggest transfer of property into black hands since 1913

ment of 200 families in the Odendaalsrus area of the Free State.

A further six settlement deals have been concluded in Brandfort, Kroonstad, Petrusburg, Koppies, Fouriesburg and Henneman.

In the Eastern Cape, 112 families are to move on to farms bought for R1,25-million, with a further 94 families moving on to land in the Kirkwood area, near Port Elizabeth.

Other deals have been concluded over property near Lichtenburg in the North West province and in Namaqualand in the Northern Cape.

Ms Lund said the land redistribution programme had moved beyond the pilot land reform areas that were identified last year.

"The policy is being tested in implementation and it seems to us that it has a real chance of making an impact."

She said private sector non-government organisations were contributing by facilitating the deals between farmers and the landless.

Other private sector initiatives, including the sale of shares to farm workers were also gathering steam, she said.

No deal on farming committee

By Ann Crotty

CONSUMER INDUSTRIES EDITOR
CIBC 2015/16
Johannesburg

ANC and the South African Agricultural Union had agreed to form a committee to try to hammer out an agreement on a controversial marketing Bill were not correct, industry sources said.

The lack of progress in accommodating the ANC's amendments to the NP's proposed Marketing of Agricultural Products Bill was discussed at last week's meeting of the senate select committee on agriculture.

A number of suggestions were made to ensure that the parliamentary process did not stall. The Bill, which took a year to draft, was presented to the senate in mid-March but little progress had been made since then.

Compromise

One of the suggestions was the creation of a technical sub-committee made up of the ANC and the agricultural union to pull together a workable compromise.

Industry sources believed the ANC had "brushed up on its amendments, closing loopholes and making the document more acceptable" to those who opposed it. The union, which was seen as championing the NP Bill, was also believed to have modified its stance.

But the suggestion of what was effectively an exclusive arrangement has not been given the go-ahead by the ANC's agricultural committee.

What was likely to receive more support was the suggestion that all interested parties focus on a three-week period, beginning this week, during which opinions would be heard by the senate select committee after which recommendations would be made.

Those who opposed the establishment of a committee argued that it did little to improve the previous position when vested interests in the agricultural community dominated the policy and legislative process.

"Although this is the Marketing of Agricultural Products Bill, we must realise it doesn't only affect the agricultural community it governs the whole relationship of the food value chain, this means it affects farmers, food manufacturers, retailers and consumers so the issue can't just be the preserve of the ANC and farmers," an industry player said.

THE SA maize export market, which opened its doors to private traders for the first time this season, has run into teething problems with traders complaining about bureaucratic bungling and hefty fees.

Traders said yesterday they were given only two days to complete applications for export permits from the Maize Board, resulting in many

Market 'racked by bureaucratic bungling'

BD 21/5/96
missing the May 15 deadline.

Industry players speculated that applications had been made to export a total of 740 000 tons of maize in the period June to end August.

The total would have been higher, reflecting strong world demand for SA maize, this season,

MAIZE
but for problems associated with submitting applications, they said.

The Maize Board had set a limit of 1,8-million tons for private exports in the current season.

The Maize Board refused comment. It said it would announce the results of export applications later yesterday.

The 1996/97 season, which started at the beginning of May and runs to April next year, marks the debut of private traders in the export market, which was previously a single-channel market controlled by the Maize Board.

Another thorn in exporters' flesh is the pay-

ment of levies to the board at last season's rate, which was more than double the levy proposed for this season.

The new levy, usually in place by the beginning of the season, was still awaiting approval from new Agriculture Minister Derek Hanekom.

The Maize Board has proposed a R29,21-a-ton levy (including VAT) for the 1996/97 season compared to last season's charge of R63,23.

"Our biggest complaint is having to pay levies ahead of the harvest and at last year's rates. It is the minister's fault," said the chief trader at another commodity trading business.

The agricultural ministry was not available for comment.

All export applications must be accompanied by levies, used to smooth over price fluctuations in the maize export market. — Reuter.

N Province to distribute state land to black farmers

(3) Star 21/5/96

The Northern Province government has earmarked more than 200 000ha of state land for black farmers, in the first major land redistribution in the province.

The first 70 units, most of it suitable for cattle farming, will be released from the end of July, Agriculture, Land and Environmental Affairs MEC Dr Tienie Burgers said yesterday.

Addressing an ANC media summit in Midrand, Burgers said the land would be leased to the

farmers for three years. After that, it would be reassessed and a longer lease possibly granted.

"We do not intend to sell off state land at this stage. We don't think it is fair to burden (the new farmers) with debts at a stage when they are just beginning," Burgers said.

He added that co-operation with white farmers, most of them concerned with efforts to bring equity in land ownership, was good. - Provincial Correspondent.

Land Bank resists pressure to raise interest on loans

Helmo Preuss

BD 23/5/96

3

THE state-owned Land Bank has held off fully lifting interest rates on loans to farmers, despite a sharp increase in its funding costs.

The parastatal — which has more than R9bn lent to the farming sector — has sustained a 220-basis-point rise in its funding costs, but has passed on just a small portion to farmers through higher rates.

A Land Bank source said yesterday the bank was reviewing its lending rates. A move was possible later this month. However, relative stability in capital markets — about 45% of its portfolio — meant it was not under the same pressure as commercial banks, which had lifted their lending rates twice in less than a month.

The bank suspended its weekly bill auction on March 29 because of the volatility in money market rates. At the March 22 auction the rate on its 90-day bills was 14,30%, against the Re-

serve Bank's 90-day treasury bill rate of 14,16%. The rate leapt to 16,50% on Friday, against the Reserve Bank's 16,21%, almost doubling the spread between the two bills, signalling higher perceived risk in the Land Bank's bill.

After the one percentage point Bank rate increase on April 29, the Land Bank raised its rate to co-operatives three-quarters of a percentage point to 16,0% on May 8, to farmers for medium-term equipment loans one-and-a-half percentage points to 19,0% on May 15 and for production loans one-and-a-quarter percentage points to 17,0% on May 8. Prime rate is currently 20,5%.

The Land Bank's move was a concession to the cash-strapped farming industry, which faces attempts to force its loans on to a commercial footing.

At the end of 1995 the sector's debts were R19,5bn, nearly a third held by commercial banks. The agriculture department in April lifted interest rates on cheap farming loans from the Agricultural Credit Board from 8% to 14%.

Rainbow knocked by heavy imports

Jacqueline Zaina

B/D 27/5/96

RAINBOW Chicken, which last week posted a R160m attributable loss for the year to March from a R16,7m profit the year before, would need a recapitalisation of almost R600m to clear its balance sheet, analysts said at the weekend.

This was based on borrowings of R540m and expectations that it would incur a further R50m shortfall in the current year.

One analyst said Hunt Leuchars & Hepburn (HL&H), which holds 41% of Rainbow, was considering a number of refinancing options, including a possible rights offer, a preference share issue or the conversion of debt into equity to reduce its debt.

HL&H CE Neil Morris said Rainbow's high financing costs — which stood at R76,4m (R51,5m) in

the year to March — would continue to affect its performance until its gearing level of 94,2% (46,3%) had been reduced through a planned recapitalisation.

Analysts had set Rainbow's funding requirements at R500m following news last month that the group had resold a 50% stake in Epol Foods for R108,2m.

Morris said large-scale poultry imports, had depressed prices and volumes, and ongoing labour difficulties, resulting in a R57,2m attributable loss at the interim stage, had continued to knock Rainbow well into the third quarter. Control was now vested in the operating regions, he said. He expected the group's stockholding to normalise within four months. Full recovery would take 18 months.

Rainbow's counter lost 16c or 10% to close at a new 12-month low of 144c on the JSE on Friday, while HL&H's share edged up 5c to 890c.

Land act provides for group ownership

By **MONDLI MAKHANYA**
Political Reporter

Legislation giving security of tenure to people living on communally held land has been signed into law by President Nelson Mandela.

The Community Property Associations Act allows for groups to create a legal entity for the registration of land. Such groupings will be known as communal property associations.

The Department of Land Affairs said in a statement at the weekend that Mandela had signed the legislation shortly before leaving for Germany last week.

The law is expected to benefit people living in rural areas where communal ownership of land is the norm. People living on such land

(3) Star 27/5/96
have had great difficulty raising loans because the law did not recognise communally held land.

"The Communal Property Associations Act enables members of disadvantaged and poor communities to collectively acquire, hold and manage land. The act was designed to provide a relatively simple and accessible mechanism through which group ownership systems can be recognised," the statement says.

The law is one of four pieces of land reform legislation being pushed by the Government.

The others - the Land Reform Labour Tenants Act, the Interim Protection of Informal Land Rights Bill and the Upgrading of Land Tenure Rights Amendments Bill - are expected to be signed into law within a month.

Act formalises communal ownership of property

② ③

ARG 28/5/96

Municipal Staff

COMMUNAL landowners have finally been recognised and now can take tenure of their own piece of the country.

Recently President Mandela signed the Communal Property Association Act, which enables members of disadvantaged and poor communities to collectively acquire, hold and manage property.

The Act makes provision for the creation of a legal entity called a Communal Property Association. Communal land can be registered in the name of an association which will consist of members and have a constitution complying with the democratic standards of the country's Bill of Rights.

A land affairs department spokesman said the new Act was one of four pieces of legislation aimed at giving effect to the government and the department's commitment of providing security of tenure.

Others included the Land Reform Labour Tenants' Act and the Upgrading of Land Tenure Rights Amend-

ment Bill, which were almost through the parliamentary process and were expected to be signed by the president within a month at the most.

Many people in the country held land through communal systems whether in the urban or rural context. Group ownership was preferred in many communities because of the social and economic functions it fulfilled.

The spokesman said it had always been easier for people to raise the cash necessary to acquire land through group contribution schemes. Yet the law had up till now never provided for simple and appropriate forms of group ownership.

"Many group ownership systems have come to exist informally and outside the law where people participating therein are continuously vulnerable to eviction."

He said the department was committed to a land policy which provided for security of tenure under a variety of forms of ownership.

Heavy rains, locusts and diseases lead to trimmed harvest forecasts

GOOD summer rains throughout southern Africa have given rise to the region's best maize crop in years, but continued wet conditions and flooding have led countries to trim harvest forecasts for the 1996/97 season.

"Cereal forecasts for the region could have been much higher were it not for excessive rains leading to either flooding or water-logging in SA, Mozambique, Swaziland and Zimbabwe," the Southern African Development Community said.

Rainstorms into late May had delayed harvesting, notably in SA, the region's largest maize producer, while outbreaks of red locusts, which hatch after rains, had cut forecasts in Malawi, Tanzania and Mozambique, observers said.

Maize production in Mozambique, which was expected to produce a small maize surplus for the first time in years, had been cut back to 935 000 tons from a March estimate 1,09-million tons due to flooding.

"Floods have destroyed an estimated 170 000ha of crops includ-

ing 105 000ha of maize," said SADC's food security unit in its latest regional report.

However, Mozambique's output was still up on last year's 734 000 tons. Revised forecasts show maize production in SA at 9,5-million tons, slightly down from an earlier estimate of 9,56-million tons, but more than double last year's 4,41-million tons.

"Excessive rainfall in some areas has led to some damage and nutrient leaching, but in general, crop condition has remained good," SADC said of the SA crop.

SA's National Maize Producers' Organisation said last month that harvesting had been delayed by about a month because of continued widespread rains and flooding.

Rains had also created ideal conditions for crop diseases, making it easier for them to spread, said Rita Bensch, a researcher at SA's Grain Crops Institute.

Grey leaf spot disease, a fungus affecting maize plants, could lead to a yield loss of 50% of the maize

(3) 20 29/5/96
crop in KwaZulu-Natal if farmers did not spray with fungicides, Bensch said. KwaZulu-Natal produces about 2,8% of SA's crop, she said. The disease had also spread to the heavy maize-growing areas of Mpumalanga and the eastern Free State.

In Swaziland, "only an average maize harvest of between 80 000 and 100 000 tons is expected due to water logging, weed infestation and nutrient leaching arising from the heavy rains which persisted throughout the season", SADC said. This was up on last year's harvest of 76 000 tons.

The Zambia-based international red locust control organisation for central and southern Africa said soaking rains after years of drought had provided perfect conditions to hatch locusts.

Tanzania has also been hard hit by locusts, resulting in it being the only country in the region to suffer a reduction in maize production this season. Tanzania is expected to produce 2,31-million tons (2,51-million tons). — Reuter.

Land Bank suspends tender

Helmo Preuss

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THE Land Bank has again suspended the weekly tender for its bills, due to the volatility in the money market.

A bank spokesman said the tender — suspended from March 22 until May 17 — had not gone ahead last Friday, and was unlikely to this Friday, due to normal month-end pressures on the money market, which led to higher money market interest rates.

The resumption of the weekly auction of R50m would be evaluated regularly, but the bank was dependent on its money market bills for only about 5% of its funding, he said.

The bank, which had held fire on fully raising interest rates had now raised them. The rate to

co-operatives has been increased 1% to 17%. Shorter-term production loans to farmers have risen 1% to 18%. Rates on medium-term equipment loans will rise 0,5% to 19,5% from June 15. Shorter-term production loans had a 1,25% increase on May 8 to 17,0%. From May 24 these were now 18,0%.

EXECUTIVE SUITE



Group ownership recognised

Louise Cook

THOUSANDS of disadvantaged communities, including squatters and rural people vulnerable to eviction, will have security for the first time with the signing into law of the Communal Property Associations Act.

The Land Affairs department said the first applications from thousands of poor communities wanting secure tenure rights were expected to reach government within weeks.

"The Act was designed to provide a rela-

tively simple mechanism through which group ownership systems could be recognised.

"Individual property ownership has been well supported in the past, legally and in terms of deeds offices. But it is the intention of government to ensure other forms of tenure, including communal tenure, receive the same support as individual tenure.

"The Act represents a first step in securing group property..."

Land affairs department legal adviser Mar-go Pienaar said the first communities likely to benefit were in the Eastern Cape. Applications were expected soon.

The costs of registering a Communal Property Association were not clear, but she said they would be "negligible".

The national land

committee, representing landless communities, said government was responsible for all costs involved in registering the body. Pienaar was unable to confirm this.

Cape Town-based Surplus People Project said various communities in the western and northern Cape would apply immediately to form communal property associations.

The land affairs department said the new Act would facilitate access to credit to buy land.

The department said it had always been easier for people to raise cash to buy land by means of group contribution schemes, yet until now the law had not provided for simple forms of group ownership.

The Act would legally entrench group ownership, it said.

(3) BD 29/5/96

The MINISTER OF CORRECTIONAL SERVICES:

31 January 1995	24 088
28 February 1995	23 592
31 March 1995	23 315
30 April 1995	23 304
31 May 1995	22 213
30 June 1995	21 390
31 July 1995	22 127
31 August 1995	22 210
30 September 1995	23 959
31 October 1995	24 349
30 November 1995	25 560
31 December 1995	27 218

SAPS: active members

220. Mr D H M GIBSON asked the Minister for Safety and Security:

(a) How many active policemen were employed by the South African Police Service in (i) 1985, (ii) 1990 and (iii) 1995 and (b) what was the ratio of police officers to South African citizens in each of these years?

N414E

The MINISTER FOR SAFETY AND SECURITY:

- (a) (i) 52 590
(ii) 82 252
(iii) 102 340

(b) Year	Population	Members	Members per thousand of population
1985	23 360 497	52 590	2,3
1990	38 012 000	82 252	2,2
1995	41 244 000	102 340	2,5

Farmers: amount of debts

224. Mr B C BESTER asked the Minister of Agriculture:

What was the amount of debt owed by farmers to (a) the Land Bank, (b) commercial banks, (c) co-operatives, (d) private persons, (e) the Agricultural Credit Board and (f) other institutions in each of the last five calendar years?

N418E

The MINISTER OF AGRICULTURE:

The amounts owed mainly by commercial farmers are as follows:

	R'million
(a) Land Bank	
1991	3 512,5
1992	3 711,0
1993	3 991,7
1994	4 274,2
1995	4 679,6
(b) Commercial banks	
1991	5 019,5
1992	5 117,2
1993	5 822,5
1994	5 687,8
1995	6 385,6
(c) Co-operatives	
1991	4 300,8
1992	3 900,6
1993	4 322,6
1994	3 931,1
1995	3 975,2
(d) Private persons	
1991	1 374,7
1992	1 395,9
1993	1 465,7
1994	1 570,2
1995	1 641,8
(e) Agricultural Credit Board	
1991	1 167,8
1992	1 348,6
1993	1 480,7
1994	1 471,0
1995	1 411,6
(f) Other institutions	
1991	1 471,6
1992	1 658,8
1993	1 218,6
1994	1 269,4
1995	1 327,2

Loans/subsidies to farmers

225. Mr J T ALBERTYN asked the Minister of Agriculture:

(a) What were the amounts of financial assistance in the form of (i) loans and (ii) subsidies granted to farmers in the (aa) 1992/93, (bb) 1993/94, (cc) 1994/95 and (dd) 1995/96 finan-

cial years and (b) what is the estimated amount of financial assistance in the form of (i) loans and (ii) subsidies to be made available to farmers in the 1996/97 financial year?

N419E

The MINISTER OF AGRICULTURE:

(a) (i) (aa) 1992/93	R243 722 100
(bb) 1993/94	R186 556 700
(cc) 1994/95	R81 777 400
(dd) 1995/96	R33 470 500
(ii) (aa) 1992/93	R2 959 278 800
(bb) 1993/94	R580 663 400
(cc) 1994/95	R180 766 500
(dd) 1995/96	R322 472 700*
(b) (i) Loans—1996/97	R243 300 000
(ii) Subsidies—1996/97	R140 000 000

*1 April 1995-31 January 1996

Income of farmers

226. Mr Z D MNGUNI asked the Minister of Agriculture:

(a) What was the (i) amount and (ii) percentage of the contribution made by agriculture to the GDP in (aa) 1993, (bb) 1994 and (cc) 1995 and (b) what was the (i) gross income of farmers in the (aa) 1993/94 and (bb) 1994/95 financial years and (ii) estimated gross income of farmers in the 1995/96 financial years?

N420E

The MINISTER OF AGRICULTURE:

(a) Agriculture's contribution to GDP:		
	(i) R'000	(ii) %
(aa) 1993	15 101 022	4,4
(bb) 1994	19 510 508	5,1
(cc) 1995	18 443 737	4,3
(b) (i) Gross income of farmers in the financial years:		
	R'000	
(aa) 1993/94	26 981 803	
(bb) 1994/95	28 457 210	
(ii) Estimated gross income of farmers in the financial year:		
	R'000	
1995/96	31 189 102	

Farmers: agricultural debt (3)

227. Mr A H NEL asked the Minister of Agriculture:

(a) How many (i) commercial, (ii) small and (iii) part-time farmers were there in South Africa as at 31 December 1995 or the latest specified date for which information is available and (b)(i) what was the amount of agricultural debt in (aa) 1993, (bb) 1994 and (cc) 1995 and (ii) what portion of this debt was owed by (aa) commercial, (bb) small and (cc) part-time farmers?

N421E

The MINISTER OF AGRICULTURE:

- (a) (i) Commercial farmers—62 000
(ii) Estimated number of small farmers—500 000 to 1,2 million
(iii) Part-time farmers—statistics not available

(b) (i) Amount of agricultural debt:

(aa) 1993	R18 301,9 million
(bb) 1994	R18 203,7 million
(cc) 1995	R19 421,0 million

(ii) (aa) Estimated debt owed by commercial farmers:

1993	R18 235,4 million
1994	R18 103,5 million
1995	R19 278,6 million

(bb) Estimated debt owed by small farmers:

1993	R 66,5 million**
1994	R100,2 million**
1995	R142,4 million*

(cc) Estimated debt owed by part-time farmers:

Statistics not available.

*Funds are made available for small scale farmers as follows:

The South African Sugar Association—R54 million
Directorate Financial Assistance—R35 million
Former TBVC Corporations—R20 million
Estimate from Landbank and Commercial banks—R34 million

**Estimate based on the figures for 1995.

How many cases of (a) murder, (b) culpable homicide, (c) assault with intent to do grievous bodily harm, (d) common assault, (e) rape, (f) robbery, (g) theft of vehicles, (h) hijacking of vehicles, (i) damage to property, (j) house-breaking with intent to steal and theft and (k) drug trafficking were reported at (i) all police stations in the Province of Gauteng in total and

(ii) each police station of which the name has been furnished to the South African Police Service for the purpose of his reply, in that Province, in 1994 and 1995, respectively?

S182E

The MINISTER FOR SAFETY AND SECURITY:

(i) Gauteng

	(a) Murder	(b) Culpable Homicide	(c) Assault G.B.H.	(d) Assault Common	(e) Rape	(f) Robbery	(g) M/v Theft	(h) Hijacking Vehicle	(i) Damage to Property	(j) House- breaking	(k) Drug Traffic
1994	5 752	2 749	35 859	46 393	10 672	48 956	54 860	10 552	32 300	75 627	694
1995	5 617	2 812	43 131	48 455	12 443	50 889	55 869	12 531	34 408	81 711	588

(ii) 1994

Station	(a) Murder	(b) Culpable Homicide	(c) Assault G.B.H.	(d) Assault Common	(e) Rape	(f) Robbery	(g) M/v Theft	(h) Hijacking Vehicle	(i) Damage to Property	(j) House- breaking	(k) Drug Traffic
Orlando	143	32	840	533	272	808	193	*	391	556	24
Diepkloof	115	38	618	269	209	685	289	*	404	346	1
Lenasia	48	13	330	458	108	446	548	*	306	480	15
Eldorado Park	33	30	702	847	98	443	191	*	618	543	16
Jabulani	161	48	971	507	397	958	315	*	425	417	3
Klippedown	94	35	786	405	187	533	167	*	372	347	5
Moroka	292	81	1 598	648	672	1 538	592	*	829	911	8
Dobson- ville	84	13	423	325	159	465	131	*	222	324	1
Meadow- land	160	22	801	456	261	555	189	*	391	301	3
Lombardy East	7	7	32	91	10	327	382	*	197	580	0
Naledi	0	0	0	0	0	0	0	*	0	0	0
Protea Glen	0	0	0	0	0	0	0	*	0	0	0
Alexandra	226	17	1 030	359	245	524	189	*	354	274	0
Randburg	37	37	249	489	97	544	1 254	*	598	2 653	1
Sandton	19	45	214	482	32	561	1 462	*	819	1 803	1
Parkview	10	6	59	150	18	173	810	*	281	867	1
Rosebank	4	1	27	89	9	117	677	*	235	165	0
Yeoville	16	1	54	266	22	255	593	*	476	827	25
Lenasia South	3	2	50	39	6	40	25	*	37	115	0
Hillbrow	81	12	373	693	161	1 818	1 459	*	571	736	9
Norwood	11	4	82	230	23	323	858	*	520	984	0

(ii) 1995

Station	(a) Murder	(b) Culpable Homicide	(c) Assault G.B.H.	(d) Assault Common	(e) Rape	(f) Robbery	(g) M/v Theft	(h) Hijacking Vehicle	(i) Damage to Property	(j) House- breaking	(k) Drug Traffic
Orlando	129	31	771	399	291	745	235	*	330	526	12
Diepkloof	129	29	518	211	247	568	348	*	309	333	1
Lenasia	42	18	372	467	107	410	449	*	332	489	23
Eldorado Park	57	52	619	688	104	331	167	*	216	360	2
Jabulani	135	32	814	403	371	815	257	*	365	412	2
Klippedown	84	27	804	412	171	478	192	*	320	332	2
Moroka	234	71	1 832	664	624	1 347	519	*	829	868	8
Dobsonville	88	15	702	425	218	598	226	*	300	438	1
Meadowland	183	26	647	361	287	455	138	*	282	274	4
Lombardy East	13	16	42	68	11	349	237	*	199	494	0
Naledi	30	8	319	59	101	209	76	*	144	93	2
Protea Glen	5	3	96	29	22	36	29	*	38	39	0
Alexandra	231	14	1 050	414	254	860	173	*	318	353	5
Randburg	38	50	213	566	71	663	1 156	*	552	2 721	6
Sandton	31	35	158	439	42	769	1 427	*	904	1 872	4
Parkview	80	3	47	128	13	208	736	*	284	907	3
Rosebank	1	10	32	114	6	160	587	*	292	277	2
Yeoville	10	7	68	276	19	498	573	*	581	824	18
Lenasia South	21	26	227	215	67	176	126	*	286	496	5
Hillbrow	212	28	1 130	2 229	418	4 910	4 173	*	1 945	2 085	90
Norwood	13	7	71	216	13	458	888	*	586	1 387	3

* (h) Hijackings of vehicles are not available per station.

Commercial farming units in provinces

110. Sen J. A. JOOSTE asked the Minister of Agriculture:

(a) How many commercial farming units were there in each of the provinces in 1995, (b) what was the total extent in hectares of these units in each of the provinces and (c) what was the

average extent in hectares per unit?

S183E

The MINISTER OF AGRICULTURE:

Statistics for 1994 and 1995 are not available, but the estimated figures for 1993 are as follows:

Province	(a) Commercial farms	(b) Hectares	(c) Average size ha/unit
Northern Cape	6 760	29 068 469	4 300
Free State	10 772	11 035 733	1 025
Eastern Cape	6 495	10 135 102	1 560
Western Cape	8 624	9 899 505	1 148
North West	8 087	6 063 199	750
Northern Province	5 378	5 461 269	1 015
Mpumalanga	6 296	4 898 953	778
KwaZulu-Natal	6 216	3 929 677	632
Gauteng	2 918	744 093	255
Total	61 546	81 236 000	1 320

Farmers and ANC in bid to iron out differences

Linda Ensor

BD 15/5/96 (3)

CAPE TOWN — A technical committee of experts drawn from the SA Agricultural Union and the ANC is to be established to iron out differences over the ANC's far-reaching proposals to restructure the marketing of agricultural products.

This compromise decision was taken by the select Senate committee on agriculture and land affairs yesterday to avert conflict with organised agricul-

ture. The SAAU pleaded for more time to make representations on the ANC's proposed amendments to the Marketing of Agricultural Products Bill.

The Bill, proposed by Agriculture Minister Kraai van Niekerk, provided for the reintroduction of marketing boards and was widely opposed.

The SAAU said in a last-minute submission to the committee yesterday that the ANC's amendments, made in March, differed so drastically from the tabled Bill that the two documents were "basically irreconcilable".

The ANC proposed restricting state intervention and increasing the exposure of agriculture to market forces. It proposed scrapping floor prices and all marketing boards, increasing the representation of beginner farmers and consumers on the National Marketing Council and ending compulsory levies. Parliament and not the minister of agriculture would be responsible for council appointments.

The SAAU, on the other hand, believed government intervention in agricultural marketing was necessary in the light of the "harsh commercial realities in a more liberalised trade environment".

ANC agricultural spokesman Sam Motsuenyane warned that the ANC would not tolerate unnecessary delay in getting the legislation promulgated. He was confident, however, that consensus could be reached with the SAAU.

INTERPELLATIONS

(3)

The sign * indicates a translation. The sign †, used subsequently in the same interpellation, indicates the original language.

Commercial farmers: money owed

1. Ms J Y LOVE asked the Minister of Agriculture:

- (1) Whether, following an announcement by his Deputy Minister on 3 October 1995, he or his Department has conducted a study into the issue of commercial farmers who are indebted to his Department; if not, why not; if so, what were the findings arrived at in this study;
- (2) whether he or his Department has developed a programme of dealing with the debt problems of such farmers; if not, why not; if so, what has been the impact of this programme?

N735E.INT

The DEPUTY MINISTER OF AGRICULTURE: Madam Speaker and hon members, the answer to the interpellation posed by Ms Love is as follows. Yes, a study was conducted into the accounts of approximately 12 000 farmers out of a total of approximately 22 000 farmers who are indebted to the Department of Agriculture as a result of loans granted in terms of the provisions of the Agricultural Credit Act, 1966. The details of the study's findings are actually too numerous. I would rather hand it over to the hon member. However, I will just cite the types of loans for which the farmers are indebted.

The department granted loans for production, debt consolidation, purchase of land, fodder, security fencing and livestock, as well as certain other loans. With regard to location, of these farmers 2 836 are from the Northern Cape, where the amount in arrears is about R15,215 million; 3 139 are from the Northern Province, where R23 million is owed; 1 955 are from KwaZulu-Natal, where the amount totals R9 million; 1 723 are from Mpumalanga, where R15,987 million is owed; 273 are from Gauteng, and owe R3 million; 1 592 are from the Eastern Cape; 1 527 are from the Western Cape, and owe R9 million; 5 057 are from the North West, and owe R55 million; and 3 751 are from the Free State and owe

R31 million. The total debt is R171 million, including interest.

I must say that it has taken us a long time actually to do an analysis of this debt because of the problems we encountered. Certain information was not noted on computer and we actually had to do it manually. Therefore we took a sample of about 10% of the debtors' files.

The ages of the loans, in reply to the hon member's question, range from one year to 14 or 23 years. The production loans range from one to 14 years, loans for debt consolidation from one to 16 years . . . [Time expired.]

Ms J Y LOVE: Madam Speaker, I think that members will be aware that in the White Paper on Agriculture, which was adopted last year and distributed to members, it was agreed that the existing financial institutions served, if at all, only part of the agricultural sector, and unfortunately many Black farmers, smallholders and part-time farmers do not have any access to adequate service.

The challenge, as we all saw it, was for the agricultural financial institutions to be restructured so as to render service to cater for this demand. It was our understanding that the announcement made by the hon the Deputy Minister last year in October was in order to begin this process of reassessing priorities, which is necessary for public sector financial institutions.

As far as the answer given by the Deputy Minister is concerned, I wonder whether it is possible for her to indicate whether, given that we have just had excellent rains, the Agricultural Credit Board expects an improvement in the repayment of outstanding debt? Furthermore, what steps, both legal and otherwise, has the department put in place to ensure that it has first call on such profits resulting from a better harvest, the object being to have paid off arrears before this money goes on other pieces of equipment, and also on personal expenses?

I ask this because we are very concerned that the limited resources that are at the disposal of the State should be used in a way that will benefit those who have been previously disadvantaged. In the present situation, the Government is negotiating with commercial banks to take over loans. Does this imply that the department does not have the capacity or the legal right to collect arrears?

How does the department intend to do this? Does it intend to take steps to ensure that the farmers who have outstanding debts do indeed repay them? Is there legal action about to be taken to foreclose as a consequence of these loans? I would like the Deputy Minister please to elaborate on these points.

*Mr P W GROBBELAAR: Madam Speaker, I have here a survey which indicates that in 1985 agriculture received an amount of R1 000 million in State aid. Such aid decreased until in 1993 it totalled less than R100 million, which represents only one tenth of the previous amount.

I stand here today as a very concerned member of the population. What is going to become of these farmers who have so much debt? In the past they were subsidised with State money, and this has now been totally withdrawn. One can see that the subsidy for grain and maize production is at the moment nought. There is only a small subsidy still applicable to certain sectors.

The farmers were led into this dispensation and were brought under the impression that there was nothing wrong. Now I would like to know what Mr Van Niekerk, the hon Minister—I see he is not present—is going to do about the debt of these farmers during the last few days he is still going to hold that office. We have just heard from the Deputy Minister in her reply that the debt of these farmers is enormous. In the past they were subsidised, and now there are no more funds for them. What is to become of these people, and how must they pay this debt? One already hears it being asked whether legal steps are going to be taken against them.

This is the reason for our concern today, and for that reason I am appealing to the hon the Minister in his last few days in office to try to do something for these people who are being left in the lurch.

The DEPUTY MINISTER OF AGRICULTURE: Madam Speaker, I just wish to respond to some of the questions that hon members have raised. I have already indicated the amount of the debt and what we were going to do. We did an analysis, and out of that we have actually initiated a debt management programme. We do realise that some of the problems that farmers found themselves facing were the result of both policy and the management system.

In the past there was not a proper system in place which enabled the department to recover the loans which farmers were not able to pay back in time.

However, I think it is also important to acknowledge that there was political interference at a certain stage, given that farmers obviously made up the bulk of the voting population.

We have therefore put systems in place in terms of which we are able, not only to recall the debt, but also to ensure that we are in a position to take legal steps against those farmers who do not pay on time.

We are again reviewing the agricultural legislation which had some of the instruments that actually encouraged farmers to incur debt in the manner in which they did, eg in terms of the debt consolidation provision. This is one of the areas we are looking at to see what we can do about that. There is a lot of detail which hon members can actually receive from my department if they want to know more.

Mr M G LIGEGE: Madam Speaker, this is the time for commercial farmers to see to it that they repay this money. I say so because they are driving in big Mercedes Benzes, going from their farms on holiday to expensive places, and yet they owe the Government such a lot of money. Some money goes to the Northern Transvaal Co-operative, an amount of R10 million per year for 10 years, with nothing coming back.

This R171 million is only for their leisure activities. Before they leave, or as they are leaving—I am sure that everybody knows that the NP is leaving—let the Minister who is leaving bring this money back as soon as possible. Our people who are suffering have been given 21 agencies to collect money from them, but nothing from the Boers . . . [Laughter.] Yes, the Boers. Nothing is coming back from them.

They have bought a lot of fodder, a lot of fertiliser and tools which they have stored at home. We really want this money before the Minister and his party leave. [Applause.]

Ms J Y LOVE: Madam Speaker, I think that it is very important for us to record our appreciation for the orderly way in which some of the detail of the outstanding debt is being gathered by the department, but I also think that we need to emphasise the extent to which we feel that there is an urgency in solving this problem.

It is for too long now that the part-time farmers, the emerging farmers, have had almost no support at all from the Government, and these are, in fact, the very people who are unable to access services

from the commercial financial institutions. It is therefore our hope that those matters, which the Deputy Minister has indicated are in process, will be expedited as efficiently and effectively as possible. We simply regret that there has been a delay to date.

However, a final note. [Time expired.]

The DEPUTY MINISTER OF AGRICULTURE: Madam Speaker, I would like to say that if it were possible to solve, in one month, all the problems that have arisen over 40 years, we would have appreciated it. I am sorry to have to say to the hon member that we are trying to solve these problems with the utmost speed, but I do not think that when my Minister leaves we will have been able to recover all the debt that has accumulated over the years. However, we take note of the urgency of this matter.

Debate concluded.

KwaZulu-Natal: reports concerning violence

2. Mr M F CASSIM asked the Minister for Safety and Security:

- (1) Whether, following his undertaking to fully investigate the violence in KwaZulu-Natal, he has received any reports relating to such violence; if not, what is the position in this regard; if so, what were the findings contained in these reports;
- (2) whether any foreign-based foundations or bodies were in any way implicated in this regard; if not, what is the position in this regard; if so, what are the relevant details?

N689E.INT

The MINISTER FOR SAFETY AND SECURITY: Madam Speaker, efforts at investigating violence in KwaZulu-Natal are being intensified. Apart from the routine investigative work, special steps were taken because they were deemed to be necessary in view of the endemic violence which has plagued the province for such a long time. Those steps include the establishment of the Investigation Task Unit in August 1994.

The ITU unearthed evidence relating to networks which extended beyond the province of KwaZulu-Natal. To date the ITU has arrested and brought to trial at least 46 people who are facing charges in at least ten different trials. The charges which the accused are variously facing include

murder, attempted murder, conspiracy to commit murder, and arson.

The people so charged come from different walks of life and belong or belonged to different political parties. Some of the organisations to which they belong or which they supported include the ANC, the IFP, the self-defence units, the self-protection units, the SA Police Service and the SA National Defence Force, and, of course, they include a former Minister of Defence in the NP government. I am also informed that the ITU will soon be placing dockets before the attorney-general. This relates to hit-squad activities which took place in the 1990s on the Natal North Coast.

Mr M F CASSIM: Madam Speaker, I want to thank the Minister for the information that he has brought before this House. The fact that we have endemic violence in KwaZulu-Natal means that it has to be addressed decisively.

Yesterday we heard, in this House, from the Chairman of the Portfolio Committee on Defence, the hon Tony Yengeni, that it was the IFP that was responsible for much of this violence. That attitude is not helpful at all, because we ourselves here would like to be strong advocates of peace in our own province. It does not make sense to think that the province in which we have our power base should be plunged into violence by our own party.

The viewpoint was put forward by the hon President of the Republic that all parties were involved, not at the level of the leadership, but because of problems that were intrinsic and deep-rooted. Hence I put the question to the Minister to find out whether a report was available and accessible so that all parties could meet and begin to understand the real deep-seated causes of the violence in that province.

The question also attempts to ascertain whether the Minister has any information about whether a foreign-based foundation has been implicated in the continuing violence. That would be important for us to establish, because we would either be in a position to refute it, or if it has any validity, then to act upon it.

In the meantime the innuendos that are being passed to and fro about who may be fomenting this violence are totally unscientific and quite baseless. We cannot, as a Parliament, continue on that path, because that path leads to futility, to nothing. We want to address this in an honest way,

and this is the positive indication from my party's side. We have raised this question because we have nothing to hide. We brought it forward here because we clearly want to ascertain who is behind the problem and to what extent the Minister for Safety and Security has the problem under control with a view to addressing it.

I also believe that it is time for the hon the Minister to utilise the Portfolio Committee on Safety and Security, both in Parliament and in the province, to hold public hearings at which these portfolio committees would be able to inquire, through multiparty committees, into the nature and extent of the problem of violence in our province.

If we begin to know where the problems lie, we would be in a position to find genuine solutions. Until such time, attack and counterattack, accusation and counteraccusation only bedevil the problem, so much so that it becomes difficult to address and to solve.

We would like to know from the Minister whether any foreign-based foundation has, in any way, been linked to this violence and whether he has any reports which he could make available to us, even if it is on a confidential basis, so that together we can search for the solutions, and it does not become a basis for one party to use this merely for politicking, because violence means the death of innocent people. No party can ever become involved in politicking through the use of violence.

The violence is affecting families and is breaking up homes and causing social trauma. It is also creating economic hardship and preventing growth and development from taking place in the economy of the province.

Therefore, if it is possible, we would like to be informed of what is happening by way of a scientific report. It is good that those who are found to have been guilty are brought to justice. Let the courts pronounce on whether they have or have not committed the crimes. In the absence of the courts making such pronouncements, I see it as most unhelpful of anyone to declare unilaterally that he or she or they are the cause of the violence. I would like to appeal to senior leadership to ensure that such loose talk does not prevail, because that only serves to create more unnecessary violence. [Interjections.]

The MINISTER FOR SAFETY AND SECURITY: Madam Speaker, I believe that no evidence

can be more scientific than the outcome of hard-nosed investigative work, and that is the kind of work that is being done currently. Perhaps I should just indicate which other decisive steps have been taken.

A special unit was established on 1 January 1996. It was initially tasked with investigating not more than five cases of massacres which occurred on the lower South Coast during December 1995. The unit has since accumulated 32 cases which were previously investigated by local police without much, if any, success. The unit has arrested and brought to trial a total of 83 persons, including five policemen. More suspects are still being sought and further arrests are expected shortly.

Three more area-bound units have been established to investigate all massacres and politically motivated murders in the designated areas of the Midlands, the North Coast and the central area.

As to whether there is a foreign-based foundation which has been implicated in the violence, my only advice is that nobody should be too anxious, at this stage, to find out whether they have been found guilty or not. Investigations are still taking place and I think all of us must be patient, and that includes the so-called foreign-based foundation.

Mr V B NDLOVU: Madam Speaker, thank you very much for giving me this opportunity. I think the Minister has already agreed that there is an investigation into foreign funding. If that is indeed so, it would be advisable for us to be involved too, so that we know exactly what is taking place.

HON MEMBERS: Who are "we"? [Interjections.]

Mr V B NDLOVU: That is the first thing we want to know. The second thing ... [Interjections.] Who are "we"? [Interjections.]

The second thing that I want to point out is that if the Minister has a report of some sort, any report whatsoever, and if only he has access to that report and not other members, we, as the IFP, would appreciate it if we could know about those reports ... [Interjections] ... because we know that some other members in this House can doctor the reports in their own way. [Interjections.]

Thirdly, the most important thing is the involvement of the portfolio committee in these investigations. It is not that we want to investigate

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Court rules on right of appeal

Deborah Fine

BO 15/5/96
THE Constitutional Court ruled yesterday that Section 20 (4) (b) of the Supreme Court Act of 1959 — which limits litigants' right of appeal — was not inconsistent with the constitution.

The Act provides that there can be no appeal against a judgment or order of a Supreme Court Division in civil proceedings unless leave to appeal has been granted by that court or, where leave to appeal has been refused, leave to appeal has been granted by the Appellate Division.

Without such leave, a litigant may not prosecute an appeal.

The Act's validity was challenged on the grounds that in setting preconditions for civil appeals, section 20 (4) (b) breached the constitutional guarantees of equality before the law as well as the section 22 clause which protected the right of access to courts.

Delivering judgment on behalf of a unanimous court, Judge Kate O'Regan said the court had applied an earlier decision in which it was held that in criminal trials, the leave to appeal and petition procedure was sufficient to satisfy constitutional fair trial requirements. The court had extended the principle to civil matters.

The court was not convinced that section 22 rights of access to court were violated by a procedure which excluded undeserving appeals and enabled a higher court to make a decision on the prospects of a successful appeal.

He had not joined the... EH

Hanekom to focus on food supply in new post

Louise Cook

FOOD supply would be a critical priority when he took over as agriculture minister from incumbent NP minister Kraai van Niekerk in July, Land Affairs Minister Derek Hanekom said yesterday.

The National African Farmers' Union (Nafu) said cheap food production needed rapid land reform and additional agricultural support services. The union said Hanekom must increase support to small and medium-sized farmers and "recognise" their role in successful food production.

Hanekom had been chosen to run the agricultural portfolio in President Nelson Mandela's Cabinet reshuffle on Monday. Van Niekerk, one of the NP ministers who walked out of the government of national unity last week, held the post for eight years.

Nafu spokesman Steve Mokwena said the union looked forward to working with Hanekom, and called on him to put together a task team which understood the needs of the African farmer.

Hanekom has lashed out at right-wing farmer unions in the Northern Transvaal and Mpumalanga for suggesting land reform was a "socialist" policy. Farmers were not "victims of arbitrary confiscation" of land, he said. Most accepted the validity of land reform.

The agricultural sector had to contribute to the economy and a

clear marketing policy was also urgently needed, he said.

Meanwhile, senior officials from both the land affairs and agriculture departments are to meet in Cape Town early next week to decide how best to run the departments.

They will share a minister from July 1 following Mandela's decision to allocate the agriculture portfolio to Hanekom.

Senior land affairs officials said the position of deputy land affairs minister — held by the NP's Fanus Schoeman, who took over from Tobie Meyer when he resigned this year — could be scrapped if the departments merged.

But land affairs senior legal advisor Renaldi Bester said a merger would present difficulties. The two departments employed about 5 500 staff, which could make a single department cumbersome and difficult to split up again if Mandela ever wanted a separate agriculture minister in the future.

"Nothing can be decided yet — we first need to know the situation regarding the new deputy ministers," he said.

Land affairs officials said that if Mandela scrapped the position of deputy land affairs minister, Deputy Agriculture Minister Thoko Didiza would stand in. They expected Hanekom to focus heavily on farming issues at first.

Comment: Page 12

Hanekom: 'I'll expropriate if necessary'

Farmers may go to court over squatters

ARG 1/6/96

JEAN LE MAY
Staff Reporter

THE dust has not yet settled around a group of about 20 Simondium squatter families involved in a tug-of-war over land with the Cape Metropolitan Council (CMC), the province and an action group formed by farmers.

The Simondium Action Committee (SAC), elected by 850 people and headed by export-grape farmer Robert Morley, is all set to go to the Supreme Court asking for the setting aside of an order that the squatters should be undisturbed until a settlement had been reached.

And, Derek Hanekom, Minister of Land Affairs, has indicated he may be prepared to "purchase or expropriate" private land on which to settle them, if no state land is available.

Mr Morley told SATURDAY Argus the SAC wanted the squatters out of the area because they were "selling mandrax and dagga to local farm workers, who are living under the whip of threats and intimidation from the squatters".

Asked if the police had been told about the alleged drug-dealing, Mr Morley said: "They know. Now, we are going to insist that they act on the information."

■ Land Affairs Minister Derek Hanekom has said he is prepared to buy or expropriate private land to house the Simondium squatters if no public land is available.

He said a suggestion had been put forward that the squatters should go to an "agri-village", on land in the Meerlust forest owned by Safcol, the company which took over former state forests when they were privatised.

But, SATURDAY Argus has learned that the Meerlust forest housing is used for its workers by the provincial department of nature conservation "and there may be problems with squatters coming here", according to a spokesman.

Meanwhile, two African National Congress MPs, Ben Turok and Liz Abrahams, have become involved in the squatters' problems.

Professor Turok told SATURDAY Argus he had undertaken to take up the matter of the squatters' alleged wrongdoing with the authorities. He said Mr Hanekom "had indicated he was sympathetic to the establishment of a housing area for residents on public land. If

this was not available, and should private land not be available for sale to the government, he either would negotiate to buy such land or expropriate as necessary".

The minister said amounts up to R15 000 would be granted to individuals to buy plots and infrastructure, with the remainder to be used to buy building materials.

The squatters' problems began last year when the provincial roads department moved them from the verge of the main road through Simondium, where they were living, to a portion of the farm Nieuwehoop.

Last month, the CMC asked the court to evict the squatters from this land which, it turned out, was owned not by the province, but by the former Winelands Regional Services Council. Another complication was that the squatters did not want to move to Klapmuts, near Stellenbosch, where the province had planned to house them. They said they were born and bred in Simondium, to which they were deeply attached, and planned to stay there.

Acting Judge Burger postponed the court action indefinitely, ordering that the squatters be left undisturbed until a settlement had been negotiated.

R15m Dutch boost for land body

HENRY LUDSKI
POLITICAL WRITER

THE Land Rights Commission — under-resourced and struggling to cope with the huge volume of claims — has been given R15 million by the Dutch government to help address these problems.

National Land Claims Commissioner Mr Joe Seremane said yesterday that the sum — equal to the commission's current budget — would allow it to address the "urgent need for quick mechanisms" to deal with under-resourc-

ET 4/6/96

ing, especially in research. Seremane is one of five members of a special Land Restitution Trust Fund. The other members of the trust, set up to administer the fund and which held its inaugural meeting last Friday, are Land Affairs director-general Mr Geoff Budlender, regional Land Claims Commissioner Mrs Emma Mashinini, Ms Joane Yawitch, representing the Ministry of Land Affairs, and Dr Wilfred Kistner of the Ecumenical Advice Bureau.

The commission has five offices throughout the country and is pro-

cessing about 7 500 claims — 2 100 of these from the Western Cape.

Although independent, the commission has been hamstrung by bureaucratic delays. Its most pressing problem has been the lack of staff to research land claims.

Land Affairs Transformation Unit manager Ms Carolyn Fletcher said the trust was helping the commission secure research staff.

The fund would also be used for services to help claimants prepare claims, bolster communication services and buy equipment.

Half of South Africa

'without sewerage' (3)

BD 5/6/96 (12)

MELANIE GOSLING
ENVIRONMENT WRITER

OVER 21 million South Africans lack proper sanitation, and this could contribute up to 80% of the national disease burden, says Health Minister Dr Nkosazana Zuma.

Speaking at the launch of the National Sanitation Policy White Paper in the city yesterday, Zuma said the policy was strongly biased in favour of the rural poor, who had suffered diseases as a result of poor environmental health.

The policy document was the result of co-operation between six government ministers.

Water Affairs Minister Kader Asmal, who announced yesterday that his department had allocated R75m to sanitation, said it was "historic" to have a policy developed by so many departments.

"The simple building of toilets does not serve the purposes of

effective sanitation. The legacy of the previous government's 'toilets in the void' policy should convince us all of that," Asmal said.

The Departments of Water Affairs, Health, Environment, Education, Constitutional Development and Housing had worked together to develop the policy.

Some of the policy principles are:

- Sanitation should be community-based and driven by demand.

- The user pays, which means the services must be affordable.

- Sanitation that has a negative affect on the environment will not be implemented.

- Services must take into account the scarcity of water.

- Services must be accompanied by health and hygiene education

- Co-ordination between government departments across all tiers is essential.

Draft sanitation policy released

Linda Ensor

CAPE TOWN — Government has endorsed the ventilated improved pit latrine as a minimum standard for sanitation facilities, but people have been opting for the more expensive waterborne sewerage, to Housing Minister Sankie Mthembi-Nkondo's consternation.

She told a national sanitation policy conference yesterday, at which a draft report on sanitation policy was released, that a departmental survey had shown that 89% of subsidy approvals for new housing had facilitated the provision of flush toilets.

Over the past two years government, through its housing subsidy scheme, had helped provide sanitation facilities to about 300 000 low-income households.

"We target housing subsidies at low-income families and this places a question mark over ben-

eficiaries' ability to pay the operating and maintenance costs of such a high standard of sanitation. It seems to me that not enough attention is paid to affordability levels when housing projects are planned and approved.

"Local authorities which are an important party to the planning and implementation of government-subsidised housing projects will have only themselves to blame if they experience non-payment for services due to unaffordable levels of services," she said.

She stressed the need to educate communities about the cost implications of sanitation options and welcomed the sanitation education programme outlined in the draft white paper which estimated 21-million South Africans lacked adequate sanitation.

Health Minister Nkosazana Dlamini-Zuma noted that diseases such as diarrhoea, intesti-

nal infection, skin and eye infections were caused by poor sanitation. Her department had set up an interdepartmental task team to spearhead a health and hygiene education programme.

Water Affairs Minister Kader Asmal highlighted the need to strengthen the involvement of the private sector in the provision of water and sanitation services. He said R75m had been allocated under his department's RDP programme to sanitation.

Incoming constitutional affairs minister Valli Moosa said about 30% of the R1,3bn set aside for the provision of basic municipal infrastructure services would be spent on sanitation projects within the next 18 months. If communities wanted more than the basic ventilated improved pit latrine which the government was prepared to fund, they would have to seek additional finance elsewhere.

Ban land sales to foreigners, minister urged

Louise Cook

THE Congress of Traditional Leaders of SA (Contralesa) has called on Land Affairs Minister Derek Hanekom to ban the sale of residential and industrial land to foreigners, which could see SA's people becoming tenants in their own country.

Contralesa president Nkosi Holomisa said yesterday he was "alarmed" to learn of SA land "ostensibly privately owned," sold to foreign nationals.

"We have also learnt that both the department and the deeds registration office do not keep records of the nationalities of persons buying land. We cannot allow a situation where we find ourselves be-

ing tenants in our own country." Sales should be banned until it was clear how they benefited landless communities.

The Land and Agricultural Policy Centre (LAPC) and SA Property Owners Association (Sapoa) warned such a ban was likely to scare off investors.

Sapoa publications manager Andre Viljoen said he knew of no state land sold to foreigners. It was unacceptable simply to give away SA land, but foreigners brought development capital into the country. SA was seen as a springboard into Africa and development in SA benefited neighbouring countries.

"Where we would have a problem is if foreigners bought large

(3) BD 7/6/96
pieces of land and simply sat on them. But in most cases it is quite the opposite." He warned that with a 56% unemployment rate, the issue was sensitive.

LAPC director David Cooper said foreign land deals were a "small item" but they encouraged investment in SA. Land sales to foreigners should not be regulated, but treated sensitively where it affected communities.

The minister was not available for comment. Last month, however, he dismissed the possibility of a ban.

Hanekom told the PAC in Parliament that a "blanket moratorium would be ill-advised". He said government "would not even remotely consider such a ban".

Police to train labourers

(3) CP 9/5/96

NELSPRUIT - Black farm labourers are going to be trained and armed by police as part of a new initiative against a searing rural crime wave in Mmabatlana's agricultural heartland.

The initiative, agreed to last week during a summit attended by the army and police, as well as various farmer and farm labour organisations, will enable uneducated and often illiterate labourers to become police reservists for the first time.

"We don't have the manpower to put a policeman on every farm but by training labourers and farmers as reservists, people will be able to aug-

ment the police force and help protect themselves," said provincial MEC Steve Mabona.

"In the past only the white farmers were police reservists."

The initiative follows reports that the murder of farmers, and especially older farmers, in the province had increased dramatically during the past six months.

The systematic burning of crops just before harvest time has also increased, causing the financial ruin of some farmers, while mass evictions on certain farms have created squatting and theft problems in surrounding areas.

"It is also disturbing that the number of labourer families evicted has increased and is escalating on a daily basis," said Mabona.

"At the same time last year, evictions had actually dropped by between 70 and 85 percent but now we have a real political problem on our hands that needs a political solution."

Adding that the recent amalgamation of the national departments of agriculture and land affairs was expected to help resolve the current conflict of interests, Mabona said that negotiations were continuing at a provincial level. - African Eye News Service.

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~~Medics must apply for amnesty~~

Value of imported products

406. Mr A H NEL asked the Minister of Agriculture:

What was the value of (a) wheat, (b) maize and maize products, (c) rice, (d) oil-seeds, (d) cotton, (e) tea, (f) coffee and (g) vegetable oils

imported in (i) 1992, (ii) 1993, (iii) 1994 and (iv) 1995?

The MINISTER OF AGRICULTURE:

The value of:

N717E

	(i) 1992 R'000	(ii) 1993 R'000	(iii) 1994 R'000	(iv) 1995 R'000
(a) Wheat	197 755	474 514	258 665	610 765
(b) Maize and maize products	1 176 158	336 890	41 122	424 542
(c) Rice	302 450	324 369	451 352	497 495
(d) Oil-seeds	145 727	201 497	157 200	254 190
(e) Cotton	140 984	165 250	222 762	293 024
(f) Tea	49 297	57 308	53 065	57 304
(g) Coffee	46 177	64 712	132 412	181 206
(h) Vegetable oils	353 636	423 664	802 880	912 957

Commercial farmers: number of units

407. Mr Z D MNGUNI asked the Minister of Agriculture:

(a) How many commercial farming units were there in each of the provinces at the end of (i) 1980, (ii) 1985, (iii) 1990 and (iv) 1995, (b)

(a)(i) 1980

Province	(a) Commercial Farms	(b) Hectares	(c) Average size (ha/unit)
Cape	27 325	55 516 000	2 032
Natal	12 611	11 842 000	939
Transvaal	7 069	4 288 000	607
Orange Free State	22 367	14 621 000	654
Total	69 372	86 267 000	1 244

(ii) 1985

Province	(a) Commercial Farms	(b) Hectares	(c) Average size (ha/unit)
Cape	25 420	55 306 000	2 176
Natal	11 640	11 889 000	1 021
Transvaal	6 460	4 291 000	664
Orange Free State	22 360	14 663 000	656
Total	65 880	86 149 000	1 308

what was the total extent in hectares of these farming units and (c) what was the average extent in hectares per unit?

The MINISTER OF AGRICULTURE:

N718E

(iii) 1990

Province	(a) Commercial Farms	(b) Hectares	(c) Average size (ha/unit)
Cape	24 414	53 415 535	2 188
Natal	6 220	3 958 365	636
Transvaal	20 430	14 084 564	689
Orange Free State	11 021	11 426 130	1 037
Total	62 085	82 884 594	1 335

(iv) Statistics for 1995 are not available, but the estimated figures for 1994 are as follows:

Province	(a) Commercial Farms	(b) Hectares	(c) Average size (ha/unit)
Northern Cape	6 760	29 068 469	4 300
Orange Free State	10 772	11 035 733	1 025
Eastern Cape	6 497	10 135 102	1 560
Western Cape	8 624	9 899 505	1 148
North West	8 087	6 063 199	750
Northern Province	5 378	5 461 269	1 015
Mpumalanga	6 297	4 898 953	778
KwaZulu-Natal	6 216	3 929 677	632
Gauteng	2 918	744 093	255
Total	61 546	81 236 000	1 320

Commercial farmers: loans/subsidies

408. Mr I D VAN ZYL asked the Minister of Agriculture:

(a) What amounts in (i) loans and (ii) subsidies were made available by the Government to commercial farmers over the last specified six financial years for which figures are available and (b) what was the amount owed by farmers to (i) the Land Bank, (ii) commercial banks, (iii) co-operatives, (iv) the Agricultural Credit Board, (v) the Land Tenure Board and (vi) private persons at the end of (aa) 1992, (bb) 1993, (cc) 1994 and (dd) 1995?

N719E

The MINISTER OF AGRICULTURE:

(a)	(i) 1990/1991	R 182 916 700
	1991/1992	R 272 257 400
	1992/1993	R 243 722 100
	1993/1994	R 186 556 700
	1994/1995	R 100 497 800
	1995/1996	R 79 744 400
(ii)	1990/1991	R 237 613 800
	1991/1992	R 292 827 900
	1992/1993	R 2 959 278 800
	1993/1994	R 580 663 400
	1994/1995	R 180 766 500
	1995/1996	R 354 065 600

(b)

	(aa) 1992 R'000	(bb) 1993 R'000	(cc) 1994 R'000	(dd) 1995 R'000
(i) Land Bank	3 711,0	3 991,7	4 274,2	4 679,6
(ii) Commercial Banks	5 117,2	5 822,6	5 687,8	6 385,6
(iii) Co-operatives	3 900,6	4 307,6	3 911,1	3 950,2
(iv) Agricultural Credit Board	1 348,6	1 480,7	1 471,0	1 411,6
(v) Land Tenure Board*	—	—	—	—
(vi) Private persons (including farmers)	1 395,9	1 465,7	1 570,2	1 641,8
Total	15 473,3	17 068,3	16 914,3	18 068,8

*Information not available.

Agricultural draft Bill causes upheaval

Wyndham Hartley

CAPE TOWN — The ANC's moves to give organised labour a say in the marketing of agricultural products have started a row in Parliament which could have major repercussions.

The inclusion of organised labour as a "directly affected group" in the latest draft of the Marketing of Agricultural Products Bill is developing into a major political row over the rights of labour in the marketing chain.

The draft, introduced to the Senate agriculture committee yesterday, stipulated that labour should enjoy influential status in terms of the to-be-created Agricultural Marketing Council that will advise the minister on policy.

DP Senator Errol Moorcroft said it was ludicrous for labour to be given influence in the market-

ing of agricultural products, considering the amount of legislation which protected them.

Sources within the committee said it was clear the ANC was prepared to use its majority to push through the present draft against objections. Given the disquiet in international quarters over the relationship between the ANC and labour the decision could have far-reaching implications.

Committee chairman Piet Gous welcomed the Bill, saying that it was "future orientated" and was the product of consultation.

Louise Cook reports that the proposed ANC amendments triggered a favourable response from the agricultural sector.

SA Agricultural Union president Chris du Toit pledged the union's support for the Bill, provided the "basic principles" underwent no further changes. He

(3) DD 12/6/96
warned that any changes would "nullify" the agreement between the ANC and the union.

Land and Agricultural Centre director David Cooper said the amendments were a major improvement as they did away with the idea of "sufficient support". The original Bill allowed state intervention in markets if parties showed "sufficient support".

Another positive aspect was representation on the proposed National Agricultural Marketing Council based on expertise rather than group interests, he said.

National Chamber of Milling MD Jannie de Villiers said he was "concerned" the Bill had not received sufficient attention. "We cannot afford to have interruptions in research programmes and other services just because the administrative transitional process is not managed properly."

Farmers urge Hanekom to be circumspect

(3)
The Transvaal Agricultural Union said yesterday it had called on Land Affairs Minister Derek Hanekom to approach his new portfolio of agriculture minister with greater circumspection.

Should he not heed the call, TAU president Dries Bruwer would have no choice but to ask President Nelson Mandela to appoint Deputy Land Affairs Minister Thoko Msane in Hanekom's post.

The call was made in view of a statement by Hanekom that the security of tenure and occupational rights of farmworkers had to be guaranteed.

"This statement is a sign of Hanekom's wrong perception of the working of the agricultural economy," the TAU's declaration read.

"Hanekom's statement is a sure sign that he is creating a conflict situation with farmers even before taking over his new portfolio," said the union.

- Sapa

1 Kwan 15/6/96

On barren ground

The government's campaign to subsidise access to rural land will reap an unintended harvest, writes GRAHAM McINTOSH

ST 10/6/96

(3)
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ROCKY Drift is a huge farm of over 5 000ha on the edge of the Kwazulu Natal Midlands, near the hamlet of Muden. It is being bought from a commercial farming enterprise with help from the Department of Land Affairs.

Eight Zulu-speaking families and one English-speaking family still live on the farm, which is suitable only for extensive livestock farming though scenic and beautiful. It can produce at least 100 tons of beef a year and that beef feeds the nation, costs the state nothing and raises taxes and other levies.

Under its land reform pilot programme, the Department of Land Affairs plans to settle 230 families on this farm. These families will be able to buy Rocky Drift by pooling their R15 000 housing allowance from the department, and have R1,75-million left over in change.

The families will form a trust which will hold the title deed. This type of transaction, where a commercial farm is bought by families who form a trust and pool their housing grants, is occurring in other provinces.

The advantage of such a transaction is said to be that more people will be able to gain access to land. But ap-

plications for planning and settlement grants for Rocky Drift under the land reform pilot programme show that all the applicants have access to land but they don't like living where they are because their tenure is insecure, they feel uncomfortable because of violence or "insecurity" (that is, tribal discrimination), are overcrowded and their cattle are being stolen.

These are not landless people, but a landed community upgrading itself at state expense.

There are, however, more serious downsides. One could describe Rocky Drift as a rural timeshare development for the lower end of the market. People do not earn a living there but earn it elsewhere and go there for rest. Sadly, it is not a market because the members of the trust cannot sell their shares, nor can they use them as collateral to secure other investments. No longer can Rocky Drift be bought and sold. It is now out of the land market and those 230 families and their descendants are stuck with an unsellable wasting asset.

A further problem arising from ownership by a trust or community is that there is no accountability and enforce-

ability of the requirements of sustainable rural living, such as water supplies, firebreaks, fences, soil conservation and public liability. Eventually, most of the people will migrate to the urban centres because the reality is that jobs, services and accommodation are more important than land. In the meantime its neighbours will have to endure cut fences, illegal grazing and theft of livestock.

Tracey Simi describes a further problem in the National Land Committee's *Land Update* (May 1996) when she writes, "The utility satisfied by political justice is often unsustainable if economic aspirations of the beneficiaries are not realised... In many cases, by the time a farm is divided up, each household is left with little land. In many cases families will be forced to subsist."

Rocky Drift won't be divided up but it will become one commonage with designated house sites according to the "Vision for Settlement". The reality will be that a viable commercial farming operation will become an unsustainable rural settlement, a rural slum.

"Willing buyer, willing seller" is no solution when you have state grants being leveraged by greedy or needy

buyers acquiring land from greedy or desperate sellers.

Is it right that R15 000 government grants are being used for acquiring rural land by people who are already housed, instead of being used for meeting the need for housing in urban areas?

There is already widespread abuse of grants by people who get onto more than one list, already have homes, or go onto the list and never reside on the property that has been acquired.

Is this a responsible way to govern?

The Department of Land Affairs and the Department of Agriculture must decide whether they believe it is in the interests of future generations to allow productive commercial farmland to become rural settlements and, if so, how much land and under what conditions.

Rocky Drift is an apt name to describe a land reform campaign that will turn our farming areas into an economic and environmental wasteland.

● *Graham McIntosh is president of the Natal Agricultural Union, a former PFP Member of Parliament and a graduate of the universities of Cape Town and Cambridge*

A green lung in the heart of the city?

Back to nature on banks of the Black River

ANDREA WEISS
Metro Reporter

DRIVERS speeding down the M5 might just catch a glimpse of a pair of horses ploughing a potato field on the banks of the Black River – a scene reminiscent of the turn of the century.

Farming in the heart of the city? It barely seems possible in an increasingly congested city where it appears that every available space is being developed, but this is a dream which a group of people linked to Valkenberg Hospital have come up with.

The Valkenberg/Oude Molen farm project has two sides to it. On the one hand, the ideal is to create a living farm where 19th century farming techniques are used to produce organically-grown vegetables and restore the adjoining wetlands.

The other is to have a halfway house for Valkenberg outpatients, who will work on the farm and in an arts-and-crafts centre, and be able to take their first steps back into society in a peaceful and curative environment.

The man behind the dream is Gary Glass, a horse lover who has in the past battled with the Cape Town city council in an effort to have his horses stabled at Green Point Common.

He was unsuccessful in persuading the council, but now enjoys the backing of the Friends of Valkenberg, who support his dream of creating a unique green lung virtually in the heart of the city.

Now five months down the line, the vegetable garden is producing crisp, organically grown produce. The two "boereperde" – Brenda and Lily – are on standby to plough the waiting potato fields, from which a mess of builders' rubble is being cleared.

Gary hopes that his group – called the Tree Oxygen Environmental Organisation – with the backing of the Friends of Valkenberg, will be able to successfully restore the land, including a wetland on the banks of the Black

River known as the Vincent Palotti wetland, to its former glory.

In a sense, they would be taking the land back to its origins when Valkenberg was once a farm.

Also part of the ideal is to restore the Oude Molen farmhouse, which once housed King Cetshwayo as a prisoner, and has been evaluated by the National Monuments Council for declaration as a monument.

The hospital's acting medical superintendent Frank Bowey is very supportive of the idea, and says the project fits in well with the hospital's need to find positive outlets for patients.

But the land is also being eyed by the His People church, which has drawn up plans for a regional evangelical centre.

Dr Bowey said the His People development would require the land to be sold out-of-hand, something the hospital would be hesitant to do because it would mean disposing of a national asset.

"We would certainly prefer to see the land on that side of the Black River used for a purpose associated with the hospital. Agricultural activity is part of the rehabilitative and curative aspects of the hospital."

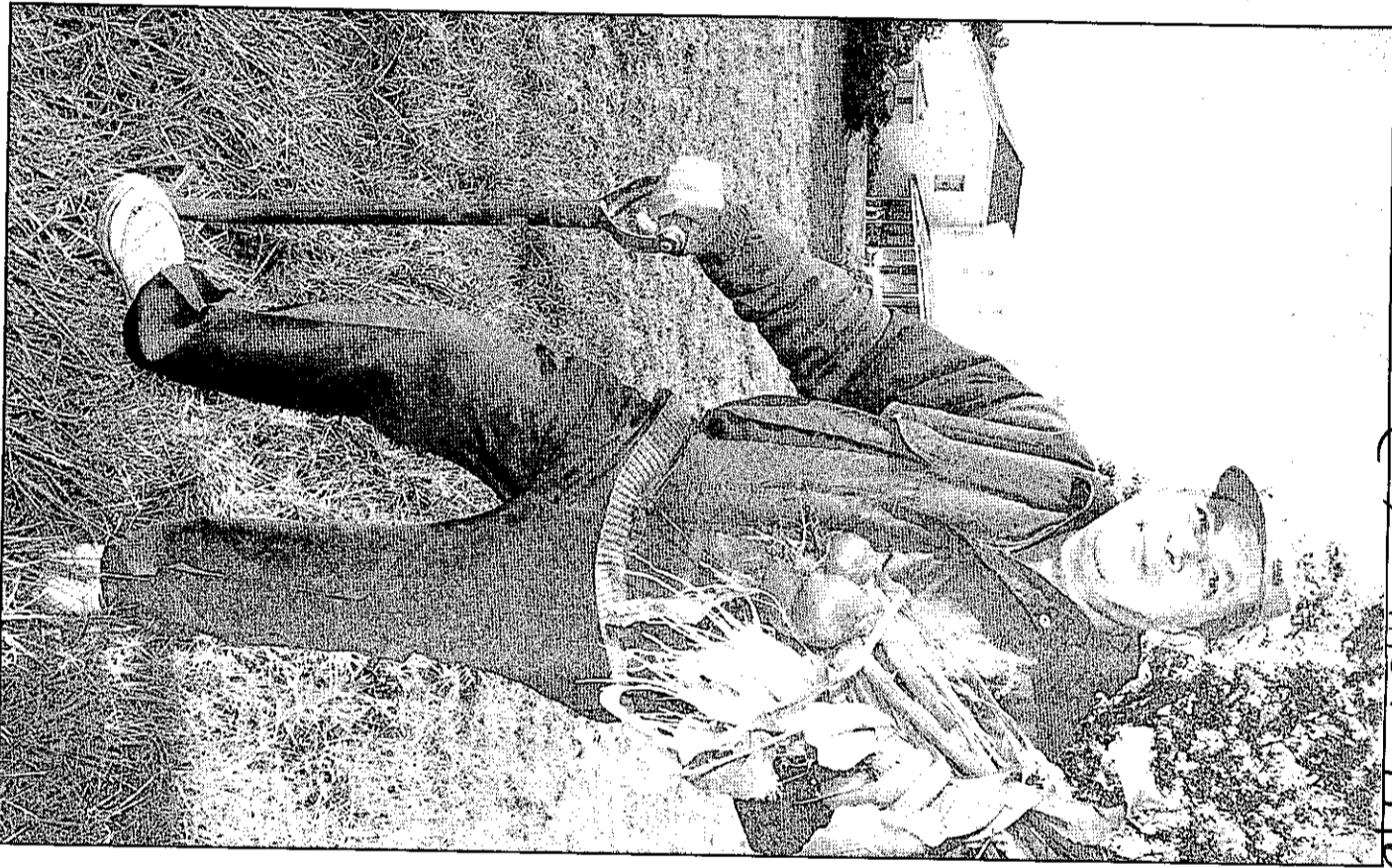
A working farm would also improve the physical assets of the hospital because there was a need to restore both buildings and the land, he said.

In the meantime Gary and his co-workers are busily forging ahead with their plans, which include setting up a blacksmith's forge and establishing a 19th century carpentry shop.

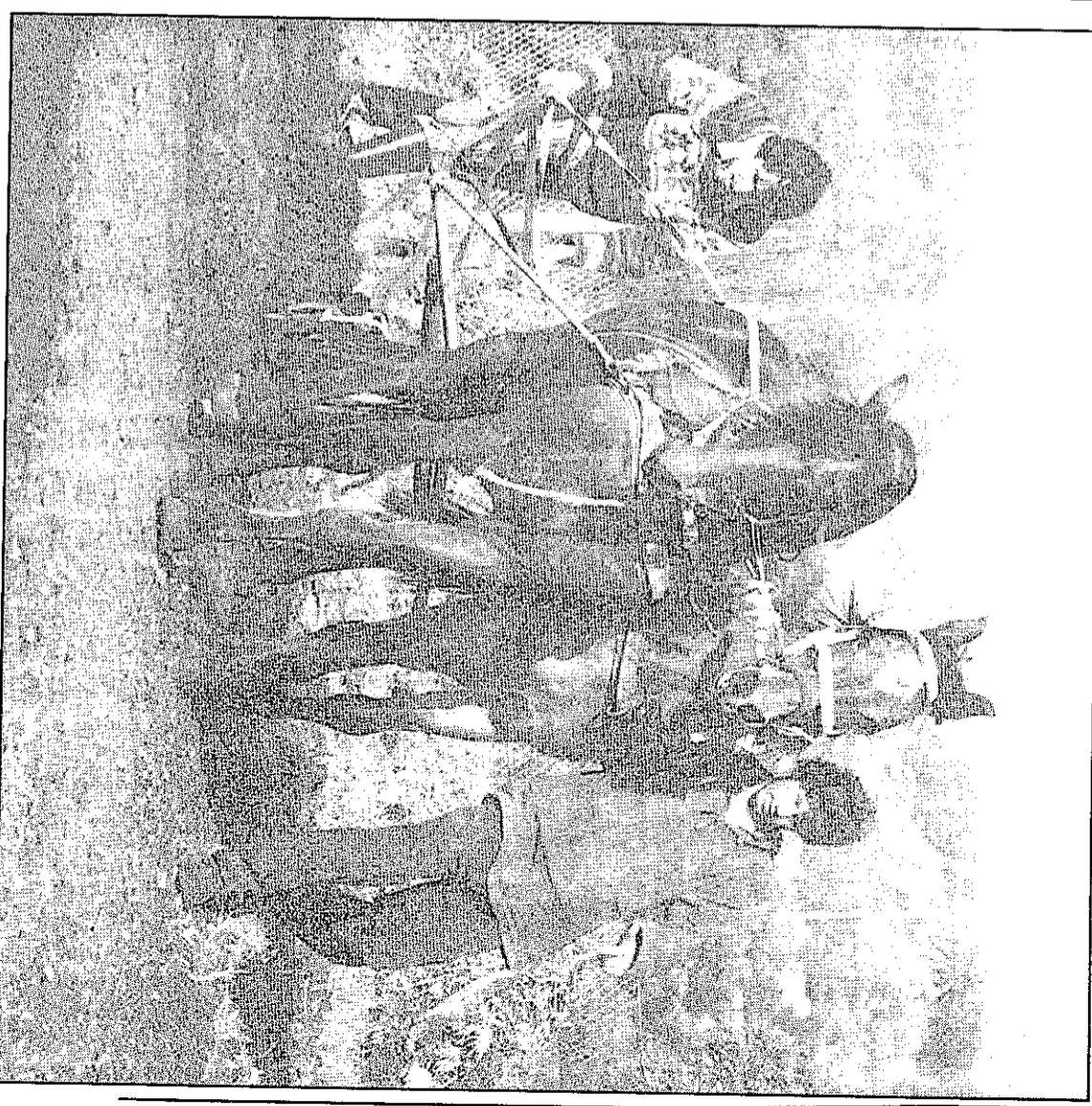
They're keen to get any donations of old farming equipment, particularly carpentry tools, to complete their set, and even an old wagon for the horses to pull.

Any offers to research the history of the Oude Molen farm would also be welcome.

Anyone wishing to donate farming equipment or old carpentry tools should call Gary or Howard at 470 766.



ARCT 17/16/96
(3)



Pictures: ROY WINGLEY. The Argus.

URBAN FARMING: Horses Brenda and Lily plough a potato field in Valkenberg hospital grounds where a farming project is under way. Gary Glass handles the plough as Howard Krut guides the horses. Their dream is to create a working farm with the view to restoring the nearby Black River wetland and bird sanctuary.

FARM FRESH: Mogamat Fagadlen with some of the fresh vegetables produced by the Valkenberg farm project. Behind him is the historic Oude Molen farmhouse which is in line for restoration as a halfway house and an arts-and-craft centre.

Water just as valuable as gold

LIESL HATTINGH reports
from Johannesburg.

WATER Affairs and Forestry Minister Kader Asmal took a sip of treated water being pumped from the Grootvlei gold mine on the East Rand into the Blesbokspruit wetland, and declared it "remarkable".

Asmal's visit to Grootvlei followed a long-standing controversy surrounding the pumping of iron oxide-polluted water into the wetland, which came to a head on May 15 when the mine's permit to discharge water was withdrawn.

The presence of vast quantities of underground water means mining is only possible at Grootvlei and other East Rand mines with continuous pumping.

But pumping is causing fish in the Blesbokspruit wetland to die and farmers are complaining the water is unsuitable for irrigation. Blesbokspruit is one of only 12 protected wetlands in the world.

The mine at first said it would defy the withdrawal of its permit, which threatened about 2 300 jobs at Grootvlei and more than 6 500 jobs at mines linked to it. Then the government and mine owner Randgold agreed to split the bill for constructing huge water settlement ponds to

remove pollutants before discharge. Six R1,3-million temporary settlement ponds were built within three weeks, and the mine started pumping water again last Tuesday.

Construction of permanent ponds is underway, with the total cost estimated at R18 million.

After an aerial inspection of the wetland and settlement ponds on Thursday, Mr Asmal met Grootvlei mine general manager Peter Noble and other officials.

"I would like to return in a week or so, but this is remarkable," Mr Asmal said after taking a sip of the clarified water.

Mr Asmal said he had not intended to close the mine by retracting the permit, but was prompted by the immediate health danger. The wetland was also in danger of being destroyed within six to nine months if the pollution continued, he added.

He said his department had stepped in and gathered mine officials, the National Union of Mineworkers, farmers and environmentalists around the negotiating table to avert a crisis.

"It could not be a choice between jobs and the environment," he said.

The cabinet has made just over R10 million available to the Department of Mineral and Energy Affairs to fund half the pond construction costs.

Mr Asmal said South Africa needed more mines, but that new operations would be subject to strict water purity controls.

"For the first time we are trying to regulate pollution," he said.

Mr Noble said construction on the permanent settlement ponds started at the same time as work on temporary ponds and would be completed when the mine's temporary pumping permit expires in September. In view of the measures, the mine expects a new permit then.

Mr Noble said: "We are glad we are working in the spirit of co-operation to come up with a permanent solution. If we are looking at water as a natural resource, the mine's lifespan is irrelevant."

Grootvlei's estimated lifespan is 20 years, but Mr Noble believes it has potential for a significantly longer life.

The water pumped into the wetland is continuously monitored. On Thursday, suspended particle and iron



GOING FOR GOLD: An aerial view of the East Rand Gold and Uranium Company plant.

oxide content was significantly below the temporary permit's specifications.

Mr Noble said the process was still difficult to control and impurities might appear, but that every effort would be made to maintain standards.

The temporary ponds have a daily capacity of 100 megalitres, while the permanent clarifier can handle 120 megalitres a day.

The polluted water is first oxidised and lime is added at the overflow of the first of three settlement ponds in use. Another two settlement ponds, which are not being used yet, have been constructed and could be lined with plastic within a day if the water

quality deteriorates and further settlement is required.

Plastic lining is the biggest expense of the project - R187 500 a dam.

Mr Asmal later told the Springs Chamber of Commerce that Grootvlei was an example of what would have to be dealt with in the rest of the mining industry.

Leachate from mine tailings put 50 000 tons of salts into the Vaal bar-rage annually, while acid mine drainage was a problem in most base mineral operations.

Most large coal and gold mining areas were situated on the upper reaches of major river systems.

Mr Asmal said the crisis illustrated the need for clear decision making and co-operation between stakeholders, which included workers, and relevant government departments.

Mining, especially gold mining, was based on a limited and non-renewable resource, and operations depended on the availability of water. Gold mining was also a mature industry which would face decline and reduction over the next few decades.

The government would increasingly have to deal with the rehabilitation of closed and marginalised mines. The lack of past legislation was one reason why it cost the government

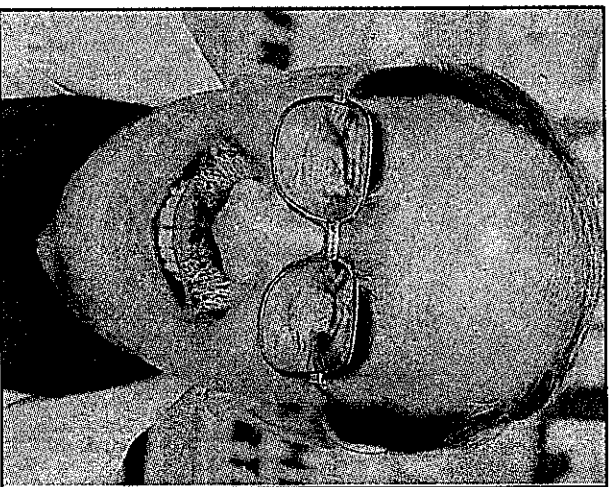
R35 million a year in environmental control to manage mines that closed before 1967, said Mr Asmal. This was necessary to protect underground water resources.

"Our past was not based on the principle of sustainable development, but on the unprincipled exploitation of natural resources," he said.

The country also had limited water resources, a growing population and frequent droughts and floods, he added. "We need to build environmental and ecological considerations into every economic decision we make. That is sustainable development." - Sapa.

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LIFE



UNDER SCRUTINY: Kader Asmal, Minister of Water and Forestry Affairs. Asmal's visit to Grootvlei followed a long-standing controversy over the pumping of iron oxide-polluted water into the wetland, which came to a head when the mine's permit to discharge water was withdrawn.

'Only access to clean water by all will assure a healthy nation'

BY SHIRLEY WOODGATE

About 70% of children admitted to a Sekhukhune hospital suffered from water-related illnesses, said Northern Province social worker Rose Mazibuko, addressing the three-day "Children, Water and Development" conference in Midrand this weekend.

Stressing the time wasted by rural women and children forced to fetch buckets of water from taps and springs many kilometres away from their homes, she said vibrant villages housing healthy people would only arise in the parched areas once the RDP ensured proper access to water for everyone.

Earlier, Forestry and Water Affairs Minister Kader Asmal told the conference hosted by the UN Children's Fund (Unicef): "It is not mining that is truly the backbone of the SA economy, but water. Because without water there is no processing of minerals, no industry, not even life."

"If we want to see the country develop, if we want to see a healthy economy and a healthy nation, we have to ensure everyone has enough water."

Stressing the link between children who lacked water or who were forced to drink polluted water, he said: "Diarrhoea (which is mainly caused by lack of clean water in the home) is one of

the major killers in SA, accounting for a fifth of the children who died under age four from 1986 to 1989.

"In 1989, nearly one in five youngsters died before reaching age five, with nine African children, two Asian and five coloured children dying for every white child."

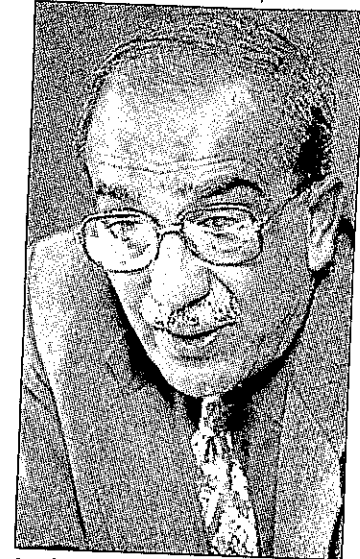
Blacks undoubtedly suffered most through lack of water, with Africans accounting for most of the 12 million people without clean, safe water in or near their houses, he said.

Urging the adoption of future environmental policies that would be relevant for the next seven generations, he called for an end to water pollution and

wastage, industrial growth that polluted water, and use of river water which resulted in the death of rivers and wetlands.

Unicef representative in SA, Scholastica Kimaryo, said a joint programme which had been forged with the Government covering the period 1997 to 2001, would be submitted for approval to the organisation's executive board meeting in September.

Highlights of the planned programme included recognition that the critical situation of SA's children was not the result of national poverty, but of the social-economic duality and inherent disparity in access to basic services and productive resources.



Kader Asmal ... water the true backbone of South Africa.

Hanekom stirs a hornets' nest in agriculture

Wyndham Hartley

CAPE TOWN — Land Affairs Minister Derek Hanekom sent shock waves through the corridors of Parliament and through the mealie fields of organised agriculture last week when he announced steps should be taken to secure the land tenure of farm labourers.

He said he was calling a conference between labour, farmers, non-governmental organisations and "stakeholders" to investigate what action will be taken. The re- action was immediate.

Free State Agricultural Union President, Freedom Front Sena- tor Piet Gous, said he was

shocked. The NP's departing Agricul- ture Minister Kyrat van Niek- erk said he was "playing with fire". The assumption, right or wrong, was that permanent rights to residence on farmers' land for farm workers was on the cards.

Later in the debate, and again the next day, Hanekom stressed that he had no solutions. He said he wanted an acknowledgement that there was indeed a problem with the evictions of farm workers and, further, a commitment to finding a solution together.

Clearly there are two ways of doing things. The first one is the way the Land Reform Labour Ten- ants Act began its passage into law. It was drafted in secret and

simply tabled — to the horror of the farmers' unions. They were then engaged in the amendment during the Parliamentary process until a roughly consensus docu- ment was achieved. The other way, taken this time, is to make the shock announcement and then to try and get the farmers on board in finding a solution.

The Labour tenants legislation, when it was tabled, carried with it an important brake on any hard- line reaction from farmers. It said that when the legislation finally became law it would be effective from the date it was tabled. In other words evictions that took place would be punishable once the law

was in place. Some non-govern- mental organisations believe that labour tenants were indeed evict- ed during this period, but it is common cause that the retrospec- tive nature of the law was effective in halting large-scale evictions.

Hanekom and his department took much criticism for making the labour tenants Act retrospec- tive. It is not considered democrat- ic or a healthy legislative practice. This time he has taken the bull by the horns and announced his in- tentions. Indications are it could seriously backfire on him.

There are about 1.2-million farm workers. They and their de- pendents who live on white farms amount to about 20% of the pop-

ulation. The conclusion is in- escapable, there are many non- productive people living on farms. For example the elderly and the very young, who may be related to a farm worker, or are simply a part of the extended family.

There is no question that they are vulnerable if farmers get bloody minded and decide to re- move all those that are not pro- ductively employed on the farm.

Hanekom is also right that they are vulnerable if there is a change in ownership and the new owner either wants no labour, dif- ferent labour or reduced labour.

Substantial evictions of labour in the agricultural sector will dra- matically increase the homeless in-

SA, hence Hanekom's need to do something about it. If, however, he forces the issue, those evictions seem guaranteed.

It must be said that it would be a gross injustice if farmers began a series of pre-emptive evictions. In- justice because they have, under the protection of old colonial and later apartheid laws, enjoyed a feudal access to labour which de- nied the farm workers and their families land and labour rights.

We only have to consider the traditional payment in kind prac- tices over the decades which trapped farm workers in poverty.

Workers who have been born to parents who themselves were born on farms and have supplied feudal type labour to farmers clearly should be allowed a place to see out their old age.

By the same token it is absurd to suggest that if a house is part of your service contract and the moment you lose your job, through either incompetence or harsh eco- nomic realities, that you should retain rights to that home.

Perhaps part of the answer is that there should be a period of grace before the jobless become homeless. Workers cannot simply be evicted immediately when they lose their employment.

Clearly something has to be done and if Hanekom can harness the financial muscle of organised agriculture into providing a hous- ing solution for farm workers then that is first prize. Hanekom him- self said that clearly the depen- dence of farm workers on farmers for their homes has to be broken.

It means, on one level, that any amount of abuse has to be toler- ated in order to avoid being put on the street. A mutual agreement, maintaining the status quo in the short to medium term, would have the benefit of allowing state spon- sored agrivillages to get off the ground without significantly ad- ding to the homeless and jobless.

Ban of land sales to foreigners proposed

BARRY STREEK
POLITICAL WRITER

(3)
CT 20/6/96

A BAN on foreigners investing in land in South Africa, particularly absentee landlords, was proposed by the ANC's study group on land affairs yesterday.

This policy should also apply to large corporations, like Anglo-American, who were reported to be absentee landlords over large tracts of land, the group's chairperson, Chief Patekile Holomisa, said.

His group was discussing the sale of private land, residential and commercial farmland to foreigners.

"We appreciate that the ANC does not have a policy on this question ... and realise the need for the government to ensure that it does not scare off many potential investors.

"However, the preliminary attitude of the study group is that any investment in the form of purchase of South African land by foreigners must be for the benefit of landless communities.

"We would rather that available land first be made available to the state for redistribution to the landless before it is sold to foreigners."

Holomisa, who is the leader of the Congress of Traditional Leaders of SA and chairperson of the National Assembly's Portfolio Committee on Land Affairs, said the proposed ban would not apply to foreigners wanting to buy homes for their own residential use.

Wyndham Hartley

CAPE TOWN — The ANC's land affairs study group has targeted foreign and local speculators — including Anglo American — who buy agricultural land for resale later at a profit.

National Assembly land affairs committee and study group chairman Pathekile Holomisa said that while government did not have a policy on land sales to foreigners, and did not want to scare off investors, land should first

ANC targets land speculators

BD 20/6/96 (3)

be offered to the state for redistribution.

Holomisa said the objections included domestic "absentee landlords" like Anglo American who allegedly held vast tracts of land not being used.

He said that in spite of the absence of formulated policy, the study group believed that land reform should not be jeopardised by the sale of land to foreigners.

Holomisa said that

the ANC in the group found it unacceptable that mineral rights pertaining to land were not automatically transferred to those who acquired the land — "until we are convinced otherwise the acquisition of land should go hand in hand with the acquisition of mineral rights attaching to such land".

Differences within the ANC on the granting of freehold title to resi-

dents in tribal areas have arisen. Holomisa, a traditional leader, said tribes could decide for themselves whether to allow freehold title.

His colleague Lydia Ngwenya had a different view. She said there was a great demand for title to rural land so that people could have an investment which could support their old age.

She said that without title to the land on which they had been living for generations, rural people were unable to get housing subsidies and other assistance.

Holomisa said rural people had to be protected so that banks could not repossess their land if they defaulted on loans. He said that freehold could be considered if it was to protect tribal dwellers from unscrupulous "warlords or traditional leaders".

Supreme Court asked to stop raids

Deborah T. C.

THE Gaming Association of SA has asked the Rand Supreme Court to interdict police and the Gauteng government from raiding and closing down its members' small casino operations pending a decision by the Constitutional Court on the validity of the former Gambling Act.

Attorney Hennie de Klerk said yesterday that while the National Gambling Act had been passed by Parliament earlier this week, the new Act would not become operational until it had been approved by President Nelson Mandela and published in the Government Gazette.

This meant that until the new Act was approved, gambling was still regulated by the Gambling Act of 1965, which prohibited any form of gambling in SA.

It was thus under this Act that police were cracking down on casinos.

The association had asked the Supreme Court for an interdict against the safety and security and the provincial and constitutional development ministries, the Gauteng government as well as the offices of the Transvaal and Witwatersrand attorneys-general pending the hearing on September 5.

The association is also expected to challenge the new Act because it allows for only 40 casinos nationwide.

BO 2116/96

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Cautionary announcement

Log-Tek Holdings Limited is authorised to announce that there is currently in progress which, if successfully completed, could have an effect on the share price of Log-Tek.

Shareholders of Log-Tek are advised to exercise caution when dealing with their shares.

A further announcement will be made in due course.

Bank

Legal advisor



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Sheep disease scare in Cape

(3) BO 2116/96
Linda Ensor

CAPE TOWN — A highly contagious ovine disease had led to the slaughter of almost 4 000 sheep in the Caledon and Ceres districts of Western Cape, agriculture MEC Lampie Fick said yesterday.

He warned that a crisis loomed if measures were not adopted urgently to prevent the outbreak of Johnes disease from spreading.

The disease was regarded worldwide as one of the greatest threats in the sheep industry, having ravaged flocks in New Zealand and Australia, where it caused annual losses of about A\$200m.

Large-scale imports of live sheep to SA from Australia last year were prevented because of an uproar over the disease.

Fick said there was no effective immunisation against the disease and if it was not strictly controlled, about 10% of an infected flock would die.

The department was hampered in its attempts to contain the outbreak as the disease was currently a notifiable, rather than controlled, disease. If controlled, the department would be able to place farms under quarantine and slaughter all animals testing positive.

The Animal Diseases Act was being devolved to provinces. Meanwhile, Fick had asked the national agriculture department to change the rules in Western Cape.

THE article by Graham McIntosh of the Natal Agricultural Union on this page last week reflects an erroneous interpretation, perhaps intentionally so, of the land reform programme.

Blacks in rural areas still suffer insecurity of tenure, landlessness, hunger, poverty and underdevelopment as a result of apartheid policies which forced them off their land of birth and denied them the right to become its owners.

Unless these issues are resolved, rural areas will continue to be plagued by instability and social unrest. The land reform programme is designed to bring justice to the victims of forced removals by addressing the land needs of the poorest and most marginalised sectors of our society, and by fostering economic growth through giving aspirant farmers access to land. By doing so, we will lay the foundations for a strong and vibrant rural sector, characterised by growth and stability.

The main thrust of Mr McIntosh's argument seems to be a belief that only commercial farmers should be allowed to make a living in our rural areas. Furthermore, he confuses the concept of "access to land" with that of "tenure security", and refers to "landed communities" — workers, labour tenants or land owners?

To equate the position of a farm worker living on a farm with that of a landowner, or with tenure security for that matter, is not possible. Tenure security of farm workers depends on their continued employment. We intend to open up opportunities for people such as these to become landowners in their own right should they so wish, enjoying all the benefits that go with land ownership.

If this means, as in the case of Rocky Drift, that people buy a farm communally in order to have tenure security and a resource for producing some food, then we will do so. If it means that the wife lives and works on the farm and the husband works in the city, that is in order. We do not have the right, nor do we wish to be prescriptive in telling people how to run their lives.

South Africa is a developing country in which off-farm income is an accepted and necessary contribution to run a successful farming operation.

Mr McIntosh believes that communal settlement projects are doomed to failure. He alleges that communal ownership precludes accountability, leads to environmental degradation and unsustainable land use. I would like to refer him to the relevant legislation in this regard, and specifically to the Communal Property Rights Act. It provides for a proper planning process in



Objections raised against his land reform programme have lost sight of overriding objectives, writes DEREK HANEKOM

Like it or not, this farm plan will work

(8) (3) ST 23/6/96

which the feasibility and sustainability of a settlement project enjoys the highest priority. It sets the parameters within which such a settlement will be possible, regulates land use, addresses environmental concerns, and sets binding rules for communal property trusts. This Act is a key mechanism through which the government enforces the need for sustainable use of communal land.

Mr McIntosh says that the neighbours of such communities "will have to endure cut fences, illegal grazing and the theft of livestock". This may be so at present, but the land reform programme is a means of changing the situation. The provision of tenure security and the creation of stable property relations is an important contributing factor to the resolution of these problems.

Mr McIntosh and organised agriculture should throw their weight behind our programmes to ensure that they do succeed. As the neighbours of new landowners, they have an important role to play in making them full members of the rural community, by supporting their farming endeavours and transferring skills wherever possible.

The government has structured the

system of land acquisition in such a way as to prevent the abuse of grants. If Mr McIntosh can supply me with proof of such abuses, I will take immediate and forceful steps to act against transgressors.

Rocky Drift is an important initiative in that it gives people the opportunity, for the first time in their lives, to own land, build their own livelihoods and to live decent lives. They are ultimately responsible for its success or failure. The active involvement and support of the Natal Agricultural Union with this community may go a long way in ensuring the success of this venture.

We are one of only a few countries engaged in land reform today. It is a serious and, in many ways, unique programme thrust upon us by a history of brutal dispossession. We have no choice in the matter — we owe it to our people to address these inherited realities. In this, every South African has a role to play.

Without giving people access to land and security of tenure, many other government programmes become meaningless. It is fundamental to the principle of allowing people to do things for themselves, and to breaking bonds of slavery and dependence.

We also do not, however, regard land reform as an end in itself. People need land for their basic housing requirements, they need it to graze their cattle and for cultivation, and for other economic activities such as eco-tourism. Our objective is to ensure that beneficial and sustainable use of land follows from access and security of tenure. The decision to combine the Ministries of Land and Agriculture must be seen as a positive step in this direction. Land reform then falls within the context of other policy objectives, such as achieving food security, improved incomes and job creation.

In the final instance, there is the legitimate quest for justice. Perhaps one of the greatest steps we have taken as a people embarking on a journey to a democratic and just society was the broad acknowledgement from within all sectors of society of the rightness of a process of land restitution, to bring justice to the victims of forced removals. We do not intend repeating the injustices of the past by arbitrarily dispossessing people of their land; organised agriculture acknowledges this and supports the restitution process.

We need the support of each and every South African to make this process work. Mr McIntosh should join us in this — generations to come will thank him for it.

● *Derek Hanekom is the Minister of Land Affairs*

Farm sector 'needs rapid reform'

BD 25/6/98 (3)
SA'S farm sector was in a crisis and much needed to be done to restructure agriculture to develop farming among the black majority, academics said yesterday.

Johan van Zyl, dean of the faculty of agriculture at the University of Pretoria, said at a food security symposium that the previous government's apartheid policies had effectively ended black farming in the country.

"Inadequate access to markets, inadequate infrastructure and support services also caused the virtual elimination of small-scale black agriculture", Van Zyl said.

He said the development of a viable rural economy based on agriculture had been prevented.

Past agricultural policies had achieved the two main aims — food self-sufficiency and "acceptable income levels for white farmers", Van Zyl said.

"It has done so by distorting the policy environment and causing

society to pay an enormous financial and social cost."

Society has been deprived of a large contribution that a more efficient and dynamic agricultural sector could have provided.

For SA's rural economy to grow, current distortions in white commercial agriculture had to be removed. He suggested that a new type of commercial, small-scale agriculture, centred on the black family farm, be developed.

Under apartheid, 86% of the country's land was owned by 13% of the population — a situation which still prevailed.

He said, "International experience shows that economies with a land distribution similar to SA's that do not undertake rapid reform are doomed to debilitating civil disorder and violence.

"SA has been a net exporter of food for many years, but despite that many people live in poverty and malnutrition." — Reuter.

'Hunger increasing in southern Africa'

(3) 20 25/6/96

HALF of all people in southern Africa are unsure where their next meal will come from and many more might face starvation unless governments take action, according to a Washington-based food policy think tank.

"Food security appears to have deteriorated in southern Africa," International Food Policy Research Institute director-general Per Pinstrup-Andersen told a seminar on Sunday.

The countries in sub-Saharan Africa, with a combined population of about 140-million, re-

mained a "hot spot" of food insecurity, along with developing countries in southern Asia.

But the region had more potential than ever to build a better future because of major reforms in southern African politics, economics and society over the past decade.

"However, the poverty, environmental decay and hunger that threaten southern Africa can only be reversed if governments take action.

"Failure to act could

condemn the region to more human misery in the years to come," Pinstrup-Andersen said.

The number of hungry people in Africa has increased by 46% to 175-million over the past 25 years and southern Africa was among the areas hit hardest.

The worsening situation had partially been a result of severe drought throughout the region since the 1980s.

"The number of food-insecure people almost

doubled ... between the beginning of the 1980s and 1990s.

"In the region, every second person is food insecure and every fourth child is malnourished," he said.

The number of malnourished children in sub-Saharan Africa could increase 50%, to 43-million by 2020, unless southern African governments intervened.

Southern African countries, excluding SA, are home to more than

4.3-million malnourished children younger than school-going age, he said. Tanzania and Mozambique accounted for more than a million.

An institute report said among the main challenges to southern African governments were ensuring poverty relief and increasing economic growth.

At least 50% or more of rural people in every southern African country lived in poverty and in Mozambique, which

the World Bank says is one of the poorest countries in the world, 85% of the rural population lived in poverty.

Agricultural growth had to be increased to ensure adequate food supplies and Pinstrup-Andersen said countries in the region were producing less food per capita now than they did at the start of the 1980s.

"If governments and international organisations further cut back on investments in agricultural research, health, nutrition and education, the food situation could get worse." — Reuter.

PROPERTY

Land proposals 'could alarm investors'

(3) (277) 80 26/6/96

Reports by
Lukanyo Mnyanda

AN ANC land study affairs group's targeting of foreign and local speculators by proposing that available land first be offered to the state for redistribution before it could be sold to foreigners might scare off international property investors, industry spokesmen warn.

They were reacting to comments by National Assembly land affairs committee and study group chairman Pathekile Holomisa that land reform should not be jeopardised by the selling of property to

foreigners. The group also targeted domestic "absentee landlords" who allegedly held large tracts of land which were not being used.

"Are they trying to chase away international investors? The effect of this statement is almost as bad as the violent crime which is keeping investors away," SA Property Owners Association CEO Brian Kirchmann said.

Although the plan mentioned only agricultural land, Kirchmann said it was safe to assume that other types of land would be affected if the proposals eventually became government policy. This would send jitters throughout the property industry.

"Are we trying to run the country or are we in the business of pacifying the poor? A country cannot be run on the basis of handing out charity."

Government should focus its energies on eradicating violent crime and let the private sector run the economy, said Kirchmann.

"Violent crime is our biggest problem. There is a rape every 80 seconds in SA, and I think we really need to have that referendum on the death penalty."

Kirchmann warned that an increasing number of local investors would take their money offshore if restrictions were placed on their ability to buy land.

Sanlam Properties investments GM Alan le Roux agreed that foreigners would be less willing to buy land if there were restrictions, but stressed that "we must be careful not to forget about SA's poor".

"Government is faced with a difficult situation. Local people have a claim to land but you also cannot prescribe to investors."

Le Roux said SA needed to strike a balance and accommodate "necessary" land distribution without damaging investor confidence.

Old Mutual Properties property operations manager Derek Stuart-Finley said it was still too early to comment on the reports, but he felt any restrictions on the buying of land could be a deterrent to international investors.

SA is warned to step up agriculture

Sowetan 28/6/96

SOUTHERN Africa will be condemned to increased hunger and poverty unless it invests more in agriculture, experts meeting in Washington this week have warned.

The warning came at a high-level, three-day conference convened by the Washington-based International Food Policy Research Institute (IFPRI) and regional experts.

Sub-Saharan Africa, which includes Southern Africa, and South Asia are the food "hot-spots" of the developing world and further declines in production have been forecast by international food security watchers.

In Southern Africa the plunge has

already begun.

In 1993-94 the sub-region's 12 countries produced just 62 to 93 percent of the food per capita that they produced in the 1980s.

Food insecurity affects half of all Southern Africans and a quarter of the sub-region's children are malnourished.

"The bottom line is that governments need to deliver," says Reginald Mugwara of the Southern Africa Development Community Regional Early Warning Unit.

"This region is capable of food self-sufficiency in all crops except wheat and rice but there is no free movement

of agricultural produce from areas with a surplus to areas in deficit," he points out, adding that "the pace of liberalisation has not been the same throughout the region."

Lack of food

Lack of access to food is one of the biggest contributors to malnutrition in the 12 SADC countries - Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Swaziland, South Africa, Tanzania, Zambia and Zimbabwe.

At present only about seven percent of national budget outlays is invested in the sector, compared to the 30 or 40

percent which experts say is necessary to meet the sub-region's food security challenges.

Southern Africa's population is set to increase from 140 million in 1995 to 262 million in 2020, by which time, IFPRI warns, the number of malnourished children could rise by 50 percent to 43 million unless there is appropriate government intervention.

The picture in Africa as a whole is not much brighter. Over the last 25 years, the number of hungry people on the continent has risen by 46 percent, reaching 175 million last year.

Annual food production in Sub-Saharan Africa is expected to grow by

only three percent a year, just slightly ahead of a 2,9-percent population growth.

Some of the areas highlighted at the meeting include investing in the poor - who in most cases are the majority of the rural population - and in natural resources. Managing population growth, increasing the efficiency of markets, improving access to land, credit and education are also primary prerequisites.

By 2025 water is likely to be scarce in Malawi and South Africa while Lesotho, Mozambique, Tanzania and Zimbabwe will be under severe strain in drought years. - Sapa-IPS.

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CAPE

South Africa's water costs are 'far too low'

It's a scarce commodity in a dry land, says report

ARG 4/7/96

Business Reporter

THE COST of water for commerce, industry and the consumer is still far too low if future demands are to be met, says a report from the National Utility Services (NUS).

In spite of increases around South Africa of over 50 percent in water prices over the past four years, there is a consensus in the industry that a realistic price would be at least 300 cents a cubic metre - compared to the current 203 cents a cubic metre, says the report.

NUS SA, which provides a cost control analysis service to thousands of business locations, says South Africa's water prices are still low by international standards.

"They should be compared to another dry country - Australia

- where the price in 1995 was 345 cents a cubic metre," says NUS SA national sales manager Rob Mackenzie.

Mr Mackenzie says some of the country's leading strategic water planners believe the price should be even higher - up to six times the current level - to give South Africa a chance to combat future scarcity successfully.

"Water price rises should not be seen as unrealistic when one considers the alternative," he said.

"Billions of rands are going to be needed to expand our water supplies to meet demand into the 21st century."

Several factors combined to make the cost of water higher.

For instance, statistics showed that about 12 million people in South Africa had no

access to potable water within a reasonable walking distance.

Also, about 80 percent of the people who did have water did not pay for it, following the widespread development of the "no-pay culture," Mr Mackenzie said.

"This legacy of the apartheid era just will not go away and eventually the cost will almost inevitably be borne by the state, or in one way or another by the taxpayer."

Other contributing factors were:

- The Lesotho Highlands scheme could not provide the quantities of water needed by industry. The Department of Water Affairs was considering the Tugela, Mozambique and the Zambezi as other options for sourcing water. All would be hugely expensive;

- Demand for water at current levels would outstrip natural supplies within 30 years. The cost of ensuring South Africa had enough water until the year 2015 had been estimated at R1,75 billion a year;

- Water wastage ran into hundreds of millions of rands every year, partly because of leaking pipes and faulty equipment. Also, much was wasted because people still thought water was plentiful.

"The message we must get across is that water is a very scarce commodity in our dry land and it should be treated as such by everyone," said Mr Mackenzie.

NUS provides a water, energy and fuel cost control service to 750 000 businesses worldwide and produces international price surveys.

'Role for private sector in water supply'

BY ANITA ALLEN
Science Writer

(3) Star 5/7/96

The private sector can and must be involved in the supply of water and sanitation services, according to a recent study by the Water Research Commission.

As part of its research, the WRC has produced guidelines for local authorities on how to get the right kind of investment in the provision of water and sanitation.

The document is aimed specifically at local authorities considering the possibility of including the private sector in the provision of services, says Charles Chapman, research manager of the WRC.

The guidelines don't only outline the services the private sector can provide, but also give local authorities guidelines on how the quality of such services should be determined and investigated.

The guidelines also look at options available when decisions have to be made regarding extension and upgrading of existing services.

It is estimated that it will take R16 billion to wipe out the current backlog on basic services to the about 12 million South Africans who don't have access to drinkable

water or sanitation. The amount cannot possibly be financed by the state, so the involvement of the private sector is essential.

The problem, says the WRC, is that financial markets won't invest unless they're assured of a return.

The study concludes that there are four main alternatives for private sector involvement:

- Service contracts – the private sector provides personnel and expertise for projects on a short-term basis. This is low risk and easy to administer.

- Management contracts – a private contractor accepts certain management responsibilities, but the local authority retains ownership of the assets.

- Rental contracts – the local authority hands over management of services to private contractors. This could be more efficient, but the local authority still has responsibility for the investment.

- Investment contracts – the local authority can obtain investment in its infrastructure, and loans can be raised on the capital market.

Free copies of the guidelines are available from the WRC. Direct inquiries to Van Zyl Alberts on (011) 883-0647, fax 883-4099.

Fresh produce markets can sort out those corruption allegations

ustine Nofal

MID accusations and counter-accusations over corruption at SA's national fresh produce markets, it is easy to forget that these institutions, in various forms, have operated successfully for more than a century.

Local authorities own and manage the markets in return for 5% of turnover. Agenc- mission has moved from a statutory set- present to the "gentlemen's agreement" is a 5% commission but, increasingly, indus- sions, higher or lower than 7.5%.

Buyers benefit most from the central markets because the produce is on view and the full range of fruit and vegetables is available at a single marketplace.

Prices are based on supply and demand, and all buyers — from the smallest to the largest — are accommodated. Act 12 of 1992 is the statute governing those relations, along with various by-laws.

SA's 15 national fresh produce markets have met all the challenges they have faced over their long history, adapting to changing times. Today 65% of fresh produce sold is marketed through the central markets.

To illustrate the importance of the markets to the fresh produce industry, consider the following figures: total turnover in 1994-95 was R2 556 872 011. Turnover at the Johannesburg market at City Deep, the largest of all the markets, was R3814 318 036.

And yet the investigation commissioned by the auditor-general into alleged fraud in this year found there were several loopholes in the system at Johannesburg market. Illegal practices were definitely possible, it is found. The report was handed to the Office for Serious Economic Offences, which declined to take the matter further.

The Johannesburg Metropolitan Council is conducting yet another study (it conduct-

ed at least two before the auditor-general entered the picture) in an attempt to obtain clarity on allegations.

Meanwhile, the industry itself — market agents, market authorities and producer organisations — are working to try to ensure correct functioning of the system.

If the same rules have governed the market for so long, what has happened to render these respected organisations suspect?

Many argue that SA's fresh produce industry has always been a free market model for the agricultural sector. This is true in the sense that no marketing schemes have applied to most types of fresh produce. Certainly it has always been possible to grow and sell most fruit and vegetables locally without government intervention.

It seems that central market participants have found themselves restricted,

even in the relatively free marketing environment, by agricultural standards. Various changes to the commission system over the past few years, and the increasing flexibility of the agent's commission, have been positive responses to this.

In the past, agents were frustrated by the rigidity of the commission. Good agents were not rewarded for being good agents. Dishonest ones made extra money by bending the rules.

The fact that poor agents continued to inhabit the markets had a lot to do with the way agents were appointed. It is a major problem that still exists.

Not anyone can become an agent because there is only so much floor space. The market authority, usually the local council through the market director, has to choose agents. In the end, the choice of who may be

an agent and who may not is arbitrary. Opportunity for inefficiency is clear.

Another problem area, which some say is being rectified, is the lack of motivation on the part of the market authorities (in the case of the Johannesburg market it is the Metropolitan Council) to manage the markets in the prescribed way. The flat 5% commission is not in any way linked to successful performance of duties. The authority is certain of receiving the commission because its personnel controls the cash.

The possibility of poor market management enabling fraudulent practices to take place should not be underestimated.

Almost every recorded abuse — such as cash sales on the floor, wholesalers trained on the floor, agents acting as wholesalers, agents stretching their credit facilities with the market authorities way beyond the limit (interest-free and without guarantees) — could not have happened if market management had been firm.

Recently the inefficiency of markets in general, and the Johannesburg market in particular, reached an all-time low. This was a result of the political transition, when council personnel were unsure of the bounds of their authority and the future of their jobs. As the local government position becomes clearer, the market directors are trying to implement Act 12 and the by-laws again. They are being spurred on by the unfavourable Press the produce markets have received this year.

The division of ownership of the markets and

(3) (99) No 9/1/96

their management keeps cropping up as a solution to the weak market management, which allowed the system to be corrupted. Professional managers, answerable to a board of directors made up of the local municipal council, producers and buyers, should lead to a tightening up. Management should be allowed to carry out its mandate, without political consideration, and with performance-related reward in mind.

There has been a call from some producers for farmers' floors, where farmers can market their own produce without using an agent. On the whole, the industry is against this kind of development.

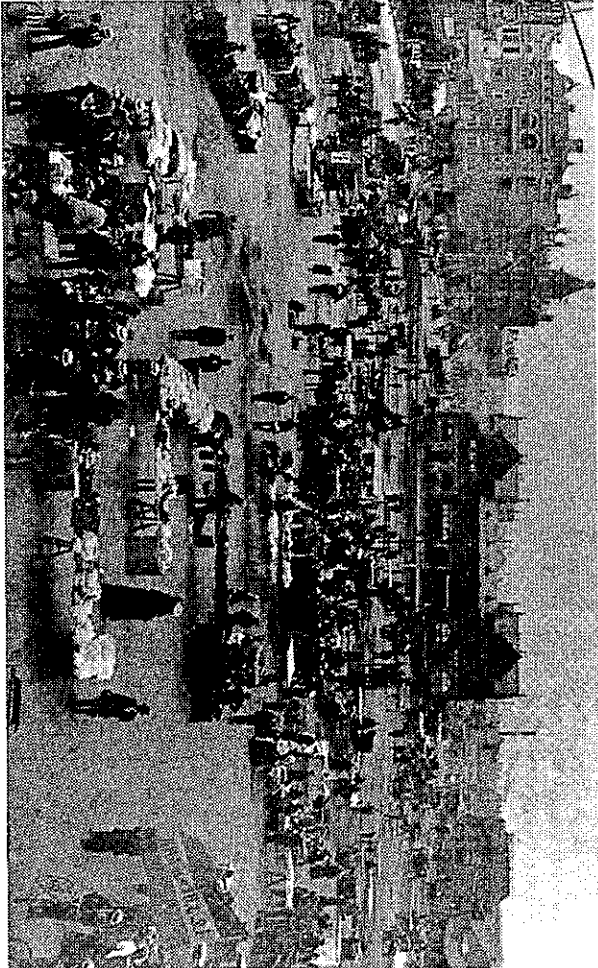
The point is: there are plenty of alternative marketing channels for fresh produce already, such as wholesalers supplying chain stores directly.

The whole point of a market, say its supporters, is a commission system which accommodates the largest to the smallest buyers and sellers. It is a friendly marketplace, equally fair to all farmers, including those furthest from the point of sale. A farmer's floor would not be much use to a farmer in Messina, they say.

Specialist task forces investigating fraud and other dubious practices should bear in mind that millions of people, from farm workers to hawkers, traders and consumers, rely on the proper functioning of the central markets for survival.

They should remember also that the fresh produce industry, left to sort out its own troubles, has always adapted to changing times and flourished.

Notal is an agricultural writer for Farmer's Weekly.



Produce markets, in various forms, have operated successfully for more than a century.

Farmers denounce proposed land tax

By Christo Volschenk

ECONOMICS EDITOR

The agricultural community remains strongly opposed to any form of land tax and has blasted the renewed investigation into such a tax in its latest submission to the Katz commission's sub-committee on land tax.

The South African Agricultural Union said yesterday that its latest submission had condemned the "new version of the land tax" first mooted in the third and latest report of the Katz commission.

CT (BR) 10/7/96
The union said the tax was undesirable because it proposed taxing production.

The sub-committee, chaired by Denis Davis, requested feedback from the agricultural and business communities in May on the idea that a land tax be levied by local governments rather than by the national government. Interested parties were given until this week to submit their reaction.

An agricultural union spokesman said yesterday that the agricultural community was opposed in principle to any tax that would

push up production costs. (3) (222)

"Income or consumption should be taxed rather than production factors," he said.

Business South Africa, which represents a wide range of business interests, was believed to have identified various weaknesses in the tax, but had not rejected it.

Another spokesman for business warned that local governments would not be able to administer the complex tax proposed.

All rural land would have to be valued by local governments to enable a land tax to be calculated.

Rand Water will rehabilitate three catchment areas, create 1 650 jobs

(3) (127) Stav 19/7/96
Gauteng's major water supplier, Rand Water, has put R10-million on the line to improve and rehabilitate the catchment areas of rivers from which it draws water.

The money will go into three projects and create 1 650 jobs, the majority of which will hopefully be sustainable, Vincent Bath, chief executive of Rand Water, said in Pretoria.

The water supplier was actively involved in three specific Working for Water projects. These addressed issues such as alien invasive tree removal, soil erosion and river rehabilitation.

Three areas have initially been targeted. They are the Liebensbergvlei River, the Seekoeivlei wetland and the upper Tugela River catchment.

Removal of alien invasive trees in the headwaters of the Liebensbergvlei River, which rises in the vicinity of the Golden Gate National Park, will aid in improving water flow to the Wilge River which in turn feeds the Vaal Dam. About 200 people in eastern Free State will be employed

on this project.

The Seekoeivlei wetland on the Klip River drainage system near Memel in eastern Free State will be rehabilitated by construction of anti-erosion gabions to raise the water level. This will increase flooding levels, restore natural wetland functions and increase water retention time in the wetland with an improvement in the water quality of the Klip River and Vaal Dam. More than 400 jobs will be created during this innovative operation.

Infestation by alien trees in the headwaters of many rivers in the upper Tugela river catchment has reached the extent of closed canopies being formed which impacts negatively of water flow.

About 10 000ha of riverine and adjacent slopes of the Pocolan and Futterills river systems will be cleared of alien vegetation using mechanical, physical and chemical control methods with employment for 1 000 people.

Work on all three projects will start within months. - Own Correspondent.

Board begins action after 'far-reaching' Budlender findings

(3) 2022/7/96

David Greybe

CAPE TOWN — The Agricultural Credit Board has started work on the implementation of findings and recommendations — some of which are far-reaching — by the Budlender commission investigating irregular farm deals involving state land.

The commission findings are likely also to have an effect on future procedures relating to allocation of state land by the board.

The inquiry findings were that in a number of cases there were deviations from policy and an apparently inconsistent policy was followed, with regard to state land allocations and determination of purchase price.

The inquiry was unable to find "good reasons" from the board's documents for some of the transactions, and some witnesses were unable "to give any satisfactory explanation".

It therefore found the board had "acted incorrectly" in certain cases.

It named those who, in its view, "were given much more favourable treatment" than they should have had, and recommended that the board take steps to correct the situation.

The Budlender commission was appointed by President Nelson Mandela in August last year to investigate alleged irregularities or malpractices regarding the allocation, leasing, alienation and transfer of certain state land.

The commission's second report — released last month — deals mainly with disposal of state land by the Agricultural Credit Board in the Trichardt and Riet Rivier areas.

Board chairman Koos van Zyl said yesterday that he had only just received a copy of the report and, after having read it, he had issued instructions for files to be drawn and, where necessary, cases reopened.

Anyone who had benefited unlawfully would, Van Zyl said, "have to pay up".

Both the Trichardt and the Riet Rivier transactions were the last before a moratorium on state land sales and allocations was declared under NP rule, pending a comprehensive review of the board's operations and future role.

A source close to the board conceded "mistakes" were made regarding the Trichardt and Riet Rivier transactions because, he maintained, of pressure from certain NP politicians to rush the job.

He denied, however, there were any irregularities or malpractices.

The commission said it was not surprising — given the favourable terms under which the board operated — that its decisions could give rise to controversy, conflict and allegations of irregularities — which was "precisely what happened" in Trichardt and Riet Rivier.

"It is therefore essential that the procedures followed by the board

should be designed to ensure that both the reality and the appearance of impropriety are prevented as far as is possible."

Pieter Mostert of the financial assistance and land administration directorate said that he hoped to complete his side of the follow-up inquiry by the end of the month before reporting to the board.

It, in turn, would then report to Land Affairs and Agriculture Minister Derek Hanekom and the Cabinet.

Pressure

The Budlender commission was chaired by land affairs director-general Geoff Budlender until recently, until he asked to be relieved due to work pressure.

Mandela has since appointed ex-Johannesburg chief magistrate Onof de Meyer to replace him.

Central to the commission's second report, Budlender said yesterday, was the way in which the Agricultural Credit Board identified buyers and set prices regarding state land.

The board's policy, established in 1966, has been to assist anyone who has demonstrated an ability to carry on effective farming operations, but who, for finan-

cial reasons, was not in a position to acquire land for such purposes.

It renders assistance via a loan, and by selling or letting of immovable state property.

The board therefore seeks to assist those who are not able to compete in the market, but who are able to become effective farmers with the assistance of the state.

It was in that sense, Budlender said, that the board's activities were a kind of affirmative action programme.

Successful applicants are generally given assistance through either one or both of the following methods:

□ The purchase price is set not at market value, but at agricultural productive value.

This is usually substantially less than the market value.

□ In the cases investigated by the Budlender commission, the agricultural productive value tended to be about 60% of the market value;

□ Successful applicants may be given loans at favourable rates of interest, and over an extended period.

To carry out its tasks, the board works via a system of local agricultural credit committees, chaired by the local magistrate. The other members are local farmers.

paid their last respects, including Sowetan editor Aggrey Klaaste, top right, and Gauteng premier's spokesman Sefako Nyaka, bottom right. Pictures: Robert Botha

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("DJIC")

Further cautionary announcement

Further to the cautionary announcement dated 12 June 1996, shareholders of DJIH and DJIC are advised that as at Friday, 19 July 1996, DJIH and DJIC had been listed in the "Cash Companies" sector for six months. In terms of the Listings Requirements of the Johannesburg Stock Exchange ("the JSE"), since neither company has acquired viable assets which comply with the conditions for listing on the JSE, the listings of both DJIH and DJIC have been suspended with effect from the close of trading on Friday, 19 July 1996.

DJIC is confident of concluding negotiations, with a view to acquiring assets which comply with the Listings Requirements of the JSE, which if successful will allow for the reinstatement of the listing of DJIC. Mycom SA, on behalf of DJIH, is continuing to pursue opportunities, with a view to acquiring assets which comply with the Listings Requirements of the JSE.

A further announcement will be made in due course.

Johannesburg
22 July 1996

Merchant bank

SOMB
Standard Corporate and Merchant Bank
(A division of The Standard Bank of South Africa Limited)
(Registration number 62/00738/06)

Attorneys

RABIN, VAN BERG & PELKOWITZ
ATTORNEYS

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Government to rethink ⁽³⁾ water scheme

CT (PR) 22/7/96

By James Lamont

INDUSTRIAL EDITOR

Johannesburg — South Africa has begun reviewing the policies that govern the R9,8 billion Lesotho Highlands water project, in a move that could cut South Africa's costs and help resolve a niggling tax dispute with Lesotho.

The policy revamp, which might include attracting foreign donors, could reduce the burden of servicing the project's capital costs of R6,5 billion.

The South African government feels that the 1986 Water Treaty between the two countries is outdated because it was engineered during the apartheid era, and was conceived at a time when South Africa had limited access to foreign loans.

Paul Roberts, the deputy director-general for development at the department of water affairs, said the Lesotho government wanted clarification on the South African proposals and the project's "broad philosophy".

He said that the engineering and technical components of the scheme were commendable, but the project's environmental and social aspects had come under fire.

The project, which will bring much-needed water to Gauteng from 1998, drew criticism earlier this year for the slow delivery of assistance to the Basotho communities affected by the rising tide of water and for seismic activity as the reservoir filled.

Moreover, Roberts confirmed that a tax dispute over whether Lesotho has the right to impose taxes on companies and employees engaged on the project was discussed in a meeting last week between Kader Asmal, the minister of water affairs and forestry, and Shakhane Mokhehle, Lesotho's

minister of natural resources.

At issue was a tax rebate payable by Lesotho to the South African funded project on income tax levied on contractors, consultants and expatriates. Lesotho must pay the project an estimated R317 million from tax revenue it has collected under terms of a draft protocol, designed to resolve the dispute.

However, Lesotho tax officials remain reluctant to comply.

Roberts said a task team would be set up to review the policies governing the scheme in the Maluti mountains "in a positive way".

He said the review would reassess South Africa's financial responsibilities, as part of a broader re-examination of the relations between the two countries and further areas of joint co-operation.

"The treaty was drawn up at a time when there were different conditions to the current situation," Roberts said. "We should grab the opportunity to review it to achieve maximum benefits for both parties."

South Africa is paying for all the water-transfer related costs and employs about 3 000 local workers on the project. It is also servicing R6,5 billion in capital costs for the project. Lesotho stands to earn about R100 million a year in royalties from water transferred to the Vaal water system.

Last week, Asmal delivered a letter from President Nelson Mandela to Lesotho Prime Minister Ntsu Mokhehle on the need to assess the water project. He also handed over an aid package of R500 000. Asmal said that for the past two years the South African government had been reviewing "a range of policies, fiscal and financial, in its relations with Lesotho on the Highlands water scheme".

Wednesday July 24 1996

SA honey, bee industry in crisis

③ / Nov 24/7/96

Mystery diseases and encroachment by invader species have forced South Africa's beekeeping and honey industry into a crisis which is eating into the consumer's pocket.

The SA Professional Beekeepers Co-operation said the price of honey has risen sharply and may increase further after alarming losses of bee colonies in the industry over the past five years.

So severe is the problem, says spokesman Michael Schoenfeld, that the industry has lost more than 100 000 bee colonies over the past five years and is unable to keep up with the rebuilding process.

Honey production has almost ground to a halt due to the current losses and the shortage of honey has escalated prices.

Schoenfeld said the culprits appear to be bees from the Western Cape, which infiltrate local hives and kill the queen bee, resulting in the death of the entire colony.

He said the industry, with the help of government and other interested parties, have been unable to solve the problem. - Staff Reporter.

SA to submit plan to US

Louise Cook

BD 26/7/96
CLOSER co-operation between SA and the US in agriculture will see SA submit an elaborate business plan with funding requirements for various joint projects by December, says Agriculture Minister Derek Hanekom. (3)

Hanekom, who returned from the SA-US binational commission's meeting in the US this week, said yesterday US Agriculture Secretary David Gluckman had noted the "impressive" increase in agricultural trade between the two countries in the past few years. "SA farm products exported to the US have gone up by a third in a relatively short time. Imports from the US to SA have gone up even more. Gluckman is keen to build on that."

Hanekom said discussions in Washington paved the way for trade barriers to come down further. However, he stressed this needed to be a gradual process. "I may be criticised for saying this, but I believe the move to freer trade should be gradual, taking into account the social impact on jobs." Breaking down remaining barriers was currently the focus of a joint SA-US working group.

Other issues included the high levels of US subsidy support for agricultural products. US farmers enjoyed subsidies of up to 80% and had a distinct advantage over local farmers.

A few boers, 580 farmworkers, rural post offices-turned-banks and the first legal dagga growers are

Workers and boers create fruitful

A group of black farmworkers and a few tough white boers in khaki have worked together to turn their farm into a record-producing money-spinner, reports **Eddie Koch**

THE Lomati Valley, a fertile piece of subtropical bushveld that lies in the shadow of the Lebombo Mountains in Mpumalanga, has produced some of the hardest of South Africa's pioneer farmers: men who moved into the malaria-ridden area on the Mozambican border in the 1930s and, with DDT pesticides to protect them, turned the land into some of the continent's most productive real estate.

That is why Piet de Wet, a tough entrepreneur who made his fortune as a beef baron in the Free State, came to the valley early this year. The self-made millionaire decided at retirement age that, instead of hanging up his khaki shorts and *velskoene*, he would break just one

more piece of new ground.

Only Inala Farms's pioneering men and women are very different, if not exactly opposite, to the kind of white men who came into the valley 60 years ago, took the land and used exploitative methods — harsh even by South African standards at the time — to fill the valley with lush groves of mangoes, pawpaws, pineapples, bananas, tomatoes and endless rows of sugar cane.

This is because Inala is a place where the farmworkers — about 580 men and women who were issued eviction orders just eight months ago — now own a majority share in a commercial estate worth more than R24-million and fast becoming the most productive real estate in a corner of the country

where farmers are already renowned for producing subtropical fruits of the highest export quality.

It is a place where De Wet and his managers, a clan of khaki-clad boers and a former minister from the old KaNgwane government, have decided to stick by the new owners and make the farm dispel the legend that land reform in South Africa will inevitably result in rural decay.

And in the process these men have acquired a new zest for cultivating the land they love. "Land reform will only work if there is a successful marriage between the aspirations of the landless and the motives of private enterprise with a conscience. Development has to be intertwined with real hard-core business for it to work," explains De Wet.

"A farm, you see, is not like a mine. You have a never-ending cycle of replacement, a responsibility to channel profit and resources back into nourishing its main resources

which are the land, the water and its people. When you do this the land talks to you. It says: 'You are gonna have to look after me otherwise I'm just going to leave you.'"

Just two months after De Wet was appointed as Inala's chief executive officer, he has used this philosophy to turn the farms into a sub-tropical paradise where you can walk among the trees and pluck pawpaws and mangoes for lunch or visit the plantation where local police arrived two months ago to verify that a bunch of Dwarf Cavendish bananas weighed 77kg and could be entered in the *Guinness Book of Records* as one of the heaviest ever harvested in the world.

New fields have been planted and export contracts are rolling in. Already performance is outstripping a business plan aimed at making a profit of R5-million by the end of next year. The company is already so buoyant that Inala plans to open an

offshore company with Reserve Bank approval on Jersey Island that will be 40% owned by the farmworkers, to handle its international marketing and foreign-exchange earnings.

It is estimated that within 10 years Inala will be making a pre-tax profit of R30-million per annum. Already minimum wages have risen by some 250%. And there is, literally, a gold mine on the farm that may be worked in the near future by an association of small miners.

Eight months ago the future of the Inala Farms looked very different. The old owners, a legendary pioneer family in the Lomati Valley called the Schoemans, ran up so many debts that the banks forced the farms into liquidation. A group of sugar-cane farmers from KwaZulu-Natal called the Crookes put in an offer for R16-million, but said they would only buy if the farm was cleaned of its workforce.

The liquidators promptly issued

South Africa's first legal dagga farm



Hemp hoers: Workers at an experimental farm near Rustenburg prepare the ground to grow cannabis for industrial purposes

PHOTO: DANNY HOFFMAN

Eddie Koch

SOUTH AFRICA'S first legal dagga plot — an experimental project near Rustenburg in the North West Province — has just completed pioneering research which could provide farmers with a lucrative new cash crop.

The Tobacco and Cotton Research Institute (TCRI) recently produced a report on a two-year research project aimed at developing a biological model for industrial hemp. This plant cannot be used as a drug but will have massive value as an industrial crop.

Paul Cohen, co-ordinator of the programme, says his firm, the Southern African Hemp Company (SAHC), received permission from the Department of Health two years ago to import five strains of hemp from the Netherlands in order to test their adaptability to South African

conditions. The research project was jointly conducted by SAHC and the TCRI.

The first phase of the work has now been completed and the organisation is consulting with the Land and Agricultural Policy Centre in Johannesburg as well as the government's land and health ministries about the prospect of moving into a more extensive development phase.

"This is a very serious project that could allow South Africa to develop an industry based on a genetic resource that is well adapted to South African conditions."

Adds LAPC director David Cooper: "This is valuable research which shows the many constructive uses that cannabis may have. If more research around its potential is developed this could have possible advantages for new emerging farmers who could easily grow it as a

viable cash crop."

The plant could also be used by established commercial farmers to supplement existing activities. Countries all over the world are now using hemp to provide raw materials for thriving paper, clothing and building-material industries. The seeds of these plants are also capable of producing highly nutritional oils.

SAHC has completed a report on the potential for using strains of the type tested near Rustenburg for a range of industries in South Africa. The most useful applications for the local strains are in the pulp, paper, textile, food and construction industries.

Hemp fibres are used to make good-quality paper and building materials used in roofing insulation and construction boards.

The strains under examination at ARC have a content of about 0.4% of

tetra hydra cannaboid (THC) while the powerful dagga plants used as a drug have a THC content of 6% to 10%.

The great advantage of the plant is that it is well-suited to South Africa's climatic conditions and does not require heavy use of pesticides and fertilisers — chemicals that have caused serious ecological damage in commercial farming regions of South Africa.

"If we can develop the non-intoxicating plant for industrial use here it would be a valuable example of how renewable plant resources can be used to promote development in a sustainable way," says Cohen.

The LAPC now plans to send results of the Rustenburg study to Land and Agriculture Minister Derek Hanekom so that various state agencies can begin discussing policy about the prospect of allowing a legitimate hemp industry in South Africa.

Some agricultural economists argue

that dagga is already one of the country's biggest cash crops — rivalling the sugar industry in terms of the amount of money it turns over annually and an activity that funnels money into poor households — and that it would be easy for small farmers to switch to non-toxic and legal variants.

Cooper says one of the major problems to be addressed before any moves to legalise some strains of hemp is the possibility that non-toxic strains will be used as a cover for growing the real thing on rural farms.

However, with an effective regulatory system, hemp could become one of South Africa's most innovative ways of using the land.

Hemp strains are the basis of legal industries in China, India, England, France, Italy, Spain, Russia, Ukraine, Georgia, the Czech Republic, and numerous other states.

revolutionising SA's rural economy

synergy

eviction notices and, in November last year, the workers began singing struggle songs and doing the *toyitoyi* at the entrance to the farm. When the Crooke brothers arrived to inspect the estate, one of them was assaulted.

"You know the amazing thing is three of the old white managers stood with us at the protests," says Albert Sibiyi, chairman of the workers' committee that represents the new shareholders.

"They didn't really *toyitoyi* but one of them, Danie Basson [who belonged to the army's special forces], had just been bitten on the foot by a snake. He had a drip with medicine and was just waving this about to show his protest. I think it was a sign that they really love this place."

The workers threatened to burn the farm from one corner to the other if the sale went ahead and the Mpumalanga government was forced to intervene. Premier Mathew Phosa contacted Land Minister Derek Hanekom who asked the Land and Agricultural Policy Centre (LAPC) to visit the area and come up with a solution.

The LAPC, in turn, sent an enterprising consultant called Simon Forster to do a feasibility study on the idea that the workers could use household grants to buy the farm. Forster structured a package that involved each of the 600-odd farmhands putting each of their R15 000 grants into a R9-million kitty, and a consortium of private investors forking out another R7-million to buy the farms — which were promptly given the name Inala by the workers, an isiSwati word that means "Place of Great Harvest."

"Conditions were appalling at the time," says Forster. "Some workers were earning R5 a day. There was no running water two of the three compounds and some of the children had kwashiorkor. There was no day-care centre for the babies so mothers had to wrap them up and take them into the fields during working hours. Some workers tell me that some of them died after being bitten by snakes in the cane fields."

Forster ran the farm — along with its remaining managers — for a few

weeks after it changed hands. He promptly took one of the old farm manager's houses and turned it into a day-care and community centre where milk is served for the babies. He put potable water into the compound and he built showers and toilets near the packing shed for men and women who had been forced for as long as they could remember to relieve themselves in the fields.

"The estate was like a multi-engined aeroplane firing on all cylinders, but all out of sequence," says De Wet. "It just needed someone to come in and tune and fly off with its people on board. I said to the workers when I got here, 'Look I can't do it without you. You could probably do it without me. But just maybe we can all do it better together.' And I can tell you it's a real trip now."

What is it that drives people like De Wet to pioneer these new ways of using the land and South Africa? "My motivations are two," he says.

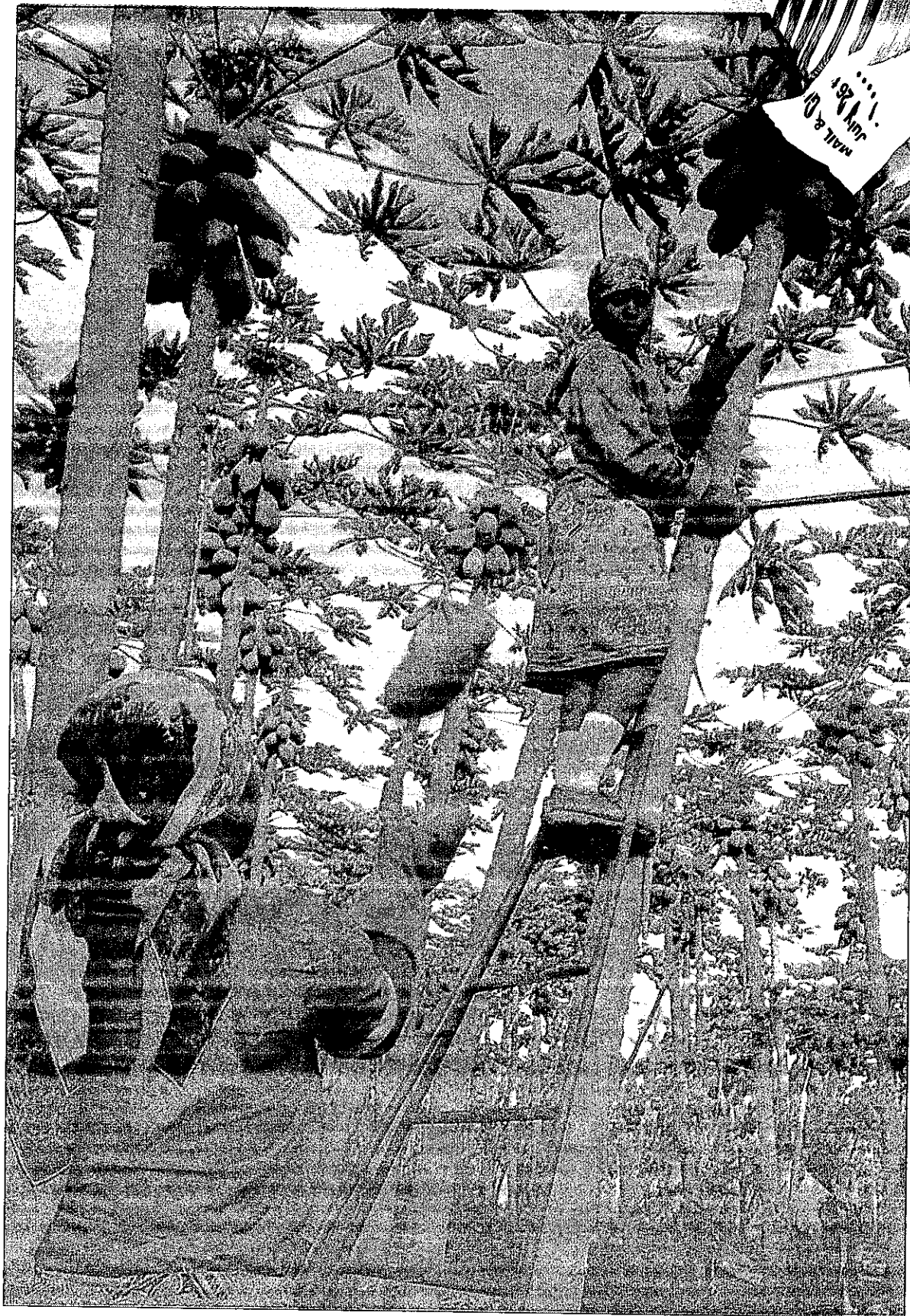
"The one is that I don't have any problems with making money. The other is that it just gives me a thrill. You could say I have always supported the aim of our new government to improve the lives of these people. But I am not doing this for politics because there are only two organisations I really belong to — the Dutch Reformed Church and the (nearby) Malelane Country Club."

De Wet, who is fond of saying that the softest thing about him is his teeth, runs the farm with a rod of iron.

"I kick arse when I have to and I tell the workers that if anything moves, you salute it. If it doesn't move, you paint it or keep it spotlessly clean."

Is this the kind of thing the workers had in mind when they decided to buy into the farm? It is as though the question never even crossed Albert Sibiyi's mind. "We need him to be like that. If he wasn't the farm would go bankrupt and we would all lose."

Down at the new community centre, the workers are now practising songs that are different to the ones they sang whenever the liquidators came to the farm last year. A local schoolteacher has been asked to compose a hymn that tells the story of this unique farm and a choir is practising *Nkosi Sikelele* for the day



Pawpaws for thought: Workers at Inala Farms have gone from earning as little as R5 a day to owning a majority share in the company

PHOTOGRAPH: HENNER FRANKENFELD

when President Nelson Mandela comes to witness the way things are being done at Inala.

And in the evening, the white managers sometimes gather at their club on the banks of the Lomati River to have a braai and sing uncouth songs about rugby and women.

At an event like this the farm man-

ager, Johan Minnaar, explained why he was so dedicated to the experiment. "It is because we want to turn history on its head," he said.

Forster, the mastermind of these strange happenings down in the Lomati Valley, adds: "The experiment has already dismissed the popular notion that land reform simply

involves giving marginal land to poor rural people so that they can simply have a secure place to stay.

"Inala is an example of how innovative ways of doing things can even produce more benefits than were originally intended by land reform policy makers to benefit people who have always worked the land."

Safex agricultural division faces closure

Louise Cook

(3) BD 29/7/96

THE SA Futures Exchange agricultural marketing division could be shut down after trade in maize futures contracts came to a halt 10 days ago, Safex GM John Wixley said at the weekend.

Developments in the maize industry had caused trade to drop to only 16 000 tons of physical deliveries this month from an average of 30 000 tons a month since the maize futures' inception in February.

The furore started on July 5 when the maize advisory committee targeted the Maize Board's export pools for far-reaching changes to avert possible domestic shortages and price hikes this

season. Safex called for the continuation of the original agreements set up in May, saying mid-season changes would cause severe losses for those who had hedged on the exchange.

Agricultural Minister Derek Hanekom was asked by the maize advisory committee to change the scheme within 10 days, giving him until Friday this week to make a decision. Hanekom indicated last week, however, that the proposals were likely to be approved.

Wixley said Safex had written a letter to Hanekom on Friday, pointing out the "disastrous consequences" for SA if he approved the proposals.

Continued on Page 2

Safex

Continued from Page 1

"Effectively it would mean an end to a free market in agriculture. Without the means to hedge against risk, there can be no free market," Wixley said.

Wixley said the exchange would take a final decision on its future after the minister's decision was known.

"It is particularly sad because, despite thin volumes at first, the exchange was just beginning to develop strongly. International traders were coming to the market and Dutch bank ABN-Amro, the sixteenth biggest in the world, approached us this week."

Wixley said international traders would not consider advancing money on stocks unless SA had a futures ex-

change. Because maize was SA's biggest farm crop, an exchange could not operate on other crops such as beef and potatoes only.

Safex agricultural markets division, set up last July, started off with forward and futures contracts in beef. Potatoes followed, with maize futures starting up in February this year.

Traders said on Friday the maize advisory committee's proposals trapped the maize price in a narrow band.

Unconfirmed reports on Friday suggested that the Council for SA Banks had met hurriedly in the morning to discuss the situation surrounding the future of the agricultural markets division. The big banks had all bought seats on the year-old exchange. But Cape Town's District Securities Bank markets manager Ika van Niekerk cautioned against overreaction.

Evictions 'may force minister's hand'

New threat to expropriate farmers' land

BD 29/7/96

3

Wyndham Hartley

CAPE TOWN — Land Affairs Minister Derek Hanekom could be forced to expropriate farms if the owners persisted with large-scale evictions of workers ahead of a negotiated solution to land tenure security, a source close to the minister said at the weekend.

They said evictions had, if anything, increased following the summit called by Hanekom about 10 days ago to discuss the issue. Organised agriculture, farmworkers' unions, the National Land Committee and government were represented at the summit.

The July 18 meeting in Pretoria agreed that the various groups would submit their proposals for the security of land tenure for farmworkers by August 12 and that this would be followed by a second summit to thrash out points of difference ahead of the production of draft legislation.

Hanekom, who chose to pursue a broad consultative route to new legislation, yesterday appealed to farmers to halt evictions and to search their consciences before evicting farmworkers and their families in one of the most bitterly cold winters of recent times.

He said he did not want to threaten farmers but rather sought their co-operation in finding a solution. He said appreciation would be shown for sympathetic treatment of agricultural

labour problems. However, the state would not shirk its responsibilities with regard to evicted farm workers.

The ministry source said this included expropriation, the "option of last resort". He said the minister essentially had to make a choice between having thousands of farm workers and their families being turned into squatters and them staying on the land where they were. In some cases it might be easier to go in and simply expropriate the farms where mass evictions were taking place.

Ironically farmers who feared that government intended to give large pieces of their land to the workers would ensure this happened if they continued to evict, he said.

The July 18 summit was told that expropriation would be considered. Hanekom gave the meeting details of hundreds of farm workers evicted or facing eviction and said the predicament of the 8-million farm workers who did not have secure access to where they lived could not be ignored.

Ministry spokesman Hellmuth Schlenker said some of the elements of a possible solution to security of tenure for farm workers were "agrivillages", secure access to land, not necessarily the farmer's; and farmers themselves assisting their workforce to apply for government grants for housing, possibly in nearby urban areas.

Farmer threatens to block deal which will put 374 black families on

STAN 30/7/96

(3) (4)

one farm

Vryheid - A northern KwaZulu Natal farmer has threatened to sue Land Affairs Minister Derek Hanekom should he sanction the sale of a R4,3-million farm to a landless traditional chief and his followers in Vryheid.

The province's department of land affairs has recommended that the 5 700ha farm Driekwart be sold to 374 families under Zulu chief Johannes Mdlalose, who applied for land 13 years ago.

Final approval rests with Hanekom, who last month inter-

vened to speed up the sale after Mdlalose gatecrashed a meeting with farmers and put his case to the minister.

Kerneels Greyling, whose farm borders Driekwart, has objected to the sale.

He says Driekwart's owners, Lood and Hendrik van Rensburg, stand to make a huge non-taxable profit from the sale of the farm they inherited, but his land will devalue.

As an example, Greyling points to farms bordering Madadeni which devalued drastically when the New-

castle township encroached on their borders. He says the farm owners are unable to sell the land, even at ridiculously low prices.

Greyling claims Driekwart cannot be optimally utilised by 374 families, and an independent report commissioned by the department backs his view.

The report found the land could be commercially viable if farmed by no more than 20 farmers, a view shared by an official of the Agricultural Credit Board.

The proposed land sale has been

further complicated by hostilities between Mdlalose's Othaka Tribal Authority and the Hlahlindlela Tribal Authority of S M Mdlalose.

Mdlalose and his followers are squatting on land in Bekhumthetho, near Emondlo, owned by the Hlahlindlela group.

The official who has drawn up the report for Hanekom, Johannes van Dam, has been negotiating with the two groups in an attempt to prevent conflict.

Several meetings have been held with little apparent success, yet Van

Dam says he has recommended that the land be designated anyhow and that urgent attention should be given to develop Bekhumthetho.

Should problems arise, "we'll deal with it then", says Van Dam.

He stresses that Hanekom will make the final decision after he's informed of all the facts.

Another land affairs official says the sale of Driekwart is an attempt by the present government to correct an administrative error made in 1964, when the former government incorrectly allocated the land at

Emondlo to the Hlahlindlela Tribal Authority instead of the Othaka Tribal Authority, but changing that would result in faction fighting.

Hlahlindlela Tribal Authority chief S M Mdlalose has warned that those Othaka families who remain behind on his land will have to submit to his authority. There is concern that he will chase the people off his land.

The 374 families plan to pool their R15 000 government housing subsidies, a total of R5,61-million, to buy Driekwart. - Sapa.

AGRICULTURE — GENERAL

1996

AUG. — DEC.

Crop estimates take an upward turn

20 1/8 196 (3) (1977)

SOUTHERN Africa is expected to harvest a cereal crop of 26,36-million tons in the 1996/97 season, a 62% increase on last season and an upward revision of estimates made earlier this year.

The Southern African Development Community (SADC) said in its latest quarterly bulletin it had raised its total estimate for the region from 25,20-million tons forecast in May, amid improved production prospects in all member countries.

The whole region was in line for the best cereal crop in years after soaking rains and increased plantings.

"Cereal production is projected to have increased substantially in all countries including Tanzania, which had earlier forecast a 14% drop ... but

is now projected to show a 2,3% increase over last year's harvest."

Maize, which makes up the bulk of the region's cereal output, was seen rising to 20,24-million tons, up from the SADC's previous forecast of 19,44-million tons and representing an 80% improvement on last year. Earlier fears that sustained heavy rains and flooding would trim maize output had dissipated, with Mozambique, expected to be the worst hit, on track for a 21% bigger crop than last year.

SA's crop had also emerged unscathed from the late rains with the latest maize estimate of 9,657-million tons the highest yet this year, and more than double last season's 4,405-million tons. — Reuter.

SAAU up in arms over land tax laws

CT(BR) 9/8/96 (3) (3)

By Roy Cokayne

Pretoria — The South African Agricultural Union's general council has lashed out at the finance department's approach to land tax legislation.

Chris du Toit, the president of the agricultural union, said it was totally unacceptable that the finance department had published legislation on land taxation for commentary while a committee of the Katz commission was investigating the issue.

Du Toit said the finance department's approach was making the Katz commission's investigation look ridiculous.

He said the agricultural union would request an urgent meeting with Trevor Manuel, the finance minister, and Jeff Radebe, the minister of local government, to discuss the issue.

"The Katz commission, at the request of the minister of finance, is currently investigating aspects of the tax environment with special reference to the merits and applica-

bility of land tax on provincial and government level," Du Toit said.

He said the union strongly objected to the fact that in view of the actions of the finance ministry, the Katz commission investigation and findings were not taken into account.

An urgent explanation of this confusing process was required, he said.

Du Toit said the union believed legislation should wait until the Katz commission's investigation had been completed.

R3-m scheme to get W Cape small farmers growing

(3) ARG 10/8/96

MXOLISIMGXASHE
Staff Reporter

MARGINALISED and poor people in the Western Cape rural areas will be the beneficiaries from a R3 million loan agreement signed this week by the Development Bank of Southern Africa, and Lanok (Pty) Ltd, a Paarl-based company.

The company's mission is to improve the quality and standard of life of low income populations.

An amount of R2 million will be directed towards agricultural development and the remaining million will be used on rural entrepreneurs.

The agreement was signed by rep-

resentatives of the two parties in the offices of Western Cape Minister for Agriculture, Tourism and Planning Lampie Fick this week in an attempt to address rural poverty in the province.

The project hopes to create financial access for marginalised communities to agricultural development and rural entrepreneurial support services.

In terms of the agreement Lanok will be responsible for the implementation of the programme and provide integrated support and service to new entrepreneurs.

A steering committee that includes Lanok, DBSA and the department of agriculture in the region will monitor and guide the funding of the projects.

a crisis programme and argued that the White Paper is adequate as a standard or medium term programme for manageable homelessness but made little impact on homelessness of crisis proportions and it was suggested that government assumes a more direct role in land identification, infrastructure provision and housing delivery. It was also argued that substantial policy gaps exist as many of the components as contemplated in the White Paper, have not yet been developed and implemented which entails that political support has been grudging and that the private sector was less than enthusiastic. The lack of, or inadequate attention to social and rental housing is also regarded as a serious policy deficiency and government was urged to produce and implement an urgent programme on rental housing. Some submissions called for joint ventures between government and the private sector to produce mass housing.

- (3) Yes. The comments received after the release of the White Paper during December 1994, have been scrutinised with a view to determine whether and to what extent they should be taken into account in government's ongoing development of housing policy. The suggestions, proposals and criticism raised at the Public Hearings on 26 and 27 March and 15 April 1996, will be evaluated on a continuous basis for the possible inclusion thereof in future housing policy.

However, some of the issues raised during the said hearings have already received attention. As mentioned in my budget speech in the National Assembly on 20 June 1996, the Department of Housing has secured an amount of R525 million from the Reconstruction and Development Programme Fund to be utilised to support scale delivery of housing in joint ventures with the private sector which will, inter alia, also stimulate the provision of rental opportunities. Comprehensive policy on rental housing is still in the process of development. In fact, the inclusion of institutional subsidies within the framework of the housing subsidy scheme, created a vehicle which can be utilised to alleviate the need of rental accommodation. Institutional subsidies are being made

available to institutions who could, inter alia, utilise them to provide rental housing. The R525 million programme will also ensure mass housing delivery at much higher densities than previously achieved. The programme also aims to provide opportunities to people to access housing under a wide range of tenure and financial arrangements, depending on their needs and preferences in a market which is currently underserved in this regard. The issue of land tenure is also receiving high priority and the Department of Housing is already working in close cooperation with the Department of Land Affairs in this regard. A further step in facilitating the housing delivery process is that the Draft Housing Bill, 1996 which was recently published for information and comments, provides for the greater empowerment of the provincial and, increasingly, the local spheres of government in housing delivery. It also identifies and defines the roles of the three spheres of government in line with the Interim and New Constitution in so far as housing is concerned. My Department is currently interacting with the Department of Constitutional Development and organised local government structures in order to finalise a set of assessment criteria for the accreditation of local authorities to administer national housing programmes.

Agriculture: White Papers

592. Mr I D VAN ZYL asked the Minister of Agriculture:†

- (1) Whether his Department has released any White Papers since 27 April 1994; if so, when, in each case;
- (2) whether any comments have been received on these White Papers; if so, what was the (a) nature and (b) extent of such comments in each case;
- (3) whether any steps are envisaged with regard to such comments; if not, why not; if so, what steps? N1044E

The MINISTER OF AGRICULTURE:

- (1) Yes, during a press conference on 6 June 1995 the Minister of Agriculture, Senator A I van Niekerk and the Deputy Minister of Agriculture, Ms Thoko Msane an-

nounced that Cabinet has in principal approved a White Paper on Agriculture. The document was tabled in parliament on the same day.

- (2) (a), (b) and (3) can best be answered simultaneously.

When the Minister of Agriculture gave his Department the task of developing a white paper for agriculture, he had two prerequisites:

- (i) it had to reflect the basic principles and key programmes of the RDP (ANC, 1994), and
- (ii) the process had to be transparent and inclusive of all the identifiable role-players in agriculture to ensure that their values and norms would be taken into consideration.

A committee, named WITCOM, was appointed by the Minister to develop the White Paper. Its members were from the Department of Agriculture (including the Deputy Minister of Agriculture), the Land and Agriculture Policy Centre (LAPC), the South African Agricultural Union (SAAU), the National Farmers' Union (NAFU), an academic and an executive manager of a development corporation.

WITCOM debated that they could achieve transparency and inclusiveness by means of a three-tier consultative process: the first two tiers are political, namely the provincial and national levels, and the third is directed at all the communities concerned.

WITCOM also argued that agriculture *per se* is a system, as well as a subsystem of broader macro entities. Schedule 6 of the Interim Constitution declared agriculture a provincial function. One of the policy implications of Schedule 6 is that departments should develop their own agricultural policies at national and provincial levels.

However, agriculture as a system with its own biological, economical and sociological subsystems cannot be divided into isolated provincial and national sections. As the overall management of agriculture had to promote provincial and national policy goals, all the formulating bodies in

agriculture needed a common launching platform regarding agricultural policy.

WITCOM therefore decided not to develop a traditional White paper, but to develop a vision and a mission statement and a set of principles or strategies as a point of departure for the formulation of agricultural policies.

It was never the intention to confront any farmer, body or institution with a vision or mission or set of principles conceived in an office. The set of principles had to be developed by the main stakeholders in agriculture; it had to be the fruit of their deliberations and mind processes. The stakeholders had to be consulted, and for this purpose WITCOM had a draft working document developed in an inclusive and transparent manner by provincial politicians and the farming community.

To develop the draft working document, WITCOM used the Agricultural Policy Paper of the LAPC (1994) as a basis that would reflect the values and norms of the ANC. WITCOM also used a document on agricultural policy developed by the Department of Agriculture (1993). Both these documents are well researched.

After consultations with the Members of the Executive Councils (MECs) responsible for agriculture, an open invitation was extended in the press and over the radio to all role-players to participate in a workshop. The purpose was to debate the principles of the working document in small groups and in a plenary session. The workshop was attended by at least 120 people from agriculture representing different constituencies from grass roots to political level. The outcome of the workshop was mailed to all the groups which attended the workshop.

The results of the workshop as well as all written comments received were used to refine the draft. The next step was to present this draft to the Minister and Deputy Minister of Agriculture. The Minister presented it to Cabinet who approved that it could be tabled in Parliament.

EMBARGO: 6 JUNE 1995: 15:00

NEWS RELEASE BY DR A I (KRAAI) VAN NIEKERK, MINISTER OF AGRICULTURE, AND MS T A (THOKO) MSANE, DEPUTY MINISTER OF AGRICULTURE

WHITE PAPER FOR AGRICULTURE

Senator A I (Kraai) van Niekerk, Minister and Ms Thoko Msane, Deputy Minister of Agriculture, released the new White Paper on Agriculture in Cape Town at a media conference. The draft was approved by Cabinet in principle and this has been tabled for discussion in Parliament this morning.

Minister van Niekerk explained that the proposed policy for the National Department of Agriculture is in accordance with the interim Constitution of the Republic of South Africa and complies with the requirements of the Reconstruction and Development Programme (RDP).

The finalised White Paper is the outcome of an inclusive process of transparent and comprehensive deliberation and wide consultation on the principle points of departure.

The vision for agriculture in the new South Africa is for "a highly efficient and economically market-directed farming sector, characterised by a wide range of farm sizes, which will be regarded as the economic and social pivot of rural South Africa and which will promote food security and influence the rest of the economy and society".

This vision poses major new challenges entailing a restructuring of the role of the Department, as well as a review of the allocation of financial and human resources, and the revision of laws as instruments in the implementation of policy.

The main objectives to be pursued are:

- broadening access to agriculture for those who previously were excluded or did not have full access;
- rendering financial and technical support to beginner farmers and farmers lacking resources to enable them to become independent commercial farmers;
- the maintenance and development of an economically viable, market-directed, competitive commercial farming sector with the family farm as basis;
- the promotion of national and domestic food security;

- the development and support of a marketing system which will bring about free competition domestically and maximum benefits overseas for South African farmers;
- a production approach based on the sustainable use of the natural agricultural and water resources;
- promoting the roles of women and farm workers in agriculture;
- dealing with droughts as a natural phenomenon to be taken into account by all farmers when they do production and marketing planning.

In order to pursue these objectives effectively, the mission of the Department is to: "ensure equitable access to agriculture and promote the contribution of agriculture to the development of all communities, society at large and the national economy, in order to enhance income, food security, employment and quality of life in a sustainable manner."

Minister Van Niekerk emphasised that although South Africa is not rich in agricultural resources, its agricultural industry is undeniably the strongest on the African continent. This is the result of expertise and an agricultural policy which offer farmers the opportunity to produce and market domestically as well as overseas. The changed circumstances brought about by the new Constitution and the full acceptance of South Africa by the international community, pose important new challenges. Domestically the broadening of access to agriculture will lead to a much more diversified production and marketing sector, which made special demands on the central and provincial departments of agriculture. Abroad South Africa should continue to focus on the export of quality products to the large world markets but at the same time the country should be willing to help farmers in Africa, and especially in Southern Africa, to get off the ground and develop their agricultural industries.

In conclusion the Minister said he was confident that the White Paper will be accepted as the guide for agricultural development in South Africa. He gave the assurance that it will not only be words on paper, but that it will continually be revised and adapted as circumstances require.

Copies of the White Paper are obtainable from the Directorate: Agricultural Information, Tel: (012) 319-7165 or Fax: (012) 326-2817.

ISSUED BY THE NATIONAL DEPARTMENT OF AGRICULTURE, CAPE TOWN

ENQUIRIES:

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Director-General of Agriculture
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Deputy Director-General: Agricultural economics
Tel: (012) 319-6449
Fax: (012) 326-3454

SAPS: White Papers

595. Mr H A SMIT asked the Minister for Safety and Security:†

- (1) Whether the South African Police Service has released any White Paper since 27 April 1994; if so, when, in each case;
- (2) whether any comments have been received on these White Papers; if so, what was the (a) nature and (b) extent of such comments in each case;
- (3) whether any steps are envisaged with regard to such comments; if not, why not; if so, what steps?

N1047E

The MINISTER FOR SAFETY AND SECURITY:

- (1) No
- (2) No
- (a) and (b) No
- (3) No

Pretoria magistrate's district: cases heard

599. Mr R H GROENEWALD asked the Minister of Justice:†

How many cases were heard in the Pretoria magistrate's district in (a) 1994 and (b) 1995?

N1051E

The MINISTER OF JUSTICE:

- (a) Statistics pertaining to the period 1 July 1993 to 30 June 1994 are as follows:
 - (i) Criminal cases (including regional court cases): 16 820
 - (ii) Civil cases: 1 423

(b) Statistics pertaining to the period 1 July 1994 to 30 June 1995 are as follows:

- (i) Criminal cases (including regional court cases): 11 990
- (ii) Civil cases: 1 117

Johannesburg magistrate's district: cases heard

600. Mr D M BAKKER asked the Minister of Justice:†

How many cases were heard in the Johannesburg magistrate's district in (a) 1994 and (b) 1995?

N1052E

The MINISTER OF JUSTICE:

- (a) Statistics pertaining to the period 1 July 1993 to 30 June 1994 are as follows:
 - (i) Criminal cases (including regional court cases): 43 709
 - (ii) Civil cases: 1 860
- (b) Statistics pertaining to the period 1 July 1994 to 30 June 1995 are as follows:
 - (i) Criminal cases (including regional court cases): 35 197
 - (ii) Civil cases: 1 729

Cape Town magistrate's district: cases heard

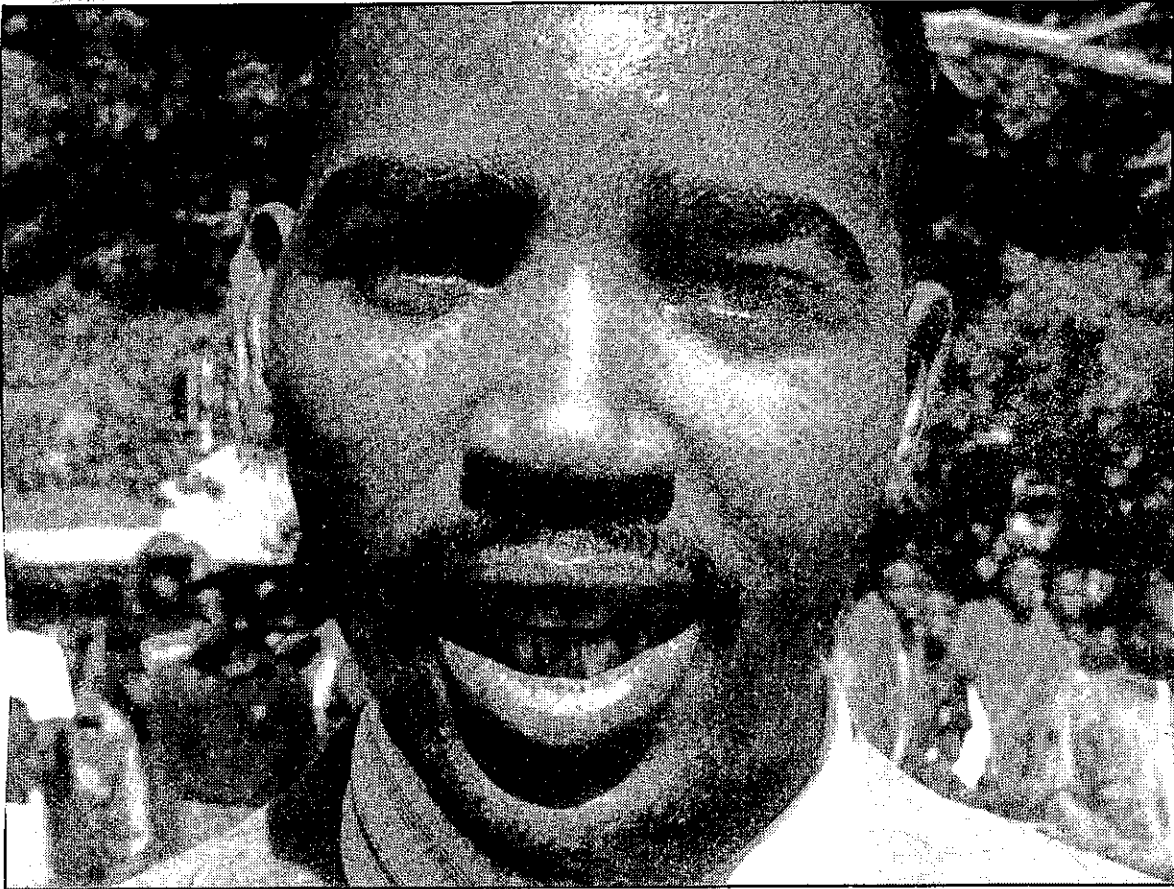
601. Mr N J J VAN R KOORNHOF asked the Minister of Justice:†

How many cases were heard in the Cape Town magistrate's district in (a) 1994 and (b) 1995?

N1053E

The MINISTER OF JUSTICE:

- (a) Statistics pertaining to the period 1 July 1993 to 30 June 1994 are as follows:
 - (i) Criminal cases (including regional court cases): 16 782
 - (ii) Civil cases: 233
- (b) Statistics pertaining to the period 1 July 1994 to 30 June 1995 are as follows:
 - (i) Criminal cases (including regional court cases): 12 740
 - (ii) Civil cases: 273



Lawrence Mavundla ... inability to access finance will permanently marginalise small black business.

Plan to assist black farmers

By Joshua Raboroko

ABOUT 60 Gauteng black farmers are to benefit from the provincial government's small farmers settlement programme.

The programme is aimed at empowering the small farmer who earns less than R3 500 a month by amending existing land allocation and tenure policies in relation to government-owned agricultural land.

It was announced jointly yesterday by Gauteng MEC for housing and land affairs Mr Dan Mofokeng and MEC for agriculture, conservation and environment Ms Nomvula Makonyane in

Johannesburg.

In a joint statement the MECs said for many years small-scale farmers from historically disadvantaged communities were inhibited by racially discriminatory legislation from competing on an equal footing with their white counterparts, who were supported by state grants.

Existing tenant farmers have been invited to lease state-owned land for a three-year period and have the option to buy at the end of the lease period.

It is expected the programme will:

- Promote viable and productive agriculture on government-owned land

which is suitable for agriculture in the province;

- Give priority to land owned and administered by the province;

- Address skewed land holding patterns and provide for the redistribution of land to targeted groups, including farm workers, labour tenants, share croppers, poor families; and

- Ensure that property rights of named beneficiaries are held independently of their matrimonial status.

The MECs said that the programme was linked to a number of supplementary and complementary benefits relating to training, capacity building and agricultural extension.

(3) Sowetan 13/8/96

Prime land set aside to boost small farmers

(3)
Nov 13/8/96

Gauteng project mainly targets blacks

By JOYAL RANTAO
Political Correspondent

A total of 10 000ha of Gauteng's prime agricultural land, situated in the west of province, is to be made available to 60 small-scale and predominantly black farmers in a move aimed at boosting agriculture in the highly industrialised region.

Details of the Gauteng Small Farmers Settlement Programme were unveiled in Johannesburg yesterday by Agriculture, Conservation and Environment MEC Nomvula Mokonyane and her Housing and Land Affairs counterpart Dan Mofokeng.

Through the programme, the Gauteng government hopes to redress the imbalances of the past by offering small-scale farmers a chance to lease land on a long-term basis with an option to purchase after a three-year period.

"Through this programme the provincial government seeks to make state-owned land available for agricultural development purposes. We believe it would see the optimum utilisation of provincial resources in a sustainable manner in order to promote growth and development.

"For many years, small-scale

farmers from historically disadvantaged communities were inhibited by racially discriminatory legislation from competing on an equal footing with their counterparts, many of whom were supported by state grants," Mokonyane told a press conference.

She said the programme was also aimed at redressing land-holding patterns to provide for the redistribution of agricultural land to targeted groups, including farmworkers, labour tenants and members of disadvantaged communities.

People earning less than R3 500 a month and who have occupied their farms for five years or more would be targeted.

"We want to emphasise that the Gauteng Small Farmers Settlement Programme does not exist in isolation, but is linked to a number of supplementary and complementary programmes relating to training, capacity building and agricultural extension," Mokonyane said.

"We will also provide agricultural extension and research services, assistance in accessing credit and financial support, facilitate institutional and capacity building in the communities, and monitor the implementation of the programme," she added.

Farmers able to take out long-term leases on land

Louise Cook

③
MD 13/8/96

PRETORIA — Small-scale farmers would be allowed to take out long-term leases on the state land south-west of Johannesburg that they have been occupying for years, the Gauteng government said yesterday.

The province, unveiling plans to foster small-scale farming, said such farmers — 60 had been selected — would also be trained and would have the option to buy the land after three years.

The province had decided against pumping money into the programme, which it said would address “skewed” land-holding patterns to benefit workers, tenants and disadvantaged communities.

Gauteng said the shift to longer term leases could open the door to such farmers gaining credit and other financial assistance.

“For many years small-scale farmers were inhibited by racially discriminatory legislation from competing on an equal footing with their counterparts, many of whom were supported by state grants,” agriculture, conservation and environment MEC Nomvula Mokonyane said.

The programme was designed for people earning less than R1 500 a month.

Public hearings were held this year to ensure that the non-farming sectors, including the housing and industry sectors, did not object to land at Ennerdale, Lenasia, Carletonville, Zuurbekom, Klip River Valley, Orange Farm and pockets of land at Sebokeng, Vanderbijlpark and Vereeniging being zoned for agricultural production.

The department stressed that beneficiaries of the programme would have to use “sustainable resource and environmentally sound practices”.



Gauteng housing and land affairs MEC Dan Mofokeng, left, and agriculture, conservation and environment MEC Nomvula Mokonyane launched Gauteng's small farmers' settlement programme in Johannesburg yesterday.

Picture: GARTH LUMLEY

Hanekom says no to subsidies, drought aid

BLOEMFONTEIN: Agriculture and Land Affairs Minister Mr Derek Hanekom warned farmers that subsidies and drought aid would not be forthcoming, and urged them to plan ahead.

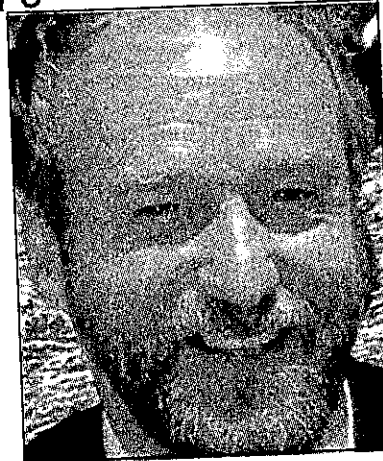
Speaking at the opening of the Free State Agricultural Union's annual congress here yesterday, he said dependence on subsidies led to bad farming practices.

A sound, growing agricultural economy had to be created, with a much more market-directed agricultural sector. Under certain circumstances there could be state intervention, but it should be as little as possible, Hanekom said.

Hanekom said land reform, redistribution and tenure reform had to be addressed in such a way that the good relations between farmers and workers were not negatively influenced.

Land reform was not theft of land and should be carefully monitored. Land expropriation occurred in virtually every country, he said, but it should be an instrument of last resort. Right of ownership was not unlimited.

FSAU executive member Mr Frik



NO AID: Mr Derek Hanekom

Dreyer said in no other sector was there an insistence on workers getting rights of ownership from their employers.

FSAU president Dr Pieter Gous said the development into a southern African bloc, with movement of goods, people and money, was inescapable. These were positive things to utilise and should be seen as an opportunity, not a problem. — Sapa

Farm equity scheme a blueprint for the future

Reneé Grawitzky

BD 14/8/96

(3) (4)

SIX hundred farm workers in Mpumalanga have become part owners in a fruit farm which faced closure and have committed themselves to finding an equity partner from the private sector — in an endeavour to save their jobs and combat evictions.

In the latest edition of the SA Labour Bulletin, Umanyano Media Service director Kally Forrest explained how the farm workers agreed to enter into an equity participation scheme where they would ultimately jointly own the farm with private-sector investors.

Forrest said Inala Farms was liquidated last year after being bought by a combination of private investors and the KaNgwane Economic Development Corporation in 1994. When the farm was liquidated, the owners approached the land affairs department which agreed to authorise a feasibility study on the farm's future.

Forrest said the study proposed an equity share model with each household getting a R15 000 land reform grant from the department to buy into the farm. The study concluded that as workers would need to raise R16m to buy the farm, it would have to find an equity partner to invest another R7m.

Forrest said the department agreed to a grant of R9m in the form of the land reform grant to families and a R7m loan interest free for six months.

The farm was being run effectively and efficiently by a management committee made up of five workers' committee representatives, farm managers and an accountant. This committee has applied for a planning grant from the department to launch a workers' trust which would focus on education and training and educate workers about the equity scheme.

David Cooper of the Land and Agriculture Policy Centre said in the same article that current land reform policies were taking place "within the context of redressing apartheid wrongs rather than as part of an overall economic policy."

He said the department or other government agencies would have to do more than simply provide grants, but should be developing clear guidelines to assist workers who wished to go the equity partnership route. "A systematic programme of worker education and empowerment is essential if such schemes are to succeed."

Forrest said if this scheme worked, it would be an important signal to government on a method of helping the poor and growing the economy.

Views on land tenure stream in

Louise Cook

3 (3) (4)
15/8/96
PROPOSALS on tenure security for farm workers — currently the target of evictions by many farmers who fear for their land rights — streamed into the office of Agriculture and Land Minister Derek Hanekom this week.

Hanekom was planning legislation on tenure security for SA's 8-million farmworkers and called for written submissions from farmer and worker organisations by Monday this week.

SA Agricultural Union chief director Kobus Kleynhans said the union remained adamant about tenure security being a labour — not a land — issue. "The Labour Relations and the Basic Conditions of Employment Acts protect workers"

But the SA Agricultural, Plantation and Allied Workers' Union, representing farm workers, said additional legislation was needed to protect farm workers. "Evictions are not an industrial relations issue but a political one," the union said.

Free State out to improve rural life

③ ET (PR) 16/8/96

The Free State - mainly through its agricultural base - intends creating a better life for 80 000 of the province's rural families within three years. The province has been widely acknowledged as being one of the most active in dealing with rural land and the families which rely on it for their homes and survival.

According to Peet du Toit, the director of the specially constituted Rural Strategy Unit, their policy is not to try to interfere with the natural tendency of people to move off the land to urban areas. "The decision to move to urban areas is an economically motivated one. That tendency will always be there. Our intention is to make the most of our rural areas which gives people a better living and consequently greater choice as to where to stay. Attractive rural areas might lure them back or prompt others to stay, but our motivation is not specifically based on that," he explains.

Recently, in his budget speech, Cas Human, the MEC for agriculture, honoured his province's rural people for their "leap from entitlement to self-reliance" in the past two years. "Two years ago they requested handouts, but my department could only assist them in training and technical advice. Today, these proud hardworking farmers and rural people are exhibiting their products," he said.

Du Toit explains that the entire agricultural administration in the province had to be restructured to meet the new challenges and not merely pay lip-service to the need for rural development.

"The ministry was guided by a vision of creating a better life through self-reliance and integrated utilisation of our agricultural and other resources in rural areas. All this had to be achieved with a fixed commitment to creating a sustainable environment. The mission of the department and its parastatal, Agri-Eco,

therefore became to provide necessary assistance, education and training for entrepreneurs, farmers and farm workers in rural communities, to assist them to create a better life," he explains.

Foremost was the restructuring of the department, which put the authorities closer to the ground and more visible in working with the communities. Three offices in Kroonstad, Bloemfontein and Bethlehem were established to regionalise activities. Alongside this was the establishment of the Rural Strategy Unit with the assistance of Britain's Overseas Development Agency.

"We provide the department with a service in respect of agricultural, environmental and rural policy formation as well as providing assistance in institutional reform and networking," explains Du Toit.

He adds that the Department of Agriculture also identified "lead programmes" in agriculture and the environment. Programmes include ones aimed at instilling a culture of gardening, establishing small scale farming and small scale dairy farming as well as farm productivity. These programmes have now been integrated into a coherent programme by the Free State Mission for Rural Development, assisted by consultants from the World Bank.

The department's plans include the placing of qualified officers in rural communities (called rural animation officers) to establish, at grassroots level, what the needs of the rural community are. Its regional services, through its newly established offices, offer a full complement of extension, environment, veterinary, soil conservation, and administrative services. These plans are already in place and form the backbone of the Free State's ambitions to house 80 000 families through self-reliance.

Project on invader plant boosts water supplies

Star 19/8/96

3

The programme is 'on time, on budget and efficient'

By ANITA ALLEN
Science Writer

The Working for Water programme, in which invader plants are being cleared from water courses throughout South Africa, has increased the run-off of water by an estimated 17,5 million kilolitres in 1995/96.

Since the approximately R28-million programme was launched last September, more than 33 000ha of land infested with alien invader plants have been cleared and 6 686 direct jobs have been created, according to the annual report released by the Department of Water Affairs and Forestry.

Water Minister Kader Asmal has already announced a further grant of R50-million for 1996/97, and Rand Water and Umgeni

Water have announced funding of R10-million each for projects in partnership with the programme.

"Calculations indicate that clearing invading alien plants is a very competitive way to yield water," Asmal said.

Only 14% of the cost of a new dam

"For example, estimations are that clearing invading aliens will yield water at just 14% of the cost of water yielded through building the Skuifraam Dam - one of the most financially attractive dam options in the Western Cape."

Programme leader Dr Guy Preston said Working for Water

had been successful. "It is on time, on budget, efficient, and initial audits have not revealed any corruption."

In its first year, the programme consisted of 12 projects in six provinces, with a focus on the Eastern Cape, where five projects cost about R13-million.

"Much needs to be done to understand the extent of the problem of invasive plants in each province and the most affordable schedule to bring it under control," Preston said.

"Detailed studies will ensure the priorities of future spending are understood."

He said that the programme had all the ingredients of becoming a model development programme and his project team were working to make certain that it fulfilled its promise.

Senate committee approves Agriculture Bill

(3) CT (MR) 21/8/96

From Sapa

Cape Town — The Marketing of Agricultural Products Bill was approved by the Senate's agriculture committee yesterday after more than three months of debate and negotiation.

The Bill is the product of compromises between the ANC and the South African Agricultural Union. Representatives of both parties said

they were happy with the result.

The Bill proposes a new national agricultural marketing council that will include representation from "previously disadvantaged farmers".

The council will advise the agriculture minister on marketing policy and on ways of increasing market access for all participants.

Parliament's agriculture committees and groups directly affect-

ed by agricultural levies will be able to ask the minister to repeal or institute levies.

The official memorandum on the Bill provides for state intervention in certain cases, but says "the point of departure is that non-intervention is more desirable".

The Bill will be sent to the National Assembly's agricultural committee at once and will come before the Senate on September 5.

Agricultural Marketing Bill gets committee's nod

20 21/8/96 (3)
CAPE TOWN — The Agricultural Marketing Bill, designed to bring about a freer market with as little government intervention as possible, was approved by the Senate agriculture committee yesterday after more than three months of debate and negotiation.

The Bill is the product of compromises between the ANC and organised agriculture.

A version introduced earlier this year was rejected by the ANC.

ANC negotiator Senator Sam Motsuenyane said yesterday the finalised Bill went a long way towards addressing ANC concerns.

"We are satisfied that hitherto disadvantaged groups are going to be able to play a more important role in policy determination," he said.

SA Agricultural Union deputy executive director Hans van der Merwe said the measure would promote a market-related approach but would still make it possible for agriculture to manage some activities collectively, provided this served the interests of the community at large.

"So basically I'm happy with it," he said.

The Marketing of Agricultural Products Bill proposes a new national agricultural marketing council, including representation from "previously disadvantaged farmers", in order to advise the minister on marketing policy.

It will also advise on ways of increasing market access for all participants.

Groups directly affected by agricultural levies, or Parliament's agriculture committees, will be able to ask the minister to repeal or institute levies.

The finalised Bill will be sent to the National Assembly's Agriculture committee for approval.

It is scheduled to be debated in the Senate on September 5. — Sapa.

Board to limit farm evictions

3
Louise Cook

BD 22/8/96
THE Mpumalanga provincial government was setting up an evictions board to limit evictions of farm workers in the province, sources said yesterday.

Evictions on farms in Mpumalanga had increased recently, prompting Land and Agricultural Minister Derek Hanekom to consider the expropriation of farms where large-scale evictions were taking place.

At the same time, about 600 SA Agricultural, Plantations and Allied Workers' Union members staged a protest march in Middelburg, near Witbank, yesterday, demanding a repeal of "repressive laws", an end to unfair dismissals, poverty and poor conditions, and an immediate end to evictions.

The union gave government an ultimatum to respond positively by August 30, saying that it would launch various campaigns to achieve its goals.



LET COMPETITION SHOW US THE WAY

FM 23/8/96

The fallout from SA's short-lived sortie into the world of wine internationals continues.

SAA recently announced the match scheduled to take place in Chile, Argentina and SA — a follow-up to late 1995's SAA Shield pitting SA wines against Australian ones — has been cancelled. This will affect the prospects of any return bout against the Aussies — set down for the end of November.

The bookies were not offering great odds on the Cape's chances of an overall victory in the next showdown. But it now seems they are giving better money on Tony Leon for Tuynhuys than on a second round of the Shield taking place at all.

There's bound to be a post-mortem once the dust has settled. But what's important for wine drinkers is the widening chasm between the pro- and anti-competition lobbies.

Most of our wine producers opposed the various matches. Some said it was a matter of timing and we needed to get our production in to line with world standards, others that our style of winemaking did not lend itself to flashy performance in blind tastings.

Few seem to realise that competition among the various producers of the world takes place every day — on the shelves of wine merchants in all our main markets.

Since I was intimately involved in the development and management of the SA/Australian and the proposed SA/South American competitions, I can hardly pretend to be a disinterested party. But, like many, I was heartened by our sportsmen having made extraordinary progress since the end of boycotts and sanctions forced

them to benchmark their performances against the world's real players.

Clearly, the bulk of our wine-makers prefer to inhabit the no-man's-land between their pretensions and the reality of the marketplace. Doubt, it would seem, far exceeds the charms of the certainty revealed by the cold light of day.

Still, even the most obdurate would agree that several useful lessons emerged from last November's clash with the Aussies. Our new generation vineyards are producing excellent fruit, much of which is being spoilt in the wineries. Fixing viticulture is a long-term investment. But addressing a problem such as cellar hygiene can be done within the season.

And, indeed, a significant number of our winemakers have tiptoed into Australia in the past year. However much they may deny the competition, they know that the game today is firmly located in places like the Yarra Valley, Coonawarra, Barossa, and Margaret River. The speed with which they apply the lessons they learnt will have a significant impact on the Cape's ability to perform in world markets.

At present our competitiveness is very much in doubt. SA's crop of medals this year at the London-based International Wine Challenge was paltry. Australia collected, pro rata, five times the number of gold medals. Chile's medal count was 50% higher than the Cape's.

Do we have any world-class players? Yes, though hardly surprisingly, most, if not all, were supportive of the results of wine Test matches.

Stellenzicht's Andre van Rensburg has joined Thelema's Gyles Webb on centre stage. There are also excellent wines to be found at Plaisir de Merle, Buitenverwachting and Saxenburg. Ross Gower at Klein Constantia, Charles Back at Fairview and Martin Meinert at Vergelegen all look to the viticultural regions of the New World for their inspiration.

So change is percolating through the Cape's vineyards. What is at issue, though, is how long this process will take.

Michael Fridjhon

Eastern Cape suffering as 'water goes to Gauteng'

Own Correspondent

BD 23/8/96

(3)

PORT ELIZABETH — The channelling of Orange River water to Gauteng is damaging the development potential — agricultural and industrial — in the Eastern Cape, it was claimed at the annual Congress of the East Cape Agricultural Union yesterday.

Aliwal North delegate Gawie Swart told delegates in Port Elizabeth that Orange River water was of utmost importance for production in the Eastern Cape, the second poorest province in the country.

"The government invests little in the rural areas and always seems to be boosting Gauteng," he said. "Continued action like this will lead to rural deterioration and depopulation of these areas."

Steynsburg delegate Gerhard Bekker said industry should be forced to develop where water is available.

"Half of the Eastern Cape's 7-million people are under the age of 18. The province will face huge unemployment

if there is no increase in development here.

"We have the labour and the water for industrial development. Industry should come to where the water is."

Bekker said that Orange River water was already supplied as far south as Port Elizabeth.

Water affairs department representative Claus Triebel said water usage for the future should be carefully planned. "As things are going at the moment, the country will run out of water for further development by the year 2010, unless there is strict demand management.

"Since 1934 there has not been a year when there was not a drought in some part of the country.

"In certain areas there is already no water left for further development. Only 22% of crops irrigated in the Eastern Cape are high-value products and this is an aspect we shall have to look at.

"The department is also looking at eradication of alien vegetation in an effort to improve runoff," Triebel said.

Southern Africa to cull infected cattle

MASERU — Southern African ministers decided yesterday to destroy about 200 000 cattle infected with highly contagious bovine lung disease in Namibia, Botswana and Tanzania.

The decision was made in a regional food security debate prior to the Southern African Development Conference's annual meeting in Lesotho tomorrow.

The affected region would be cleared of grazing animals for six months. In Botswana, 250 000 head of cattle had already been culled.

Earlier this month Transvaal Agricultural Union president Dries Bruwer said bovine lung disease posed a serious threat to the region's beef industry. Once diagnosed, whole herds had to be destroyed to prevent it spreading.

SADC members had to inoculate their herds. If it was not eradicated the red meat industry could suffer massive losses, Bruwer said. While it would not harm people, it posed a bigger threat to SA's red meat industry than "mad cow" disease, which prompted the banning of British imports to SA. — Sapa-AFP.

BD 2318196

See Page 2

Good news for farmers

(3) Sowetan 26/8/96

1995/96 season increased to a record R35,7 billion – a hike of 20 percent over the previous season.

On the other hand, farmers' gross income totals R32,8 billion.

Due to these handsome earnings, farmers will be able to reduce the industry's massive debt of more than R19 billion, and upgrade the run-down infrastructure.

All sectors of the agricultural industry have recorded impressive performances.

A Maize Board representative says the maize crop – at nearly 10 million

tons – is 117 percent bigger than the previous seasons' drought-ravaged crop.

Agreed

He says millers, producers and manufacturers had agreed on an export figure of 3,3 million tons of maize products this year.

Using a "very conservative" figure of about R525 a ton, the exports are expected to earn up to R2,5 billion in foreign exchange.

According to the South African Agricultural Machinery Association,

tractor sales in July were up by 77 percent on the same month last year.

Twine says a significant spin-off from the big maize crop, apart from export earnings, is that there will be no need for imports.

Last season more than 2 million tons had to be imported at a cost of more than R1,2 billion.

Oilseed farmers have also had a great season, Oilseed Board GM Simon Streicher says. They have earned a total of R960 million.

The sun flower crop amounted to 690 000 tons (last year 450 000), soya

Infected cattle still coming to SA from Namibia, Botswana

(3) Louise Cook

BD 26/8/76

PRETORIA — Cattle that may be carrying a highly contagious disease are still being allowed to roam into SA, government officials said at the weekend.

The agriculture department said members of the SAPS stock theft unit had been in Namibia for the past week investigating methods to tighten border controls, following the outbreak of the bovine lung disease.

But a long-standing agreement which allows Namibian animals to graze or go to feedlots in SA remains in place, pending a top level meeting in Windhoek tomorrow.

Animal health department director Emily Mogajane said the system could not be controlled and a new permit system was needed.

So far there had been no reported cases of the disease in SA, but SA has not inoculated cattle against the disease for more than 70 years.

Southern African ministers decided last week to destroy about 200 000 cattle infected with the disease in Namibia, Botswana and Tanzania.

Land and Agricultural Minister Derek Hanekom and department officials are to meet Namibian officials tomorrow to review the grazing agreement. A meeting with Botswana officials is also to be scheduled. SA has no grazing agreement with Botswana.

AGRICULTURE

(3)

FOOD FOR THOUGHT

FM 20/8/96

China's recent switch from net food exporter to importer should open fast-growing markets for SA farmers, according to Standard Bank's *AgriReview*. It will give local farmers the opportunity to export to other Asian nations, previously supplied by China.

The newsletter cautions that the new markets depend on the ability of local farmers to produce grain efficiently over time. China, adds *AgriReview*, is one of the main driving forces in global agriculture. With a population of over 1,2bn people, the majority has risen above subsistence level, consuming more sophisticated foods.

The country's urbanised population — now over 300m and expected to double by 2010 — is switching from a former menu of gruel, plain rice and bread to more animal products like meat, fish, eggs and butter, as well as more vegetables and edible oils. Basic feed grains are being used as animal feeds.

Some of the Chinese food commodity markets where opportunities are opening include feed grains. Chinese pork

consumption has grown by 11 Mt over the past five years, with a pig population of 415m (SA 2m). And, with a feed conversion ratio for a kilogram of pork at 8,8 kg-11 kg of grain-based hog feed, demand for maize, soya bean and barley is growing fast.

Total meat consumption in China is expanding by an annual 10% — or 4 Mt — a year — with feed consumption expected to bulge by 15% a year. Demand for poultry has more than doubled in five years and beef consumption has nearly trebled.

Underlining the growth potential of the Oriental feed grain market, China has, over the past two years, swung from a net exporter of grain to importing at least 16 Mt in 1995. The "significant impact" this has on the global commodity market is clear as 1995 wheat imports of 12 Mt are expected to grow by 50%-100% over the next five to 10 years. China swung from exporting 12 Mt of maize three years ago to importing 4 Mt last year — a 16 Mt swing.

"The US Department of Agriculture estimates that China's consumption of maize, more than 80% of which goes into animal feed, expanded by 10 Mt in 1995 to 105 Mt," says *AgriReview*. ■

It may be noted as well that as proposed in the Green Paper on Employment Standards it is our intention to extend the coverage of wage determinations in the unorganised sectors to include domestics and agricultural workers.

Finally, it should be noted that the above comments relate primarily to the formal sector of the labour market and the government has very little influence on how wages are determined in the informal sector of the economy.

- (2) I have appointed a task team to review the recommendations of the Comprehensive Labour Market Commission including the aspects of wages determination in both the organised and unorganised sectors and our position on these matters will be announced in due course.

State-to-state oil deals

*28. Mr A H NEL asked the Minister of Mineral and Energy Affairs:

What is his or his Department's policy on state-to-state oil deals? N1578E

The MINISTER OF MINERAL AND ENERGY AFFAIRS:

The policy is that South Africa will engage in any oil deal which will secure the optimum benefit for the country, either by means of an outright cash for oil deal or, where so negotiated, other suitable beneficial counter-performance.

SABC: investigation into alleged corruption

*29. Mr J J DOWRY asked the Minister for Posts, Telecommunications and Broadcasting:†

- (1) Whether the SABC is currently undertaking an investigation into alleged corruption among any of its employees; if so, (a) when will the report be published and (b) what will be the costs involved;
- (2) whether he will make a statement on the matter?

N1580E

The MINISTER FOR POSTS, TELECOMMUNICATIONS AND BROADCASTING:

The Chairman of the SABC has informed me as follows:

- (1) Yes. The Group Executive Officer of the SABC ordered an investigation into allegations of corruption in mid-July 1996. He has also issued a public call for information to assist with the investigation.

(a) The investigation is being undertaken by the Corporation's Internal Auditor. The Auditor will report to the Group Chief Executive at the end of September 1996.

(b) There is no special budget allocated to this exercise as it is undertaken by the Internal Auditor.

- (2) No statement will be made on the matter.

Loans for affordable housing

*30. Mr M G MASHER asked the Minister of Housing:†

(1) How many loans for affordable housing have been made available as a result of the agreement of understanding between banks, the State and the South African National Civics Organisation;

(2) whether the agreement of understanding is still in existence; if not, why not; if so, what are the relevant details;

(3) whether he will make a statement on the matter?

N1581E

The MINISTER OF HOUSING:

- (1) The agreement is the Record of Understanding which has only two signatories viz. the Department of Housing (representing the South African Government) and the Association of Mortgage Lenders.

The total number of loans granted nationally in the affordable housing market from June 1995 to July 1996 amounted to 56 171 loans, with a total value of approximately R3,8 billion. Of these 26 298 loans were granted in the government-subsidised market by financial institutions accredited with the Mortgage Indemnity Fund (Pty) Ltd. The number of subsidised affordable housing market loans approved nationally, averaged 2 004 per month over the period March 1996 to June 1996 and when statistics for new lending in July

1996 are compared with the national monthly average, lending rose by 136%, 4 734 loans in July 1996 versus the average of 2 004.

- (2) and (3) Yes, the Record of Understanding in so far as it concerns new lending, is administered by the Mortgage Indemnity Fund (Pty) Ltd on an ongoing basis.

The agreement makes provision for the annual review of lending targets. Negotiations in this regard are in progress.

Taxi industry: legislation/registration

*31. Mr J S A MAVUSO asked the Minister of Transport:†

(1) Whether his Department is considering the legalisation and registration of persons in the taxi industry; if so, what are the relevant details;

(2) whether legally registered members of taxi organisations will be able to claim government aid; if not, what is the position in this regard; if so, what are the relevant details;

(3) whether he will make a statement on the matter?

N1582E

The MINISTER OF TRANSPORT:

- (1) All minibus-taxi owners have to legalise their operations and minibus-taxi associations and their members will be encouraged to register.

All members previously conducting illegal operations who now comply with the set criteria will have the opportunity to legalise their operations in terms of the special legalisation procedure. If applications for legalisation do not comply with the criteria, members have to apply to the Local Road Transportation Board in terms of the normal application procedure as described in the Act.

According to the registration procedure, minibus-taxi associations have to submit applications for registration on prescribed forms to the Provincial Registrar. These forms will contain information on the association itself, on the legal and illegal members as well as the association's constitution. Both the Provincial Registrar and Provincial Taxi Office will assist the indus-

try in the registration process. Individual operators not being members of taxi associations will also be permitted to register.

- (2) Government is proposing various means of assistance to the minibus-taxi industry, which include training, assistance with the establishment of taxi co-operatives and taxi fuel retail installations, as well as the establishment of financial and insurance guarantee schemes. Only legal operators who are members of registered associations will be considered for assistance.

- (3) Issues regarding legalisation, registration and economic assistance were discussed during a press conference held on 6 August 1996. If necessary, another press conference may be held.

Permits to fishermen from Japan/Taiwan

*32. Mr C A WYNGAARD asked the Minister of Environmental Affairs and Tourism:†

(1) Whether his Department has granted permits to any fishermen from (a) Japan and/or (b) Taiwan; if so, for what reasons;

(2) whether he will make a statement on the matter?

(3) FISHING N1583E

The MINISTER OF ENVIRONMENTAL AFFAIRS AND TOURISM:

- (1) No, the Minister grants permits.

(a) 34.

(b) 30.

The permits are valid only for 1996 and the officials concerned are warned that there is no guarantee that further permits will be issued.

The reasons are as follows:

The Bilateral Agreements in terms of which the permits are issued have been in place since the mid-seventies. These agreements cannot be terminated overnight as it is customary in international relationships to discuss significant changes in agreements with treaty partners and if certain arrangements are changed, to allow for a suitable phasing out period. The Committee that investigated the future fisheries policy for South Africa

recommended that foreign fishing vessels be allowed access to our sea resources by means of joint ventures. The possibility of future collaboration on such a basis is therefore not ruled out. Under the circumstances the immediate termination of existing bilateral agreements could lead to complete withdrawal and the loss of future opportunities for co-operation on the basis of joint ventures. I intend to raise the issue of the continued presence of foreign fishing vessels in our waters for final decision in Cabinet later this year.

(2) No.

RDP's financial affairs: investigation

*33. Dr T G ALANT asked the Minister of Finance:†

- (1) Whether his Department intends launching an investigation into the financial affairs of the Reconstruction and Development Programme; if so, (a) or what reasons and (b) when will this investigation be done;
- (2) whether he will make a statement on the matter?

N1584E

The MINISTER OF FINANCE:

- (1) No.
(a) and (b) Fall away.
- (2) Falls away.

Strikes in platinum industry

*34. Mr C J VAN R BOTHA asked the Minister of Labour:†

- (1) Whether his Department has information on the reasons that led to strikes in the platinum industry during the period 1 March 1995 to 31 July 1996; if so, (a) what were the reasons and (b) what was the total loss suffered by the industry as a result of these strikes;
- (2) whether he will make a statement on the matter?

N1585E

The MINISTER OF LABOUR:

- (1) Yes. The Department has information available that indicates that:

(a) the reasons for strikes centred around demands made by workers around the following issues:

- (1) wage increases;
- (2) refund of contributions to Provident Funds and Benefit Funds;
- (3) refund of contributions to PAYE, UIF, Death Benefit Schemes and Pensions;
- (4) changes to shift schedule; and
- (5) acceleration of negotiations with the Chamber of Mines;

(b) The total loss of man-hours by the Industry amounted to 2 591 673.

(2) The workers lost R28 936 907 in wages. The number involved in those strikes was 68 103.

Kirkwood Prison: pot of poisoned porridge

*35. Rev M M PHENETHI asked the Minister of Correctional Services:†

- (1) Whether a pot of poisoned porridge was recently found at the Kirkwood Prison; if so, (a) who was responsible for it and (b) what steps is his Department going to take to prevent a recurrence of such an incident;
- (2) whether he will make a statement on the matter?

N1586E

The MINISTER OF CORRECTIONAL SERVICES:

- (1) Yes, a pot of poisoned porridge was found in the kitchen of the General J C Steyn prison on 24 July 1996.
 - (a) It is not known who was responsible for the contamination. The porridge was contaminated with the poison DIASINON which is an insecticide. The result of the South African Police Service investigation is still being awaited.
 - (b) The Head of the prison visits the prison kitchen before each meal. A trial plate of food is tested by the Chief caterer (member) in charge of the kitchen, before being served. The preparation and serving of the food

occurs under the direct supervision of the catering personnel. Depending on the findings of the South African Police Service investigation, further precautionary measures will be considered if deemed necessary.

(2) No.

Resignations of SAA fighter pilots

*36. Mr N J GOGOTYA asked the Minister of Defence:†

- (1) (a) How many fighter pilots resigned from the South African Air Force during the period 1 January 1995 to 30 June 1996 and (b) what reasons were given for such resignations;
- (2) whether he will make a statement on the matter?

N1587E

The MINISTER OF DEFENCE:

- (1) (a) During 1995 and the first six months of 1996 a total of 42 fighter pilots left the SA Air Force. Of these 32 resigned, 7 retired and 3 left upon completion of their flying contracts.
 - (b) 41 of those who resigned stated better career/salary prospects outside the Air Force as being the main reason for their resignation.
- (2) Although the hon member only enquired about fighter pilots, the picture is much darker if all pilots are taken into consideration.

During the same 18 month period a total of 148 pilots left the Air Force. Of these 106 were due to resignations with 104 having given better career/salary prospects outside the Air Force as their main reason for resigning.

Remedial actions have been taken by the State, namely.

- (a) A new and more beneficial medium term system was implemented end of 1995.
- (b) A salary increase was implemented on 1 July of this year.
- (c) An increase in the occupational allowance was also implemented on 1 July.

(d) A danger and a special danger allowance was also implemented on 1 July.

Hopefully this will stem the tide of resignations, however, as long as Air Force salaries are not market related, pilots will continue be attracted to the more lucrative career prospects outside the Air Force.

Tender procedure: investigation

*37. Mr T D LEE asked the Minister of Education:†

- (1) Whether the Auditor-General is currently investigating alleged irregularities with regard to a tender procedure that was followed in his Department; if so, (a) when did the alleged irregularities occur and (b) what alleged irregularities occurred;
- (2) whether he will make a statement on the matter?

N1588E

The MINISTER OF EDUCATION:

- (1) Yes.
 - (a) 29-30 July 1996.
 - (b) State Tender Board prescriptions were not adhered to strictly.
- (2) Yes, once the investigation has been completed.

*38. Mr J T ALBERTYN—Public Enterprises.†
[Question standing over.]

MMF: White Paper withdrawn

*39. Mr G M E CARELSE asked the Minister of Transport:†

- (1) Whether the White Paper on the changes to the Multilateral Motor Vehicle Accident Fund has been withdrawn; if so, why;
- (2) whether he will make a statement on the matter?

N1590E

The MINISTER OF TRANSPORT:

- (1) The Draft White Paper on the Multilateral Motor Vehicle Accidents Fund (MMF) has not been withdrawn.
- (2) Further discussions with all the role-players will take place at a specially convened

Gauteng water levy to help fund construction of Highlands project

Edward West

THE R4bn construction of Phase 1B of the Lesotho Highlands Water Project would be funded mainly by Gauteng water levies, water and forestry affairs international managing engineer Willie Croucamp said yesterday.

While Phase 1B would have a foreign funding component, proceeds from the sale of water would finance most of the construction. A new levy structure was being negotiated, he said.

Debt servicing for Phase 1A — for

(3) BD 3/9/96
which R9,8bn had been raised to cover expected costs at the end of construction in March next year — would be “topped up” with funding from the capital market. Water levies were being used to fund Phase 1A, Croucamp said.

Rand Water Board said yesterday that levies payable in Gauteng for the project would increase to 35c/kl from 22c/kl excluding VAT on October 1.

Croucamp said between 20% and 40% of Phase 1B was expected to be funded by foreign institutions, while 60% to 80% would be raised within the Common

Monetary Area from a portfolio of SA banks, capital markets and via revenue from Gauteng ratepayers.

The World Bank threatened last week to withhold money for Phase 1B unless villagers affected by the building of the Katse Dam were adequately compensated. Croucamp said the Bank would probably be approached to fund about 5% of the \$110m required for Phase 1B. Should the Bank decline, other sources of funding would be found.

Croucamp said the cost of Phase 1B was expected to escalate to R6,5bn on

completion in 2003. Water demand statistics showed that another water development would have to be added to the Vaal River system by 2006, and water conservation measures could extend this period by two to three years.

A decision was possible next year on the go-ahead of Phase 2 of the Lesotho project, depending on the completion of the Orange River Replanning Study. The study would investigate water needs from the Orange River and how to strike a balance between human demands and those of the environment, he said.

Small-scale farming to get a cash boost

(3) ET(22) 319/96

By Nancy Myburgh

MARKETS EDITOR

Johannesburg — NewFarmers Development, a private agricultural investment company, said yesterday it would raise R40 million in a private share placing which would be invested mainly in emergent farmers.

Hannes le Roux, the managing director of NewFarmers, said with the addition of R5 million from insurer Old Mutual last Friday, the company had secured 45 percent of the R40 million target by yesterday. Other major investors include Absa, Sanlam, Unifruco, Outspan and KWV, NewFarmers said.

Negotiations were also in progress with international development institutions, including an affiliate of the French Development Bank, the Commonwealth Development Corporation and the Netherlands Development Finance Company, for an additional placement of R25 million later this year.

NewFarmers, which was started in 1993 and is based in Durbanville in the Western Cape, has until now maintained equity of R10 million.

"NewFarmers will only invest in agricultural sectors

that are highly profitable. Initially the focus will be on deciduous fruit, citrus, subtropical fruit, wine, vegetables and flowers. Farmworker equity schemes and the settlement of independent farmers within the context of a main farm and 'satellite' farms will be our initial focus," Le Roux said.

A satellite farm system would work similarly to a franchise operation in the retail business. Certain rules established by a main farm would govern its satellites, but the satellite farmowners would make independent management decisions and bear financial risk.

NewFarmers expected that many of its projects would involve the government's existing once-off "settlement" subsidy system, announced at the end of January this year, Le Roux said.

Certain farmworkers may apply for a once-off grant of R15 000 to help improve their security of tenure over land on which they had traditionally worked. Workers pooling their grants to attain a stake in a farm or satellite farm operation would be in the running as investment candidates for NewFarmers, according to Le Roux.

Farmers threaten lay-offs

BD 5/9/96
(3) (4)
Louise Cook

PRETORIA — Farmers intensified their fight against labour and land reform policies yesterday, threatening large-scale lay-offs, mechanisation to replace workers and tax boycotts. They called for a united farming and non-farming front to fight "ominous" property rights legislation proposals.

At the Transvaal Agricultural Union's (TAU's) annual congress, speakers hit out at the Interim Protection of Informal Land Rights Act, saying the new law was the first of many that would "crush the SA property market and unhinge the economy".

TAU manpower chairman Laurie Bosman said the legislation, which was passed in June this year, would affect mining and other sectors that provided worker accommodation, including individual black and white households in the suburbs.

"The Act effectively makes it impossible to sell a house without

the consent of a live-in domestic worker, or to sell a farm without the consent of the farm worker. Instead of having two parties — a buyer and seller — party to the sale, it now becomes three. Where mineral rights are registered, it becomes four," he said.

The union adopted a resolution to hold urgent talks with non-farming sectors to clear the way for possible court action challenging the legislation. TAU president Dries Bruwer said parts of SA had become ungovernable and economic collapse was inevitable unless crime was controlled.

Congress also considered the introduction of tax boycotts, instructing the general council to probe "all possible methods to negotiate and act".

TAU members from Gauteng, Mpumalanga and the Northern Province accused Agriculture and Land Minister Derek Hanekom of destabilising the region, creating "poverty traps" and "crime nests" through a lack of proper planning.

Corruption 'threatens better water supplies'

CT (PR) 6/9/96
By James Lamont

INDUSTRIAL EDITOR

Johannesburg — Corruption could undermine the partnerships that the South African government wants to forge between public utilities and foreign private water companies to improve the local supply of water, Mike Muller, the deputy director general of water affairs, has warned.

"It is all too easy for partnerships to degenerate into relationships of patronage and worse," Muller said this week. South Africa was at a delicate stage in its progress towards local democracy and was trying to overcome a vast wealth disparity and crime, he said. Kader Asmal, the water affairs and forestry minister, is expected to release guidelines on the participation of private water companies in the management of local water supplies next month. Local authorities will be able to contract private companies to run their water supply operations, within a new regulatory framework.

Addressing a French water industry forum at the Afri-Water '96 exhibition in Midrand, Muller said his department was concerned about opposition in Europe to the introduction of measures to prevent companies from bribing government authorities in the developing

world for the reward of public contracts.

"We understand that some countries insist not only that their companies should have the right to make payments to have foreign contracts awarded to them, but that such payments should be tax deductible," he said.

"In some European countries, there is even a sliding scale whereby the percentage deduction is set according to how corrupt a country is perceived to be."

Muller said water services in South Africa wanted to remain "an island of integrity" and that his department wanted water to be a leading sector in the development of local government.

He said the government did not want partnerships with foreign private companies to erode local skills, which were mainly in the public sector.

"Our water industry is relatively well developed. Where we have this kind of leadership we want to maintain and develop it. We are not inviting foreign industry to undermine our existing capabilities," he said.



Mike Muller
warns of bribery

Frontier Wars return to valley of the thieves

By STEUART WRIGHT

CATHCART farmer Nigel McMaster stood grim faced as a truck carried away the last of his beloved sheep this week, ending more than a century of family tradition.

The chain-smoking settler descendent has lost a three-year battle against brazen stock thieves who have stolen about 600 of his animals worth R60 000.

"It is history repeating himself. My great-great grandfather had all his sheep driven off his farm in the Frontier Wars. He retired a broken man," McMaster said.

Although the dry grassy hills around Cathcart are ideal for breeding the wool and mutton Dohne Merino sheep, McMaster is the fourth farmer on the outskirts of the Eastern Cape town to abandon sheep farming since 1994. At least five others have reduced their flocks to sizes easier to protect from thieves.

"I had great faith I would be able to control this. I am a sheep man. I love wool. I held on as long as I could until I realised that if I didn't sell, I would have nothing to sell," McMaster said.

He has always suffered losses to thieves who slaughtered and carted off single carcasses to feed their families.

But when the ANC came to power it was as if someone flicked a switch, he said.

"I started finding the skins and offal of six or seven slaughtered sheep at a time. Then they felt it was easier to chase the sheep, so they didn't have to carry them. They started cutting fences and driving 250 sheep at a time.

"I would find my sheep scattered all over the place between here and town."

The tracks and cut fences inevitably lead to Cathcart's Daliwe township but police say they cannot search homes there without war-

ants, which are impossible to obtain without the sworn statement of a witness.

Because witnesses refuse to come forward, thieves are ruining the livelihoods of farmers in an ever-increasing radius around the town.

Peter Brown's Ellington Farm is the closest to town and acted as a buffer to McMaster's until Brown abandoned sheep farming three years ago.

Now that McMaster has done the same, he is certain the thieves will target the next farmer. He said they were being forced to farm cattle, which were less suited to the land but more difficult to herd and steal.

"Our farms have become valueless. That is what stocktheft has done," he said.

Brown is the chairman of the Border-Kei Stocktheft Association which has had little success in pressuring the government or police into combating the crime.

"Theft has become business. They are not stealing for their own consumption. They are stealing to sell the meat commercially," he said.

Police have identified 37 stocktheft syndicates in the Eastern Cape which have contributed to a drop in sheep numbers of as much as 33 percent over five years in some districts.

Captain Cor Oosthuizen, who heads the Queenstown-based stocktheft unit, which responds to cases in surrounding districts, admitted they had had little success.

"In the past thieves said to everybody they had meat to sell. Everybody heard about it and informers told us but now stock is stolen on order."

While thieves run rings around police, farmers are getting more and more desperate.

McMaster said: "Our farms have become valueless. Nobody wants to take on the responsibility. That is what stocktheft has done.

"If cattle don't succeed we have nothing else to try."



DEFEATED . . . Cathcart farmer Nigel McMaster has given up the last of his sheep

Free State farmers, local government reach levy settlement

Louise Cook

FREE State farmers and the provincial government at the weekend negotiated a settlement which averted a threatened levy boycott by 6 500 farmers in the province, but Eastern Cape authorities could take legal action against farmers over a similar boycott.

(3) BD 9/9/96
The Free State Agricultural Union in June directed members to pay levies into anti-crime trust funds, established "to secure tangible results" from the provincial government in fighting crime.

On Friday the union and the Free State councils met and agreed that while the farmers would continue to pay levies to local authorities, the councils would

allocate a substantial portion of the budget to fighting crime.

In the Eastern Cape the Algoa council last month told farmers they would be taken to court for not paying levies.

About 3 000 members of the East Cape Agricultural Union had been locked in a levy dispute over representation in various councils since November last year.

Call for land debts policy

THE Northern Province legislature's standing committee on public accounts yesterday called for the drafting of a clear policy in respect of land debts in the province.

The request was directed to provincial director-general John Malatji during the committee's public hearing in Giyani on former homeland expenditure.

The public hearing is being held in response to recent queries raised

by the auditor-general.

Malatji told the committee that more than 5 000ha of state land was leased to over 100 small farmers by the Gazankulu homeland government, in cooperation with local chiefs.

Complicated Issue

The total debt in respect of the land amounted to R722 000, he said.

Committee chairman Manie Kriel expressed concern about the slow

rate at which these debts were being repaid.

The committee agreed to give Malatji six months in which to investigate the homeland scheme, and to come up with a clear policy for its future administration.

Malatji pointed out that the issue had been complicated by the fact that the provincial government still did not have any legal right to the land involved.

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Bill a boost for small farmers

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CAPE TOWN — Parliament yesterday signalled the end of single-channel agriculture marketing — which had long been the backbone of white commercial domination of the industry.

“The days of single-channel marketing, fixed prices and control board domination are over,” Agriculture Minister Derek Hanekom told the National Assembly.

“For too long, the statutory marginalisation of marketing opportunities for small farmers was allowed to exist.

“The legislation before you will finally bring an end to this untenable situation,” he said.

The Marketing of Agricultural Products Bill won unanimous support, although several parties did express their reservations about some of the provisions or about the ANC's reluctance to consider amendments.

“We support this Bill, but with great reservations and concern,” said NP farming spokesman Isak van Zyl.

The Bill, likely to be effected next year, sets a 13-month timetable for dismantling of remaining control boards, and provides for a national agricultural marketing council to advise the minister. — Reuter.

After 'massacre' reports, new crisis looms for Lesotho project

3

There are fears that the Lesotho Highlands Water Project which is to supply water to Gauteng is in danger of being delayed if not suspended indefinitely.

Tensions are mounting in the Lesotho mountains around Butha-Buthe after five men working on the project were killed and 13 wounded when police opened fire on them on Saturday while they were on strike.

There are conflicting reports about the number killed, some claiming that bodies are still being recovered from rivers and dams since the clash between striking workers and police.

Eyewitnesses claim some strikers fell into the river while trying to escape the shooting.

The project is designed to draw water from the mountain kingdom to Gauteng by 1998. Its other crisis arises from Water Affairs Minister Kader Asmal recalling his permanent delegate to the project after Hans Pettenburger made "unwarranted" statements about Phase 2.

Asmal is reported to be "angry", but no details of that likely crisis are available so far. Concerning the strike, Asmal says he has written to Lesotho's minister of natural resources offering help and it was now up to the minister to respond.

He said the violent incidents would not deter the resolve of the two countries to complete phase 1 of the project on schedule.

The department's spokesman for international projects, George van der Merwe, said reports of a massacre were "devoid of truth".

Last Saturday's shooting at Butha-Buthe, 160km from Maseru, followed the dismissal of 2 000 workers of the Muela Hydro-power Contractors and the Lesotho Highlands Project Contractors who had been on strike at intervals since May. The workers claim they had gathered at the work site to collect their last payment when police opened fire.

Major Molefi Kholokholo, commander of the Butha-Buthe police, said, however, the police were attacked by the dismissed workers after receiving a court order to "remove" the workers if they failed to vacate the premises.

About 600 workers were still holed up at a Catholic mission in Butha-Buthe last night, saying they were too scared to go back home for fear of police reprisals.

"The workers have been here since Saturday," said Father Constantine, head of the mission. - Staff Reporters and Sapa.

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Star 20/9/96

No end in sight for Lesotho crisis

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Project hit a snag last week when 2 500 workers downed tools

By Mzimkulu Malunga

WORK ON THE multibillion rand Lesotho Highlands Water Project could be delayed by up to one month.

Groups close to the project say despite utterances by LHPC management that work will resume soon on the project, there appears to be no end in sight for the crisis.

The project was hit by a crisis last week when 2 500 Basotho workers on the water transfer tunnel and the hydropower projects in northeastern Lesotho downed tools.

Matters came to a head over the weekend when police killed four workers as they evicted the strikers from the premises where the workers were staying. The complex is owned by Lesotho Highlands Project Contractors (LHPC) - a group of five construction companies, one of them South Africa's LTA, contracted to implement the water project.

There is even talk of a national protest action organised by trade unions and non-governmental organisations, in protest against Lesotho police's "excessive use of force". Unions and NGOs in Lesotho have formed a crisis committee to monitor the project situation.

Also, the number of people at the St Paul Catholic mission, where the workers had sought refuge from police harassment since the weekend, is said to have increased from 600 to 1000.

Workers are still demanding guarantees of safety from police harassment before any strides to solve the crisis and have work resume.

It is not clear what steps the LHPC is going to take after the workers failed to meet its ultimatum to collect their wages and service termination pays. The company had set Wednesday as deadline for the workers to collect their wages.

By yesterday afternoon, LHPC's management was still locked in a meeting in Maseru.

The labour crisis has hit the Lesotho water project at the time when the project had reached a crucial stage.

Stoppage of work on the tunnel that will ensure that water finally reaches South Africa, has not only raised the stakes for the South African government which is impatient for the com-



Sehoai Santho says lack of proper negotiation channels sparked the industrial action in the Highlands Water Project.

pletion of the project but also has the potential to nullify the rest of the project.

The tunnel is supposed to transfer water from the Katse Dam into the Namahadi River in the Free State which feeds into the Vaal River system.

Recognition agreements

Sehoai Santho, a lecturer at the National University of Lesotho and a representative of the NGO-trade union crisis committee says the crisis could not have happened had the LHPC management not undermined negotiating structures which had initially been set up by the Construction and Allied Workers Union of Lesotho (Cawule).

Apparently, the LHPC's management took advantage of the weakening of Cawule's structures when its general secretary Justice Tsukudu went to school in 1994-95 and reneged on recognition agreements and the unions disappeared.

"But that strategy has now back-

fired because now you have 2 500 striking workers who are not organised," he argues.

In areas of the highlands project where workers are organised, the problems that are stalling the implementation of this R4 billion project have not resulted in disruptions of work and shootings.

Another problem is a complaint of racism where Basotho workers allege that expatriates are treated better than them.

Santho also blames Lesotho's ministry of labour of "failing to exercise its responsibility" and anticipate the potential crisis.

At no point in the five-month-old dispute between the workers and the LHPC has the ministry tried to intervene or mediate to address the problem.

In the meantime work has stopped at the crucial stage and the costs for South Africa in attempts to bring water to its industrial heartland are escalating by the day.

Lesotho remains tense in wake of killings

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Maseru - Lesotho remained tense yesterday following the discovery of the bodies of two more strikers from Muela Hydropower Contractors and Lesotho Highlands Project Contractors, killed by police in the Butha-Buthe area a week ago.

The official death toll now stands at five, with 13 injured. Workers' committee member Halibone Peete said the committee believed 10 strikers had been killed.

The two bodies found on Thursday were discovered in a dam near the campsite where police opened fire.

The Lesotho Council of Non-Governmental Organisations on Wednesday accused police of removing corpses from mortuaries. It was alleged that the

bodies were dumped in the dam, 160km from Maseru.

Earlier this week the Construction and Allied Workers' Union demanded that police be brought to justice. It said workers had a right to strike, and that the illegality of any strike could not justify killings or assault.

The contractors fired 2 000 employees after a strike last week. The strikers were demanding non-discriminatory working conditions and benefits.

The shootings occurred as the Lesotho Highlands Development Authority was preparing to celebrate the 10th anniversary of the signing of a treaty between Lesotho and South Africa on the sale of water to South Africa. - Sapa-DPA

Agricultural Union contests Act in court (3)

Susan Russell

BD 23/9/96

THE Transvaal Agricultural Union has gone to the Constitutional Court in a bid to overturn sections of the Restitution of Land Rights Act which it says infringes member's property rights.

The Act was challenged on a number of grounds including the allegation that it prevented the owners of disputed land from exercising their right to freedom of economic activity.

Among the provisions challenged by the union is a section which requires the Land Rights Commissioner to publish land claims in the Government Gazette and ensure these are also publicised in the area where the property is situated.

Once a land dispute has been publicised and gazetted the farmer or owner may not evict anyone from the property, nor remove, destroy or damage improvements.

The union contends that this is an infringement of its members' property rights and their constitutional right to freely engage in economic activity.

Opposing the union application, Land Affairs Minister Derek Hanekom disputed that the provisions infringed the constitution, but if the court found that they did then they were a "reasonable and justifiable" limitation as envisaged by section 33 (1) of the constitution.

The court has reserved judgment.

Guidelines for private water services released

Robyn Chalmers

THE water affairs and forestry department will issue guidelines this week for greater private-sector involvement in water services provision.

Department deputy director-general Mike Muller said some local governments were considering handing responsibility for the management and development of water services to a private contractor for lengthy periods.

This was typically 20 to 30 years under contracts for delegated management, concessional operation or full privatisation.

The guidelines were being issued to local authorities and provincial governments to ensure private-sector capacities were used in a way that achieved government's goals. These included lower tariffs, expanding services and facilitating access to finance for the expansion of services.

"We want to make sure that lo-

cal authorities, some of which have little experience of contracts of this nature, are properly equipped when entering into negotiations," he said.

Three criteria to govern private-sector involvement in water services have been identified. The first was competition, with international experience showing that competitive bidding was essential to reap the full benefits of private-sector involvement.

The second was transparency,

with consumers and workers to be kept up to date with events to avoid unnecessary conflict between labour and management. The third was coverage as it was important to ensure that poorer and problem areas were included with more attractive regions.

The guidelines were an interim measure, as a government-led task team was developing draft legislation for the water services which would provide a framework for private-sector involvement.

One regulation being considered was that all water service providers produced a development and operational plan for the services to ensure their approach met the basic goals of public policy.

Muller said that it was impossible to estimate the extent of possible private-sector involvement in water and sanitation services provision as it would depend on the decisions of individual local authorities.

This follows comments from

Umgeni Water former CE Graham Atkinson, who last week said the privatisation of water facilities would spell disaster for the more than 11-million South Africans who did not have more than a rudimentary access to water. "Water supply predators from European corporate jungles have been stalking the South American continent and parts of Asia for years. They have now set their sights on SA, where they see rich pickings," he said.

(3) (3) (3) BD 23/9/96

Water project official stands by his statement

BD 23/9/96 (3)

Lukanyo Mnyanda

A DEFIANT Hans Pettenburger, SA's permanent delegate to the Lesotho Highlands Water Project, has said he stands by his statements on the possibility of SA proceeding with the R10bn second phase.

He declined at the weekend to comment further until he had discussed the issue with Water Affairs Minister Kader Asmal whom he is scheduled to meet today. Asmal recalled Pettenburger for "urgent discussions" on his comments reported in Business Day and Business Report.

Pettenburger said he had no problem with the reports of his statement, and that the project's future would depend on stability and other factors under investigation by the department.

Water and Environmental Affairs deputy director-general Paul Roberts said Pettenburger's statements were his personal opinion. Government was investigating other possibilities and a final report would be available only towards the middle of next year.

"The issue is still wide open," he said. It was difficult to comment on Pettenburger's reported comments as he did not know "exactly what he said".

Roberts expressed concern about the conflict in which at least five workers were killed. "We are extremely sympathetic, with the loss of life, injury and loss of time, and we are keen to rectify the situation as soon as possible," he said. However, the labour instability would not have a bearing on a final decision on the project's future.

LTA — one of the SA contractors working on the project — said it was concerned with developments in Lesotho but declined further comment. MD Colin Campbell said the group was "only a 20% partner" in a joint venture.

Meanwhile, two Lesotho opposition parties have called on President Nelson Mandela, the World Bank, EU and Lesotho government to ensure the suspension of officials implicated in striking workers' deaths. The Basotho National Party and the Maremotlou Freedom Party also called for a commission of inquiry into the incident.

Iranian agricultural deals denied

By James Lamont

(3) INDUSTRIAL EDITOR

Johannesburg — South African agricultural bodies said on Friday that they had no knowledge of negotiated deals worth \$100 million for the import of South African agricultural products, claimed by the visiting Iranian delegation earlier this month.

Yehyha Aleishaq, the Iranian trade minister, said during an official visit earlier this month that the Iranian commercial delegation, which accompanied President Akbar Hashemi Rafsanjani, had signed new deals with private companies for sugar and maize imports to the tune of \$100 million as part of a drive to redress the trade balance which is currently in Iran's favour.

South Africa has also denied claims by Iranian state media that President Nelson Mandela had endorsed its human rights record during the visit.

The Maize Board and the South African Sugar Association, through

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which export deals to Iran would have to pass, denied any knowledge of the new contracts.

Poena Fourie, the deputy general manager of the Maize Board, said he did not know of any new maize export contracts with Iran. He said a contract had been agreed earlier this year to export 400 000 tons to Iran and that "two or three" shipments were leaving each month.

A spokesman for the sugar association, which administers sugar exports from South Africa, said it had no contact with the delegation.

"On the sugar side, they would have to deal with us, and we did not have any contact with the Iranian delegation while they were in South Africa," he said. "There is no big deal. We are certainly not involved in anything like that."

He said a cargo of sugar had left for Iran about month ago, but that was all. The Iranian desk at the department of trade and industry was also unable to confirm the minister's remarks.

South Africa depends on Iran for 65 percent of its 450 000 barrels-a-day crude requirements, for which it pays R5 billion yearly. Iran imported R146 million worth of South African goods last year.

Though the trade balance is heavily in Iran's favour and more diverse trade has not grown from the long-standing oil supply relationship, both countries are now seeking to redress the imbalance.

Iran is reportedly also interested in importing aluminium, paper pulp and mining technology.

Aleishaq said many trade opportunities existed between the two countries, including industrial joint ventures. He said he was not worried by South Africa's decision to diversify its oil supplies away from a heavy dependence on Iran.

Aziz Pahad, the deputy minister of foreign affairs, said the South African government was opposed to US extra-territorial legislation that would restrict companies trading and investing in Iran and Libya.

Controversy rages over phase two of Lesotho water project

Bonile Ngqiyaza

THE Southern African Rivers Association (Sara) has come out against the proposed Mohale Dam being built on the Singunyane River in Lesotho's Maluti Mountains, suggesting the area be declared a heritage site instead.

The organisation represents the river tourism industry and professional river guides of southern Africa.

It said the project — which forms the second phase of the Lesotho Highlands Water Project — was likely to be detrimental to Lesotho's rural communities.

"The valley of the Singunyane River, lying below the proposed Mohale Dam site, is one of the few pristine sandstone gorges left anywhere in the subcontinent. Build-

ing the dam upstream would destroy this wilderness area forever," Sara executive member Graeme Addison said.

He recommended that the whole project be rethought before further blunders were committed. "There is no good reason why SA's democratic government should carry the responsibility for deals negotiated during the apartheid past."

Recently, Sara said, the World Bank — acting on advice from numerous non-governmental organisations, including the International Rivers Network — warned both SA and Lesotho that they had failed to make good their promises to villagers.

The promises, made before dam building started, included providing alternative livelihoods and compensating the villagers for the loss of their heritage.

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The next phase of the project would not go ahead with World Bank funding unless all the promises made to the villagers in the past were met, the organisation said.

The first phase of the project — the building of the Katse Dam — hit the headlines earlier this year when mini earthquakes occurred, causing cracks in the mountains, as the weight of water settled into the valley of the Malibamatso River.

It was reported last week that five project workers were killed and 13 others wounded by police fire more than a week ago while they were on strike.

Sapa reports that more than 1 000 students of the National University of Lesotho toyi-toyed along Maseru's streets yesterday to protest against the killings.

A delegation led by student union pres-

ident Pitso Pitso handed a petition to the offices of the prime minister, the speaker of the national assembly and the ministers of home affairs and natural resources.

The petition urged the government to ensure that those responsible for the deaths be brought before the courts. The students also demanded that affected families be adequately compensated.

Meanwhile, Patrick Wadula reports that the project's northern delivery tunnel will be completed this month, three months ahead of schedule.

Tunnel contractors Hochtief, Marti and Concor, acting in a R385m joint venture, said the first stage of pressure tests had been completed and the final stage, the flow test, would be carried out next year once water was available from the dam.

Israeli experts will oversee agricultural training project

M&R gives poor farmers a R1m boost

(3) CT(OR) 25/9/96

By Andi Spicer

MINING AND RESOURCES EDITOR

Johannesburg — Murray & Roberts Properties has donated R1 million worth of land to disadvantaged farmers in Gauteng in a bid to stimulate sustainable agriculture.

The land in Rietfontein, south of Johannesburg, was handed over to South West Gauteng Farmers' Co-operative at a function last week attended by farmers, community members and representatives from the government and the local Jewish community, who will be partners in the project.

"We are pleased with this action, which reinforces the company's commitment to corporate social investment, and will be a starting point of a sustainable partnership that will see local farmers benefiting from first class foreign agricultural experts," said

Sean Flanagan, the managing director of Murray & Roberts Properties, Gauteng.

An agri-training centre, which will be operated by two Israeli agricultural experts, will be built on the site. The project is in partnership with Israel's Ben Gurion University of the Negev.

"The prime function of the centre will be training, demonstration and production, and it is expected to provide a blueprint for similar institutions across South Africa," the company said.

Farmers in the Rietfontein area have been attempting to establish a commercial farming venture but have been unable to secure tenure on land, the company said. Initially 500 farmers will be directly involved in the centre.

The project will centre around the Israeli Moshav agricultural system and will include irrigation schemes and poultry farming alongside other ventures.



FRUITFUL FARMING Sean Flanagan, the managing director of Murray & Roberts Properties, Gauteng, and Lewis Chauke of the South West Gauteng Farmers' Co-operative. Murray & Roberts has donated R1m worth of land to boost agriculture

PHOTO: JOHN WOODROOF

Competitive bidding essential, says Asmal

Lukanyo Mnyanda

BD 26/9/96

WATER Affairs and Forestry Minister Kader Asmal has identified competitive bidding, transparency and the need to ensure the widest coverage possible as the guidelines to be applied when deciding on private sector involvement in the provision of water services.

Releasing the guidelines yesterday —water services legislation is to be introduced in Parliament next year — Asmal said they were a matter of common sense “but common

sense based on extensive consultation and international experience”.

Competition was essential if the full benefits of private sector involvement were to be realised. No company would be awarded a contract before bidding against other qualified companies.

Transparency in the way contracts were awarded would ensure that unnecessary conflict between labour and management was avoided. “Private sector partnership in the water sector should be established in an open and transparent ef-

fort and not by stealth,” Asmal said.

Local governments had to ensure the widest coverage possible so that poorer communities also were catered for.

Sapa reports that while the guidelines did not have the force of law, if any local authority did not comply, they would be liable to explain that decision should the terms of a contract be questioned.

Asmal said that as an extreme measure, he could reconsider the permits which entitle local governments to use public water.

deprecate and, of course, something that I can only address through my department by asking my officials to ensure that they send out circulars to the effect that people must respect the public. What I mean is that employees of the department must really respect the public.

Debate concluded.

Marketing boards: wishes of nominating bodies (3)

2. Dr E A SCHOEMAN asked the Minister for Agriculture and Land Affairs:*

Whether the wishes of nominating bodies in respect of the appointment of members of marketing boards have been carried out; if so, (a) to what extent and (b) what criteria were used in cases where *primarii* nominations were not appointed; if not, (i) why not and (ii) what criteria were used in respect of the appointment of members by non-recognised nominating bodies?

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The MINISTER FOR AGRICULTURE AND LAND AFFAIRS: Madam Speaker, the answer is yes. [Laughter.] The wishes of nominating bodies were carried out, and if hon members will give me an opportunity, I will even say to what extent. All individuals appointed were nominated by one or other nominating body. Of course, not all of the bodies held the same opinions.

In answer to the question about what criteria we used in cases in which the so-called *primarii* nominations were not appointed, the answer is that the general criteria for all boards were the following. No person over the age of 68 shall be appointed as a member of a control board, no person of unsound mind shall be appointed as a member of a control board and only citizens of South Africa shall be appointed as members of a control board. [Interjections.] Yes, I heard you, Trevor. There have been people of unsound mind there before. [Interjections.] That is true! No insolvent person shall be appointed as a member of a control board, no political office bearer, as defined in section 190A of the Constitution, or a member of a provincial House of Traditional Leaders, of a Board of Traditional Leaders, of the Volkstaatsraad or of a local authority, or an official of a political party, shall be appointed as a member of a control board.

When *primarii* nominations were not appointed, I took it for granted that the nominating bodies

were confident that any of their nominations would be acceptable if appointed. I took into account not only the confidence expressed in an individual by a particular nominating body, but also the views of other affected parties. I recognised that in certain cases there may have been a strong lobby that only favoured the promotion of those who had limited interests and that had been promoted in the past by the boards. I saw it as appropriate that the new boards should have at heart the broader interests of a particular commodity sector, as opposed to the interests of a small set of individuals.

Given the requirements of the new marketing legislation, it made the most sense to appoint control board members who are interested in managing the transition and winding down the activities and affairs of the boards in an orderly fashion. I was also concerned that wherever possible the new boards should be as representative as possible. In some cases, for the purposes of representivity, we are still awaiting nominations.

I believe that for the purposes of what is a transition process, and a phasing-out period for the boards, it is better to have smaller and more focused boards, and I also took into account the need to save costs. I therefore did not appoint people to all available board positions. I have no doubt that these considerations will not necessarily have coincided with the desires of all nominating bodies. One must also bear in mind that one cannot satisfy the wishes of all nominating bodies when these differ. Having said all of this, I must say that it is particularly gratifying to see that a Transkei wool farmer, a black farmer, has now been elected as the deputy chairman of the Wool Board for the first time in history.

Dr E A SCHOEMAN: Madam Speaker, the hon the Minister must think that we on this side of the House are extremely gullible. He has made a deliberate and lame attempt to justify his actions as being reasonable and moderate. The fact is that that Minister managed to appoint a deceased person to one of these boards. [Interjections.]

The commercial agricultural sector wanted to give that Minister a chance. Most of us here on this side wanted to give him a chance, and I, in particular, thought that he deserved an opportunity to prove himself, and I urged others to do the same. But the hon the Minister failed dismally. At the very first opportunity he had to prove his bona fides, namely with the appointment of the marketing boards, he blew it. [Interjections.] And I have

not measured this by my criteria or that of the NP, but by his own party's criteria, namely that of democracy, transparency and accountability. [Interjections.]

The SPEAKER: Order!

Dr E A SCHOEMAN: Furthermore, he proved that the interests of agriculture were subservient to his own petty political agenda and his so-called programme of transformation. He decided, as usual, to ignore principles in favour of short-term popularity. This time, however, he misjudged the climate, and I do not envy him the consequences.

Names were forwarded to him in order of preference, after a democratic process by nominating bodies. In many instances he ignored this process by either appointing *secundi* or failing to appoint anyone, thereby questioning the integrity of the nominating bodies.

Of course, the almighty Hanekom and his private advisers have better judgement. The recommendations of his own departmental National Marketing Council were, in many cases, ignored. Like a good Minister who instills confidence and trust in his staff by his loyalty, he has publicly stated that most of the National Marketing Council members are not indispensable and can easily be replaced by others. If this blatant disregard went hand in hand with some transparency, it could possibly have evoked some sympathy. But no, he lends his ears to small maverick splinter groups, listens to foreign advisers, whom he apparently regards as the ultimate sources, and ignores expertise within his department. What a way to win friends and influence people. What a way to instil confidence. Furthermore, some of his appointments were made clandestinely over a weekend. There is no other way to describe this other than "absolutely disgraceful".

Under the guise of wanting to save money, he failed to appoint sufficient producer members. The result was that many boards could not be constituted. In one instance, namely that of the SA Wool Board, he proceeded to elect a producer to represent the trade, and all this to achieve a power shift with a view to serving his own agenda. So much for not manipulating democracy. And then, his excuse for appointing members from maverick splinter groups is apparently to open up an open and fair debate. This shows his ignorance of the structures of organised agriculture. There is sufficient debate within organisations such as the National Wool Growers' Association, but when

people are nominated to decide about the expenditure of producers' money, it is done in a responsible way. We do not need a gambling Minister who is prepared to put the future of an entire industry in jeopardy.

The MINISTER FOR AGRICULTURE AND LAND AFFAIRS: Madam Speaker, I think that this is very interesting. If we are talking about ignorance, well, for the information of those who are ignorant about these matters, including the hon member, the person whom he refers to as deceased died after appointment to the Oilseeds Control Board. [Interjections.] He was one of those who was nominated. So, ignorance is the hallmark of some of the people I am speaking to right now, ie people sitting across the road, amongst the NP, who know nothing about democracy, accountability and transparency, and do not pretend to. It is something they know nothing about whatsoever.

It is very interesting that these concerns are expressed by Dr Manie Schoeman who was nominated to serve on the SA Wool Board. And one wonders whether he is not guilty of being motivated by some self-interest and sour grapes. [Interjections.] Dr Schoeman has the dubious distinction of having been on the SA Wool Board when it made a secret loan to Premium Cape Wool of R160 000 and which the Wool Board only admitted to after strenuous efforts by certain individuals, including the new SA Wool Board chairman, to establish how Wool Board money was being spent.

For far too long hypocritical people and people such as the hon member have regarded positions on control boards as their personal property. This has led to gross mismanagement, for example the huge loss made when the SA Wool Board used farmers' money to gamble on the currency market in the 1980s, or the losses made in 1993 when the SA Wool Board paid too high a voorskot to farmers and the self-enrichment which cost the wool industry hundreds of millions of rands and the Government R116 million in 1993 when it decided to use taxpayers' money to bail out the SA Wool Board. All of this merely serves to illustrate why the control boards must go as soon as possible and why Dr Schoeman and his like... [Time expired.] [Applause.]

*Mr I D VAN ZYL: Madam Speaker, farmers in South Africa need not make an appointment with the Minister for Agriculture and Land Affairs in order to try and convince him of commercial

agriculture's success. The whole world, including South Africans who are informed, knows the facts. He knows that we are one of only seven agricultural export countries in the world. He knows or has surely heard about figures which clearly indicate that agriculture is not the cause of the world's food prices being too high. He knows about our contribution towards combating inflation, towards better productivity and job provision.

Against this background, and measured against his own wish to be successful as Minister for Agriculture and Land Affairs, I wish to talk to him. He has admitted that success will depend on his decision-taking as well as the performance by the commercial farmers in South Africa. Was it not he himself who said that our success will depend on both of us? Was it not he who said that we can win together, but not against each other?

If all of this is true, then surely the hon the Minister is talking about a partnership between himself and the commercial farmers. He knows that the success of a partnership not only depends on the partners' various contributions, but also on their goodwill and the proof of that in practice. So it seems as if this is exactly what is going wrong in practice. Apparently his political agenda of negative affirmative action and popularity among the masses, linked to his Land Affairs portfolio, are the main problems.

The NP wants to ask the Minister today: Does he really think he can affront his partners in agriculture by making inept appointments to the various councils and then still expect to be successful? That is totally different from what he himself has professed and said. Or does he no longer have success in mind? If he wants to obtain the kind of co-operation from commercial farmers which can lead to his success and that of agriculture, then he will have to take into account the commodity mouthpieces of organised agriculture, organisations that over the years have identified themselves with able people.

He should not ignore his partners' recommendations. That will hinder the partnership's attempt at success and agriculture in South Africa will be the loser. Millions of people will then resent him for his poor judgement. [Time expired.]

Dr E A SCHOEMAN: Madam Speaker, I am grateful to the Minister for raising the question of Premium Cape Wool and the loan. Once again he illustrated his ignorance. The loan was not from

the SA Wool Board. It was from a company called Wolex which was created by the SA Wool Board with the Minister of Agriculture's approval. In fact, it was a commercial transaction which, in the end, made a profit for the Wool Board of over R20 000. In fact, the whole matter was investigated by the Office for Serious Economic Offences, and they found that there was no reason—I repeat “no reason”—to take any action whatsoever.

As far as my own position is concerned, I am not beholden to a Minister. However, I have served an industry with energy and dedication. Furthermore, I shall continue to do so. Being disregarded by Derek Hanekom is just an indication of the pettiness of a person who I thought could rise above himself. [Time expired.]

The MINISTER FOR AGRICULTURE AND LAND AFFAIRS: Madam Speaker, similarly I could say that criticism from Manie Schoeman is music to my ears, because it makes me think that I am probably on the right track. I think that I should say that I do indeed want to build a good relationship with decent, hard-working farmers in our country, but that does not necessarily extend to some of the hon members sitting across the floor over there who do not necessarily fit the bill.

*We must just state clearly that the person who is now the Chairperson of the SA Wool Board is a producer, and a very good one at that. He is a member of the wool free market.

†The wool free market has 200 paid-up members. Some of the best producers in our country, the very people who are farmers, for the first time see some hope for the future of agriculture because they have not been excluded as a result of not being part of those members' Broederbond connections. [Interjections.] They who represent the farmers in our country with integrity, who represent some of the top producers in our country, are very pleased with the kinds of changes we are going through.

I should remind hon members that the new Marketing Act was a product of negotiations between the ANC and the SA Agricultural Union, despite Kraai van Niekerk and despite the NP. [Applause.]

Debate concluded.

3. Mr R R MBONGWE—Agriculture and Land Affairs. [Withdrawn.]

Discharged Popcru members re-employed

4. Mr W A BOTHA asked the Minister of Correctional Services:

- (1) Whether he did in any way put pressure on his Department to re-employ 35 Popcru members who had earlier been in the employ of the Upington prison and were discharged for taking part in a strike; if not, what is the position in this regard; if so, what are the relevant details;
- (2) what is his or his Department's policy in respect of strikes by employees of his Department?

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The MINISTER OF CORRECTIONAL SERVICES: Madam Speaker, I did not put any pressure on the department to re-employ the 35 Popcru members. In terms of section 20(1)(j) of the Public Service Labour Relations Act of 1994, which is the current labour legislation applicable to the Department of Correctional Services, the department, in its totality, is classified as an essential service. In terms of section 19(1) of the said Act, employees rendering essential services may not strike.

However, in terms of the new Labour Relations Act, Act No 66 of 1995, which will be enacted on 11 November 1996, the department will not enjoy the status of being an essential service any more. The department will then have to apply to the Committee on Essential Services to help the department as a whole, or to help with only certain services rendered by the department and designated as essential services. The department is currently discussing this subject with unions in the departmental bargaining chamber, whereafter the Committee on Essential Services will be approached.

*Mr W A BOTHA: Madam Speaker, the FF has always been loyal to the Minister of Correctional Services and his department, and in the past we have also shown our support in this House on every occasion when the ANC tackled the IFP Minister and his department unfairly. Unfortunately—and this is tragic—it would appear that the Minister has now yielded to the attack of the ANC, and Popcru.

The 35 members of the Upington prison who were dismissed from the department on 16 May 1996 on the grounds of misconduct and later re-employed after representations and pressure from

Popcru, are not an asset to the department or any other institution. They are undisciplined, irresponsible and disloyal employees who defied authority, broke laws and even disregarded the law. They are an embarrassment to the department and a blot on the good name of other officials of the department.

They were employed by the Department of Correctional Services, which together with the SA Police Service and the Department of Justice forms the vanguard in the fight against crime that is causing South Africa and its people so much pain and damage. In fact, they undermined the campaign against crime which is so highly valued by the hon the President. These Popcru members contravened section 19 of the Labour Relations Act, as well as section 13 of the Correctional Services Act.

They committed serious criminal offences. They were on strike for four weeks, while they let their own colleagues down and disrupted the prison itself. They even ignored a court order to resume their work. Even an order from the court was not respected. The reason they were on strike was that they demanded that 50% of the staff be replaced with Popcru members. That is unprecedented arrogance!

That is not all. They abducted the commanding officer of the prison, Mr Oosthuizen, and held him by force and against his will as a hostage and even threatened to kill him. Not the prisoners, but members of staff held their head as a hostage and threatened to kill him because he did not want to replace half his staff with Popcru members.

According to my information, 32 of these members were charged—entirely justifiably—with abduction, kidnapping the commanding officer, blackmail and other offences. These are serious criminal offences and committed by people whose task it is to guard criminals and to help to rehabilitate them.

The Minister must tell us whether my facts are correct, who forced him into this action, and what he is going to do to rectify the matter for the sake of the good name of South Africa and of his department.

*Mr J CHIOLÉ: Madam Speaker, in any country the Police, the legal system and Correctional Services form the three anchors that ensure the domestic safety and security of its inhabitants. That is the first task of any government.

Boards in disarray over appointments

(3)
Louise Cook

BD 11/10/96

VARIOUS agricultural marketing boards will be unable to conduct legitimate board meetings or take decisions today following the appointment of new members to the boards by Agricultural and Land Minister Derek Hanekom.

Industry sources said the various marketing schemes under which the boards operated required that specific legal requirements relating to the composition of the boards were met when members were appointed. The former members' terms of office on 14 remaining agricultural marketing boards expired at the end of June, but due to Hanekom taking over the agriculture portfolio from former Minister Kraai van Niekerk at that time, board members stayed on for a further three months.

In terms of the Marketing Act, members are appointed by the Minister to serve for a period of 3 years. The Act stipulates that the Minister must call for nominations; appointees must be younger than 68; and the Act prescribes the extent of representation of the different stakeholders on any board.

Two weeks ago Hanekom announced the names of 97 members to serve on the remaining marketing boards for 3 years, or until the marketing scheme dissolved — whichever happened first. Their new terms of office started today.

But the wheat board said yesterday it was taking up the appointments with Hanekom because one appointed person exceeded the age restriction and no one was appointed to represent the barley industry.

"Effectively we are unable to operate with the current board — we are awaiting a directive," wheat board deputy GM Johan Dorfling said.

Other boards said "it seemed" first nominations were overlooked in favour of second choices. In many cases only sufficient people to form a quorum were appointed. But the tobacco board said it did not have a quorum as only five people were appointed. The board was awaiting a directive from the Minister.

Other boards reportedly affected are oilseeds, cotton, sorghum and the canned fruit boards. Sources said Hanekom had "exercised his prerogative". Normally the recommendations of the national marketing council guide the Minister's decision, but council chairman Peet Wessels declined to comment.

Hanekom was not available for comment.

Giving black farmers their due

By Gumisai Mutume

FAILURE to shift land ownership from dominance by white farmers to blacks, who are in the majority, will pose serious risks to South Africa's stability, according to Land Affairs Minister Derek Hanekom.

Addressing foreign journalists in Johannesburg recently, Hanekom, who is steering the country's Land Reform Programme, amid pressure from the white farming community, said the process was a necessary evil if the country was to avert tension and violence.

The apartheid government reserved only 15 percent of South Africa's land – in marginal, semi-arid areas known as homelands – for blacks. It is this legacy the reform programme seeks to redress.

The road ahead looks far from easy. Whereas it took 300 years to build apartheid, President Nelson Mandela's government is expected to get rid of its effects in a much shorter time.

Slow progress

For instance, under the reconstruction and development programme 30 percent of the land should be distributed within five years, but Hanekom says progress has so far been slow.

A pilot programme unveiled last year is estimated to cost the exchequer about R315 million, only a small fraction of which is expected to come from donors.

In countries like Kenya and Zimbabwe, compensation for land was to be underwritten by the British Government as the majority of the former owners were British citizens. Moreover, many were interested in the land purely for business purposes.

The South African experience is different.

"In the South African context,

(3) Sowetan 3/10/96
Returning land to those to whom it belongs is proving far from easy

‘The apartheid government reserved only 15 percent of South Africa's land for blacks’

there are very few land owners who fall into the same category. Many of them are at least third generation settlers for whom there is no other home but South Africa," land expert Kenneth Nyamapfene said.

Only claims for land seized after 1913 will be considered. The settlement process is complicated, sometimes involving conflicting claims on the same plot.

Several pieces of legislation have been pushed through by the Government, including the Labour Tenants Act, to protect millions of people who have lived on land to which they do not have secure rights owing to apartheid laws.

Under the new Act such land can no longer be sold without the tenants' consent, nor can tenants be evicted.

Hanekom says while they have initially been opposed to it, white commercial farmers are beginning to accept the programme launched after majority rule came to South Africa in 1994, as they begin to realise its necessity.

But for some South Africans land is an emotive issue.

Disgusted by the programme, Afrikaner farmers recently embarked

on the first phase of their emigration to greener pastures such as Mozambique and Congo, championed by the right-wing Freedom Front party.

White commercial farmers charge that land reform will have dire consequences for food security.

"We accept land reform, not that we are in full agreement with it," says Kobus Kleynhans of the South African Agricultural Union. "We warn that if it is not managed properly it can lead to disruption and a decline in agricultural production."

But Hanekom dismisses such allegations as racist.

"Many people say the objectives of land reform are contrary to the objectives of agricultural production," Hanekom says.

"That is not true. What one has to deal with are the underlying assumptions in such statements that are purely racist – that you are going to give farms to blacks and blacks can't farm."

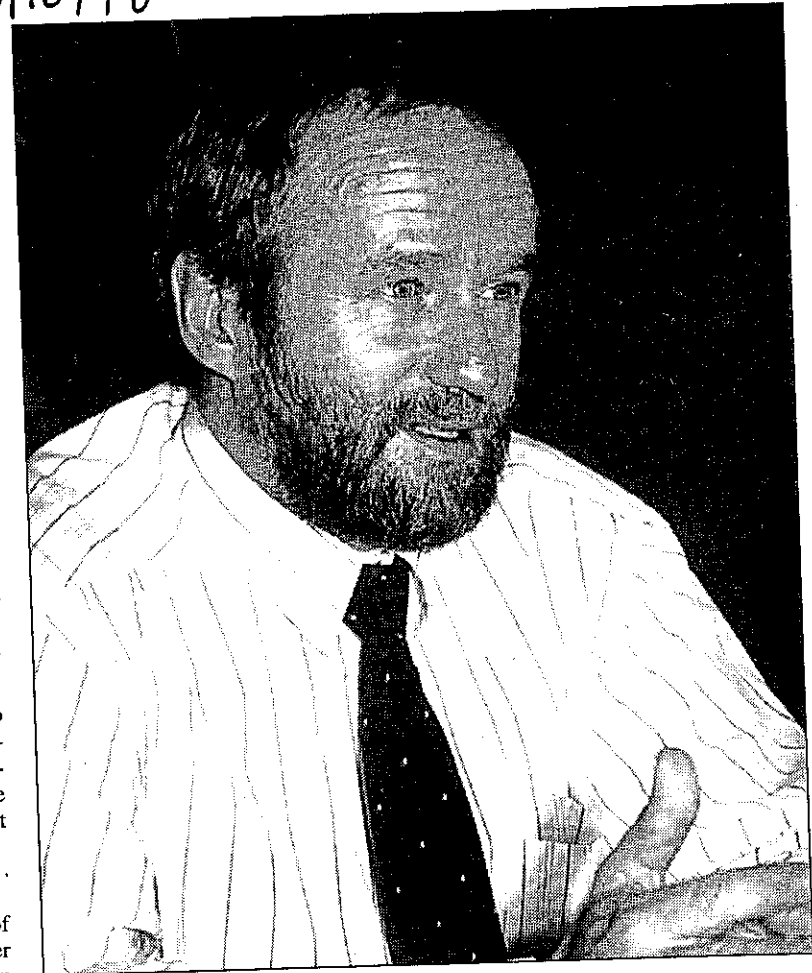
Infrastructure

Kleynhans dismisses the charge of racism, saying a farmer is a farmer despite his colour. He says his union feels the Government must first set up infrastructure such as roads and social services, adding that agriculture has collapsed in Africa owing to poor management and lack of infrastructure.

"There are many of our members who are still very sceptical (about the programme)," Kleynhans says.

"There are very negative views still going around within the farming community, most are saying 'let us give it a go but we should not fall into the trap most of Africa has fallen into'."

But the poor black majority – con-



Land Affairs Minister Derek Hanekom.

stantly being pushed off land, even by the present Government – want their land now.

"Apartheid meant no land for Blacks. Whites stole our land. Now we have to beg for it?" says Chris Cloete, a landless squatter living in one of the thousands of shacks crammed into the squalid township of Alexandra.

"The new Government is bulldozing the houses of the wrong people,

removing us from land that is not being used."

Cloete is one of hundreds of thousands of landless South Africans guilty of what the state dubs land invasion – moving on to any piece of unused land and settling on it.

Bulldozers often descend on such settlements in a style reminiscent of the forced evictions common during the apartheid era. – Sapa-IPS.

Hanekom meets IFP delegation for talks on controversial trust act

Star 5/10/96 (3) (244)
BY MONDLI MAKHARYA
Political Reporter

The standoff between Agriculture and Land Affairs Minister Derek Hanekom and the Inkatha Freedom Party over the Ingonyama Trust Act eased after a meeting in Pretoria yesterday.

The IFP delegation was led by KwaZulu Natal Premier Dr Frank Mdlalose and included members of their parliamentary caucus.

The act, which puts control of all tribal land in KwaZulu Natal under the jurisdiction of the Zulu king and therefore the provincial government, has been at the centre of a simmering conflict between central Government and the IFP-controlled KwaZulu Natal government for two years.

Hanekom has been insisting that the act be amended because it impedes development in areas controlled by the trust, but the IFP feels this amounts to an erosion of provincial powers and would undermine traditional communities.

It was signed into law by then

president FW de Klerk in the dying days of the NP government as a sop to the IFP, which ran the KwaZulu homeland.

A bill amending the trust act is currently before Parliament and Hanekom is keen to get the IFP's support for it.

"We want this to be an inclusive process and if we can find consensus it could even be passed during this session of Parliament," said Hanekom's spokesman Hellmuth Schlenker.

At yesterday's meeting the two sides reached broad agreement that the act should be urgently amended to remove obstacles to development. They agreed to set up a board comprising traditional leaders and members of national and provincial governments to administer the trust.

In order to halt the uncontrolled sale of trust land by government officials and traditional leaders to developers, the two sides agreed that the sale of land should not occur without the consent of communities affected.

Abalone

poaching war fears

(3) AGT 7/10/96

Fighting in Hawston

LINDSAY BARNES
CRIME DESK

All-out war is looming between commercial perlemoen divers and poachers at Hawston near Hermanus after a weekend of clashes.

Police reinforcements from Paarl were called in to help quell the violence in what has been described by police and the warring factions as the worst fighting yet in the Hawston poaching conflict.

Legal divers have promised strong action against poachers. The divers allege there is large-scale corruption among authorities, who do little to fight poaching.

Poachers arrested for illegal catches were given a slap on the wrist at the local magistrate's court, said Michael Würbach, secretary for the Overberg Commercial Abalone Divers' Association.

He said members of the association had threatened to retaliate against attacks by poachers. The two factions are to meet in

the town late today in an attempt to reach agreement, and there will be a strong police presence.

Mr Würbach said gangsters had become involved with the poachers, introducing the threat of armed violence.

"The issue has now come to a head. People's future is hanging in the balance here," he said.

He warned that members of the association now feared for their lives and were going to take action to protect themselves.

"We can't carry on being intimidated and the police are not reacting," Mr Würbach said.

He said poachers were using children to carry their catches from the beach and this had helped cause social disintegration in Hawston.

"The social structure in Hawston has collapsed. Kids don't go to school any more because they can earn R200 in one go for

From page 1

7/10/96 (3)

carrying poachers' catches and cannot be prosecuted," he said.

But a poacher who declined to reveal his identity said the weekend's violence had been started by the divers.

He said a mob of divers had attacked poachers with knobkerries on Friday morning and badly injured one man, Etti-
enne van Nieting.

Property had also been damaged. Police and divers had banded together to stop poaching.

"Fishing is our livelihood but now they are trying to keep us away from the sea," the poacher said.

He said poachers had tried to lay charges against the divers but had been turned away by police.

"Only the magistrate sees our point. It's a matter of survival.

"We don't call ourselves poachers; we are survivors.

"We are jobless, but instead of breaking into houses, we go into the sea," the poacher said.

A group of more than 20 poachers were hoping to be allocated a 100-ton quota to make their living, he said.

The poachers were awaiting a decision by the Department of Sea Fisheries quota board.

"Hopes are high that we will become legal," he said.

Some of the commercial divers were selling their catches on the black market and "they should sweep clean their own backyards first," he added.

He also alleged one of the poachers had been beaten up by police yesterday when he and three others were arrested.

But Mr Würbach said the weekend's violence arose when the commercial divers took a stand against the poachers.

The divers had told the poachers they "did not rule the roost any more", Mr Würbach said.

The Hawston community supported the divers, but could not state this publicly as they feared to do so.

"This is no longer a diver-poacher issue," he said.

"The community wants to get rid of the bad element too."

He said perlemoen resources were under serious threat due to indiscriminate poaching.

Divers had to respect the resource if they wanted access to it.

Perlemoen war looms as divers and poachers clash in Hawston

To page 3

Agricultural groups reject tax

Robyn Chalmers and Louise Cook

20 9/10/96 (3)

THE tax commission has released a discussion document and called for submissions on a mooted 2% land tax.

Agricultural organisations generally rejected the proposals yesterday, saying a land tax would undermine the farming sector and cause chaos in rural areas.

Tax commission secretary Dave Allwright said the discussion document focused mainly on a tax on rural and mining land where local authorities had limited access to revenue-raising mechanisms. Funds raised through such a tax could be used to boost the infrastructure and services in rural areas in particular.

Agriculture and Land Minister Derek Hanekom gave his conditional support to the tax yesterday. He said it should not ex-

ceed 1% or 2% of the value of the land and should be used only to provide and improve services for the people in rural areas who paid the tax.

He denied that the tax would necessarily be a burden, saying government would consider making land tax deductible from income tax.

Agricultural industry sources said there was still "great confusion" surrounding the viability of such a tax. "The tax would have to be paid to rural councils, but in most cases such councils still have to be created," one source said.

The tax commission said that framework legislation would be necessary to ensure any potential economic disruption arising from imposition of a land tax was minimised and that the raising of tax revenue was optimised.

Five fishing groups lined up for permits to get their teeth into black hake

JOHN YELD
ENVIRONMENT REPORTER

Five experimental permits to catch Patagonian toothfish in South African waters around Marion Island have been approved by Environmental Affairs Minister Pallo Jordan.

The long-awaited move is expected to help prevent poaching for this highly-lucrative species, also known as black hake, in these waters.

Environmentalists have pointed out that South Africa has an extremely limited fisheries patrol capability – particularly long-range patrols off Marion Island, which is about 2 000km away – and that

(3) ARG 11/10/96
commercial fishermen legally entitled to catch in these waters would have a strong vested interest in discouraging poachers.

Two weeks ago, four fishing vessels were photographed from an SA Air Force aircraft off Marion Island and also in the adjacent Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR) area, all allegedly fishing illegally.

One of these vessels has since arrived in its home port of Saldanha Bay at the weekend and is being investigated by Sea Fisheries inspectors.

A Sea Fisheries spokeswoman confirmed that Dr Jordan had approved experimental permits to five fishing groups: Oceana, I&J, Suidor, Ziyabuya and

Batostar.

“These permits haven’t been issued yet. The department first wants to get these groups together to discuss the actual (fishing) process,” she said.

She confirmed that no permits to catch any fish species had previously been issued to catch in South African waters around Marion Island.

Earlier this year, reliable reports said 20 to 40 fishing vessels were operating illegally around Marion Island and in the adjacent CCAMLR area.

The Patagonian toothfish is extremely slow-growing, and there were fears that uncontrolled exploitation could cause its commercial extinction in a short period.

Tobacco Board is dissolved

THE Tobacco Board, which was responsible for the domestic marketing of leaf tobacco, had been dissolved, the board said yesterday. Tobacco exports have been deregulated and are free of board control. The board said the industry would consider forming a voluntary body to perform the necessary services for the industry. (1988) (3)

The board had, it stated, asked Agriculture Minister Derek Hanekom to annul the tobacco scheme, which ordered the marketing of tobacco, following Parliament's approval of a new marketing dispensation for agriculture. 50 15 110 196

Parliament last month passed the Marketing of Agricultural Products Bill, which sets a 18-month timetable for dismantling of remaining agricultural control boards and requires industries to run their affairs on a market-related basis.

Union letter on restructuring 'is real'

René Grawitzky and Robyn Chalmers

THE Federation of SA Labour Unions (Fedal) yesterday denied claims by the SA Railway and Harbour Workers' Union (Sarhwu) that a letter signed jointly by Cosatu and Fedal representatives and sent to Transnet, SAA and Spoornet management was fictitious.

The letter in question accused Spoornet and SAA of breaching and circumventing the process outlined in the national framework agreement on state asset restructuring.

It urged Transnet management to

cease restructuring and to respond to several allegations by yesterday.

Sources close to the process pointed to political manoeuvring by individuals who wished to bring into question Transnet's restructuring process and the transformation. This was ahead of a snap debate in Parliament today dealing with Transnet's management and restructuring process.

Transnet executive director Zukile Nomvete said he was at a loss to understand the unions' allegations. He said he had personally corresponded with all the unions involved before SBC Warburg was appointed to review

and value SAA.

"In addition to this correspondence, the issue was fully discussed with all the stakeholders during sectoral task team meetings," said Nomvete.

Spoornet was not available for comment yesterday, but Spoornet management said at the time of announcing its restructuring exercise that the process had been discussed with stakeholders.

Fedal vice-president André Venter said yesterday that it was not Fedal's aim to disrupt transformation or the process under way in terms of the agreement. He said Sarhwu attempted to discredit Fedal by implying it was

opposed to transformation.

Venter said Fedal was committed to, and taking part in, the restructuring and transformation process: "It has never been the stance of Fedal to resist or to rely on ideological rhetoric."

He said Fedal had not as yet received a response from Transnet management and had sent a follow-up letter yesterday, trying to clarify Fedal's position and reaffirm it did not wish to frustrate or delay restructuring.

The original letter in question, Venter said, had been signed by Sarhwu on behalf of Cosatu and Salstaff on behalf of Fedal.

Board moves to calm waves in Telkom's Internet surf

Edward West

THE Competition Board moved to resolve a complex disagreement between the Internet Service Providers' Association (ISPA) and Telkom yesterday over alleged restrictive practices in the Internet connecting market.

The board said that while access to the Postal Service Telephone Network (PSTN) would be dealt with by the new Telecommunications Act, the board favoured legislation that would open up the telecommunications grid as quickly as practicable.

This followed the board's belief that

cross-subsidisation, scope existed for predatory or transfer pricing. There was concern that Telkom would discriminate against non-SAIX aligned Internet service providers in service, installation and maintenance.

It was also alleged that by not enjoying the same access to the PSTN, non-SAIX Internet-aligned service providers faced higher cost structures.

Telkom denied it was engaged in any restrictive practices and was willing to put structures in place to prevent such behaviour occurring.

Telkom said discussions about access to the PSTN and exchanges would

Farmers launch attack on agriculture dept

Louise Cook

KIMBERLEY — Farmers launched a scathing attack on Land Affairs and Agriculture Minister Derek Hanekom at the opening of the SA Agricultural Union (SAAU) congress last night.

SAAU president Chris du Toit said that the land affairs and agriculture ministry was irrelevant to the survival of farmers.

He said consumers blamed farmers for high food prices, but the consumer paid the price for the "rest of the world's lack of confidence in SA's politicians".

Du Toit accused Hanekom of playing down the achievements of SA com-

mmercial farmers. Those achievements included that productivity in the farming sector had increased 66% since 1960 while it had risen only 6,3% in non-farming sectors.

Labour productivity in farming had jumped 135% in the past 10 years compared with 41% in non-farming sectors, and productivity of fixed capital in farming had risen 44% over the past 10 years but had dropped 30% in non-farming sectors.

SA was one of only seven net exporters of food in the world,

Sanlam chairman Marinus Daling said government's macroeconomic policy was one of the best to emerge from an SA government.

Louise Cook

(3)

KIMBERLEY — SA farmers producing tea, cotton, coffee and sugar would have to wind down their operations if they could not become more competitive, Agriculture and Land Minister Derek Hanekom warned yesterday.

Speaking at the SA Agricultural Union congress, he said government would not retain protective tariffs as "these crops are being pro-

Farmers 'must become competitive'

BD 17/10/96

duced more efficiently and cheaply in neighbouring countries and government cannot pursue a trade policy that makes an exception for the agriculture sector."

He said: "Local goods and produce with a comparative advantage have their future assured; other commodities will have to be phased out."

Neighbouring farmers had an advantage in producing tea, coffee and cotton, while local farmers producing fruit, wine and wool and in certain years maize, were assured of increased exports.

Hanekom said SA had a positive trade balance with Zimbabwe. Farmers should not look only to the EU as an

export market and should not wait for government to open new markets for them.

SAAU vice-president Japie Grobler urged Hanekom to maintain a healthy balance between imports and exports. Hanekom should "carefully consider the nature and time scales of the various trade negotiations. He should remem-

ber SA's emerging farmers live close to SA's neighbouring countries or harbours."

Grobler said SA was caught in a net of bilateral trade agreements. SA customs union partners and the SADC countries benefited from the Lomé convention, the US was putting pressure on SA and a subsidy war was looming between the US and the EU.

He urged Hanekom not to "sell out" SA's farmers in any trade agreement.

Hanekom's language use slated at congress

Louise Cook

(3) 20/17/10/96

AGRICULTURE and Land Minister Derek Hanekom's usage of Afrikaans caused a row to erupt at the SA Agricultural Union (SAAU) congress in Kimberley yesterday.

At the end of the proceedings late in the afternoon, SAAU vice-president Japie Grobler apologised for remarks he had made earlier when he said Hanekom should stick to Afrikaans at the congress. When Hanekom switched to English halfway through an address, Grobler immediately reprimanded him, saying "the minister should realise this is an Afrikaans congress".

But Western Cape Agricultural Union vice-president John Robertson pointed out that it was an agricultural congress, not an Afrikaans one. However, it was later established that the unhappiness over the language issue came from farmers.

Grobler publicly retracted his remarks, saying "I sincerely apologise. I do endorse the policy that anyone is free to use the language of his choice at a union congress."

Hanekom is known in farming circles for going out of his way to speak Afrikaans to farmers. But yesterday he used some English in an attempt to explain intricate trade developments. Various English-speaking delegates attended the congress, including farmers and officials from neighbouring countries.

KwaZulu to fund black farmers (3)

CT (BR) #
STAFF WRITER 17/10/96

Durban — KwaZulu Natal's development finance corporation is set to inject R30 million into the second phase of a black agricultural empowerment project as part of a joint venture with Illovo Sugar.

Like the first phase of the project, the second is aimed at establishing emergent commercial black farmers on medium-scale farms created out of subdivided sections of some of the company's estate land.

"Financial involvement in such a project is a clear indication of the KwaZulu Finance Corporation (KFC) commitment to ensuring the delivery of sustainable development in the agricultural sector, assisting previously disadvantaged farmers to enter KwaZulu Natal's mainstream economy," said Dr Marius Spies, the KFC's director.

The first phase of the project saw the establishment of 20 medium-scale farmers on three segmented estates previously owned by the company. The land was sold at market value with a 25-year cane supply agreement attached to the title deeds.

EU calls for realistic water price

JAMES LAMONT

INDUSTRIAL EDITOR

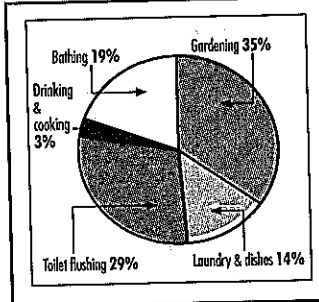
Johannesburg — The European Union (EU) should only fund water projects in South Africa if the government's long-term aim is to sell water at a price that would cover its true costs, Manfred Vohrer, a consultant to the EU, said yesterday.

Vohrer said that the scarcity of water, in both clean water supply and sanitation, should be reflected by its price to consumers. He was speaking at a breakfast hosted by the Friedrich Naumann Foundation, a German political think-tank.

"I strongly oppose any programme in which the scarcity of water is not reflected in its price," he said. Otherwise water consumption would outstrip income growth and water would be wasted, Vohrer said.

He proposed that the government's first step should be to measure water consumption and then to set a price.

Domestic uses of water



"You can only formulate a policy if you have information on how much is being consumed," he said.

He said the initial price could be set at zero and that politicians could introduce social compensation into a tariff structure, but he insisted that any policy should aim to have a price that reflected its true cost.

In South Africa 11 million people do not have access to clean water, while about 80 percent of consumers do not pay for the water they use.

(3) cr (M) 14/10/96
Kader Asmal, the water affairs and forestry minister, has said that South African's pay too little for their water and that future legislation would have to take into account the real value of water.

Asmal said that underpayment for water in South Africa in July was more of a problem than non-payment.

The water affairs department appointed Environmentek, an arm of the Council for Scientific and Industrial Research, to evaluate prepaid water metering systems last week.

Vohrer said that it took political courage for governments in the developing world to price resources to reflect their true sustainable costs.

"If you do not give timber a price that takes into account its unsustainability then you will destroy your country," he said.

It was impossible to expect people to pay for electricity when they could collect and burn firewood for free, Vohrer said.

Black workers, businessman form new farming company

Louise Cook

(3) 6/21/10/96
A GROUP of 20 Western Cape black farm workers and a Swellendam businessman had formed a new company, Nuwe Begin Boerdery, to start farming fruit as early as next month for the export market, businessman and farm manager Sighardt Gaugler said at the weekend.

The farm workers — undaunted in their quest to become shareholders in commercial farming — activated a R15 000 family land reform settlement grant from government, formed the new company and went into a 50/50 partnership with private sector investment company, NewFarmers Development.

Nuwe Begin Boerdery then bought a R2,1m fruit farm at Montagu, with Absa granting a R1,05m bond. The company was looking at a long-term return on investment of 28%, Gaugler said. "The group of workers form a cohesive team. They come from farms in surrounding areas and have tried, unsuccessfully, for years to become shareholders on the farms they were working on. They then approached me and we followed the alternative option, to buy an affordable farm."

NewFarmers project manager Chris Crosley said in time the project would expand to 55ha from 40ha. This would create about eight more jobs. "The workers' share is 45% and Mr Gaugler's 5%," Crosley said.

TENURE CAMPAIGN LAUNCHED

'Expropriate farmers who evict workers'

JOHANNESBURG: Concerned that farmers are evicting farm workers ahead of legislation recognising that the workers have some form of tenure, a newly formed coalition wants the workers' rights protected until the legislation is enacted.

A COALITION of more than a dozen organisations, including the ANC and the Pan Africanist Congress, has called on Land Affairs and Agriculture Minister Mr Derek Hanekom to expropriate the land of farmers who evict their workers.

The National Land Committee-led coalition launched its tenure campaign here yesterday and said it would stage marches and pressure the cabinet to halt the evictions.

The organisations will meet other political parties to gather support for the campaign, meet President Nelson Mandela to call for his intervention, and establish a "farm friend" register to gather public support.

The coalition includes the two political parties, the Congress of SA Trade Unions, the National Council of Trade Unions, the SA Nation-

al Civics Organisation, the SA Communist Party, the Land and Agriculture Policy Centre, the Centre for Applied and Legal Studies' Land Rights Projects and Lawyers for Human Rights.

It also includes the SA Council of Churches, the SA Catholic Bishops' Conference, the National Women on Farms Programme and the Environment and Development Agency. It is also backed by seven international organisations.

NLC national director Mr Brendan Pierce said the organisation estimated about 5 000 families had been evicted from farms since 1990. More than 1 000 families had been evicted in the past five months.

The NLC said yesterday the estimated six million farm workers and their dependants who live on mainly white-owned private farmland have no formal or legal tenure rights beyond those dependent on the

CT23/10/96
farmers' goodwill and agreement.

"The notice period for an eviction is 30 days, regardless of factors such as the period of residence, or long service provided," it said.

Hanekom has begun a land tenure reform process which recognises that farm workers have informal rights to land that are insecure and need legislative attention.

"But most of these farmers have realised what this means and are therefore pre-empting the legislation by evicting farm workers so there will not be anyone staying there when legislation is ready and passed next year," said SACP general-secretary Mr Charles Nqakula. "It's a political problem that needs political intervention."

The parties said the campaign was aimed at getting the cabinet and Mandela to secure people's rights on farms until the enactment of new legislation to protect them, and the establishment of an intervention response programme by the government that will deal speedily and firmly with farm evictions and landowners who evict workers. — Own Correspondent

Land Bank may broaden its clientele

CT23/10/96
BARRY STREEK

THE Land Bank should be transformed and the Post Office should play a dynamic role in the provision of financial services in the rural areas, the Strauss Commission proposed yesterday.

It also recommended that state pensions be paid directly into the savings accounts of pensioners so that they could make their withdrawals at their own convenience.

The final report of the Commission of Inquiry into the Provision of Rural Financial Services, headed by Dr Conrad Strauss, also recommended that a development council be appointed to co-ordinate responsibility for the financial aspects of rural development.

It said the Land Bank should continue to play a significant role as a financier of commercial agriculture and agriculturally related activities, but that the Land Bank should broaden its clientele through becoming the institution most responsive to the need of land reform beneficiaries and emergent entrepreneurs.

No severance pay queues at agriculture

(3) ~~(2)~~
Louise Cook

MD 24/10/96

THE agriculture department was not facing a major staff exodus at this stage, with 235 applications for severance packages approved so far, director-general Frans van der Merwe said yesterday.

This was not a large number, taking into account Pretoria had a staff complement of well over 3 000, he said. "But we are holding back on a further 40 applications, most of them at the directorate of plant and quality control. Those are key positions and could affect services."

Plant and quality control acting director Eben Rademeyer said the applicants were experienced technicians involved in testing plant and animal material, earmarked for international trade. The department was negotiating with them to ensure the service was not affected.

The relatively small number of applications in the Eastern Cape and Northern Province agricultural departments have dashed hopes of trimming staff levels.

So far only 50 people in the Eastern Cape — mostly senior extension officers — and 38 out of more than 11 000 in Northern Province had applied for severance packages.

FARM LEVY MAY BE 2%

Shock land tax proposed

RELIEF FROM the proposed tax on rural land through rebates and deferrals should be kept to a minimum, the Katz Commission's land tax sub-committee has suggested. Political Writer **BARRY STREEK** reports.

OWNERS of rural property could face a shock two per cent annual land tax if a government proposal is accepted.

This means that someone owning a farm worth R1 million would have to pay an extra R20 000 a year in tax, while someone owning rural property worth R5m would pay R100 000 in land tax every year. This would not apply to urban property, however, Professor Michael Katz said last night.

The Katz Commission on tax was criticised yesterday for allowing only two weeks for the public to submit comments on the proposed tax.

The Government Gazette outlining the proposals of the commission's land tax sub-committee only arrived by post in Cape Town yesterday, two days before the deadline for public submissions.

"It's ridiculous. I just threw my Government Gazette away," said Professor Trevor Emslie, associate professor of tax law at the University of Cape Town. "I don't know where the delay is, but the result is ridiculous."

The chairperson of the parliamentary Joint Standing Commit-

tee on Public Accounts and the DP's spokesperson on finance, Mr Ken Andrew said: "It is commendable that the public are being called upon to comment. However, it is ridiculous that they are given only a couple of weeks in which to do so. This is a complex matter requiring full and open debate."

Confusion about the scale of the land tax was caused by the Government Gazette advertisement which made no reference to its being only for rural property, and a Pretoria-based valuator, Mr William Naudé, said it would apply to the market value of any immovable property.

However, Katz said it only applied to rural property and that property owners in urban areas would continue paying normal rates and taxes.

The advertisement said the land tax sub-committee had released a discussion document which suggested local government would be entitled to levy land tax under the final constitution and that legislation would be necessary to ensure that any potential economic disruption was minimised while the raising of tax revenue was optimised.

The sub-committee's tentative views on the legislation included:

- The market value of land and improvements should form the tax base.

- Valuations should take place at least every five years.

- The owner of the land should be liable for the tax.

- The tax rate should not exceed two percent a year.

- Relief through the use of rebates and deferrals should be kept to a minimum.

- The tax should be levied annually but could be collected at shorter intervals.

The sub-committee said that before formulating its final recommendations it had called for submissions on these issues and had asked for proposals on how to deal with tribal land.

Emslie said there were a number of concerns about the proposed tax. "If the owners cannot pay the tax are they going to be forced to sell the land?"

Andrew said he felt taxes should be kept as low as possible for the government to provide the necessary services. "Generally, taxes on consumption and property are better than taxes that are a disincentive to create wealth."

If it is an add-on or extra tax, "there is a serious problem because people in this country are already heavily overtaxed", Andrew said.

Mr Simon Grier, a co-owner of the Villiera wine estate near Stellenbosch, said farmers were being crippled by the ever-increasing burden of government taxes.

"We pay excise on unfortified and sparkling wine, import duties, VAT, levies to the regional council and a 42% company tax."

Many farms, handed from father to son, were also having to cope with an increased "estate" tax of 25% — a figure the government wants to raise again.

The administrative side of running a farm was a "red tape" nightmare, he said, which wasted valuable hours of a farmer's day.

"SA's wine industry is in the international market now and we need to be competitive — we need government encouragement so we can grow and be competitive."

More and more farmers were mechanising their operations to cut labour costs, because there was no respite from rising costs and taxation, he said.

"Farming depends on the weather — you must be able to build up reserves for the bad years. At the moment, this is impossible."

"If the 2% land tax came into effect, a farmer would have paid off the full value of his farm to the government in 50 years — if the farm's increasing market value was taken into consideration this figure would drop to 30 years," Grier said.

3 (3) CT 25/10/96

Land affairs set to speed up affirmative action

~~(12/6)~~ BO 28/10/96
Louise Cook (3)

AFFIRMATIVE action at the land affairs department was expected to gain momentum following last week's adoption of an official affirmative action, equal opportunity policy, the department said at the weekend.

Land affairs spokesman Maurice Smithers said that over the past two years, group representivity had moved from 514 black staff (including Indians and coloureds) to 894. The number of white employees fell from 1 542 to 1 339.

In January last year, managerial positions were filled by 40 white males and one white woman. By last month this had changed to 10 black men, three black women and four white women while the number of white male managers had dropped to 36.

Last week the department's bargaining chamber, represented by bodies such as trade unions, the gender forum and the workers' forum, formally agreed on future affirmative action procedures. He said quotas laid down by the public service commission would be used as guidelines. "The idea was to increase representivity all the time, and this will now speed up with an official policy that sets out procedures."

Rural squatters win reprieve on evictions

B0 29/10/96

(4) (3) (1)

Louise Cook

PRETORIA — Rural land owners would no longer be allowed to evict people in terms of the Trespass and Prohibition on Illegal Squatting Acts, and would have to consider alternative options, Agriculture and Land Minister Derek Hanekom said yesterday.

However, he told the Agritech conference the protection would not apply to land invaders or rent defaulters.

New tenure legislation was being studied by government in preparation for a position paper on the issue next month, he said.

But Hanekom has made it clear he rejected the farmers' lobby argument that labour legislation took care of the problem, making additional laws unnecessary. Draft legislation would be tabled in Parliament early next year.

Hanekom said the planned legislation would force land owners — and in some cases the state where land was state-owned — to "apply their minds" to find alternatives.

"Land owners and government need to form a partnership to address the problem of homelessness. Evictions caused severe instability to whole com-

munities, impacting in turn on foreign investor confidence. If 20 families are put off a farm, it impacts on the whole community; the evicted either invade land or make deals with family or friends on other land for a place to live." The planned laws would apply to rural areas and tribal land, he said.

Hanekom dismissed calls by the Congress of Traditional Leaders of SA for legislation making it illegal for foreigners to own land in SA.

"Unless foreign investors are able to secure a privately owned home — without fear of having it expropriated arbitrarily — SA will not attract investment in plant and equipment."

Asked about government's reaction to the Strauss commission report on rural financial services handed to government last month, Hanekom confirmed that the Agricultural Credit Board would be shut down, the Land Bank's role reviewed and its board of directors changed, as recommended in the report.

"The Land Bank would primarily become involved in wholesale financing while retail lending would be done by a variety of institutions. It is a question of how and how long."

EU giving R26,4-m to boost water, sanitation

(3) (W/B)

By NORMAN CHANDLER

Pretoria Bureau

Star 29/10/96

The European Union (EU) is to provide R26,4-million for a water and sanitation non-governmental organisation (NGO) programme.

EU ambassador Erwan Fouere said in Pretoria yesterday that the grant to the Mvula Trust symbolised the friendship and dynamic relationship that exists between the EU and South Africa.

Water Affairs and Forestry Minister Professor Kader Asmal and representatives of 15 European countries attended the signing ceremony.

The grant brings the contribution to Mvula - the largest NGO financing water supply and

Grants of R600-m per year

sanitation projects - to R74,9-million. It forms part of the EU's programme for reconstruction and development announced last year. The EU will provide grants of about R600-million a year for four years to support the RDP.

The programme expects to finance about 100 water and sanitation projects over the next two years with emphasis being placed on infrastructure development, capacity-building and pilot or innovative project initiatives.

Mvula Trust executive director Peter Cross said yesterday development of the services was a critical challenge facing the country. "Water supply is a daunting challenge requiring the contribution of government, the private sector and NGOs," he said.

Direct sale of fresh produce opposed

Louise Cook

2) 90 31/10/96
THE R2,57bn-a-year fresh produce industry would strongly oppose direct sales between farmers and wholesalers at SA's 17 fresh produce markets, as this would cut out the need for market agents, National Fresh Produce Forum president Bertie van Zyl said yesterday.

Wholesalers of fresh produce were keen to operate from market premises as this guaranteed readily available buyers. But attempts to avoid paying commission would be opposed, as this would undermine the market agent system.

Market chief Hannes Rademeyer said the Johannesburg metropolitan council — owner of the City Deep market — received 25 applications from wholesalers to operate directly from the market. These included King Fresh, Naran Bros, Rahmeguys and Govan Naha.

Various sources said plans to accommodate the applicants in a specially allocated area at the market had been delayed due to the council's restructuring following last year's local elections. However, if earlier proposals were accepted, special infrastructure would be created to accommodate the new players.

Most produce markets were owned by former city councils which charged a commission on turnover to market operators and farmers. Wholesalers were unavailable for comment.

Error could hold up court battle with Liberty workers

Deborah Fine

80 31/10/96
ATTEMPTS by Liberty Life Properties to finalise a continuing court battle with 310 retrenched employees could be delayed after it was discovered yesterday that the firm had erroneously included former Liberty regional development officer Tony Katsapas as a respondent in the matter.

The company first obtained an interim interdict in the Rand Supreme Court on September 5 which barred the dismissed workers — most of whom are members of the SA Commercial, Catering and Allied Workers' Union — from entering or congregating near Liberty's Sandton City, Eastgate and Alberton shopping centres.

The workers, retrenched after Liberty Life Properties outsourced its cleaning and security divisions, claimed they had gathered outside the shopping malls in protest because the firm had failed to make good an alleged guarantee that dismissed workers would be rehired by subcontractors.

Katsapas, who has sued Liberty Life for R750 000 on the grounds of unfair dismissal in 1994, toyi-toyed with the workers outside the court, saying he was supporting their cause because they and Saccawu had "sympathised" with his. He was not named as a respondent in the original interdict.

Liberty Life Properties returned to court again on September 25 to have the original

interdict amended to ban the workers from also gathering outside Liberty's head office in Braamfontein, and at the Sandton Square shopping centre. The matter was postponed again to allow the workers to file answering papers.

The firm then launched a second urgent application on October 18 to bar the workers from gathering outside the homes of Liberty Life management after, it was alleged, they had congregated outside the house of Liberty Life MD Donald Gordon, and refused to let him leave the premises.

Katsapas was in the crowd outside Gordon's home and also part of a Saccawu demonstration at Sandton Square on October 16 to coincide with an international tennis tournament. The demonstrators were forced away by police. Katsapas had now been cited as a respondent in the matter in his personal capacity, as well as in a further pending application to have the workers imprisoned on charges of breaching the amended interdict prohibiting them from entering Sandton Square.

In Liberty's application to have the interdict made final yesterday, Judge PJ Schabert said Katsapas had not been given proper notice of Liberty's intention to include him as a respondent in the proceedings. Schabert said he could not allow the matter to continue until there had been compliance with proper procedures.

Bank to play bigger role in land reform - report

(3) 31/10/96
By NORMAN CHANDLER
Pretoria Bureau

Far-reaching proposals that will have a major impact on platteland life have been recommended by the Strauss commission into rural financial services.

The establishment of a council which will co-ordinate the financial development in rural areas is one of 65 proposals made in the report, which has been handed to Agriculture and Land Affairs Minister Derek Hanekom.

It is suggested that the Land Bank, and to a lesser extent the Post Office's PostiBank, should play a significant role as a financier of commercial agriculture and related activities, "but that it should broaden its clientele through becoming the institution most responsible to the need of land reform beneficiaries and emergent entrepreneurs".

The Land Bank might also be given the job of

controlling the drought disaster relief fund as the commission found that the agriculture department was not fully suitable to do so.

The recommendations suggested by the commission, under the chairmanship of Dr Conrad Strauss, cover the role of the state, a review of existing legislation, monitoring and evaluation and the role of individual government departments.

It is expected that a Cabinet committee will soon be appointed to consider the report, design an implementation strategy and apportion responsibility for implementation.

The commission identified various priorities, including greater availability of, and access to, appropriate savings products, the processing of pension payments, assisting rural people to pay for rates, water supply, electricity and telephones, short term loans and finance for farm and other activities.

CT 11/10/96

SA 'will run out of fresh water by 2025'

BLOEMFONTEIN: All fresh water resources in South Africa would be fully used between 2025 and 2030, according to the Orange River Replanning Study (ORRS).

In its latest newsletter, ORRS said water planners were working on solutions. These included demand management, re-use of water, desalination of sea water and international transfers.

Demand management would maximise efficiency in water use, either voluntarily or through economic pressures in the form of water pricing. Studies showed that 10-15% in water saving could be achieved in the Vaal River system if water was used more efficiently. This meant that some transfer schemes to the Vaal could be postponed by as much as eight years.

Water was already extensively re-used in the Vaal River supply area and elsewhere in South Africa but there was much more potential, particularly in coastal cities.

Although very expensive, desalination of sea water is technically feasible. When the time comes, the cost of this option would have to be weighed against the cost of other options.

In terms of international transfers, the Zambezi River was South Africa's only reasonable option. Eight countries share the Zambezi as a source of water.

South Africa is not one of the eight and would have to rely on those countries to be willing to sell their water. It would also be expensive to get water from the Zambezi, if there was enough left.

ORRS results indicate that a likely scenario might feature two major new regulating structures on the Orange River. These could include a new storage dam at Boegoeberg to trap the overflow from the Vanderkloof and Bloemhof dams, a new dam at Vioolsdrift or the raising of the Gariep dam, which was designed so that it could be raised.

It was also possible that a dam at Bosberg, upstream from the Gariep dam, might be built to transfer water to the Vaal. This could be an alternative to raising the Gariep.

New structures at Boegoeberg and Vioolsdrift would provide for the needs of users in the lower Orange region. More water would then be available upstream from Gariep for transfer to the Vaal supply area. Less water would need to be released from Vanderkloof, which would reduce evaporation over the 1 400km stretch of river from Vanderkloof to the mouth at Alexander Bay. Either of the two dams would trap any surplus water released from Vanderkloof. — Sapa

SAPA

Plans for the day SA runs dry

(3) BD 1/11/96

BLOEMFONTEIN — All fresh water resources in SA will be fully used between 2025 and 2030, according to the Orange River Replanning Study.

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Although very expensive, desalination was technically feasible. When the time came the cost would have to be weighed against other options.

In terms of international transfers the Zambezi River was SA's only reasonable option in terms of distance and size. Eight countries share the Zambezi at present as a source of water of which SA is not one. — Sapa.

Farm venture failure a blow to land policy

Louise Cook

GOVERNMENT's land redistribution programme has received a setback in the Free State where a group of prospective farmers lost their newly acquired land in a bad debt auction last week. They had taken transfer of the R350 000 farm in January.

A report by the Free State Rural Committee, a non-governmental organisation which was appointed to investigate the issue, said government had sunk R300 000 into the venture to redistribute land to eight previously disadvantaged families.

Sources said the state was likely to recover only R180 000 plus interest from the proceeds of the auction, without taking into account staff costs or paying the committee for their report.

In addition, the beneficiaries of the

BD 4/11/96
land apparently never lived on the farm, even after transfer had taken place, but remained in the Freedom Square squatter camp in Mangaung near Bloemfontein.

The report said the last active farming took place in June this year, and no income had accrued to Mangaung Farmers cc, the company formed by the eight families to legalise the acquisition of the land.

The committee said Mangaung Farmers bought the land with a R180 000 loan from the Agricultural Credit Board, the agriculture department's lending arm, and R120 000 from land affairs in the form of settlement grants of R15 000 a family.

A second bond of R50 000 was registered on the property by the estate agent involved in the transaction, Chris van der Merwe. The report said

this was ~~apparently~~ to cover his commission and 18% interest a year.

Agricultural Credit Board chairman Kosie van Zyl said the board, as holder of the first bond, would recover all costs plus interest. However sources said land affairs would lose its R120 000. Van Zyl declined to disclose the price realised at the auction, but a source said it sold for R250 000.

The families would again be landless as the settlement grants were available only to first-time property owners.

The report said a lack of decision-making and management skills, mistrust and disagreement between the parties and among the farmers, a lack of capital for farming machinery and livestock, and a breakdown in communication were among the reasons for the venture's collapse.

18-m people lack sufficient water supply

(123) (3)
Cape Town - As many as 18 million South Africans may still lack an adequate water supply, according to a report released by Water Affairs Minister Kader Asmal yesterday.

The report, a first draft of a water affairs department study on community water supply and sanitation, says the size of the problem is far greater than first estimated.

The data collected indicated that the needy population could be as many as 18 million, and that it would cost R9,5-billion to provide them with the Reconstruction and Development Programme goal of 25 litres of water a day within 200m of their homes.

Asmal told a media briefing that his department had been working on a lower figure of 12-15 million, and that the total arrived at in the first draft report would have to be tested.

However, there was "no real discrepancy," he said.

The 12 presidential lead projects that his department was engaged in throughout the country would bring water to 1,2 million people at a planned cost of R282,3-million.

Two further rounds of funding approved last year would ensure that a total of 6,4 million people gained access to basic water supply and 100 000 to adequate sanitation.

He said he hoped to table a new Water Act by October next year, and intended to ask Cabinet at its last meeting of this year to approve a set of principles to act as an "umbrella" for this new law.

The first principle in water allocation would be that environmental and human needs be met. Another important principle was that water could not be owned, merely used, and that his department would act as guardian or trustee of a national resource.

New legislation on water supply would be tabled in Parliament in February or March. - Sapa.

Star 5/11/96

Parastatal may start water running

Wyndham Hartley

CAPE TOWN — A new parastatal is being considered as an agency for the provision of water and conservation where millions still have no access to running water, Water Affairs Minister Kader Asmal said yesterday.

Asmal said that at present ministries were unable to raise either domestic or foreign loans, constraining the ability of his department to successfully manage SA's water resources.

"There is a debate over whether there should be a parastatal for the provision of water infrastructure," Asmal said. He said the creation of an entity similar to the

Trans Caledon Water Authority, which basically runs the massive Lesotho Highlands scheme, had been mooted to raise finance for capital projects.

The idea is that the infrastructure funded through loans raised by the parastatal will be repaid by the users of its services.

Asmal said the new Water Act, which would see dramatic new changes in riparian rights, would be ready for Parliament in February or March. He said it would contain a fundamental review of water legislation in SA, guided by the new constitution which is the first in the world to make water access a human right.

He also released the first report

of the community water supply study which has found that the magnitude of the problem of bringing 25% of water to within 200m of the homes of all South Africans was far greater than first estimated. "The data concludes that the needy population could be as many as 18-million at an estimated supply cost of R9,5bn."

The report said, "Government does not have unlimited funds for the programme. A solution must however be found and this in itself will demand innovative thought and careful planning."

Asmal said the cost of the ideal, namely bringing water to each and every household, would total between R12 and R15bn.

(3) PD 5/11/96

ROSY OUTLOOK?

FM 8/11/96

A black farmer, who exports millions of roses each year, has won World Bank assistance for his venture after being turned down by local institutions.

Peter Davidson, CE of Carosa Farm near Tarlton, Johannesburg, hopes to more than double his farm's existing rose exports to about 6m stems a year by next April, following the installation of modern greenhouse systems from France.

But he is annoyed that financial assistance has come, not from State development institutions, but from commercial banks and the World Bank's International Finance Corp. They came to his aid after he was turned down by the Land Bank and the Industrial Development Corp (IDC).

Davidson says Agriculture Minister Derek Hanekom should urgently investigate this situation if the intention is genuinely to help black farmers. "It does not help to offer would-be landowners R15 000 each to establish themselves, when black commercial farmers like myself, who can assist economic growth, job creation and increase SA's export

revenues, are turned down." He adds that he expects to double his work force in the next year.

SA's flower exports, mainly to Europe, reaped about R70m last year. Over the same period, Kenyan flower-growers earned more than R1bn in foreign exchange — and SA should aim to achieve at least this figure in the near future, says Davidson.

However, for SA to achieve its potential in the international horticultural market — the Dutch flower market is worth about US\$12bn a year — government also has an important role to play.

Unlike SA, he says, Lomé Convention countries like Kenya and Zimbabwe are not subject to the European Community (EU)'s 15% surcharge on rose imports. And during the European off-season, African countries dump millions of stems on the SA market at nominal import fees of as little as 1c/stem. Davidson argues anti-dumping measures are necessary.

Land Bank GM Dawie Maree says the bank's hands are tied when it comes to financing. It is allowed to grant finance based only on productive farm value and not on future projections. This may change if recommendations of the Strauss agriculture commission, which would allow the bank to provide grant funding and subsidies, are implemented. Until then, says Maree, "we cannot divert from existing principles."

IDC GM Ben Smith gives no reason for refusing Davidson's application, other than to say the decision was "based on our own in-depth feasibility study." ■

Economic tide turning in Africa

IMF says reforms should lead to bright future

③ ARG 11/11/96

Washington – It will be news to those fleeing genocide or smarting under military dictators, but Africa is on the road to recovery, according to the International Monetary Fund.

Evangelos Calamitsis, head of the fund's African department, sees a bright economic future for countries adopting IMF reforms.

"This year in sub-Saharan Africa growth will be 5 percent, or in that neighbourhood; a country like Ivory Coast will be higher," Mr Calamitsis said.

The IMF estimated Gross Domestic Product growth at 5,5 percent for 1996, compared with 4,6 percent in 1995 and 2,5 percent in 1994 for Africa, excluding Nigeria and South Africa. Countries exceeding that average

were Ivory Coast, Uganda and Zimbabwe.

The IMF did not include Sudan, Ethiopia and the Horn of Africa countries in its survey.

Mr Calamitsis sees the upward trend continuing if countries stay the course of painful structural adjustment reforms.

They also have to immunise themselves against the plagues of political and ethnic violence sweeping the Great Lakes region and parts of West Africa.

"It's an unstable continent," said David Smock, an analyst at the United States Institute of Peace. "Political problems have pulled down economies."

Mr Calamitsis acknowledged that the fund had differences with Nigeria, the most

populous and potentially wealthiest African country.

He also accepted that fighting in Zaire, Burundi and Rwanda blighted economic prospects in much of Central Africa.

He sensed the scepticism, so asked and answered his own questions.

"Is the recovery true? Yes, this is what the numbers show. Is it sustainable? It remains to be seen. If these policies are sustained in the medium term, then yes," he said.

"We had the lost decade of the 1980s. Now we are seeing things turn around, good policies are beginning to take hold in several countries," he added.

He said African leaders and economic planners were no longer hostile to exchange

rate and interest rate reform, trade liberalisation and fiscal reform, even if it was painful at first.

"There has been a fundamental change of approach and a new breed of leadership in Africa sensitive to political and economic reform. All the good policies that are required are now on the table; no policy issues in Africa are taboo," he said.

The near total economic collapse of some states had brought the realisation that "alternative strategies don't work", he said.

He said international donor debt relief policies had made many countries' debt manageable.

Inflation would average 28,7 percent this year in sub-Saharan Africa. – Reuter

SUB-SAHARAN AFRICA *The International Monetary Fund sees the brightest future for those countries which implement its painful structural reforms*

Africa's stuttering economic growth still hostage to politics

ROBERT MAHONEY

Washington — It will be news to those fleeing genocide or smarting under military dictators, but Africa is on the road to recovery, according to the International Monetary Fund (IMF).

Beyond the media image of "The Dark Continent", Evangelos Calamitsis, head of the fund's African department, sees a bright economic future for countries adopting IMF reforms.

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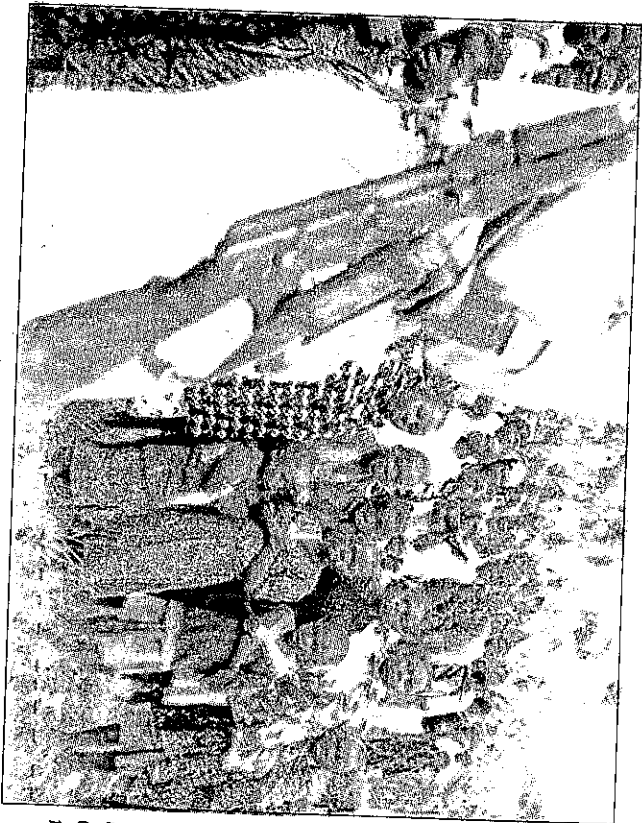
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"We had the lost decade of the 1980s. Now we are seeing things turn around, and good policies are beginning to take hold in a number of countries."

He said African leaders and economic planners were no longer hostile to exchange rate and interest rate reform, trade liberalisation and fiscal reform, even if it was painful at first.

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The near total economic collapse of some states had brought the realisation that "alternative strategies don't work", he said. He said international donor



3 October 1996

SPOILER

Rwandan soldiers stand guard next to some Rwandan refugees in Mutovu, Rwanda, after fleeing across the border from Kahindo camp in Zaire on Sunday.

Three hundred refugees survived in the forest for up to eight days following clashes with Zairian troops. Despite this tragedy, the IMF believes that Africa is on the road to economic recovery.

PHOTO: AP/WIDE WORLD

debt relief policies had made many countries' debt manageable. There had been little pick-up in trade but inflation was moderating.

The fund said inflation in sub-Saharan Africa would decline to an average 28.7 percent this year from 41.1 percent last year and 59.3 percent in 1994.

Africa's image of political instability and economic mismanagement still persists in many investors' minds, but portfolio equity flows rose to \$830

million last year from \$812 million in 1994 for the sub-Saharan region, World Bank figures show. This ranks it second to last in the table of developing regions, above the Middle East.

"Direct foreign investment in Africa has been relatively poor... but there's still interest in some parts like South Africa, Kenya, Ivory Coast and Ghana," Calamitsis said. The biggest interest is in mining.

Washington-based analysts are heartened by the relatively peaceful transformation of South Africa from apartheid, but they note no enthusiasm on the part of Pretoria to become the engine of recovery for the whole continent.

They are even more pessimistic about Nigeria which is under military rule.

"We continue to be concerned about developments in Nigeria," Calamitsis said. Other economists, off the record, are more forthright, citing corrup-

tion, particularly in the oil sector, as a major deterrent to foreign investment.

The fund is anxious for Nigeria, once again, to scrap its dual exchange rate, cut the budget deficit and rein in inflation which swings between 40 and 70 percent.

"Nigeria is the greatest failure of all economically," Smock said. But he too tries to counter the pessimism which has shrouded much of Africa.

"If five or six countries could show the way economically this could have an impact on rest of the countries," he said, citing the brighter prospects of Uganda, Zimbabwe and Zambia.

But as in the past, politics clouds the horizon.

"Before Central Africa the balance between successes and failures was positive," Smock said. "But it is really hard to be optimistic after the Great Lakes. It shows how conflict can spill over." — Reuter

Direct investment still largely passes Africa by

J(BR) 12/11/95 ⁽³⁾

FROM THE ECONOMIST

London — Optimists call Africa the world's last investment frontier. Wilderness may be a better word. The surge of private capital into emerging markets in the 1990s has almost entirely passed the continent by. Between 1990 and last year, the net yearly inflow of foreign direct investment into developing countries nearly quadrupled, to more than \$90 billion; Africa's share of this fell to only 2.4 percent. Last year, sub-Saharan Africa, excluding South Africa, received less than \$2.2 billion in net foreign direct investment.

Boutros Boutros-Ghali, the UN secretary-general, urged investors recently not to treat Africa as a whole as "an inhospitable location" for foreign direct investment and ignore potential opportunities. But what opportunities? One of the few investors putting money into Africa's private sector is the International Finance Corporation (IFC), the private-sector arm of the World Bank, designed to act as banker to businesses investing in poor countries. It has investments in 33 African countries, worth \$911 million.

What works?

The answer: mining, and little else. Between 1984 and 1994 the IFC's investments in African mines earned higher returns than its mining investments anywhere else in the world. African mining is attracting big private investors even without the IFC's help, not only from South Africa but also from the US, Canada and Australia.

Some of its other successful investments have also been in primary industries, such as the export of fish and shrimps, cut flowers and vegetables. But returns on investment in industries such as cement and construction, timber, pulp and paper, and textiles have

been poor. "Our overall returns in Africa have been 2 to 3 percentage points lower than elsewhere," says Vincent Rague, who runs the IFC office in Johannesburg. Unlike other parts of the developing world, Africa has yet to attract much private money into activities outside the primary sector.

There are many reasons for this state of affairs: weak currencies, exchange controls, a feeble local private sector, small domestic markets, stifling bureaucracy, political instability, uncertain legal systems and corruption. Africa has a higher share of countries judged by the IFC to be "high risk" than anywhere else.

But it is wrong to see Africa as uniformly hopeless. African GDP grew by an average of 2.3 percent, though last year, 12 countries managed 6 percent or more. There is also a clutch of countries whose economies are coming right after painful economic-adjustment programmes, including Ghana, Uganda, Tanzania, Mali, Côte d'Ivoire and Mozambique.

The relative success of some of these countries is well known. But Mozambique, for one, is a surprise. Since the civil war ended in 1992, its GDP has grown by an average of 6.6 percent a year. In the year to June, the IFC put nearly \$30 million into five projects.

In the end, the test of the IFC's success is whether it can sell its stakes and let private investors take over. To speed up this process, the IFC is helping several countries set up or improve their stockmarkets. It is also advising on privatisation.

One of its successes is Ashanti Goldfields, a Ghanaian gold mining company in which it invested in the 1980s. The IFC has sold out, and Ashanti is listed in Accra, London and New York. Sadly, though, such examples of the IFC's quitting are still all too few.

Game farmers face regulation

BD 12/11/96

(3)

Louise Cook

THE R1bn-a-year privately run game industry has come out strongly against moves by the Gauteng provincial authorities to introduce a registration and permit system for hunters.

The Gauteng Nature Conservation has proposed that the new system should apply to the province and possibly the whole country.

In a report in the SA Hunter, the province, in the process of writing a new Nature Conservation Act, called for a new system to regulate hunting. According to the report, "All persons wishing to hunt in the province/s will have to register with an accredited hunting organisation, representing all hunting associations in SA."

If the industry failed to organise into a single representative body registration would be the responsibility of the conservation authority. The new representative body would have to set registration fees and pay a maximum of 25% to the provincial government for running a permit-and-tag system of

control, the report said.

Game farmers see the move as a ploy by the Gauteng government to cash in on industry profit, saying provincially owned reserves were losing money as the authorities failed to farm them profitably.

Northern Game Association president Jimmie Malan dismissed arguments by the province that game was a scarce resource, needing government regulation and control. "Since private farming started up, more opportunities, jobs and farms have been set up than in the time government was the only roleplayer.

"We do not need intervention — the money paid to the province will go into state coffers and will not be used to boost the industry. The authorities are trying to tell farmers how to market their product."

Malan said that, up to now, government's role did not extend beyond the approval of special fencing around the farm and issuing a permit which allowed hunting on the property, provided the fence met the requirements.

'Food agency' mooted for SA

②③
Louise Cook

SA NEEDS an advance warning system to prepare for periods of food "insecurity" as nearly 40% of national households lack an adequate diet, Deputy President Thabo Mbeki is scheduled to say at the World Food Summit in Rome at the weekend.

Mbeki is leading a delegation of SA agriculturalists to the summit, starting today. The first of its kind, it has been arranged by the UN's food and agriculture organisation to focus on strategies to improve food availability in the world.

Mbeki will say that the country is emerging from past patterns of injustice which have created food insecurity for the majority of citizens, with recurring droughts compounding the problem.

Mbeki is to call for a special agriculture and food department, to act as a national monitoring system on nutritional needs, provide data on potential growth markets, and manage a food safety network for SA.

The summit is due to end at the weekend. Also in the SA delegation is Agriculture and Land Minister Derek Hanekom, senior government officials and agriculture and union delegates.

Gauteng targets food security for the poor

Ingrid Salgado

① ②

MO 13/11/96

GAUTENG's agriculture directorate has broken with the past to make household food security a major policy objective, agriculture, conservation and environment MEC Nomvula Mokonyane said yesterday.

Mokonyane warned that the days of large hand-outs to established agriculture were drawing to a close. Resources should rather be directed to promoting sustainable development.

The provincial ministry, held by the NP until four months ago, had neglected the issue of household food security, agriculture, conservation and environment standing committee chairman Trish Hanekom said. The department had an important role to play in facilitating and promoting established agriculture. "But at the same time we must target those without the means to purchase from the private sector. That is a major departure from the past."

Interventions should help make household income stretch further, promote own food production, ensure that food prices were within households' means and that quality food was available.

The department was involved in a project to place refrigerated food containers within easy access to disadvantaged communities. Each container would provide nine permanent jobs and reach 30 000 people. "It allows us to get protein into households cheaply and improve their livelihoods."

In addition, the first lot of leases under the department's small farmer settlement programme had been signed. Mechanisms were already in place for the department to provide training and extension support for lease holders. Similar support would be given to beneficiaries of land redistribution.

Hanekom said it was inappropriate that SA, as a net exporter of food, faced immense nutritional problems and a lack of food security.

Mokonyane said that other important policy departures included promoting employment in the agricultural sector, ecotourism activities and environmental management.

The provincial government would meet service providers and financial and academic institutions later this month to identify areas of the department's activities that the private sector could take over.

Rural farmers caught in a debt trap

Homeless communities in KwaZulu-Natal have been locked into land agreements which they don't understand and can't possibly afford, reports **Ann Eveleth**

ALPHIEUS MNCUBE believes he is a lucky man. Smiling proudly from the corrugated-iron roof of his freshly packed wattle-and-daub house, the railway worker boasts about the fruits of his labour: "This house wasn't here last week," he says.

Mncube is still smiling because he does not know that the land could be yanked from under him. His plight is that of countless numbers of rural peasants caught in a debt trap created by the apartheid-era law under which they bought land.

Putting down roots on the grassy slopes of a Louwsburg farm purchased by the KwaKhombi community in northern KwaZulu-Natal was the culmination of years of landless anticipation for the Mncube family. Evicted from a white farm in nearby Ngotshe last year, the Mncubes joined the growing army of farm evictees dotting the countryside around Vryheid desperately searching for land rights.

The Mncubes' search ended with their acceptance into the KwaKhombi community of Chief Bhekumuzi Zulu. Or so they thought. Mncube and his neighbours could lose their land in terms of a 1993 agreement which their leaders signed with the white farmers, who still hold the title deeds, and the farmers' estate agents.

As far as Mncube is concerned, the R1 600 settlement fee he scraped together from his meagre earnings as a Spoornet worker and the sale of a prized ox have secured his rights to this land. If he can raise another R600 he can buy an adjoining sliver, he says.

Mncube and his neighbours know little of the complex history behind this land purchase, which began with the 1987 Ngotshe Accord in which white farmers agreed to sell land to five landless chiefs in a bid to promote the consolidation of the fragmented KwaZulu homeland.

Back then, Mncube paid his first R100 deposit towards a different piece of land. The controversial

accord faltered, but then the apartheid government provided the mechanism for land transfer to black communities under Act 126 of 1993. The farmers charged KwaKhombi R2-million for three farms they said would accommodate 200 families on 100m by 100m plots.

Under the old land redistribution formula, the government paid 80% of this cost and lent the community R300 000 for their payments. The community was to cough up R100 000 for the initial 5% deposit.

Chief Zulu's councillor Enoch Khumalo says the community borrowed the R100 000 from a commercial bank in Vryheid two years ago, but was told they could not move on to the farm until the debt was repaid and the planning was completed.

"Finally the community started to complain that they have been paying money and they wanted to move on to their land and build houses," Khumalo says. They were allowed to do so.

Neither Khumalo nor Zulu can explain exactly how much money has been collected or how much is still owed or to whom. But Durban land rights attorney Peter Rutsch says his investigation into the KwaKhombi land quagmire suggests the community has been thrown into a debt trap they are unlikely to escape.

The first problem is that the R2-million price was ridiculous, the second is how you can have a rural community saddled with a debt of R400 000 plus an impossible R56 000 in interest every six months and the third is the arrangement through which the farm owners are sitting with nearly R2-million and the community still doesn't have the right to occupy the land.

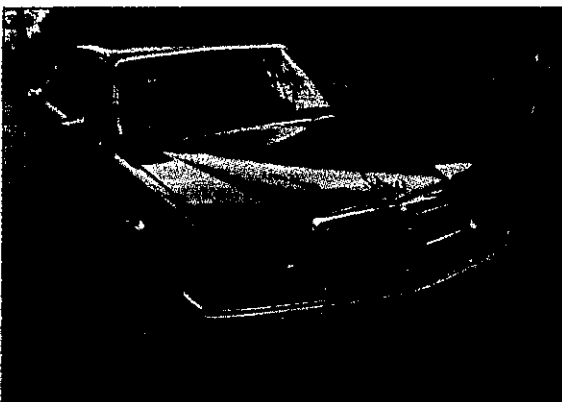
Although they are on the land they are not legally entitled to be there and could face eviction or repossession.

Rutsch says he is seeking an agreement from the Department of



France Phillips: A rural union official who denies he is getting rich at the expense of labour tenants

PHOTOGRAPH: MIKE MATHERMAN



Status symbol: France Phillips's Mercedes

PHOTOGRAPH: MIKE MATHERMAN

Land Affairs to convert the KwaKhombi land purchase into the new system instituted early this year whereby communities receive a R15 000 grant per household for land and planning costs. This would give the community roughly R3-million.

But neither Mncube nor Khumalo has heard of this system: "If we had R15 000 we would build a house with cement blocks, instead of this structure which might collapse in three years. We would bring water to the house and install a bathtub," says Mncube's wife Thabila.

Durban Legal Resources Centre attorney Thulani Nkosi says this

Profiting from the landless

M+G 15-21/11/96
Anne Eveleth

DEPARTMENT of Land Affairs labour tenant rights facilitator Busani Ngubane says many labour tenant eviction cases are complicated by the involvement of a plethora of unions and organisations operating in the Vryheid area.

"Some of these unions charge people money just to introduce them to a lawyer. Others get people to sign contracts with the farmers that they are farmworkers instead of labour tenants. Some of them give bad advice and then it is too late to take legal action," he says.

Other land rights legal officials say some unions are "getting rich off these poor landless people", and point to the flash cars driven by local unionists.

General United Workers Union of South Africa (Guwusa) president France Phillips has a black Mercedes parked outside, unusual for a rural union official, but denies he is getting rich at the expense of labour tenants. He says he only charges R10 monthly membership dues and his competitors in the KwaZulu Union of Farm Residents Organisation (KwaZufro) and the Mining, Agricultural, Commercial and Allied Workers Union of South Africa (Macawusa) say they charge even less. They all say "some other unions" are the culprits, but refuse to specify.

The unions point the finger back at the Department of Land Affairs, which they say has failed to help their members, and at the farmers whom they accuse of employing new tactics to kick tenants off their land. "The farmers are turning their farms into game reserves and telling the people, 'If you don't move, we'll bring in lions next week'. Others are turning their farms into forests which employ less people," says KwaZufro President Zakhe Mtshali.

occupation and come up with contingency plans for these communities that are always on the run," he says.

Land Affairs officials working in Vryheid's facilitation office say the problems are complicated in this white farming haven where, in addition to landless chiefs and traditional communities, at least 20 communities face eviction every month. "Vryheid accounts for one-third of all labour tenant land rights claims before the Land Claims Court nationally and we only hear about the cases that come to our office," says labour tenant rights facilitator Busani Ngubane.

Government policy bedevils construction

Robyn Chalmers

BOTTLENECKS in the delivery of housing and infrastructure services continue to bedevil the construction sector, with concerns focused on market uncertainty over government's RDP, housing and public works policies.

A report from a recent workshop to discuss the problems facing the construction industry found that investment was not taking place at anything like the levels needed to sustain companies in the sector.

The report, compiled by SA Federation of Civil Engineering Contractors economist Henk Langenhoven, found that investment levels in the industry were approaching the same low levels last experienced in the 1991/92 recession.

"These low levels have mainly been because of inactivity from our main client, government, which is responsible for 90% of the civil engineering market," the report said. "The private sector has, in many cases, put their money where their mouth is and kept investing."

The report said contradictions in policy signals from different departments were also of concern, although some departments — such as transport, water affairs and public works — were succeeding in putting out contracts. The

housing department was struggling to get its programmes off the ground, largely due to poor capacity and little co-operation from stakeholders, although there were recent signs of improvement.

The infrastructure portion of the RDP had fallen under the constitutional development department, but viable urbanisation was largely dependent on housing with services.

"The result is that services provision is continuously declining as a portion of our market," the report said.

There was an urgent need to sort out the policy contradictions emanating from different departments, to ensure that the industry did not "wither away".

There was an overall drive to bring delivery down to the lowest level of government possible. While this was supported, the problem of capacity to implement housing projects was a major bottleneck.

Community-based contracting could lead to the loss of construction capacity — when contracts went to communities the amount of work available to losing companies diminished.

"This must be seen in contrast to the clear capacity problem among communities to do the contracting required," the report said.

Agricultural union rejects tenure move

Louise Cook

BD 15/11/96
THE Transvaal Agricultural Union yesterday rejected moves by Agriculture and Land Affairs Minister Derek Hanekom to give "artificial" tenure security to people not actively employed on farms.

The union said the planned laws would jeopardise farmers' property ownership rights and rights as employers, upset labour relations in agriculture and hamper food production.

"Service contracts between farmers and workers provide for worker accommodation on the farm linked to conditions of service. It is obvious that a worker no longer employed on the farm, has to find another home — as in every other sector of the economy."

The union said unemployed people were not entitled to artificial claims to farm land.

Meanwhile, draft legislation on tenure security was being prepared by the land affairs department. Land affairs spokesman Maurice Smithers said the tenure security laws were urgent, but the department was careful not to create inappropriate measures.

It's down the drain for SA's old water laws

CLIVE SAWYER

POLITICAL CORRESPONDENT

The Government is poised for far-reaching reform of water laws, including the abolition of apartheid-era legislation making water resources a state secret.

A cabinet committee is to be asked today to approve a set of principles, proposed by the Water Affairs Ministry, to open the way for more equitable and cost-

effective laws on water. Meanwhile, new legislation is already in the pipeline to replace South Africa's 40-year-old Water Act.

The Water Services Bill and Water Laws Review Bill are in the early stages of drafting and, depending on progress, could be approved by Parliament in the second half of next year.

One of the most dramatic revisions in new legislation is expected to be the scrapping of a clause in the 1956 Water Act

declaring water affairs a state secret.

Themba Khumalo, spokesman for the ministry, said this was out of line with the constitution and forthcoming open democracy legislation.

Changing the laws will mean every citizen will have the right to examine documentation on water.

In a country where water is a scarce and contested resource, this is a vital change.

Already the Durban Supreme Court is hearing a case in which an unemployed

ARG 20/11/96 (3) (22)
woman is suing the metropolitan council, which has cut off her supply for non-payment, for restoration of her water rights.

The new constitution says citizens are entitled to clean water.

The principles which will be put to the cabinet committee today flow from a prolonged and careful consultation process.

Water Affairs Minister Kader Asmal said many experts and ordinary people had been saying for years that South Africa's water law needed thorough revision.

Security firms hired to protect farmers

Farouk Chothia

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BD 20/11/96
DURBAN — Farmers and companies such as Sappi and Mondi have teamed up to hire private security to combat rising crime in rural KwaZulu-Natal.

NP provincial MP Rudi Redinger said yesterday annual contracts of R1m-R2m each had been awarded to Sandrich Partnership and Enviro Watch to protect lives and property in the midlands. Executive Outcomes, known for its mercenary operations, was among the firms bidding for a third contract. The firms would protect forestry operations and sugar cane and livestock farms of up to 100 000ha.

Redinger said the private security firms were offering 24-hour security, which police were unable to do. Ninety farmers had been murdered in the province in the past five years, 11 this year alone. Farmers paid millions of rands in taxes and faced the added burden of a land tax, yet insufficient measures were taken to protect them.

ANC KwaZulu-Natal safety and security spokesman Bheki Cele warned against giving the contract to Executive Outcomes, saying it had shown "no patriotism" towards SA. Its presence in the province could exacerbate political violence, he said.

All sectors of society were affected by crime, and government was trying its best to reduce crime levels. The problem was that farmers had been "spoilt" by the apartheid government, which had incorporated them into the security establishment and spent a lot of money on them, Cele said.

Cabinet approves radical water-law changes

Star 21/11/96

(3) (3)

Abolition of riparian rights and ownership of any water is envisaged

BY MARCO GRANELLI
Political Staff

The Cabinet has approved a new set of principles which will radically change the country's water laws and strip South Africans of the right to own water.

Announcing the acceptance of the principles after yesterday's cabinet meeting in Pretoria, a clearly excited Water Affairs and Forestry Minister Professor Kader Asmal said the new water law was nothing more than a quiet revolution.

"Underground water is no longer private property. No one can drill boreholes whenever they wish," he said.

"The notion that the right to use water is attached to a piece of land will be abolished. The new principle is that water will be used for the maximum benefit of society as a whole."

Farmers, however, have reject-

ed the loss of their water rights and said they will insist on compensation if these are taken away.

Among the fundamental changes envisaged in a new water law are the abolition of riparian rights and ownership of any water.

Riparian rights are the equal rights to use of surface water given in perpetuity to owners of

Excited Asmal talks of 'quiet revolution'

land bordering on any surface water. The rights are a form of real property and are inherited with the land and give landowners the right to the water, whether they exercise that right or not.

When it is implemented, the

new law would abolish the notion of the right to use water attached to a piece of land.

In future, water would be used to the maximum benefit of society as a whole.

It also separates water from the assumption that water rights can be in perpetuity and that underground water is private property.

Asmal said the new water laws would be tabled in parliament during the next session.

The new act hinges on the notion of a water reserve which, Asmal said, was founded in the principle that no one has a right to water except for two elements: the environment and the basic needs of people. All other water uses would have to be authorised.

The reserve abolishes the present water act, which says water shall be allocated to agriculture, mining, industry and for pasture. No rights would be given to these, Asmal said.

Explaining the practical effect

of the water laws, water affairs deputy director-general Mike Muller said:

"We aim to regulate those things which have a significant effect and which interfere with the use of water by others."

The effect of the new law was that the government could meter and tariff all water.

Tariffs would be used to en-

Reaction of agricultural union 'less optimistic'

courage proper use. The metering and regulation of water would be done at the source.

It was possible that the municipalities may not be doing enough to discourage wastage and had taken no responsible steps, especially during a drought.

Then the authority to use the water could be taken away, Muller said.

He added that the new law would be positive rather than negative. "What the new laws mean is that in 25 years there will still be water for everyone. It gives a sense of security."

But the South African Agricultural Union was less optimistic in its reaction yesterday.

Following a three-hour meeting with Asmal and members of the Water Affairs Department, SAAU's director of resource services Nic Opperman said farmers would stand by their right to water.

"We are still in favour of water rights and feel they must be included in the property itself. This includes unexercised rights. We put our money in the investment of these water rights. We are in favour of a free-market approach where you can sell your rights," he said.

FARMERS INSIST ON COMPENSATION

Govt to scrap water ownership rights

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PRETORIA: The acceptance by the cabinet of principles for the new water law was hailed as a quiet revolution by Water Affairs and Forestry Minister Mr Kader Asmal.

THE cabinet has approved a set of principles that will radically change the country's water laws and strip South Africans of the right to own water.

But farmers yesterday rejected the loss of their water rights, saying they would insist on compensation if these were taken away.

Among the changes envisaged in a new water law are the abolition of riparian rights and ownership of any water. Riparian rights are the rights of use of surface water given in perpetuity to owners of land bordering on any surface water. Riparian rights are inherited with the land and give land owners the right to the water whether it is exercised or not.

Announcing the acceptance of the principles after yesterday's cabinet meeting here, Water Affairs and Forestry Minister Mr Kader Asmal said the acceptance of 28 principles and objectives for the new water law was nothing more than a quiet revolution.

When it is implemented, it will abolish the notion of the right to use water attached to a piece of land.

It delinks water from the assumption that water rights can be in perpetuity and that underground water is private property. This means no one can sink boreholes any time they want.



NEW LAW: Mr Kader Asmal

Asmal said the new water law — which he hoped would be published in a White Paper by February or March and would be tabled in Parliament in the next session — would also affect the government, which would not be allowed to build a dam any time it wanted to.

The new act hinges on the notion of a Water Reserve which Asmal said was founded on the principle that no one has a right to water except for two elements: the environment and the basic needs of people. All other water uses will have to be authorised.

At all times there must be an allocation of water to the environment. The reserve abolishes the

water law which says water shall be allocated to agriculture, mining, industry and for pasture. No rights would be given to these, Asmal said.

Explaining the practical effect of the water laws, Water Affairs deputy director-general Mr Mike Müller said they would have little effect on the general public.

"We don't intend regulating everything. We aim to regulate those things which have a significant effect and which interfere with the use of water by others."

Regarding the use of boreholes on private property, he said the law would not change much from the present legislation.

Under the current legislation, boreholes over a certain size are regulated and it will be no different under the new law. However, the new law will reinforce the government's control over the use of ground water.

The South African Agricultural Union (SAAU) said yesterday farmers would stand by their water rights.

After a three-hour meeting with Asmal, SAAU director for resource services Mr Nic Opperman said: "We are in favour of water rights and feel they must be included in the property itself. This includes unexercised rights. We invested in these water rights. We are in favour of a free market approach where you can sell your rights."

Asked if a Constitutional Court challenge was on the cards, he said it was too early to say. — Own Correspondent

CT 21/11/96

Cabinet gives go-ahead for radical changes in laws over water

Stephen Laufer

THE cabinet had given the green light to a "quiet revolution" in SA's water laws which would abolish the link between water rights and land ownership and place much greater emphasis on conservation in an effort to avoid capital expenditure, Water Affairs Minister Kader Asmal said yesterday.

Underground water would no longer be private property, but could be subjected to charges if its use affected others further downstream. Trade in

water rights would possibly be allowed, as would changes from one use to another, although any market would be strictly regulated to prevent the formation of monopolies.

The policy changes are unlikely to affect business dramatically as it already pays the full cost of its water in most cases. Costs to industry could rise in cases where other users further downstream are able to use water more profitably and would pay over the odds. But many farmers could see dramatic rises in irrigation costs.

Replacing the 1954 Act, the new law is expected to come before Parliament in June after publication of a white paper in February or March. Its aims include a delineation of responsibilities making national government responsible for water management, while local government takes charge of supply and — in many cases — pricing.

The new tariff policy is intended to delay big projects such as the Lesotho Highlands Water Scheme or make them redundant. Conservation measures encouraged by rising tariffs for in-

efficient water use could allow delays in drawing down the R11bn to be borrowed for phase 1b of the highlands project, saving interest charges.

Agriculture accounts for more than half of SA's water use, and many big farmers — most of them white — do not pay for water at all or pay less than the infrastructure maintenance costs. Water accounts for between 3% and 5% of agricultural input costs, and even price increases of 100% would not alter price structures radically.

Asmal said talks with the SA Agri-

cultural Union and other farming organisations had indicated a view that water rights were equivalent to property rights, and as such were protected under the constitution. He had asked agricultural organisations to make formal submissions on the issue by end-December. He was open to discussion and there would be no "water grab", but the issue of how to encourage small black farm operations without access to adequate water had to be resolved.

See Page 3

rights

3) (12) B02/11/96

Issue of water rights unresolved

BD 21/11/96

(3)

Louise Cook

FARMERS left yesterday's three-hour meeting with Water and Forestry Minister Kadar Asmal without a solution, but were optimistic that an answer to the issue of water rights would be found.

Farmers had insisted on compensation for the loss of water rights, SA Agricultural Union representative Nic Opperman said.

But commercial and

emerging farmers failed to agree on whether government or landowners should control water rights.

Free State Agricultural Union representative Frik Dreyer said the issue would "affect irrigation farmers profoundly, but the door was open for further talks between government and the farmer unions".

Asked how he reacted to farmers' claims for compensation for the loss of their rights, Asmal said the constitution did not grant anyone rights to water.

Ingrid Salgado reports that the Chamber of Mines said yesterday a sliding scale for water tariffs would erode the mining industry's competitiveness. However, the chamber had called for government to allow the private sector to trade water at its highest value. The industry was prepared to accept the consequences of this option.

Land reform in South Africa has been slower than the Department of Land Affairs initially aimed for, but there have been s

'Freedom' is hard to find

MtG (pym) 22-28/11/96

**Colleen Lowe Moma
in Barberton**

WHEN a group of people in the former Ka Ngwane joined hands to buy a farm under the redistribution programme, there were really only two names to choose from: "Inkululeko", meaning freedom, or Canaan — the promised land.

"We chose Inkululeko," explains Zodwa Ngwamba, a member of the farm trust, "because it is our language, and because this was our first taste of freedom."

A year later, this farm on the outskirts of Barberton in south-east Mpumalanga, is a source of hope, and concern for Ngwamba, a single mother with five children.

After putting together their R15 000 subsidies from the government, the 95 owners of the farm were still only able to purchase a 253ha farm. They have not been able to move to the farm, as this would have meant it would be "full of houses, and no farming".

The owners, who are in effect shareholders, hired a manager and farmhands to run the farm. But they have struggled to raise the cash they need to make a go of it.

Banks have cold-shouldered the group. Thanks to the untiring efforts of the Department of Land Affairs deputy director in the area, David Mabunda, the trust has received a R150 000 loan from the Independent Development Trust (IDT). But this has still not been sufficient to turn the land to its most productive use: growing exotic vegetables like baby corn and marrow, which require a heavy investment.

At present, only 5ha of the land is under cultivation.

Most of this is taken up with easy-

to-grow cabbages, for which there is no ready market. The cabbages are sold at 50 cents a head at the farmhouse. There's hardly enough to pay the farmworkers, let alone pay dividends to the shareholders.

The trust has many innovative ideas, like growing spices and turning the immaculate farmhouse into a guesthouse. But capacity and expertise are limited. Mabunda covers projects in a third of the province. No other government department — not even agriculture — has been available to offer a hand. Ngwamba yearns for the day when the farm will turn a profit, so that she can buy her own piece of land. Until that happens, she says, "I cannot really say I am free."

Critics say that the handful of redistribution projects that have taken place so far point to a number of pitfalls in land reform. These include:

■ **Market value:** the core problem with land reform in South Africa, according to the National Land Committee's (NLC) Brendan Pearce, is the insistence that all land be bought at market value, with the result that insufficient land is obtained.

The NLC argues that in many countries governments fix ceilings on the amount of land that an individual can own: have land taxes to guard against speculation and force underutilised land on to the market, or legislate against absenteeism.

The government, Pearce says, "has not been prepared to take any such measures, for fear of upsetting white commercial agriculture".

... Minister of Land and Agriculture Derek Hanekom argues that once you start tampering with the market,

the value of land becomes distorted, with negative effects for both big and small-scale farmers.

■ **Subsidies:** Nowhere, says the NLC (see also accompanying story on KwaZulu-Natal), have subsidies proved adequate to give settlers the basis for making a living, either through cropping or keeping cattle.

Hanekom says that while it may be necessary to revise the R15 000 basic subsidy upwards for inflation, it is still the "best and most egalitarian formula we can come up with". The choice, he says, is between "a larger amount for fewer people, or a smaller amount for more people. We have opted for the latter."

"It's a Catch 22," retorts Pearce. "You can't put up the subsidy, but if you don't put up the subsidy, redistribution will fail." The NLC points out that at present, land reform takes up a mere 0.33% of the government's budget: a pittance compared to the size of the problem, and its importance in reversing the legacies of apartheid.

'It's a myth that you can plan everything down to the last letter' — Derek Hanekom

■ **Rural finance:** A cornerstone of the land reform programme is that recipients of the subsidy can use this to leverage finance from private banks. As illustrated in the case of Inkululeko, that is still a pipe dream. The rural finance commission led by Conrad Strauss has recommended a lead role for the Land Bank in providing government credit to rural areas. That is still a long way from happening.

■ **Equity schemes:** The Land and Agriculture Policy Centre (LAPC), a key non-governmental organisation adviser to the government, believes that one of the most effective forms of redistribution is

through share equity schemes.

These involve farmworkers using the R 15 000 subsidy to buy a stake in the farm on which they work. The advantages, says the LAPC's David Cooper, are that the farmer can use this to raise capital; the farmworker gets a stake in the venture for which he or she works, and it is "a tool for bringing about reconciliation".

So far, however, very few such schemes have taken off. The best known of these — Inala farm in Mpumalanga — came about because the farm was going broke.

■ **"After-care services":** As witnessed at Inkululeko, where a lone Department of Land Affairs official is trying to help the community solve a litany of problems, the absence of support services for newly resettled farmers is perhaps the weakest link in the land reform programme.

"It's a real concern, but it's not a uniform picture," says Hanekom. In theory, he says, provincial departments of agriculture, housing, education, health, and local government, should all swing into action once land transfer has taken place. There is as yet no agreed formula for making sure that happens.

Hanekom's newly acquired agriculture portfolio, which should play a lead role, is partly to blame. The minister admits that the department, traditionally seen as the ally of commercial farmers, has yet to come up with a vision for small-scale agriculture in South Africa.

It's a matter he plans to give priority to. In the meanwhile, he insists, land reform must continue: "Try telling land-hungry communities that they can't move until the government has all its ducks in a row. It's a myth that you can plan everything down to the last letter. It's a recipe for inaction."



CONTROL BOARDS

Who will reap free-market benefits?

CT(Be) 26/11/96

NICOLE MORDANT

Sixty years of white control of South Africa's farming sector is ending, leaving the agricultural sector to fend for itself in a world of free-market forces.

Legislation passed in parliament last month outlaws statutory agricultural market controls and accepts that market supply and demand is the best method for ensuring the efficient allocation of resources.

The Marketing of Agricultural Products Act signals the demise of the commodity control boards, which have long held powerful sway in the marketing of agricultural products. At the same time, the act signals the end of white domination over commercial farming.

Established by the state in the 1930s, the all-white boards set out to modernise and strengthen farming after the 1929 depression hit many farmers.

The boards also helped to marginalise black farmers, who had already been chased off large tracts of land by the 1913 Land Act, and many were forced into a subsistence existence.

Despite the dismantling of apartheid and the 1994 elections, little has changed for black farmers, most of whom still grow crops just to feed their families.

However, some agricultural sectors, including sugar, are encouraging black smallholders to grow crops for sale.

The boards were given monopoly powers over the distribution of farm products and were funded by statutory levies paid by farmers. At times, the boards were helped out of financial dif-

(3) ficulties by the government though they were not directly funded by the state. At the peak of controls, 21 boards existed.

Since the mid-1980s, the control boards had begun to feel the heat amid rumblings about market deregulation and as the state increasingly came to their financial rescue.

Faced with deregulation pressures, some boards took the initiative to transform themselves before they were compelled to do so by law.

The Banana and Chicory Boards were dismantled a few years ago, and the Milk and Meat Boards have mutated into non-interventionist bodies, focusing on research and the dissemination of information.

Johan Willemse, an independent agricultural economist, said deregulation has been a slow evolutionary process.

"A lot of this started a few years ago ... This new act is really the cherry on the cake to formalise what a lot of people were doing," he said.

But some boards are holding on, taking advantage of the 13-month window the new act gives them before they will be forced to dismantle.

Louis van Staden, the general manager of the Wheat Board, one of the bodies with the highest degree of market intervention, said the board will continue to run a single-channel market next year.

"At this stage we still have a year's leeway, (and) in that context we do not have formal decisions we can give to the outside world," Van Staden said.

This season's wheat price, which is set by the board, has



GRAPHIC: JAMES DE VILLIERS

been criticised by farmers who say they can get more for their product on the open market.

Another strong market interventionist, the Deciduous Fruit Board, said it will remain in existence until the end of this season next September. The board still runs a monopoly on fruit exports, contracting to Unifruco, its sole marketing agent.

"We are insisting on a transitional period," Bokkie Strauss, the board's chief executive, said. "It's crucial for the industry so they can use the transitional period to gear themselves for a freer market environment."

The Maize Board, which still plays a role in the export of South Africa's biggest commodity, is still unsure of its continued existence in the new season which starts in May.

Leon du Plessis, the board's

general manager, said it will be dismantled before the new season if the industry has been able to agree on a blueprint for a future marketing system.

However, Du Plessis said: "I must stress that there is no finality. ... There are still a lot of discussions between all the role players."

South Africa's domestic maize market was deregulated last year, and the export market was partially freed this year when private traders were invited to participate for the first time. The dual presence of traders and the board has led to confusion and wranglings among industry players.

Like maize, the tobacco industry remains in the dark about its future. The Tobacco Board, which runs a domestic monopoly, announced last month that it had dissolved itself but said it was uncertain what the effect of its demise would be.

In contrast, the Meat Board has been quick off the mark. Last month it announced plans to reshape itself into a non-profit association. It will continue to control industry standards, promotions and an information service.

Pieter Kempen, the general manager of the board, which left the market in 1993, said: "We have changed over time. When the act came in we were already in line."

Similarly, the Milk Board will have little more to change than its organisational structure, as the dairy market has been fully deregulated since 1994.

"The new act allows exactly the same services that we offer right now," said Bertus de Jongh, the Milk Board's general manager. — Reuter

Small farmers also important

(3)

Skewed land distribution policies of the past have resulted in a dual system – Hanekom

By **NORMAN CHANDLER**
Pretoria Bureau

Small-scale farmers are just as important to the country as other commercial farmers, says Agriculture and Land Affairs Minister Derek Hanekom.

He said skewed land distribution policies of the past had resulted in a dual agricultural system evolving – on one hand the large-scale, capital-intensive and subsidised commercial white farming sector, and on the other, small-scale, under-resourced and historically disadvantaged black subsistence farmers.

Writing in the department's *Access to Agriculture* publication,

Hanekom said land reform provided the potential for the creation of a viable small-scale farming sector.

While large-scale farming would

Resources must be available

continue to play a vital role, he added, the Government was committed to revitalising agriculture to boost production "in addition to providing household food security

for thousands of rural dwellers and boosting rural employment".

The first priority was to provide greater access to land and this was being tackled by the Government, which was removing or amending all legal and institutional obstacles, in particular the Sub-Division of Agricultural Land Act which effectively impeded the acquisition of land.

Delivery of financial services was also being investigated, and at the same time the Government was providing grants for land acquisition purposes to people, as well as communities, needing land for both farming and residential purposes.

"Resources must be made available to ensure that those acquiring land use it in a productive and sustainable manner," he said.

Writing in the same publication, Deputy Agriculture Minister Thoko Didiza said small-scale farmers needed an environment conducive to success, and that access to land, technology, extension services, managing skills, human resources and financing was crucial in this regard.

"It has been realised that small-scale farming is crucial if we wish to reach our goal of food security, and also creates job opportunities," she said.

STAN 27/11/96

Parting the farmers and their water

(3) M+G 29/11 - 5/12/96

Kader Asmal is quietly performing the miracle of regaining control of the country's water while keeping happy the farmers whom this will affect most, writes **Eddie Koch**

BOET VAN RENSBURG, the owner of a vast Highveld mielie estate that is irrigated with some of the cheapest water in the world, is quite proud of the fact that farms like his are the main source of jobs and wages that give most people who live in the region of Middelburg the chance to have a decent life.

And it is those prospects, says Van Rensburg, not only his own substantial livelihood, that are at stake in the "quiet revolution" now taking place in the South African countryside: a carefully managed plan by Water and Forestry Minister Kader Asmal to regain ownership and control of the nation's rivers and underground water resources so that these can be controlled and shared out in an equitable way.

There is a fair amount of apprehension on the stoeps of the homesteads around the town of Middelburg, where Van Rensburg and his neighbours gather to drink coffee and discuss the politics of the day, about the fact that Cabinet has just approved Asmal's plans. The talk, though, is not of counter-revolution. It is about how to adapt to an inevitable reality.

"Water nationalisation will create a heavy opposition from the farmers," says the mielie farmer. "But if the government is going to take our water so it can be shared with others downstream, then it must value that water and pay us for what is taken away. We think the government should concentrate on new methods of irrigation and water consumption that can save water for sharing. Otherwise these changes will destroy the goose that lays the golden egg for the people who live around here."

Van Rensburg's sentiments are phrased in a different language, but they do coincide with the basic premises that have allowed the water minister to proceed with plans to overhaul the country's water laws without the kind of brouhaha that surrounded the announcement of the government's land redistribution measures.

"While there remains an understandable apprehension in many circles about existing rights and other interests, even the farmers realise — and I say this after meeting with both representatives of organised agriculture, irrigation boards and individuals — even farmers realise that the right to take water from a dry river is worthless," said Asmal when he made a discussion document, on which his water coup is based, available earlier this year.

The pragmatism of people like Van Rensburg and his neighbours — an adaptability that has made them into the successful farmers they are — is probably based on an intuitive awareness that, like the air we breathe, water is a common asset that needs to be managed by the state.

Other countries in the Western world, especially semi-arid ones like South Africa, have long recognised this and have nationalised water management systems in place.

The situation in South Africa has for the last 100 years been very different. Farmers have literally been able to dam rivers, pump them dry and use boreholes to pump as much groundwater as they like while further downstream rural women can spend up to six hours a day filling their drums from collective standpipes in their villages.

Big commercial farmers use up more



Water works: Kader Asmal's 'quiet revolution' aims to close the gap between farmers who can afford to irrigate their crops lavishly and rural people who have to walk great distances to find water

PHOTOGRAPHS: HENNER FRANKENFELD

than 50% of the nation's water when they irrigate their land in this way. At the same time, it is estimated that between 12- and 14-million people in South Africa have inadequate or no water supplies. A further 21-million people have no safe sanitation systems.

A study entitled *South Africa's Rich and Poor: Baseline Household Statistics* published by the South African Labour and Development Research Unit (Sal-dru) at the University of Cape Town in 1994 notes that of the total rural population surveyed for the study, 46.4% said they rated piped water as the most important service that the new government should provide.

More than 56% of the population in the Northern Province listed water as their top livelihood priority. And it is estimated currently the average irrigation water required for one hectare of land is enough to meet the domestic needs of almost 900 rural villagers.

"Two primary legal constraints are 'private water' and 'riparian rights'. Private water essentially includes rainfall, soil water and ground water occurring on or underneath private land, together with streams which rise and flow over a single piece of private land," says Simon Forster in a paper on water reform written for the Land and Agriculture Policy Centre.

"The state has little control over what a private land owner does with his private water. South African water law does not recognise the hydrological cycle as an indivisible continuum, nor does it acknowledge water as a national asset ...

"Water flowing in a public stream

[any stream which is not deemed to be private] is public water. However, private landowners can and do have rights to divert and use a portion of both the normal and surplus flow of a public stream. Riparian water rights form part of the title deeds of land and were originally granted when river utilisation was negligible.

"Today, with the immense pressure on water resources, riparian land owners are technically and legally capable of pumping many rivers dry, particularly during low flow periods."

Forster estimates that more than 65% of all water currently used in South Africa is either privately owned or used under historically obtained riparian rights. Private water used up by the accelerated pumping of groundwater, dryland and rainfed farming — including forest plantations — and the proliferation of small dams on farms has resulted in a huge decrease in water that reaches our rivers.

He adds: "When viewed in conjunction with the expansion in irrigation that has taken place during the last two decades, the conclusion can be made that a relatively small number of landowners now control the greater portion of the nation's utilisable water."

Last week the Cabinet endorsed a set of principles that, when they are turned into legislation next year, will end all that. The most important is a drastic change to the system which allows private ownership of water. In order to "provide a uniform system of allocation of water rights over which the state has complete control" it says

"there shall be no ownership of water but only a right to its use".

Then principles stress that, after regaining control over all water, the state's highest priority is to ensure that all South Africans receive enough water to meet basic human needs and ensure basic human health, estimated at "25 litres per person per day at a maximum cartage distance of 200m and of a quality which is not injurious to the health of the consumer".

Next on the list of priorities is the need to ensure that the amount of water abstracted from rivers or underground sources — for domestic supply, agriculture or industry — should not prevent aquatic river systems from functioning in a state that maintains their biological richness. "Developments such as dams, abstractions and changes in land-use practice should be planned using integrated environmental management procedures," they say.

The principles list a third urgency as being a sensitivity to the needs of countries which exist downstream of South African rivers. The "ecological reserve", that amount of water set aside to ensure adequate functioning of aquatic ecosystems, should be sufficient and clean enough to meet the environmental needs of neighbouring countries.

"The objective of the review is to achieve greater equity in access to water. It is therefore inevitable that a number of controversial issues are raised," said Asmal. These include suggestions that:

- The current system of riparian rights, which links the right to use water to a specific piece of land, would be abandoned.

- The uncontrolled use of underground water, made possible by its definition as "private water", should end.

- Water supply and sanitation services be regulated to ensure not only that all South Africans have access to

basic services but that the private sector should be harnessed to help provide them.

- Mandatory measures be made to require water suppliers to adopt conservation measures.

- Present controls on forestry, which intercepts a great deal of rainfall before it ever reaches public streams, could be extended to other land-use activities, such as sugar farming, which has similar impacts.

- The price of water would be set at a level which reflects its value — and pricing mechanisms should be the major tool for leveraging changes in the ways people use water.

The new principles steered through Cabinet last week are well crafted and designed to bring South Africa into line with modern water-management meth-

ods practised in most other parts of the world. But drafting the programme was the easy part. The critical challenge now will be to convert commercial farmers, a lobby that has long benefited from being the power base behind a minority ruling elite, to the new perspectives. Asmal

insists there will be no big grab. Change will come gradually, enforced primarily by changes in pricing policy rather than by edict.

His department has committed itself to help find more efficient irrigation systems, least wasteful cropping methods and more remunerative niche markets for crops that can fetch market prices with increased water costs built in. Without resorting to the old subsidy system, which encouraged the kind of inefficiency that is now being addressed, the government is willing to help the farmers reposition-themselves.

Which is probably why, although Asmal and the South African Agricultural Union have yet to see eye-to-eye on the matter, Boet van Rensburg and his mates are talking about how to adapt to the forthcoming laws rather than to fight them.

'Even farmers realise that the right to take water from a dry river is worthless'

Hard work and dedication of small farmer starts to pay

(3) Star 4/12/96

By NORMAN CHANDLER

There's a quiet revolution taking place on the platteland as rural people put their shoulders to the wheel to bring about an improvement in farming techniques, land utilisation and food production.

The effort is bringing about a change in lifestyle, improving employment opportunities, throwing an economic lifeline to rural communities, and, above all, in pride.

Three years ago, during the dying days of apartheid, the white farmer held all the aces - access to land, financing, extension services, irrigation schemes, security of tenure. The disadvantaged were the people who did the work on the farms, with little or no security of tenure, and the knowledge that in the bad times on the farms, their jobs were in jeopardy.

Today, this has changed and is continuing to change as small-scale black farmers make inroads into providing an input into the food chain.

And for the city dweller, it is already clear what the one-time subsistence farmer is doing - most of the potatoes, carrots, tomatoes and other produce hawked on the pavements come from the "new" farmer. Their prices are competitive, often under-cutting the big supermarket chains because they do not have the big overheads.

Whether it is in the Western Cape, Gauteng or Northern Province, there are a variety of projects on the go.

In Northern Province, for instance, most small-scale farmers are women, almost certainly because many of their menfolk work in the cities and return home only once or twice a month. But the women are already making a significant contribution to the agricultural output of the

province, according to the Department of Agriculture and Land Affairs.

Deputy Agriculture Minister Thoko Didiza says: "The social fabric that exists in the rural and urban areas is the result of the work women do behind the scenes. These women have remained and continue to be the backbone of our society."

In many parts of the country, women have established their own informal co-operatives, and established farming committees in order to become a voice in the agricultural community at large.

Community food gardens, vegetable projects, fruit producers, crop producers and livestock farmers have all gone from strength to strength in what is the country's poorest province.

One project is at Nwanedim, in the former Gazankulu, where farmers have been allotted 5ha each to cultivate tomatoes, pumpkins, butternut and green peppers. Most of their produce is sold on the pavements or in the markets of Gauteng.

Fruit is being produced under dry land conditions, and one of the successes has been the Humu banana project in the Lowveld.

In Gauteng, the main aim of agricultural authorities is to redi-

Progress is as result of efforts made by women

rect efforts in terms of human and financial resources, all of which is having a direct influence on small-scale farmers and on food garden projects.

And it is working well. The Nkobola Farmers' Union at Bronkhorstspuit is held up as an example of the success. Last season's maize crop provided the union with enough profit to prepare for the summer crop season and now they intend to use some of the money to produce vegetables as well.

In the Western and Eastern Cape provinces - ravaged by heavy rains over the past few weeks - farmers are working hard on poultry and pig farming projects, vegetable production, maize and other grain crops, and beef

production while training centres have been established.

Eskom has made available land in the Blanco district for 20 farmers who are now growing vegetables of excellent quality on 1 000 sq m each.

RDP funds have been allocated to small farmers in the Kranshoek area of the Western Cape for the supply of water to 4ha plots.

KwaZulu

- Natal is not being left behind in the search for increased food production.

- Nguni cattle are sold by the provincial agricultural department, and at relatively low prices, to 10 small-scale farm-

ers with others earmarked for delivery next year.

A flock of Nguni sheep - a hardier version of the merino - is being kept at the Makhathini experiment station to conserve the genetic source while another indigenous animal, the so-called Zulu goat, is being investigated to assess the potential of these animals for small-scale farmers.

Surveys have shown that severe soil infertility is a major constraint in crop and vegetable production in KwaZulu Natal, and particular attention is now being directed at improving the reliability of lime and fertiliser destined for small-scale operators.

Soil erosion has always been a problem in rural south Africa, despite efforts of previous governments and national soil organisations to reverse the trend.

In the Free State cattle no longer graze on roadside verges, polluted land, or on land which has been persistently over-grazed over the years, and are instead controlled in specially designed areas.

The Glen Agricultural Development Institute has been at the forefront of the experiment, designing structures as well as a system for the provision of drinking water in individual kraals.

Home gardens have also been developed in townships throughout the Free State, and training and start-up input packages are being provided for vegetable gardens of about 200sq m each.

Information on dairy production, the establishment of intensive poultry units, piggeries, pasture improvement and credit facilities for veterinary and medicine inputs are all part of the effort in all the country's provinces.

Foodcorp facing challenges from deregulation of

Edward West

FOODCORP, which is to be unbundled from the Malbak stable, has predicted a 12% to 15% rise in earnings for the year to August next year, despite signs that the economy is losing momentum.

CE Dave Kennealy said in the group's current annual report that the main challenge to the food industry would be in how it handled

~~(3)~~ (3) BO 4/12/96
the further deregulation of the agriculture industry.

Chairman Peter Joubert said the deregulation of the maize industry had caused a year of uncertainty for the food sector, and the wheat milling industry was likely to be deregulated next. However, the process had to continue so that market forces could shape the future.

Pelagic fishing industry mar-

keting body Federal Marine had been scrutinised by the Competition Board and its members — including Foodcorp's Marine Products — had decided to disband the organisation.

Joubert said the proposed unbundling of Malbak had led to speculation that PepsiCo Foods International (PFI) would exercise its pre-emptive right over the 50% shareholding in Simba held

by Foodcorp.

However, the group had been advised by legal counsel that a pre-emptive right would only exist if Foodcorp Operations, the company which holds the shares in Simba, were to become a subsidiary of another company outside of the Foodcorp Group.

"Although PFI has stated that it would like to own 100% of Simba, the group is not prepared to

sell its holding in this dynamic and highly profitable operation," Joubert said.

Kennealy said steps had been taken to reduce the group's exposure to the baking industry and the benefits of this would be felt during the next financial year.

The red meat businesses had been cut to the point where it was a focused supplier of fresh meat and value added products to a lim-

ited range of prime clients.

Africa had been targeted as a medium to long term strategic opportunity, he said.

Zambia Horticultural Products had been acquired from the Zambia Privatisation Agency, a "small but world class facility" producing fruit pulps, pastes, jams and juices. Investment opportunities were also being investigated in Ghana, Tanzania and Zimbabwe.

agriculture



Digging deep: 'We recognise the need to reach people on the ground'

Shift at Land Bank

M+G (PM) 6-12/12/96 (3) (68)

Government moves are giving impetus to changes in rural financing, reports **Madeleine Wackernagel**

THE transformation of the Land and Agricultural Bank gained momentum this week with the announcement by the Ministry of Agriculture and Land Affairs, Derek Hanekom, that it would in future fall under its jurisdiction, rather than that of the Ministry of Finance.

The move is in line with recommendations made by the Strauss Commission, tabled in September, which also envisaged a new board in place by the beginning of this month.

But, says Dr Helena Dolny, adviser to Hanekom, transformation of the Land Bank was not, understandably, a priority for the finance ministry. Now that the anomaly has been sorted out, the will is there to enforce significant changes at the bank.

Hanekom has accordingly ex-

tended the deadline for appointing a new board until the end of March next year.

Dolny points to the experience of the Development Bank of Southern Africa as a good example of how to enforce transformation. "Until the new chief executive, Dr Ian Goldin, took charge, little real change took place at the bank. It may not be as important to replace the entire management, but change has to come from the top."

The Land Bank has already shifted its emphasis to include emerging farmers while maintaining its existing operations to fund commercial farmers. But there is no question of subsidies, says the bank's Karl Ehrenberg.

"Unless the government steps in to provide a grant to get a certain sector off the ground, we will carry on lending money in the usual way, providing wholesale financing through intermediaries.

"We do, however, recognise the need to reach people on the ground, so we have some challenges ahead to come up with innovative solutions.

"One of the Strauss Commission's

recommendations was risk-sharing. We have already relaxed certain loan criteria but we need to do more to help the emerging farmers."

Dolny believes a risk guarantee scheme, whereby the government would stand surety for a certain amount of debt if a borrower defaulted, would help to speed up the process of reaching deep into the rural areas. Overseas experience indicates this is the most efficient route.

In addition, the bank should encourage stronger ties with non-governmental organisations, traditionally well-represented in the poorest sectors of the community.

But there is no question that the bank has an important role to play, says Dolny. It has an extensive network of branches, albeit concentrated in the traditionally white farming areas, and makes a profit on its lending. "Agricultural co-operatives would no doubt jump at the opportunity to buy the bank if it were put up for sale, but it's doing its job properly, so why give it away to the private sector?"

It has until April Fool's Day to prove her right.

Law will protect African know-how

Louise Cook

LEGISLATION is being planned to offer African healers and farmers, easily exploited due to their poor knowledge of the commercial value of their material and knowledge, the right to earn royalties from commercial research.

Agriculture department deputy director Walter Laubser said yesterday the recently established national plant genetic resources committee, which included representatives of traditional healers, the Agricultural Research Centre, AECI and the SA National

Seed Organisation, would look into drafting legislation next year.

The committee would set down rules to allow traditional healers to register their knowledge, and black farmers their plant and animal varieties. This would entitle them to royalties should their "property" be used in commercial research, cultivation or breeding programmes.

"The real issue is securing protection against commercial exploitation," Laubser said. Eventually, new export lines could be generated.

Laubser said the committee's inves-

tigation would change the perception that African material and knowledge was inferior. However, the planned legislation could take "years" due to the fact that the United Nations Food and Agriculture Organisation (FAO) had not yet finalised international guidelines on the issue.

Laubser said SA was merely one country in many, including India, devising ways of protecting itself against commercial exploitation of indigenous property.

"Local laws will have to conform to international rules. At the moment the

world and the FAO are waiting for India to bring out the first legislation as a possible example to follow."

Cape Town University botany faculty chief Felix Dakora said once SA's legislation was enacted, the first indigenous material to qualify for registration was likely to be millet, cowpea and groundnut varieties.

But legislation would not be enough to stamp out exploitation — Land and Agricultural Policy Centre director David Cooper said government would need to "sensitise communities" to their vulnerability and rights.

(3) BD 30/12/91

AGRICULTURE — GENERAL

1997

New advisory body will 'liberalise' farm markets

Louise Cook

THE agriculture ministry's new advisory body, the National Agricultural Marketing Council, would direct transformation in the farming sector to ensure as little harm as possible to existing structures, chairman Eckart Kassier said at the weekend.

The council, which is to hold its first meeting today, was created by Land and Agriculture Minister Derek Hanekom last month following nominations by the public, farmer organisations and agricultural companies.

For the first time various interest groups will be represented, including commercial and emerging farmers, agricultural economists and traders, consumers and product-related issues.

Kassier, who pioneered the free market for farm products in SA, called for the scrapping of monopolies, agricultural control boards and single channel export agents in 1992, saying a representative council should be established to "liberalise" farm markets. At the time he served on a ministerial committee probing the now defunct Marketing Act, and government implemented many of his recommendations, including the dismantling of all remaining control boards, including the Maize and Meat Boards.

In an interview at the weekend, Kassier said the council had yet to formulate detailed policy on agricultural marketing in SA, but its immediate priority would be to direct transformation of the farming sector. He said it

was premature to give details, but deregulation would create new opportunities in the market.

Asked about the main problems experienced by SA's 500 000 emerging farmers, he said they lacked infrastructure such as transport and accurate market information.

"They need help to overcome the problem of long distances from markets. A lack of communication networks impedes their knowledge of the market, and without these farmers remain at a disadvantage."

Kassier said the closure of marketing boards meant that the private sector could take over gathering and disseminating market information. Up to now, marketing boards handled information regarding crop size, prices and forecasts. Analysts have warned about a gap in the market unless information continued to be gathered and updated.

Kassier said the council would follow a "balanced" approach between the interests of farmers and consumers.

"Past policies such as surplus removal schemes were blatant discrimination against consumers, but these (policies) have subsequently been abolished. Marketing arrangements must be fair and equitable to all groups."

The other members appointed to the council included economist/consultant Johan Willemsse, Premier Foods director Eugene Brock, agriculturists Katlego Georaelwe, Tsepo Khumbane, Lungile Bhengu-Baloyi, Trevor Smith, SN Manjezi, Daniel Claassen and MG Rathogwa.

③ BD 6/1/97

Farmers in Mozambique want help with research

Louise Cook

80 7/11/97 (3)

SA FARMERS hoping to revive commercial farming in Mozambique were planning to ask the SA agricultural ministry for the greater involvement of the Agricultural Research Council in their operations, Free State Agricultural Union president Piet Gous said.

With satellite research sites throughout SA and researchers covering all aspects of farming, the council was one of the biggest farm research institutions in Africa, he said. The council is partly funded by government, receiving R863m last year.

Gous said yesterday the council was "conspicuous by its absence" in Mozambique, and remained too focused on SA farming needs.

"The council should be taking a leading role in developing the continent," he said.

However, the research council's vice-president, Frans Hugo, denied it was not interested in sharing its expertise with neighbouring countries, saying it could not become involved in Mozambique until it was contracted to do so. "Someone has to contract us and pay us, otherwise we have no mandate to do any work. We fully support the Mozambican initiative. In fact, I do not see the project being successful without researchers."

About 14 SA farming

groups, including Gous and his family, left for Mozambique's northern Niassa province at the end of last year, saying that by encouraging commercial farming in Africa they would help limit the flow of illegal immigrants into SA.

The move was supported by Transvaal Agricultural Union president Dries Bruwer, who secured the blessing of President Nelson Mandela for the initiative.

Gous said that although only 14 families had left so far, more were due to follow this year. Plans to boost the operation included setting up mills and oil presses and upgrading the 120km railway line between Beira and the province's capital, Lichinga.

"We will be planting maize, soya beans and peanuts ... and are looking at the first harvest by July/August," he said.

Black farmers' union struggling to raise funds

Louise Cook

③
BD 15/1/97
THE National African Farmers' Union (Nafu), representing 500 000 emerging and commercial black farmers, was struggling to raise R3m a year to cover its running costs.

A report by Overseas Development Institute researcher Diana Carney, distributed by the Land and Agriculture Policy Centre, said funding by the National African Federated Chamber of Commerce had mainly dried up, leaving the union dependent on part

on the statutory levy income in agricultural marketing, sponsorships and membership fees.

The report said Nafu had made "few concrete gains" in land reform, despite aspiring farmers joining associations and land issues being a "priority concern" of the union. It was unlikely Nafu would sustain itself unless it generated benefits for farmers. "If Nafu's income is to rise, these (policy discussions) need to be counterbalanced by activities that confer specific benefits on paid-up members or provide services which can be charged on a user-pays basis."

Subdividing land will create jobs, says

Louise Cook

JOB creation would be boosted by subdividing land rather than by expecting large commercial farmers to solve the problem of unemployment, Land and Agriculture Minister Derek Hanekom said this week.

Detailing government's latest thinking on land reform, he told a gathering of agriculturalists and land reform stakeholders "it stands to reason" that the size of SA's average land holding would

be reduced and that a degree of mechanisation on commercial farms was to be expected. "Larger farm units are generally less labour-intensive. Some farmers who feel this will cut out strike action will invest in labour-displacing machinery," he said.

Hanekom and farmers' unions had been at loggerheads over farm size and mechanisation on commercial farms for some time. Last year farmers' unions threatened large-scale mechanisation and sacking of workers in the face of

new land reform and labour legislation. They warned of a 30% overemployment rate for humanitarian reasons on some farms.

The SA Agricultural Union (SAAU) has repeatedly dismissed the economic viability of small farms. The union last year criticised the green paper on land policy for proposing scrapping of the Prohibition on the Subdivision of Agricultural Land Act. In terms of the act, ministerial approval was required before cutting up a farm.

Hanekom replied that by sub-

dividing land, switching to smaller units, streamlining tenure reform and providing for land to be used for farming as well as other livelihood-supportive activities, significant numbers of informal jobs would result. "Even modest reform measures will make an immeasurable difference to job creation. Acute land hunger is not conducive to economic growth and stability.

"In practical terms the inclination is to use a small unit intensively, thus the labour on it inten-

sifies as well." He said the SAAU's long-held principle that too-small farms were not economically viable was a "questionable notion".

Critics of land reform policies (including the National African Farmers' Union representing 500 000 mostly emerging farmers) claimed in the past that emerging black farmers should be allocated land before other beneficiaries who "wasted" the land.

However, Hanekom said SA needed a range of diverse land reform models. "One way is to buy a

single farm, subdivide it and set aside part of the land for group settlement and another for those seriously interested in farming." He dismissed arguments that government should undertake a stringent selection process to screen would-be farmers before they qualified for land, saying that a self-selection process was adequate. However, he conceded there were difficulties with group ownership of land due to the fact that it required consensus being reached on "difficult" issues.

16/1/97
3
Hanekom

Orchards scheme to boost Northern Cape farming

John Dladla

BD 22/1/97
THE Industrial Development Corporation (IDC), which operates a range of supply-side measures to improve international competitiveness in SA, is to provide R60m in supporting agriculture in the Northern Cape.

The Orange River Wine Cellars had inaugurated its new R10m grape juice cellar yesterday, completing the first phase of a planned R30m extension programme, the IDC said.

Two additional similar juice cellars, one at Grootdrink and one at Kakamas, were being planned to provide for further planting of vineyards at the cost of R30m by members of the co-operative.

The financing was part of the IDC's Orchards scheme, announced in 1994, to finance the extension of orchards. Initially the extension of citrus, deciduous and subtropical orchards were financed by providing low-interest loans to increase competitive exports and create new jobs in rural areas at low cost.

IDC acting CE Jan de Bruyn said the Orchards scheme was "particularly successful" and was being well received by the agricultural community.

To date, 212 loans worth R281m had been approved for new orchard development and pack houses. About 9 000 new job opportunities would be created at full production, while an additional R450m would be earned annually in foreign exchange.

About 1 000 new job opportunities would be generated at full production of the Orange River Wine Cellars project, with additional exports of grape juice worth R30m a year being created.

Koos Burger, chairman of the Orange River Wine Cellars, said the extension would enable members of the co-operative to switch from present cash crops to more lucrative permanent crops. "This opportunity will also be extended to all the farmers and small farmers in the lower Orange River region which will result in better expectations for the community."

Government poised to call in huge farming debt

③ CT(BR) 22/1/97

NORMAN CHANDLER

Pretoria — The government is poised to call in massive farming debts, largely from white farmers, in a move that will open the door to agricultural credit facilities for the disadvantaged.

Farmers collectively owe almost R20 billion to the former Agricultural Credit Board, whose books have been transferred to the Land Bank, now controlled by the agriculture and land affairs department after

being part of the department of finance.

Koos du Toit, the South African Agricultural Union chief economist, does not believe there will "a large-scale shakeout" and that existing contracts between the government and farmers will be honoured.

To add to farmers' woes, commercial banks are now applying stricter loans criteria and are no longer giving preferential treatment. Farmers believe the debt crunch will bring added hardship

and result in some of them leaving their land. Major commercial banks, the Land Bank, the Agricultural Credit Board, and other lending institutions are owed a total of R19,5 billion. Of this, about R9 billion is owed to the Land Bank and the board.

It is understood that talks are taking place between the agriculture minister and the Land Bank so that a satisfactory conclusion can be reached in regard to the loans after the government last year accepted a rural finance

commission recommendation to halt government-approved agricultural credit facilities.

Funding from debt collection is now being diverted to helping disadvantaged farmers establish themselves in accordance with land reform policies.

A departmental investigation is evaluating agents appointed to facilitate production loans to small-scale farmers. Thoko Didiza, the deputy agriculture minister, said the decision to phase out individual debts had

been taken because the Land Bank had become part of the portfolio of the agriculture and land affairs ministry.

Derek Hanekom, the agriculture and land affairs minister, said transformation of the Land Bank "in terms of its present good standing and in keeping with new demands placed on it", would require "a dedicated oversight function".

Du Toit said each case would be evaluated on merit and that the union had been assured that

contracts between the state and farmers would be honoured.

"But where there is a situation of arrears and the farmer appears not to be creditworthy, then there will be trouble in that loans could be called in."

He said many farmers had already made alternate financial arrangements.

"We believe that quite a lot will be in a position to carry on as normal. There is no fear of a large-scale shakeout taking place."

Crackdown on farming debts

(3) Louwman 23/1/97
THE Government is poised to call in massive farming debts in a move which will open the door to agricultural credit facilities for disadvantaged farmers.

Farmers, mostly whites, collectively owe almost R20 billion to the Agricultural Credit Board.

The ACB has been closed down and its books transferred to the Land Bank.

The Land Bank, in turn, is now controlled by the Department of Agriculture and Land Affairs after years of being part of the Department of Finance.

Dr Koos du Toit, chief economist at the South African Agricultural Union, says he does not believe there will be "a large-scale shake out" of farming debts.

He believes that existing contracts between the Government and individual farmers will be honoured for the time being.

To add to farmers' woes, commercial banks are now also applying stricter criteria on loans and are no longer providing preferential treatment as was the case in the past.

Farmers who have contacted *The Star* say they believe the overall situation will bring added hardship and possibly will drive "a number" of the country's 65 000 commercial farmers off the land.

Major commercial banks (in particular First National,

Volkskas, Standard, and Nedbank), the Land Bank, the ACB, and other lending institutions are owed a total of R19,5 billion.

Of this, about R9 billion is owed to the Land Bank and ACB. It is understood that talks are taking place between the Department of Agriculture and the Land Bank so that a satisfactory conclusion can be reached with regard to the ACB loans.

This follows the Government's acceptance of a recommendation by the Rural Finance Commission (the Strauss Commission) late last year to immediately halt Government-approved agricultural credit facilities, which have for years been one of the mainstays of farming life.

Lines of credit

Lines of credit were provided by the ACB in terms of the Agricultural Credit Act.

Facilities being phased out include debt consolidation and advances made for the purchase of land and implements.

The recommendations were recently accepted by Deputy Minister of Agriculture Mr Thoko Didiza and this immediately brought about a cessation of lending.

Funding received from debt collection is now being diverted to helping previously-disadvantaged farmers establish

themselves in accordance with radical land reform policies instituted over the past two years by the Government.

A departmental investigation team is at present evaluating agents appointed to facilitate production loans to small-scale farmers.

According to Didiza, the decision to phase out individual debts had been taken because the Land Bank had become part of the portfolio of the Agriculture and Land Affairs Ministry.

Agriculture and Land Affairs Minister Mr Derek Hanekom says that "the transformation of the Land Bank in terms of its present good standing and in keeping with the new demands being placed on it, will require a dedicated oversight function.

He adds that the SAAU has been assured that contracts between the state and farmers will be honoured "but in cases where there is a situation of arrears and the farmer appears not to be credit worthy, then there will be trouble in that loans could be called in".

He says the union is aware of many farmers who have already taken the initiative to make alternative financial arrangements and "we believe that quite a lot will be in a position to carry on activities as normal. There is no fear of a large-scale shakeout taking place".

The ACB, established 30 years ago, last year signalled the Government's

Contracts between the state and farmers will be honoured

intentions to tighten credit by virtually doubling interest rates on old and new loans from 8 percent to 14 percent -- which is far less than that levied by commercial banks, whose prime lending rate is currently in excess of 20 percent.

In 1995-96, more than 1 000 maize farmers were forced to sell up because they were unable to meet either their ACB or Land Bank repayments.

Labourers lose jobs

This also resulted in more than 40 000 farm labourers losing their jobs. The ACB's function in the past was to provide assistance not only to agriculture in general but particularly to farmers unable to obtain credit from other sources.

This included a provision of credit facilities and other unspecified measures to benefit or promote agricultural activities.

The board was assisted in evaluating clients by a network of local agricultural credit committees, chaired by magistrates. Some farmers are regarded by commercial banks as high risk clients and pay higher interest rates on borrowings than others placed in a lower-risk category.

Banking sources say appraisals of applicants are undertaken on an individual basis and take into account factors such as solvency, liquidity, account management and security of the required financing.

Funding received from debt collection is helping previously disadvantaged farmers

3) BD 27/1197

New laws set to end direct govt credit to

Louise Cook

GOVERNMENT has started a major rewrite of agricultural finance legislation in a bid to restructure subsidy schemes, improve noncommercial farmers' access to credit and end the agriculture department's traditional role as creditor to farmers. The laws being overhauled — partly as a result of the Strauss commission report on rural fi-

nancing released late last year — include the Land Bank Act and the Agricultural Credit Act. The Strauss report recommended that government distance itself from the practice of granting credit directly to farmers.

A source in the legal section of the agriculture department said the process was at an early stage, but the new laws were likely to clamp down on "ongoing subsidies" and limit aid to "real disas-

ters". Even drought aid would probably be scaled down — the latest thinking in official circles was that droughts were part of the SA climate and farmers should plan ahead for bad years.

Financial assistance director Johan Venter confirmed that subsidies were being reviewed. However, details had yet to be finalised. "At this stage we are focusing on greater access to credit for small farmers turned away by

large financial institutions. We are setting up a credit guarantee scheme, focusing on risk, to take care of their need for credit."

Sources in the department said that government's role as creditor to individual farmers was "very likely" to end after years of lending money to farmers to buy land, implements and production inputs. Most were processed by the agriculture department's credit board. Short-term credit and

small loan schemes were introduced last year to cater for non-commercial black farmers.

However, sources said it was "virtually certain" these functions would go the Land Bank as recommended in the Strauss report. Land Bank acting MD Freddie van Staden confirmed that the bank was restructuring to enable it to "establish and finance" emerging farmers, but that this would not take place at the ex-

pense of commercial farmers.

"Media reports suggesting less money would be available for commercial farmers are unfounded. The bank relies on a strong core of commercial farmers in its debtor portfolio ... to maintain stability and solvency," he said.

Agriculture department officials said they hoped to submit the proposed legislative package on agricultural finance to Parliament before the end of the year.

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ing to health and devel- population.

Secrecy around farm land subdivision to go

Wyndham Hartley

27/11/97

(3)

CAPE TOWN — The secrecy surrounding the subdivision of agricultural land is set to go this year when the governing legislation is scrapped and replaced with a new law which will give reasons for any ruling by the agriculture department.

Sources in the department's legal section said yesterday that the intention was to produce a new Conservation of Agricultural Resources Act which would make it easier to subdivide farmland and to remove the present absolute discretion of the minister.

In the past the agriculture minister ruled on applications to subdivide agricultural land and was not required to provide reasons. The intention was to now provide guidelines and a "transparent" process in new legislation. The requirements for subdivision would be less restrictive, the source said.

It was stressed that the new act would insist that agricultural land would continue to be used for agricultural purposes. Any attempt to use the subdivision to provide for settlements or industrial activity would be precluded by the new law.

The idea was that in a country with limited productive arable land it should not be cut up into pieces "all over the place".

The present highly restrictive Subdivision of Agricultural Land Act was also seen to be an obstacle to successful land reform and redistribution programmes. The new legislation, at present being drafted, is expected to go to the cabinet in May and to reach Parliament in the middle of the year.

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Produce council issues warning on corruption

Louise Cook

(3) 27/11/97

THE Agricultural Produce Agents' Council, a statutory body regulating market agents, warned at the weekend that it would "aggressively pursue" market agents who were guilty of corruption or misconduct.

The warning followed months of investigation by the SA Police Service's Office for Serious Economic Offences (OSEO) into alleged corruption at the Johannesburg fresh produce market.

Audit firm Ernst & Young, appointed by the OSEO to help, completed a report in December. This has not been released and the firm was subsequently

asked to investigate new aspects of the allegations.

The council said the public should report to it any irregularities at fresh produce markets. "The council ensures that agents comply with codes of conduct and regulations of trade. In the case of fresh produce, the council ensures that agents abide by the rules governing trust account administration."

The furore started two years ago when an investigator suggested about R400m had been lost due to mismanagement and ineffective systems. Some farmers support the allegations, saying profit has not been passed on to them and documentation fails to meet requirements.

Ten deeds offices to close down

Sowetan 4/2/97

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Minister says move will save taxpayers R82 million this year alone

By Rafiq Rohan
Political Correspondent

MINISTER OF LAND AFFAIRS Mr Derek Hanekom has announced that 10 registry of deeds offices will be closed, thus saving taxpayers R82 million this year alone.

Hanekom said he would be scrapping the offices, designed under apartheid policy, because they were "wasteful".

The deeds offices keep registers and records of land ownership.

Before the "homelands" were created by successive National Party governments, South Africa had eight deeds offices in Cape Town, King William's Town, Bloemfontein, Kimberley, Vryburg, Johannesburg, Pretoria and Maritzburg.

When the bantustan policy was introduced, additional deeds offices were opened in Transkei, Bophuthatswana, Venda and Ciskei to take care of registrations in those areas.

This resulted in South Africa having 18 deeds offices.

"The result of this is that a substantial financial burden has been removed from the taxpayers. The saving to tax-

payers during the current financial year is R82 million," said Hanekom.

He said many of the deeds offices did not have the essential infrastructure. "The maintenance of the existing 18 offices and a sub-office is unjustifiable, unsustainable and wasteful.

"To create the necessary infrastructure in all of them would involve heavy additional expenses. The existing offices have to be rationalised to unify the system nationally, to limit costs and staff numbers, and to provide an effective and equal service to the public."

Sub-office

Hanekom referred to Port Elizabeth which he said had always been served by the Cape Town deeds office. A sub-office had been set up there only for registrations in black townships.

There was no reason separate offices should exist for only black transfers, Hanekom said.

Offices in the former KaNgwane, KwaNdebele, Ciskei, Gazankulu, Lebowa, Venda, KwaZulu, QwaQwa, Mmabatho, and the sub-office in Port Elizabeth will be closed.

The original and better equipped offices will take over the registration work for all the regions, he said.

Pensions law grey areas 'likely to be highlighted'

Belinda Beresford

UNRESOLVED grey areas in pensions law were likely to come to the fore after the selection of the Pensions Fund Adjudicator later this month, Pension Lawyers Association president Kobus Hanekom said yesterday.

He said that the full impact of the dispute resolution procedure outlined in the Amended Pensions Fund Act of last year had not yet been felt, because the adjudicator's post was unfilled.

The biggest flaw to the resolution procedure was the uncertainty relating to fair retirement fund practice issues. At the moment there was insufficient recourse to the labour courts for such disputes, a situation Hanekom described as "disastrous".

"As far as I am concerned that is the biggest shortcoming in that area at the moment. It is not fatal, the system can work, but it could possibly pick out undesirable results," he said.

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"In my opinion the National Retirement Consultative Forum is the best place for developing fair retirement fund practices, due to the fact that it contains representatives of the three Nedlac (National Economic, Development and Labour Council) components, but also has the retirement fund industry and the regulators involved," Hanekom said.

He pointed out that as the retirement fund industry was overhauled, residual unfair labour practice laws were still needed. However, at present this legislation did not automatically allow for disputes between pension funds and employees, only between employers and employees.

Hanekom said other issues needing clarification, including who had the final decision on the investment of pension fund monies, risk of abuse of the complaints procedure, and the lack of definition of "actuarial reserve".

Actuarial reserve is the amount of money credited to an in-

dividual who shifts between pension funds. Hanekom said guidelines were needed because the retirement fund industry had to be made to recognise that actuarial reserve also included part of the stabilisation reserves of the pension fund.

Investment strategy was an area open to dispute, because employers with defined benefit funds felt that they should have the final decision, since they carried the risks of investment, Hanekom said.

However, he felt that the fund members should be allowed some say, even if this meant they took some of the risk of their chosen investments underperforming.

Although the dispute resolution procedure was designed to be efficient and easy, Hanekom felt it could be open to abuse. To prevent this, he suggested levying a fine from the complainant, or giving the adjudicator powers to make penal cost arrangements, as is done in the UK.

All control boards to be abolished — Hanekom

Wyndham Hartley

CAPE TOWN — Agriculture Minister Derek Hanekom has reaffirmed his decision to abolish remaining agricultural marketing boards by the end of the year.

He said these boards would not be allowed to take their assets and form private companies.

Hanekom said that in future no "single channel" marketing mechanisms would be allowed. Those control boards still in business would be closed this year.

The assets of the boards would have to be used for the benefit of the industry as a whole. They would not be allowed to go to a small group of producers when those assets were accumulated as a result of the statutory function performed by the boards, he said.

Hanekom also said that the agriculture department had made

its position on the European Union free trade negotiations known. He was unhappy about the exclusion of agricultural products where SA had a competitive advantage, however, and it was going to be very difficult to get the EU to change its position.

He stressed that part of the negotiations on the exclusion of agricultural products was based on making the EU understand that SA's approach to the free trade agreement was on the basis of its relationships with neighbouring countries in the SA Customs Union and the Southern African Development Community.

Hanekom said that while Europe was an important trading partner, the idea was to look to Africa and other areas such as Latin America, Central Europe, and the Far East for expansion of markets for agricultural products.

Man 'killed for replacing flag'

CRADOCK — A woman told the truth commission in Cradock yesterday her brother was shot dead in 1992 for allegedly trying to replace the SA flag with the flag of the ANC at a township police office.

Xoliswa Ethel Mboya said her brother, John Boya, was fatally shot by police on October 20 1992, for allegedly resisting arrest.

However, in her written submission, Mboya said her brother had tried to replace the SA flag on the roof of Cradock security police headquarters.

She said at the time of her brother's death, the ANC had been unbanned since February 1990 and it was no longer illegal to display its flag.

The family had laid a charge of murder against the police, who were the only witnesses to the shooting, but there were no prosecutions and the family was still in the dark about who shot and killed John.

Land Bank in 'urgent need' of new directors

Louise Cook

LAND Bank acting GM Freddie van Staden has called for an urgent meeting with Land and Agricultural Minister Derek Hanekom to thrash out the next step towards the appointment of the bank's new board of directors, sources said yesterday.

A new board of directors due to start on April 1 is part of a major restructuring drive by the Land Bank after the rural financial services commission's recommendations last year. One of the commission's main recom-

mendations was that the bank was in urgent need of a new board of directors and chief executive officer.

Hanekom has since confirmed the board restructuring would go ahead. But yesterday sources in agricultural financing said time was running out and the matter was approaching "critical proportions", as government had not yet called for nominations.

A Land Bank spokesman said six of the eight board members were due to retire at the end of next month. This left only two people — Independent Development Trust director

Bonile Jack and Strauss commission vice chairman Daphni Motsepe — on the board. A maximum of ten members could be appointed but this could change under new legislation being drafted, the spokesman said.

Meanwhile, personnel agencies dealing with applications for the position of CEO said they were happy with the "quality of the applicants", but that not many had applied. A spokesman for Equal Access Consulting, one of the companies dealing with the appointment, refused to confirm if special advisor to the agriculture minister and widow of late

BD 13/2/97 (3) (EIA)
housing minister Joe Slovo — Helena Dolny — was one of the applicants. Industry sources speculated yesterday that she was a likely candidate for the position but it could not be established whether she had made herself available.

In a recent statement, the bank said that despite positioning itself to take on wholesale financing of emerging farmers as part of its new function, it would retain its service to commercial farmers. The bank financed its debtor portfolio with money raised on money and capital markets, it said.

Affluent blacks tell of 'new SA' trauma

NEW YORK — Newly affluent SA blacks are struggling "socially and emotionally" as they climb the ladder of success, reports Suzanne Daley in The New York Times.

Daley, who interviewed nouveau riche South Africans, writes that they generally enjoy the trappings of their new status and, given a little power, are not above using it.

However, those who played no part in the fight for equality spoke of guilt feelings about benefiting from the sacrifices of others.

Well-to-do blacks still faced small humiliations as they adapted to a new

lifestyle and negotiated the minefields of situations like taking out a mortgage and talking to neighbours who assume they are servants.

Some likened work to "a battlefield where they are patronised and ignored by white colleagues".

Members of this new social class are not comfortable, either, with friends who have done less well and typically want to borrow money.

However, prosperous lawyer Enos Banda told Daley, finding new friends was not easy. There are so few wealthy blacks that he sees the same people at every party he attends. — Sapa.

Water reserves to outlast El Niño

PRETORIA — The El Niño weather phenomenon should not dry up SA's water reserves, thanks to the best storage levels in 77 years at major reservoirs, the water affairs department said yesterday.

It said water delivery was not expected to become a problem for at least two to three years, which matched El Niño's life expectancy.

"It is therefore evident that the emergence of El Niño does not necessarily bode us all that is evil," the department said.

"It is fortunate that it hits us at a time when storage levels are excellent."

The department said SA experienced above-average rainy seasons during 1995/96 and 1996/97, and the current storage state at major reservoirs was the best on record since 1920, it said.

El Niño, which is expected to cause a warming of the Pacific Ocean, generally negatively affects SA's summer rainfall.

It was therefore expected that run-off from catchment areas would also be below average.

The department said the long duration of a warm spell caused by El Niño between 1990 and 1995 was regarded as exceptional.

Also, the 1982/83 drought caused by an unusually strong El Niño affected SA at a time when storage levels were low — at about 48%. The current storage level was 90% of capacity.

"No problems are foreseen in water delivery from major water systems for the next two to three years, by which time the Pacific Sea surface temperatures may be back to normal or even below normal," the department said. — Sapa.

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Reintroduction of agricultural levies 'not ruled out'

Louise Cook

THE reintroduction of statutory levies to finance specific needs in the agricultural sector had not been entirely ruled out, Land and Agricultural Minister Derek Hanekom said yesterday.

Opening the Agrocon conference on agriculture in Pretoria, Hanekom said control boards were part of the past, but commodity-based bodies would be necessary to carry out some of the functions previously performed by the boards. These in-

cluded information gathering, research and possibly meteorological data.

The question around the funding for the functions in the absence of control boards suggested that levies might be reintroduced in some cases. "Government generally would like to move away from statutory levies where possible, but the merits of each case would be considered."

However, Hanekom stressed that the decision did not lie with him, but with the parliamentary committee on agriculture. Each party affected would have to debate

the issue in parliament, he said.

The scrapping this year of all remaining levies payable on produce was part of government's deregulation drive and freeing up of agricultural markets.

Hanekom said this was not unique to the agricultural sector, but was part of a broader social transformation process. Government's intervention in agriculture was diminishing, and was becoming more focused. "Our role is that of creating an environment conducive to increased exports and trade, boost foreign earnings

and attract new investment," he said.

Referring to the "substantial" assets of the agricultural boards — currently the subject of scrutiny by the National Agricultural Marketing Council — Hanekom said these would be applied in a "meaningful way to boost output".

Meanwhile, acrimonious exchanges on the issue of maize meal prices saw National Maize Producers' Organisation (Nampo) chairman Japie Grobler tell the conference that farmers were "sick and tired" of suggestions that they were anti-

consumer orientated and responsible for high prices of maize meal.

Tiger Oats spokesman Boris Kaplan said he objected to Grobler creating the impression that millers drove up prices. "We have to go according to the landed cost of the material on delivery at the factory. The cost of hefty levies comes into it," he said. "But consumer prices of maize meal failed to reflect price fluctuations of maize — price increases were constant and kept pace with inflation rate increases," Grobler said.

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SA set to develop new water management plan

Business Day Reporter

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SA IS set to develop a new multidisciplinary approach to managing the country's scarce water resources based not only on technical considerations but also on economic, social, political and environmental considerations.

A document released by the waters affairs department and the Water Research Commission said water resource managers in SA faced challenges because of a scarcity of resources and the need for economic growth, development and social upliftment.

The situation was further complicated by the deterioration of SA's water resources.

The report said far-reaching political changes had made the historic approach of central government — one of "dictate and manage" — unacceptable to the public. People had a greater need to be involved in decision-making and end-users would have to be drawn into planning and management processes.

"For these reasons it is essential that a new approach for SA's water resource managers is developed," the report said. "Water resources can no longer be dominated by technical considerations but should be more people-centred."

It said the water affairs department should be responsible for leadership rather than taking control. "Catchment area management" was currently accepted worldwide as one of the best building blocks for establishing an integrated management system.

"Integrated catchment management implies that water — and related ground resources — must be matched ... to the best advantage of its users, and that the operations of all agents and organisations concerned with ... water resources are properly coordinated," it said.

The document forms part of a review process of SA's water legislation.

Corporate travel management

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15 million wait for water

Asmal spells out conservation plans

AR 45/3/97 (3) (4)



JERMAINE CRAIG
STAFF REPORTER

A million South Africans have been given access to water in the past two years, but a staggering 15 million are still without a proper water supply.

This was the message from Minister of Water Affairs and Forestry Kader Asmal to Paarl residents during a tour of townships there yesterday.

His visit follows a directive from President Mandela that his ministers have regular "people's forums" to consult at grass-roots level about the country's problems.

Professor Asmal said access to water was not as great a problem in the Western Cape as it was in other regions. Only 5 per cent of people here did not have water.

But he said South Africa was a "water-scarce" country. There was not enough to meet the needs of its people and plans were being formulated to meet these needs.

He defended new laws to regulate the use of water.

"What we are doing for the first time is starting a real conservation plan to save water. The policy of the country is not to build dams. There are seven dams which

are not being used at all and are costing us a lot of money," said Professor Asmal.

He encouraged historically disadvantaged people to take their rightful place in agriculture.

"There were African and coloured farmers who are no longer farmers because they were denied their right to farm under the Group Areas Act.

"We have to bring disadvantaged people into farming and into small-scale industrial developments. But if you have to work you have to have access to water," said Professor Asmal.

Farmers used half the country's water, of which a quarter was wasted. He said laws had to be put in place to regulate water use.

He allayed farmers' fears that they would be affected negatively by the proposed water laws, saying Mr Mandela had recently stated that farmers made a major contribution to the gross national product and provided employment.

Professor Asmal said that although the Government was working hard, it could not do everything on its own. He encouraged communities to organise themselves and improve things in their own areas.



Wet work: Professor Asmal sees how Paarl washerwomen get water to good use

OBED ZLWA

Water law: Kader Asmal explains new plans

Agriculture cuts criticised by farmers

Louise Cook

(3) 0013/3/97

COMMERCIAL farmers yesterday criticised various aspects of the budget, in particular the scrapping of a rebate on diesel to farmers, saying that although the budget contained a number of sound principles, government clearly illustrated its indifference to the agricultural sector.

SA Agricultural Union president Chris du Toit said it was clear government viewed the farming sector as an "inexhaustible tax source" and the sector's economic role as limited.

He called on government to reconsider the scrapping of a 20,6c/l rebate on diesel, saying the move would cost agriculture R270m a year. "The budget for agriculture

amounted to less than 0,5% of the overall budget. The 7% decline from last year proves that cost increases linked to inflation have been totally ignored," he said.

Allocations for agriculture and land affairs have been cut 6,9% and 9,7% respectively this year. Expenditure of R776,1m was budgeted for agriculture and R583m for land affairs.

The finance department said in its budget review that changes would be made to the restitution process to bypass the restitution commission in certain instances, due to its excessive workload. Some claims would go straight to the Land Claims Court once the Restitution Act had been amended, the department said.

Policy shifts resulting in a

smaller allocation for agriculture included the transfer of the farm-worker-housing function to the housing department and the scaling down of assistance for disaster aid and farmer support.

One of the reasons for the smaller allocation to land affairs was the scrapping of 192 posts in a reorganisation of the department. Funds for land restitution dropped to R64,1m from R116m, while R321,8m was allocated for redistribution and R31,9m for tenure reform.

In reaction, the National Land Committee, backed by the National African Farmers' Union, said the cuts questioned government's commitment to rural development, land delivery and the upliftment of small-scale farmers.

BUDGET

Community water projects to bear brunt of cut in funds

Robyn Chalmers

BD 13/13/97
THE water affairs and forestry ministry's budget allocation was cut by 8,9% to R2,1bn with water resource planning, water resource development and community water supply and sanitation programmes bearing the brunt of the reduction.

The programmes' budgets were cut to R74,6m (R76,5m), R218,8m (R231m) and R1,2bn (R1,5bn) respectively. Stakeholders expressed dis-

(42) (3)
appointment at the dip in funds that would be available for water, sanitation and forestry projects.

One nongovernmental organisation spokesman said the cut in the community water supply and sanitation programme was particularly disturbing as real progress was being made on projects falling under the programme.

Water Affairs and Forestry Minister Kader Asmal was more optimistic yesterday, saying the budget fo-

cusied strongly on socio-economic development, which made considerable provisions for the poor.

He shrugged off the cut in his budget, saying the overall focus on speeding up socio-economic development meant the funds would be well spent elsewhere. In addition, rolled over amounts from the reconstruction and development programme (RDP) could be made available to supplement the existing funds.

The budget review said

the allocation on the community water supply and sanitation programme of R1,2bn included a R500m carry-through from the RDP. Projects which had been started by the end of last year would ensure that a total of 6,4-million people gained access to water supplies.

"Projects to serve a further 2,1-million people have recently been announced in the fourth RDP programme. It is expected that a further 1,7-million people will be served

in 1997," the review said.

It said the integration of the water affairs and forestry department with the corresponding components of the former homelands had been completed, with the exception of KwaZulu-Natal.

Restructuring would continue as direct water supply functions were devolved to water boards and local government, and the department's emphasis turned to support other spheres of government.

Govt closes loopholes in retirement fund taxation

Belinda Beresford

BD 13/13/97
GOVERNMENT has acted to close two loopholes in retirement fund taxation, and has announced plans to equalise public and private sector retirement provisions.

Pension funds are now going to be taxed at 17% on the dividends they receive from investments in property unit trusts.

Previously, such investments had escaped owing to an omission whereby tax was only paid on rental and interest. Money from property trusts was technically dividend income, and

not included in the tax net.

Deloitte & Touche partner Anne Pappenheim said the situation arose from a genuine error. Dividend income was not included in the definition of interest when the tax on retirement was defined.

"To be totally honest, this one was a straight mistake," she said.

Also effective from March 1 are government plans to tax retirement funds that earn income from lending scrip. Pappenheim said technically such compensation for lost interest was not defined as interest, therefore it did not fall into the retirement fund

(5)
tax net.

In addition, the government will tax the fees paid by the borrower to the lender company for lending the scrip.

Government has decided to tax lump sum payments from public sector funds on the same basis as private sector funds to equalise taxation, in effect from March 1 next year.

However, this change is subject to protection of vested rights — people will be "protected by reference to the number of years' service ... as well as the final salary applied".

One exclusion from the vested in-

terests clause concerns the transfer of benefits from public sector pension funds to any kind of provident fund. Two-thirds of such transfers will be subject to tax as of yesterday.

The SA Revenue Service is to investigate whether contributions to medical savings accounts should remain tax deductible or regarded as investments. Interest accrued by such savings accounts is to be taxed.

Government plans "no changes to the current system for this year" for private sector retirement funds pending National Retirement Consultative Forum recommendations.

Marches 'could cost farmers govt support'

ED 19/3/97

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by Louise Cook

AFTER farmers took part in marches and mass action nationwide yesterday, Land and Agriculture Minister Derek Hanekom warned that further disruptive action could cost them the support of government and the public.

However, Transvaal Agricultural Union vice-president Willie Lewies said more protests could be expected.

Thousands of farmers, saying they were at the end of their tether about crime, taxes, land reform and "collapsed" government administration, gathered at toll gates on national roads early yesterday.

Traffic was disrupted and some roads

closed. Police, traffic officials and soldiers were placed on standby. On the N1 between Pretoria and Warmbaths, the main road was closed during the course of the morning and traffic redirected.

By midmorning only about 25 vehicles remained at the Pelindaba/Qwagga toll gates between Pretoria and Rustenburg. Farmers paid toll fees in one cent pieces or R200 notes to delay traffic. However, police spokesman Mornay van Wyk said there was no major traffic disruption on the route.

Elsewhere in the country farmers followed a similar "blitzkrieg" strategy by gathering at toll roads early in the morning and marching to police stations to hand over memorandums

stating their grievances.

About 700 to 800 farmers' vehicles reportedly drove in convoy through Vryburg in the northern Cape. Farmers marched in Bloemfontein. Other Free State towns affected were Parys, Sasolburg and Villiers.

Farmers also marched to police stations in Kimberley and in some Western Cape towns.

Agricultural unions denied any responsibility for organising the protests, but sources said the campaign was discussed at a Free State Agricultural Union regional meeting at Koppies last week.

At the meeting farmers reportedly threatened to trash offices of the land affairs department with manure in protest against govern-

ment's "violation" of their property rights.

Meanwhile, Hanekom warned farmers their actions were "misdirected". He said their concerns were being addressed by government and the SA Agricultural Union (SAAU).

Union president Chris du Toit said the SAAU supported yesterday's mass action. "Farmers feel government's policy directives do not take into account agriculture's important role in the economy."

An anonymous memorandum handed to police at the various protest points said farmers rejected high levels of murder and crime, the imminent collapse of state administration, violation of property rights and the recent scrapping of a rebate on diesel.

Protesting farmers block national roads

(3) CT 19/3/97

JOHANNESBURG: Protests by thousands of farmers around the country ended peacefully yesterday afternoon after they had handed over memoranda to local police stations and government officials.

Farmers protested at the government's failure to reduce the high rate of farm murders, land reform legislation and the loss of tax rebates, especially on diesel fuel.

Although the protests were without incident, the barricading of national roads was cause for concern.

Assistant Commissioner Mxoli Vanqa said the barricading of roads by farmers infringed on the rights of other road users who had a right to freedom of movement and to safety and security on the road.

By late afternoon yesterday all the protesters had left for their farms and road traffic was restored to normal.

A group of about 200 farmers blocking the southern lanes of the Kroonvaal toll plaza were the last to leave, northern Free State police spokesman Captain Marius Botes said.

Earlier the toll gate at Villiers was blocked by farmers handing out postcards, in which they explained their plight to passing motorists.

In Bloemfontein more than 140 vehicles drove to Park Avenue police station where a memorandum was handed over to station commissioner Senior Superintendent Hendrik Swanepoel.

Free State Agricultural Union spokesman Mr Hein Ferreira said that in most Free State towns the process had been the same and there were no incidents.

In the Northern Cape farmers converged upon Kimberley, Upington and Kuruman.

Northern Cape police spokesman

Sergeant Tony Modise said the protests were without incident, with about 1 000 farmers marching in Kimberley.

In the small town of Colesberg farmers were cheered by onlookers. A memorandum was handed to mayor Mr Joe Ngantweni, who promised to give it to Northern Cape premier Mr Manne Dipico.

Pretoria police spokesman Captain Mome van Wyk said farmers had dispersed from the Pelindaba and Qwagga toll gates on the N4 highway near Pretoria by midday.

At the Kranskop toll gate in Northern Province, farmers left after driving through the gate and paying their toll with one cent coins.

"The farmers drove through the toll gate a couple of times — some of them were braaiing meat — and then left after handing over a memorandum to the Nylstroom station commissioner," Bushveld police spokesman Captain Blackie Swart said.

The South African Agricultural Union expressed support for the protest.

"The message that feelings are running high on certain aspects of agriculture has been conveyed to the authorities on several occasions," SAAU president Mr Chris du Toit said in Pretoria.

He said farmers felt government policies did not take into account the importance of agriculture to the economy. "They feel that such policies in fact inhibit agriculture to the detriment of the whole country."

The Conservative Party added its support, saying the government needed to take heed of the plight of farmers. CP leader Dr Ferdi Hartzenberg said if this did not happen, further resistance could be expected from farmers. — Sapa

'Arid' SA to restrict the use of water

Within five years stringent curbs will be necessary and in 10 Israel-style regulations will be in force as supplies dwindle

OWN CORRESPONDENT
Cape Town

Two bills are to be placed before Parliament this month to severely restrict the consumption of water by households, businesses and local authorities and they could become law within months.

Major restrictions proposed in the Department of Water Affairs' National Water Supply Regulations include:

A summer ban on watering gardens and sports fields between 11am and 3pm from October to March each year.

A total ban on hosing down pavements or any other hardened area. Businesses that use high-powered hoses to clean fouled pavements daily will be particularly affected as will local authorities which water public gardens and lawns during the hot part of the day in summer.

Other regulations include:

A ban on flushing urinals which are not self-activated.

A ban on gates or doors which operate by the use of water pres-

sure.

A ban on lavatory cisterns with a capacity greater than 9 litres. All new cisterns must be fitted with dual flushing devices, one using less water for flushing liquids.

A ban on shower heads with a flow rate of more than 10 litres a minute.

Hand basins will have a maximum flow of 6 litres a minute.

Car washes will have to ensure that 70% of water is recycled.

New geysers must be adaptable for connection to solar water-heating systems.

The chairman of the National Water Regulations Drafting Committee Neil Macleod said people used water as if this were a water-rich country.

"We're an arid country, comparable with Israel, and these regulations are the first step in a national process to conserve water," he says. "In about five years we will have to introduce stringent regulations, such as tariff hikes and compels people to fit water-saving devices."

"In 10 years we will probably have the same regulations as Is-

rael, where even the type of appliances used in the home are regulated, and the type of plants one can grow in gardens is controlled."

Macleod estimated that within 30 years, the amount of water available per person would have halved to about 650 litres a day.

"Our rain remains constant. We're not going to get more. But the population is growing, living standards are rising, and commerce and industry are growing.

"We urgently need to change people's behaviour from a free-and-easy approach of using as much water as they like, to one which balances consumption with availability of a scarce resource," Macleod said.

He said the old Water Act of 1956 would be replaced by two new acts - the Water Services Act and the Water Resources Act - which were due to go before Parliament this month.

"Once the Water Services Act is in place, it will empower the minister to make the regulations law. They could come around the middle of the year," Macleod said.

Star 1/4/97

3 (113)

Louise Cook

THE outgoing board of directors of the Land and Agricultural Bank met for the last time last week.

However, there was no firm indication of who was appointed to take over the running of the bank, sources said.

A new board — appointed by Land and Agriculture Minister Derek Hanekom — was expected to be announced before the next board meeting at the end of the month, said Land

Bank board meets for last time

③ BO 1/2/97

Bank assistant general manager Freddie van Staden. The bank was facing restructuring following recommendations by the Strauss commission last year.

A spokesman for the president confirmed that the new appointments to the board had been approved by cabinet last week.

However, industry sources suggested that Independent Develop-

ment Trust director and former Strauss commission member Bonile Jack was in the running — possibly as chairman of the new board.

Other names that came up were adviser to the agriculture minister Helena Dolny and Independent Development Trust agricultural chief Agnes Nyamande-Pitso.

The bank was repositioning itself to become a wholesale financier in

agricultural and rural development, following the commission's probe last year.

The bank said at the beginning of the year that it would retain its commercial farming clientele as well as take on a new portfolio of emerging farmers.

However, NP spokesman Manie Schoeman told the parliamentary standing committee on agriculture recently that

the party viewed the bank's transformation with "scepticism".

According to reports in the agricultural press, Dolny came out in support of the changes, saying the bank commanded respect in financial circles and deserved to be given a chance to succeed in its new challenges.

One of the features of the restructuring would be the use of the Post Office, with a well-developed infrastructure in rural areas, to act as an agent of the bank.

Call for joint approach to curb water abuse

(3) (48) Star 2/4/97

By MELANIE-ANN FERIS

The proposed water restrictions expected to be passed by the middle of this year are not an April Fools' joke, the Department of Water Affairs and Forestry stressed yesterday.

According to the department, South Africa needed to take drastic steps to conserve water.

Neil Macleod, chairman of the National Water Regulations Drafting Committee, said yesterday that every local authority in the country had its own legislation regarding conservation.

"Some of these by-laws are about 100 years old and differ from town to town. In one they will be relaxed while in another they will be strict.

"The national regulations are going to provide a common approach to the problem of water conservation.

"What we have seen from national workshops is that local authorities

are enthusiastic about the proposed regulations," he said.

But deputy director-general of the department, Mike Muller, said model local authority by-laws had already been developed.

These, he said, could be adopted by the local authorities to guide them and other water consumers.

A major development was the requirement that local authorities undertake a comprehensive annual water audit, he added.

These by-laws were expected to help authorities establish how much water was being consumed and the quantities which were being lost to leaks and illegal or faulty connections.

With this information the

authorities could implement a suitable water conservation package, he added.

"The draft regulations are also very comprehensive in controlling water fittings that may be installed, and by whom and how they may be installed.

"This is a response to South Africa having become something of a dumping ground for inferior water fittings and to unsatisfactory plumbing standards," Muller said.

He added that the measures were also aimed at ensuring there would be sufficient water for those who currently did not have access to any.

The proposed regulations include a national ban on watering gardens, lawns and sportsfields between 11am and 3pm from October to March.

Bans have also been proposed on the hosing down of pavements or other hardened areas and on the use of high-powered hoses to clean fouled areas on a daily basis.

In addition, the department has put a ban on the installation of lavatory cisterns greater than 9 litres and the installation of shower heads with a maximum flow rate of more than 10 litres a minute.

Dr Guy Preston, programme leader for the National Water Conservation Campaign, said the proposed October to March water ban would affect everyone in the country.

"This is a stupid time to water your garden. About 60% of water is lost to evaporation if you are watering your lawn," Preston said. He said the new regulations would apply to users of borehole water as well.

“
Local authorities keen on the proposed restrictions
”

Water curbs on cards for farms, industry

MELANIE GOSLING
ENVIRONMENT WRITER

NEW draft by-laws to control water use in urban areas nationwide — including a ban on watering gardens between 11am and 3pm from October to March — are to be followed soon by stringent regulations for agriculture, forestry and industry.

Dr Guy Preston, head of the Department of Water Affairs' National Water Conservation Campaign, said yesterday the country was facing a crisis and not merely a shortage.

"So far the draft regulations apply to the urban areas only, but all other water sectors will also face regulations," Preston said.

The draft National Water Supply Regulations, set to become law after the Water Services Act is passed during this parliamentary session, are the first of a series of steps to avert the water crisis.

The chairman of the National Water

CT 2/4/97

Regulations Drafting Committee, Mr Neil Macleod, said this was a water-stressed country and had only about 1 300 cubic metres of water per person a year.

"As the population and industry grows, this amount will be halved within 30 years to about 650 cubic metres a person a year," Macleod said. "Zambia has between 12 000 and 15 000 cubic metres per person a year."

Preston said if water consumption continued at the present rate, demand would exceed supply early in the next century.

The regulations could save vast amounts of water in greater Cape Town:

- Seventeen million cubic metres a year if all lavatories have dual-flush systems that use less water for flushing liquids only.
- Eleven million cubic metres a year by changing half of greater Cape Town's showers to low-flow showers.
- Seven million cubic metres a year by not watering gardens during the hot period of the day in summer.

Agriculture forced to scale down essential operations

MELANIE GOSLING

CT 3/4/97 (3)

THE Western Cape's agriculture department, hit with the biggest percentage budget cuts in the province, will be forced to scale down many of its statutory obligations, including essential operations like meat inspection at abattoirs.

MEC for Agriculture Mr Lampie Fick described the slashes to the budget as "traumatic".

"Meat inspections at abattoirs will have to be scaled down drastically. We will also not be able to fulfil our obligations in terms of the Soil Conservation Act and the Sub-division of Agricultural Land Act. I estimate we will be able to handle only about a third of the cases — and South Africa has a major soil erosion problem.

"Central government seems to be blindfolded by cold formulas. They don't understand you can't manage a cut of this percentage in one year," Fick said.

The provincial agricultural budget

was slashed by R19 million or 26% to R68,1m. The cuts would particularly affect technological developments, which in turn would affect the Western Cape's position in the export market.

"The Western Cape produces about 90% of all the country's agricultural exports.

"With international competition being strong, we must be at the cutting edge of new technology or we will lose our position.

He said the Western Cape produced 22% of the gross agricultural product (GAP) for the country, yet was allocated only 3,5% of the country's provincial agricultural budget.

The Northern Province, which contributed only 5% to the GAP, was given 21% (R405m) of the provincial agricultural budget, the Eastern Cape contributed 10% and got 28% and Kwazulu-Natal contributed 17% and got 17%.

Fick said 35% of the agriculture department's posts were vacant.

PROVINCE SOWS UNITY SEED

FM 4/4/97

KwaZulu-Natal's four main agricultural organisations will merge into a single union on April 24 — a move which

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could shake up farming establishments across the country.

The only other province to have taken similar action is the Eastern Cape, though it adopted a federal structure with an umbrella body to which the different representative bodies belong.

The new KwaZulu-Natal Agricultural Union will be a single council with a new constitution providing for equal participation in making policy and decisions.

These changes are likely to put pressure on national structures, such as the SA Agricultural Union, to seek closer ties with other organisations in the sector — despite predictable resistance from conservatives.

"There is increasing appreciation that efforts to isolate groups of people can no longer succeed in SA," says Natal Agricultural Union director Steve Shone.

The KwaZulu-Natal merger has been structured so that different agricultural interests can start feeling their way as a united entity, he says. As this happens the new union's constitution will be amended to suit the needs of the participants.

The organisations pooling their resources in KwaZulu-Natal include the Natal Agricultural Union, the KwaZulu-Natal Farmers' Union, the National African Farmers' Union and the South Coast Indian Farmers' Association.

Major beneficiaries of the new structure will be small-scale, mostly black farmers. The new association will strive for equitable representation and capacity development to help previously disadvantaged members.

To achieve this a Small Farmer Development Trust, funded by several donor organisations including the provincial Department of Agriculture and the Development Bank of SA, has been registered. It will initially focus on the 20 000 small-scale farmer members, who are expected to number about 50 000 in 10 years.

Trust funds will be used to help establish farmers' associations, district representative structures and comprehensive training in several fields, including leadership skills and communications.

"We want to create structures through which farmers can express their needs; for example, in terms of extension services and research, and communicate these to the Department of Agriculture," says Shone.

The trust is similar to that established by the sugar industry in the early Seventies which now assists more than 40 000 small canegrowers.

Shone says banks, which traditionally relied on land tenure as collateral for borrowing, are offering new credit options. Many now accept a certificate of tribal land occupation as loan security. *Herb Payne*

Acute water shortage in rural communities

PIETERSBURG — Some large rural communities in Northern Province are experiencing acute water shortages despite rains and favourable dam levels.

Residents of villages in the Malamelele rural community marched to the local offices of the water affairs department yesterday to deliver a petition regarding their situation.

Members of a committee representing the villages said they had been without water since January and could no longer tolerate the situation.

The position had been aggravated by the fact that pipelines were being

installed in several neighbouring communities, a spokesman said.

Repeated appeals for help to the Shingwedzi/Levubu Transitional Local Council had received no response. A water affairs spokesman in Pietersburg said the matter was being investigated. The department was working closely with rural councils to meet the heavy demand for water and could not give definite time frames for delivery.

Meanwhile, the Greater Zebediela TLC, near Potgietersrus, has said it would spend R1,2m on borehole projects for two communities. — Sapa.

BD10/4/97

Farming union merger move slated

BY NORMAN CHANDLER
Pretoria Bureau

Moves by two provincial agricultural unions to amalgamate with representatives of formerly disadvantaged communities have drawn strong reaction from the conservative-leaning Transvaal Agricultural Union (TAU).

The former Natal Agricultural Union and Eastern Cape Agricultural Union have changed their constitutions to embrace the emergent farmers' associations. Natal is now known as the KwaZulu Natal Agricultural Union while the Eastern Cape union retained its name.

The new unions are representative of the new provincial boundaries that were introduced after the 1994 general election.

The TAU previously represented farmers in the former Transvaal, which

Star 11/4/97 (3)
has now been divided into Northern, Mpumalanga, Gauteng and North West provinces.

TAU president Dries Bruwer said yesterday he was dismayed at the establishment of the new unions.

"Organised agriculture is structured worldwide so that it can stand on its own two legs and be independent of state policy," he said.

"The new unions have been established at the insistence and in association with government departments and political figures. This development impacts on every farmer as well as on commercial agriculture."

Bruwer said a danger for farming was that organised agriculture and the "so-called democratic processes" will be used by the Government in the interests of its policies.

Agriculture 'in great danger'

③ BD18/4/97

CAPE TOWN—Agriculture's future in SA was fraught with danger because there was so much to undo, change and develop, chairman of the parliamentary agricultural committee Janet Love said yesterday.

The scale of challenges that confronted government was matched by the degree of unwillingness to move away from apartheid's legacy towards a better life for all, Love said during the agricultural budget debate in Parliament. The recent court action concerning the KWV was instructive in this regard.

She said the Cape High Court had fully justified Agriculture and Land Affairs Minister Derek Hanekom's position that he had a legitimate interest in the restructuring of KWV.

Love said the ruling had arrested a plan that was tantamount to stripping the wine industry of assets acquired, for the existing and new entrants into the market.

Hanekom had indicated this was only the first step and an analysis of these assets was necessary, she said. — Sapa.

Planning and building of dams continuing

Edward West

3

BD 18/4/97

PLANS for the building of additional large dams and hundreds of kilometres of tunnels and canals to convey water to meet the continuous rising demand were on the drawing board, Water and Forestry Minister Kader Asmal said yesterday.

In an address to the eighth congress of the SA Institution of Civil Engineers (SAICE) yesterday, Asmal said planning was well advanced and work had already started on projects such as the Mooi-Mgeni transfer, the Mvoti Dam, the Tugela-Mhlatuze transfer, the Levuvhu development and Skuiffraam Dam.

Other sustainable water development options contemplated included the further development of the Orange River basin, of which the Lesotho Highlands Water Project formed part, development of the Tugela and Mkomazi Basins, and the tapping of the Mzimvubu Basin, SA's last remaining major conventional source of water.

"Should the growth in water requirements continue to follow the latest projections ... it is estimated that all the water resources of the country will be fully used in about 30 years. No longer will we be able to go to another basin and simply build another dam to augment supplies," he said.

Asmal appealed to engineers present to find a way to second staff to his department, to improve its in-house expertise. "The demands facing my department are increasing in complexity and volume, and our capacity is not increasing at the same rate."

Outgoing SAICE president Alex Visser said that over the past 10 years about 200 civil engineers a year had graduated from SA universities, hardly sufficient to replace retirements. However, it was often not recognised that technikons were producing significant numbers of civil engineering technicians and technologists.

The top engineering projects in terms of value last year included Dragon City in Potchefstroom and the Maputo Corridor development, he said.

White farmers may be arrested for stock theft

③ CP 20/4/97

WITH rampant stock theft in the Eastern Cape threatening to cripple many white farmers, a police investigation into an alleged syndicate which stole from black bantustan cattle owners has been handed to the Ciskei Attorney-General. Police say this is one of the first cases they know about of a white syndicate stealing from black farmers. David Macgregor investigates.

THREE prominent Queenstown farmers will know at month's end if they will be prosecuted for allegedly running a highly organised white-on-black stock theft syndicate that stole more than 100 cattle in the former Ciskei.

Almost two years after initial investigations into the syndicate began, a hefty docket has finally been handed to Ciskei Attorney-General Leon Langerfeld for a decision.

Langerfeld this week said: "I have received the docket and am busy dealing with the case. It will take a bit of time, but I expect a decision within three weeks."

The lengthy delay in getting the docket to the attorney-general followed an initial "incomplete" 11-month investigation handed back to police last year by an unhappy Langerfeld.

A special investigative unit was then assigned the case after claims of police bias towards the white farmers and a lack of experience by ex-

bantustan investigators. The unit normally investigates serious crimes involving police.

The second docket was handed to Langerfeld two weeks ago.

"I had to send back the first docket because it was not properly investigated. It looks like the case has been fully investigated this time round," he said this week.

Queenstown special investigation unit head Capt Fanus de Bruin said the initial case had not been properly investigated due to Whittlesea ex-bantustan investigators not "realising the extent of the syndicate".

The syndicate is alleged to have stolen 110 head of cattle from at least 18 black farmers "over the Ciskei border" in nearby Whittlesea over a six-month period from September 1995.

The cattle were allegedly stolen from a municipal grazing patch by a gang of five black youths who delivered them to their white bosses. They were then allegedly sold to abattoirs in East London, Cathcart and Umtata.

The investigation snowballed from three initial complaints into a R225 000 case involving 18 black farmers.

The five youths allegedly implicated their white bosses in statements to Whittlesea police. The Queenstown police investigated the white farmers, but were accused of bias because they knew the men.

"While the first docket was with the Attorney-General, Whittlesea police and Queenstown police were amalgamated. The case was then referred to us," De Bruin said.

The five youths appeared in court in Whittlesea last Friday and the case was remanded to May 16. They were not asked to plead.

"The case was remanded to allow for the A-G's decision on the white farmers," De Bruin explained.

Agricultural unions criticise appointment of Slovo's widow

(3) Star 21/4/97
Pietersburg - Agricultural leaders yesterday criticised Land Affairs Minister Derek Hanekom for the appointment of Joe Slovo's widow, Dr Helena Dolny, as executive director of the Land Bank.

Transvaal and Free State agricultural union leaders Dries Bruwer and Piet Gous warned that financial aid for farmers could not be expected from the Government in future and urged them to ensure their financial independence by instituting special measures.

Bruwer said it was clear Hanekom had been forced to appoint Dolny because he was linked to the SA Communist Party, of which Slovo was a member.

Hanekom would soon have to explain his actions and policies when the commercial agricultural sector was "finally ruined beyond repair", Bruwer said.

The time had come for organised agriculture and financial institutions not already under government control to meet and urgently consider medium and long-term plans for economic survival.

"The establishment of a consortium of banks, including international commercial banks and agricultural financial institutions, to survive the orchestrated onslaught on commercial farming in South Africa has become a matter of urgency," Bruwer added. - Sapa.

Land Bank changes will not damage white farmers, Dolny

Stephen Laufer

THE Land Bank would expand rather than change its focus in order to serve black farmers and their white colleagues, its new executive director Helena Dolny said yesterday.

Responding to criticism from the Free State and Transvaal agricultural unions, Dolny said she was aiming at a cautious approach which maintained stability while extending skills and facilities the bank had to offer to new target groups. This would not be at the

expense of existing clients because "if one damages white farmers, that would rock the entire rural economy, which is in nobody's interest".

Sapa reports from Pietersburg that agricultural union leaders Dries Bruwer and Piet Gous told white farmers at the weekend that government financial aid could no longer be expected and urged them to become financially independent. Bruwer said Dolny's appointment was proof of Land and Agriculture Minister Derek Hanekom's socialist and communist policies and

disregard for commercial farming. Gous had earlier said that although Dolny had a degree in agricultural economics and a doctorate in land reform, she had little banking experience.

Dolny said the entire staff of the Land Bank had banking skills and she would be guided by them. She would contribute her skills and experience in managing transformation. "The Land Bank is a wonderful institution with many good people and a solid record. The task is to extend those skills to a new target group, but not at the ex-

pense of the old client base," she said.

The reason for retaining the bank was that it was a solidly professional organisation. In working to extend credit to emerging black farmers it made sense not to start from scratch but to use and expand the scope of an existing parastatal asset which was competent and made a profit.

The bank was rated AA on the basis of a solid loan book, Dolny said. There was a need to keep that solidity to maintain the rating and all agricultural unions would achieve if they kept

knocking her appointment was that they would "knock the bank's rating".

The bank had reserves of R1,7bn, and was able to offer financing at 17% interest, 3,25 percentage points below the prime overdraft rate.

Because the bank was not required to pay dividends to shareholders, it was able to offer lower rates and easier conditions to debtors who experienced difficulties, she said.

"We want to continue with that policy while making the facilities available to more farmers in SA."

(3) BD 2/1/41 97
pledges

Agricultural unions merge

Farouk Chothia

(3) bD 25/4/97

MARITZBURG — Former racially based KwaZulu-Natal agricultural unions formally launched a single union yesterday.

Premier MEC Ben Ngubane pledged R10m to the new union for development of small-scale farmers and the building of an institutional framework.

The KwaZulu-Natal Farmer's Union was launched as a result of the amalgamation of the Natal Agricultural Union, the KwaZulu-Natal branch of the National African Farmer's Union, the South Coast Indian Farmer's Association, and the KwaZulu-Natal Farmer's Union.

However, the new union was immediately criticised by the National African Farmer's Union CEO Andrew Makenete, who said the move had not been sanctioned by the union's executive at national level.

Addressing the launch, President Nelson Mandela said that KwaZulu-Natal was the only province — after Eastern Cape — to have a unified nonracial farmer's union. He hoped other provinces would follow their example.

Unified unions would help overcome historical divisions, and bring greater co-operation between large and small-scale farmers, he said.

Pragmatic 'leftist' hand at till of the Land Bank

3 ST(BT) 27/4/97

THE role of the Land Bank is destined for substantial change under new CEO Dr Helena Dolny, but fears that future loans will be channelled to emergent (black) farmers at the expense of commercial (white) farmers have been denied emphatically.

Criticism of Dolny's appointment has come from senior executives of agricultural groups who accuse her of having socialist ideals — she is the widow of Joe Slovo — of favouring the development of small farmers only and of having no banking experience.

In response, the charming and eloquent Dolny insists that these suggestions are very far from the truth.

"They obviously feel threatened because I have a leftist background. I can assure them though, that I am not a mutant, but rather a hybrid, a pragmatist and I will take the best from the capitalist world and the best from the socialist world," she says.

Dolny's mother was a Czech and her father Polish so she grew up in a home both anti-fascist and anti-communist.

She was brought up in England with subsequent exposure to non-democratic socialism in Mozambique and Eastern Europe, and she ended up with strong criticisms but also admiration for the elements of different economies.

"So, for example, I think incentive systems are essential, but so is redistribution and democratisation and I remain, at heart, essentially committed to democratic socialism," she says.

HELENA DOLNY

▲ **TITLE:** Chief executive officer of the Land Bank

▲ **AGE:** 43

▲ **EDUCATION:** Notre Dame Grammar School, UK; B Sc (Hons) Agricultural Economics, Reading University, UK; PhD Land Reform, Land Markets and the Role of the State, Open University, UK

▲ **QUALITY TIME:** Gym, t'ai chi

In the past, the main activities of the Land Bank have been to make direct loans to farmers on a medium- to long-term basis with land as the collateral.

This has made up half of the debtor book of R11-billion, with the other half representing loans to white co-operatives with the crop as collateral.

Dolny says that a new target for the bank will be emergent farmers, and that land or crop production will not necessarily be the criteria for collateral.

"In many countries a Land Bank equivalent makes loans to people who do not necessarily rely on farming as a sole source of income. In the UK, for instance, farmers get only 50% from crop production and the rest from processing the crop.

"Our energies will now go in a similar direction but, while the size of the loan will be irrelevant, the pay-back criteria will remain intact.

"We need a solid loan book and commercial farmers will be

essential in providing this."

It is expected that the broadening of the bank's focus to include emergent farmers will result in an increase in its loan book and additional funds will be raised in the normal way through the money and capital markets.

Dolny is not too worried about her lack of banking knowledge.

"I am very good at saying 'I don't know' and the bank has an excellent staff who I'm sure will be supportive.

"I am good at getting a team together and at spotting who is good. We have a completely new board with new skills. It is really 70% leadership and 30% management, but although the bank works well I will not abrogate responsibility."

Before she takes up her position at the beginning of next month, Dolny will spend time at the Agricultural Credit Institute in Paris and at the London Business School for a period of "understudy" as she puts it.

In her new position, she will probably have little spare time for outside activities, but she confesses to be eclectic and hedonistic.

"I'll do anything to enjoy myself. I'll go to a gym, have a steam bath, then go home have a drink and hamburger and chips."

Dolny has not yet met her critics, but is quite prepared to sit down and discuss any concerns they may have.

They cannot help but be charmed by this exciting and knowledgeable new CEO.

Don Robertson



CHARMING... Land Bank CEO Helena Dolny is always willing to f-

Land Bank embraces change

CT (32) 2/5/97

(3) 

ANN CROTTY

Johannesburg — The Land Bank will establish new lending criteria that are more flexible and will give a greater number of clients access to the financial services of the bank, Derek Hanekom, the minister of agriculture and land affairs, said on Wednesday evening at the launch of the new Land Bank board.

Hanekom said the recommendations of the Strauss commission will be used to guide the process of change at the bank.

"This clearly means that the bank, while continuing to lend to the commercial farming sector, is faced with the challenge of expanding its lending to a new clientele. We have to do this in such a way that it does not undermine the bottom-line rule of whether or not to approve a loan — and that is pay-back-ability."

Traditionally, the Land

Bank's wholesale financing facilities were available to agricultural co-operatives, statutory agricultural institutions and control boards, while long- and medium-term financing was available to all persons farming on a commercial basis.

The bank's annual report for financial 1995 revealed that it had extended R45 million of short-term loans to control boards. This represented a significant decline from the 1991 level of R948 million.

In the report it was noted that "in accordance with the provisions of the Land Bank Act, loans may be granted to control boards established under the Marketing Act".

The new Marketing Act will see the disappearance of these

boards from September. A new Land Bank Act is being written.

Responsibility for the Land Bank has been switched from the minister of finance and now rests with the minister of agriculture and land affairs.

Referring to the newly appointed Land Bank board, Hanekom said he hoped its two-year term of office would be fruitful and that the bank would benefit from the considerable and diverse talents of the board.

"Your appointment marks a significant change in the

operation of the bank — a move from an executive decision-making body made up of commercial farmers to a talented group of men and women with diverse skills from different sectors."

'The bank is faced with the challenge of expanding its lending to a new clientele'

Water users can save R780-m, says expert

ARC 3/5/97

③ (34)

TWEET GAINSBOROUGH-WARING
STAFF REPORTER

Water-users in Cape Town can save an estimated R780 million through similar conservation measures to those that have been implemented with great success in the Hermanus area, a top water scientist has said.

Guy Preston, head of Water Affairs Minister Kader Asmal's national water conservation campaign, says that Cape Town users can cut their consumption by 30 percent without suffering any big disturbances to their everyday living standards.

"This represents a saving of about R780-million, and this money could then be diverted to areas where it can be used to address other pressing needs, such as the supply of water to communities that have no running water.

"Money can also be used to clear alien vegetation in catchment areas. The clearing of vegetation has a two-fold benefit of job creation and increasing water in catchment areas.

Dr Preston, an environmental scientist and special adviser to Professor Asmal, says it is possible for Cape Town to implement significant water-saving measures immediately.

These would include retrofit attachments within the home such as dual-flush toilet mechanisms, water-wise gardening methods and a tariff

structure favouring those with a low water consumption.

He said all new developments and houses would have to incorporate water-saving devices, should proposed legislation be accepted.

The municipality of Hermanus has been used as a pilot project for the implementation of a water conservation campaign. The project proved highly successful, reducing water consumption by 32 percent.

Only about half of the proposals have been implemented, and once the programme is in full swing consumption is expected to drop further.

Measures followed in the campaign include a new tariff structure favouring those with low water consumption, but with built-in checks to ensure fair billing to accommodate those in commerce, for example hotels, which have a high water usage.

"The aim of the water conservation campaign has at all times been, to be fair to all users while encouraging a lower water consumption.

"Some businessmen in the 'wet industry' sector have been unhappy about the new tariffs, but these businesses were usually unaware they could approach the municipality to come to a special arrangement enabling them to continue operations without job losses," Dr Preston said.

"Either we pay now or we pay later. The looming water crisis in the Western Cape is not going to go away."

Asmal's plan is no drop in the ocean

WATER Affairs Minister Kader Asmal is not one to miss out on an opportunity for publicity.

This week he announced a ban on mercenaries, released a white paper on water policy and crossed swords with a daily newspaper.

But, whatever you may think of Asmal's appetite for public exposure, you would have to admit that this weekend he had something to crow about — the announcement that a million people had been given access to clean water since he took office in 1994.

Asmal celebrated with the inauguration of the Modderspruit Water Supply Project in the North West province yesterday. The project will see the introduction of a new device to ensure its service and maintenance costs are paid for by its end users. To get access to the scheme's water, they will be required to insert a pre-paid card into a metering box.

This will ensure, said Asmal, the project does not go the way of

600 000 water schemes in Africa, that stand unused because no planning was done for maintenance.

From his 10th floor office in downtown Pretoria, Asmal sketched the scenario South Africa has wanted to avoid: "When the thing broke down, the men continued smoking dagga and the women had to walk six miles to a well."

More than a mere device to ensure the project can be sustained,

the card system serves as a symbol of Asmal's greater ambition — to put a price on water wherever it is drawn and consumed in SA.

In his white paper, approved by cabinet on Wednesday, he took the idea further, proposing: "The policy will be to charge users for the full financial costs of providing access to water."

The paper, entitled A National Water Policy for South Africa, be-

came the subject of some controversy after Business Day reported it had been rejected by a cabinet sub-committee last week.

Asmal called the story "scurrilous and inaccurate". In a response published in the newspaper the next day, he said there had been no disagreement on the substance of the document, only on the procedure he had followed.

What appears to have irked his

colleagues is that they were given the final version of the white paper at the cabinet committee meeting, making a mockery of their inputs.

The storm caused Asmal to postpone a planned function to release the document.

But, whatever transpired at the committee meeting, on Wednesday Asmal pronounced the document had been passed without any objections.



MAKING A SPLASH: Kader Asmal, architect of a new water system

Picture: NICKY DE BLOIS

He said by getting everyone to pay what he called "an economic price for water", he would get South Africans to respect what is becoming a dwindling resource and curb its uncontrolled use.

"The problem is everyone thinks that every time it rains, you're okay for another four or five years," he said.

The policy has already been implemented by bulk suppliers of water to the cities. "If you live in Sandton, you will have noticed your water bill has changed. People are using less water because the price is higher."

The policy will emphasise better management of existing water resources. The first step, he said, would be the identification of "vulnerable areas" where users would be required to register to be allocated water. Asmal was at pains to stress he was not leading a "water grab", but rather trying to decentralise control by getting local authorities in catchment areas to manage the way their water is used.

"Unless you put in place a vast bureaucratic system, you've got to put it in the hands of those in the catchment area," he said.

SA AND MOZAMBIQUE SIGN
UP FOR THE NEXT GREAT TREK

2/5/87
(BR)



Maputo — The Mozambican government and the South African Chamber for Agricultural Development in Africa signed an agreement yesterday formalising the creation of the Mosagrius Development Company, under whose auspices South African farmers will settle in the northern province of Niassa. (3) (BR)

At the same ceremony, trade and industry minister Alec Erwin (pictured) and Mozambican finance minister Tomaz Salomao signed an agreement on the mutual protection of investments, without which the Mosagrius project could not go ahead.

The company was established exactly a year after Presidents Joaquim Chissano and Nelson Mandela signed the agreement of principles on agricultural co-operation between the two countries. — Paul Fauvet, Independent Foreign Service

Agriculture slips out of Gear

In an unfavourable macro-economic environment, Gear could confound plans to provide the necessary support for agriculture, writes **Asghar Adelzadeh** of the NIEP in the sixth of a series on economic policy

THERE have been several attempts to specify and quantify the contribution of agriculture to South Africa's broader economy. Most concur that the sector's direct contribution to gross domestic product, employment and exports has declined significantly in the post-World War II period.

Agriculture, however, plays a larger indirect role in the economy through linkages with other sectors. Studies have shown that increases in agricultural production have large positive impacts on growth, employment and the balance of payments.

For every R1-million of expenditure on agricultural production, the overall economic output increases by R6.4-million.

Agriculture also has a strong multiplier effect on employment. More jobs are created in agriculture with increased production than for any other sector of the economy.

However, studies show that in the face of an unfavourable macro-economic environment, domestic policies which are aimed at encouraging agriculture to play a role in job creation and redistribution may founder.

This argument is not unique to South Africa. In a variety of countries, domestic farming policies have been unable to compensate for macro-economic policies which are unfavourable to agricultural production.

In South Africa, the World Bank has argued for a land reform programme that concentrates on investments in the former bantustans and the redistribution of land, through market mechanisms, both of which should lead to the creation of a class of "emerging farmers". The process of "downsizing" farm size, according to the World Bank, will lead to a more dynamic rural economy and to greater employment and income creation among low-income groups.

The Macro-economic Research Group/International Labour Organisation policy proposals, on the other hand, place a very different emphasis on the potential of agriculture for job creation and growth. They single out

investment in agro-industry and social infrastructure as the key macro-economic strategies for growth and job creation in rural South Africa. They argue that a policy which targets agro-industry creates new jobs, improves rural livelihoods, and has the potential of stimulating the economy as a whole.

How does agriculture fare under the growth, employment and redistribution (Gear) strategy?

● One of Gear's central objectives is to transform the economy to an export-driven economy. A major policy initiative to enable this involves removing a series of "constraints".

While domestic agricultural policies do not feature as one of the "constraints" hampering the economy, the implications of the policy for agriculture are clear. An accelerated approach to reductions in tariffs, subsidies, quotas and exchange controls will certainly have serious implications for a sector that historically was well-protected and was focused on local markets and national self-sufficiency.

● Gear ignores the possible role of commercial agriculture in South Africa despite its prominent, albeit indirect, role in the economy. It fails to recognise the potential this sector has for economic growth and job creation, particularly in rural areas.

Gear also ignores the features of the manufacturing-agricultural complex — its labour-intensity and the potential for dynamic linkages with other sectors of the economy — which made it an obvious target for investment in the African National Congress's pre-election economic thinking.

● Gear's broad emphasis on export-orientation is, coincidentally, in line with the sub-sectors of agriculture that have the greatest potential for employment creation and growth. Exports of high value foods — vegetables, citrus, grapes and deciduous fruit — are expanding much more rapidly than field crops like maize, wheat and oil seeds, the traditional strength of the agricultural economy.

Horticultural farmers also employ more labour at higher wage rates than field crops and animal products, the



Heavy load: Small-scale farming is unlikely to have an effect on rural poverty

PHOTOGRAPH: RUTH MOTAU

other two main agricultural sub-sectors. Any expectation that South African horticultural exports will experience the same kind of rapid growth rates experienced in Chile, Brazil and Taiwan must, however, consider the global environment that permitted these countries to expand their export industries so rapidly.

International competition may also limit the extent to which South African agricultural exports can expand. Exporters are already competing with countries which all have the same counter-season advantage as South African growers.

The potential for growth in high-value food exports and, by implication, employment growth, foreign exchange earnings and dynamic linkages with other sectors of the economy depends on international market conditions.

International conditions may not permit the rapid expansion of exports as was the case for countries like Chile during the 1970s and early 1980s.

● The employment and growth potential associated with high-value food exports must also be weighed against the costs of a free-trade oriented economy to farmers and farm workers producing field crops like maize, wheat and oil seeds for the domestic market.

While exporters will emerge as winners in an open economy, the agricultural losers will be maize, wheat and oil seed farmers. Competing with maize and wheat imported from the United States or the European Union will be extremely difficult for South African farmers.

● There is an enormous political will in South Africa for small-scale black commercial farming. Land reform, the construction and maintenance of rural infrastructure and assistance to "emerging" farmers are the strategies which appear to be directed towards improving the livelihoods of the rural poor.

Small "emerging" farmers represent the cornerstone of land reform and rural poverty alleviation. Whether small-scale farmers will be able to grow to deliver on these high expectations in a neoliberal and open macro-economy is very much in doubt. How will "emerging" farmers fare under Gear and what

impact will it have on rural poverty?

● Gear's assistance to small-scale black farmers will be temporary and they will not be protected from market forces through the subsidies and protection that white commercial farmers enjoyed for so long.

Once emerging farmers have received an initial grant, assistance will take the form of "streamlined extension" and in the development of marketing strategies. This shift is in line with a policy that prepares new farmers for an open economy and a public investment programme that is constrained by strict Budget deficit targets.

● The similarities between Gear and a structural-adjustment programme also means that the international experience of small farmers under structural adjustment must be instructive. Most case studies suggest that, in the absence of direct state intervention, small-scale farmers are less likely to succeed in a "free-market" environment.

One of the more common results of structural adjustment is the concentration of production and land in fewer hands. Under a neoliberal economic environment, for instance, the experience of maize farmers in Mexico,

threatened by highly subsidised maize from the US and Canada under the North America Free Trade Agreement, indicates that the ability to respond effectively to international competition depends on the scale of the operation and on direct state assistance.

While large farmers with access to credit and marketing institutions were able to diversify and modernise production, small farmers found themselves without institutional support in a market-driven economy.

For small-scale farmers state assistance was vital, but in a neoliberal macro-economy, they were left largely destitute of institutional support, precisely at a time when they need full access to these services to modernise maize production and diversify cropping patterns towards higher value crops.

● Finally, Gear's emphasis on small-scale farming must be measured against its potential for alleviat-

ing and eradicating rural poverty. There are two issues which suggest that emerging farmers cannot be the only solution to rural poverty.

The first is that rural land reform programme that is aimed at increasing the efficiency of "emerging" farmers is unlikely to reach the poorest households and is much more likely to assist farmers who are already earning part of their income from farming. The second issue is that even if a small-farmer scheme were successful in targeting the rural poor, it is doubtful that enough farmers could be targeted to have a meaningful impact on rural poverty.

Current estimates suggest that there are about 11-million poor people in the rural areas. A land-reform scheme that is successful in creating 50 000 additional new small-scale farmers would, however, not have a major impact on the millions of rural households who have depended on wage incomes in order to survive.

Small-scale farming, as the lynchpin to land reform, thus faces two overwhelming challenges: first, it is not likely to benefit from a neoliberal macro-economic environment; and, second, those farmers who are successful will not be numerous enough to have a significant impact on rural poverty.

While Gear is silent on the role of commercial agriculture, its emphasis on export promotion is in line with those sectors of agriculture that are already expanding rapidly.

The success of rural poverty alleviation for wage-workers in this sector depends on improving conditions through equity schemes and union organisation. Unfortunately, both of these are in a sense voluntary.

Gear's emphasis on smallholders' highly problematic, given the equal greater emphasis it places on austerity and an open economy, and international evidence is that smallholders do not fare well in a neoliberal environment and, if they do, it is through state

This article is based on a commission by the L&A Agricultural Policy Centre National Institute for F and written by Dr Ch University's Geogr



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SADC must 'look at local competition'

BD 13/5/97

John Dlodlu

IT WAS important that products manufactured by the Southern African Development Community (SADC) become competitive in the region before going to the tough global market, SADC executive secretary Kaire Mbuende said yesterday.

Speaking in Gaborone at the official opening of the three-day conference to discuss the planned SADC trade protocol, he said the protocol, signed by the SADC's 12 government members last August, sought to free trade among the bloc's member states over the next eight years.

The world's economy was dominated

ed by industrialised nations whose competitive products were manufactured by high technology machines, Mbuende told delegates at the seminar, co-sponsored by the US Agency for International Development.

He said while developing nations could not be compared "at the same level as developed countries", it was important that they enhanced their competitive edge in the regional market first. It should be used as a "launch pad for the international market which has become globalised, more complex and highly competitive".

In his opening remarks to the conference, attended by nongovernmental bodies, business, governments and

donor organisations, he painted a picture of the changed global environment under which efforts to free trade in the SADC were occurring.

"The economic sphere has condensed and the capacity to regulate economic life as individual governments has shrunk, leading to integration and interdependence of national economic processes which underscore the necessity for a comprehensive regulatory framework capable of ensuring a sustainable and equitable path ... and development for all regional members," he said.

The trade protocol, which the SADC hoped would have been ratified by all governments in August this year,

sought to provide a comprehensive regulatory framework which facilitated intra-regional trade and cross-border investment and prepared the region for integration to the global economy.

He said the conference should address a range of issues. These included trade facilitation — entailing standardisation of customs documentation, declaration procedures and settlement systems — as well as removal of non-tariff and investment barriers and tariff reduction schedules.

"We are working on the tariff reduction schedules which will be subjected to negotiations through the trade negotiation forum at the end of this month," he said.

Consumers to bear burden of full water costs

BD 13/5/97 (3) (123)

Robyn Chalmers

TOMORROW'S launch of a white paper by Water Affairs and Forestry Minister Kader Asmal will herald the beginning of a new dispensation in SA. For the first time consumers will pay the full financial costs of water.

Analysts said the white paper, which will outline SA's new national policy, would have a major effect on water users, but particularly on business users and middle to upper income consumers. Provision would be made for certain water charges to be waived for specific groups, particularly the poor and previously disadvantaged.

"The major water users in SA, such as the mining industry, will have to look closely at their use of water; they will probably have to come up with conservation programmes and deal with a tougher approach to the pollution of

water resources," said one analyst.

The main thrust of the white paper, recently approved by the cabinet, would be the improved management of water and provision of such services.

Asmal recently said that if government did not place water use and management on a new footing and establish a framework to ensure that it could be effectively used and protected for future generations, any gains made would be shortlived.

"The uses to which water has been put in the country (in the past) have largely been for a dominant class and group which had privileged access to land and economic power. The law has inevitably served their interests (and) the victory of democracy demands that the water law be reviewed," he said.

Asmal said that although a system of charges for water usage would be introduced, provision would be made for

these to be waived for a period where necessary. For example, equitable direct access to water for productive purposes — such as agriculture — could be provided for groups to whom it was not historically readily available.

The riparian system of allocation, whereby the right to use water has been tied to the right to ownership of land along rivers, would effectively be abolished, although in most cases there would be no immediate change in water uses.

A department spokesman said the issue of users being charged for the full financial costs of access to water would be done on an equitable basis and according to a realistic programme.

The spokesman stressed that no particular group was being targeted, although industry would come under pressure to further clean up its activities. Local governments, and the domestic users they served, would have to analyse the way they used water, focusing especially on preventing waste.

Kyalami the guinea pig

Jossey Ballenger

THE minerals and energy department and the US environmental protection agency (EPA) launched a R300 000 Clean Commute initiative yesterday to promote energy efficiency, traffic reduction, environmental protection and local business development through employer-sponsored transport plans.

vehicles, flex telecommuting, market achieve those gage Kyalam before expand

"By using t are saving m themselves .. standards of

Land Bank a key to reform — Hanekom

Louise Cook

③ 0014/5/97

WARMBATHS — Improved access to finance for black farmers through the Land Bank was a key to effective land reform, Land and Agriculture Minister Derek Hanekom said yesterday.

Speaking at the annual meeting of the SA Society for Agricultural Extension, Hanekom said the bank — with an interest rate below market-related rates — was a vital component of government's revised institutional support system to farmers.

He said: "Unlike housing, land is a finite resource. It will take years to satisfy the huge demand for land and to redress the inequalities in ownership.

"The restructuring of the Land Bank to enable it to expand its client base to emerging farmers, proves government's commitment to creating an effective mode to alleviate financial constraints suffered by farmers."

The bank traditionally reported to the finance department but now falls under the agriculture department and was taken over by new management last month.

Following recommendations by the Strauss commission on rural financial services, the bank said it would broaden its client base to black farmers while at the same time retain its strong client base among commercial farmers.

Hanekom declined to say how many

black farmers government hoped to finance through the bank. "This is not about numbers — what is important is that we are devising policies and setting up effective institutional structures to upgrade access to resources without compromising on proper risk management."

But Deputy Agriculture Minister Thoko Didiza said black farmers' access to finance was often jeopardised by outstanding debt to various development corporations of the former homelands.

"We need to demystify black farmers' finances and recognise that many of them still owe money to the development corporations. Besides im-

proved access to credit being an important challenge, government will also have to decide on how to deal with the question of outstanding debt."

Didiza said the provinces were looking into the farmers' debt problem.

"Before government knows the extent of the problem, it can make no commitments," she said.

The National African Farmers' Union, which claims to represent 500 000 emerging black farmers, was known to criticise Hanekom for "failing to deliver on land and credit".

However, the minister dismissed the allegations, saying that land reform and agricultural programmes were all on track.

Rural farmers gain from land reform

By HOPEWELL RADEBE

3

Provincial Reporter

Star 15/5/97

Farming entrepreneurship is gaining momentum in the Free State as a record 700 small-scale farmers begin to enjoy the results of financial assistance and access to managerial and marketing programmes.

Addressing the legislature in his departmental budget speech, agriculture MEC Cas Human said the delivery of basic services was reaching more than 30 000 rural households of the 80 000 families targeted in the province.

But Human said there was still an urgent need for small-scale farmers who were part of the pilot land reform project to be trained in financial and farm management skills.

He said of the R114,9-million allocated to his department, the

regional agricultural development sector would receive about R50,4-million to improve the standard of commercial farming.

Human said this sort of investment in commercial farming was an important part of the long-term goal of increasing the gross income for the province. He said the current revenue from farming was about R5,27-billion.

The Free State produced about 34% of South Africa's total maize and 45% of its total wheat output, and this was likely to increase now that the small-scale farmers were gaining access to private sector financial assistance. Some small-scale farmers in areas like Kutlwanong and Oppermansgronde had already been assisted with an amount of R3,6-million.

PRICE HIKES MOOTED FOR CONSUMERS

'Revolution' to save us from water blues

A NEW NATIONAL policy to discourage the excessive and wasteful use of water was released yesterday. Environment Writer **MELANIE GOSLING** reports.

THE white paper on a national water policy released yesterday heralds a "blue revolution", which will see huge changes to the way in which the government manages the country's water resources.

The changes will have major effects on water consumers across the spectrum. While the white paper will lay down a framework policy under which millions of people will have access to laid-on water for the first time, other sectors of society which use vast quantities of water will pay higher prices on the principle that the more they use, the more they pay.

Some of the key proposals are:

- A new tariffs policy which will mean price hikes so that consumers pay for the "real" cost of water, including costs of infrastructure and management of catchments.

- Only water for basic human needs will be guaranteed as a right.

- The scrapping of the riparian system, which means landowners will no longer have a right to extract water from rivers which run through or next to their property.

- Water allocations will no longer be permanent, but will be allocated for a limited period only.

- All water, including that underground and rainfall, will be regarded as a common resource over which the government will have custody.

Water Affairs Minister Mr Kader Asmal said in his budget speech in Parliament yesterday that the new water pricing policy was designed to discourage excessive and wasteful use.

"The cost of water for basic human needs, for washing, cooking and drinking, must be within the reach of all South Africans. But those who waste, over-use or harm our water through watering large lawns in wealthy suburbs, through irrigating during the hottest part of the day, through dumping rubbish into our streams, must pay the penalty for such profligate use and abuse of this precious national resource," he said.

The tariff policy will include a "lifeline tariff" where everyone will pay the same for the water needed "to keep body and soul together", he said.

He said in South Africa the poor had been subsidising the rich for water usage until now, because those people who used a lot of water were not paying the real price for it.

An example was the households in Constantia, where the average daily

water use was a huge 1 760 litres.

The white paper also provides a framework whereby consumers will pay for the cost, in the form of levies, of managing of the water catchment areas. This will include the cost of eradicating "thirsty" alien vegetation, the rehabilitation of degraded water resources and the administrative costs of Catchment Management Agencies, which will be established over the next few years.

The paper states that South Africa is an arid country with a rainfall lower than the world average. There are only 1 200 kilolitres of water available for each person in the country — less than that available in drier countries such as Namibia and Botswana.

South Africa was on the threshold of being a "water stressed" country. Within a few years population growth would push it beyond the threshold.

The "blue revolution" of the new water policy would ensure South Africa would survive well into the future, despite the vagaries of the country's water resources.

"The threats of global climate change, of increasing frequency of extreme events such as floods and droughts, of growing desertification, are threats we should not dismiss lightly. Their impact on a country already as short of water as ours, could be devastating if we do not prepare well in advance," Asmal said.

ET 15/5/97

Cabinet nod for committee to boost Olympic bid

Jacob Dlamini

CAPE TOWN — The cabinet yesterday approved the creation of a high-powered lobbying committee chaired by Sports Minister Steve Tshwete to boost Cape Town's 2004 Olympic bid.

Tshwete said the committee would target Africa, Asia and Latin America in an extensive campaign to secure support for the bid.

The campaign would be financed by a special fund set up outside the government fiscus with donations from foreign companies supportive of

BD 15/5/97
Cape Town's bid, Tshwete said.

He said officials in SA's foreign missions would market the bid to the international community and ministers on overseas trips would be expected to lobby for it.

Tshwete said the campaign would emphasise that Cape Town's bid was an African venture in order to dispel the "subdued complaint that the Africanness of the bid did not show itself". Tshwete said the committee would work in close co-operation with the bid company while maintaining a high political profile.

Asmal announces plan to boost water supply

Jacob Dlamini

BD 15/5/97
CAPE TOWN — Plans to speed up the delivery of water supply projects and to guarantee free recreational access to privately owned forests were announced by Water Affairs and Forestry Minister Kader Asmal yesterday.

Asmal said his department had introduced a new system to involve the private sector in the provision of water supply projects and training of local authorities. In terms of the build, operate, train and transfer system, tenders would be granted on an area basis for the building of a water supply project.

The successful company would be expected to operate the project for a limited time, during which it would be expected to train the local authority and the community. Asmal said the department had received 25 tenders for contracts worth about R700m.

He said the system would initially be applied in the Eastern Cape, KwaZulu-Natal, Northern Province and Mpumalanga, which accounted for 80% of the backlog. The tenders, in which black business involvement was a requirement for local and foreign firms, were being considered by the tender board.

He said local government was responsible for the provision of water services and it was the department's task to help it develop the capacity.

Asmal said there would soon be an announcement about a transformed hiking board, which would contribute to the opening up of SA's countryside. He said the community forestry action programme, which provided fuel wood and building timber to rural communities, had resulted in the planting of 4-million trees in three years.

Robyn Chalmers reports that the Forest Industries Association, which represents the majority of all commercial timber growers, said yesterday the national water policy could have serious implications for the industry, which feared it could find itself having to obtain permission to use and to pay for rainfall.

Fights erupt at Pretoria school

Kevin O'Grady

RACIAL violence flared for the second day at Pretoria West's Elandsport High School yesterday, but officials were confident classes would resume peacefully today, a police spokesman said.

One pupil, Chris Janse van Rensburg, was injured in yesterday's fighting, which started on Tuesday after two black pupils were allegedly assaulted for insulting a white teacher. The school was closed early on Tuesday and again when fighting resumed yesterday.

Nobody had been identified as responsible for yesterday's attack on Janse van Rensburg, police spokesman Capt George Francis said.

He said one white parent arrived at the school armed with a rifle yesterday but was persuaded to leave. Other white parents threatened to take their children out of the school.

The violence resumed yesterday when two black pupils confronted a white boy and allegedly started punching him.

Farmers slam White Paper on water policy

sewelan 25/5/97
The South African Agricultural Union (SAAU) yesterday expressed misgivings about what it called the total centralisation of power awarded to Water Affairs Minister Professor Kader Asmal in the recently released White Paper on a national water policy.

In a statement in Pretoria, the SAAU's water affairs committee said the White Paper advocated giving the minister total power in decisions regarding the distribution and allocation of water and water rights.

The SAAU, on the other hand, supported a system of decentralised catchment area management in which all users had a say.

Committee chairman Mr Charles van Veijeren said the White Paper provided no protection for existing water rights.

Such rights were being expropriated

without compensation and replaced with a system of registration whereby user rights were allocated for a specific period.

"The SAAU is of the opinion that water rights are linked to property rights and, as such, enjoy protection in the Constitution," Van Veijeren said.

"The uncertainty regarding the permanence of water usage is unacceptable in that agriculture makes long term capital investments."

The SAAU was also concerned about the water tariff policy. "The cost items which may be included to make water available are apparently unlimited, which will mean that the use of irrigation water could become uneconomical for commercial agricultural production."

"The White Paper fails to focus on the development of the country's water resources." - Sapa.

(3) (903)

Farmers fear water proposals

CT(BR)20/5/97 (3)

FRANK NXUMALO

Johannesburg — Farmers were worried that the proposals contained in the white paper for a new water law would adversely affect the country's agricultural production, Nic Opperman, director of resources services for the South African Agricultural Union, said yesterday.

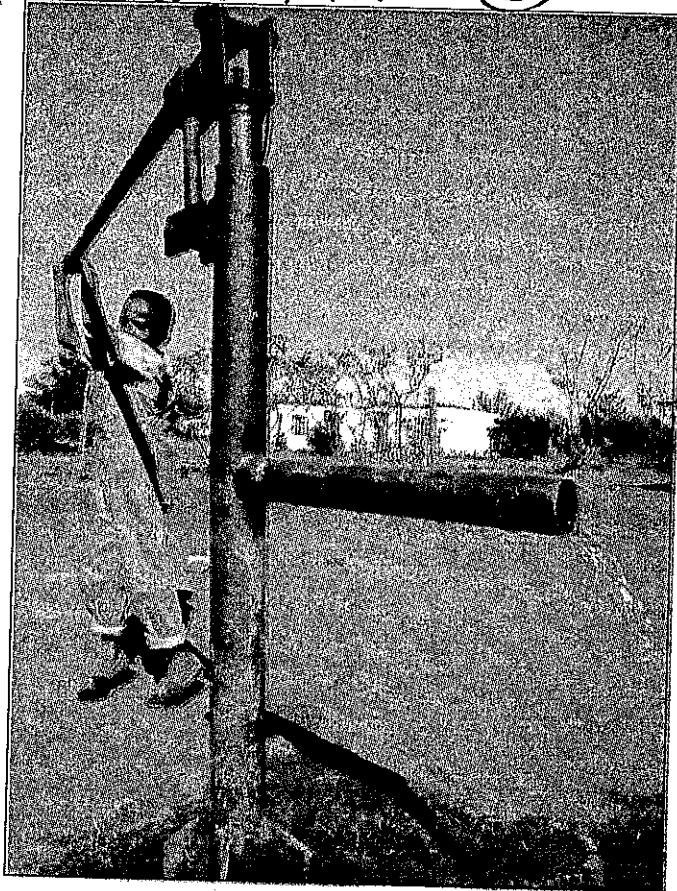
Speaking at the launch of a rural water project earlier this month, Kader Asmal, the water affairs minister, said the question of the regulation of water resources was being discussed in the white paper:

"In relation to the management of water as a natural resource, we start off from the basis that we are a water-scarce country.

"Then there is the question of using water in the most beneficial way ... clearly one of the things we will have to do is to look at the large users of water, which are farming, Eskom, mining and domestic users," Asmal said.

In relation to the regulation of ground water, Asmal said authorisation would be necessary for new boreholes, although "no one was proposing that funny-looking water policemen with funny caps" go around policing South Africa's estimated 4 million to 5 million boreholes.

Opperman said irrigation farmers mainly used water for food production. The problems



TAP PATROL South Africa needs to protect its scarce water reserves by regulating and carefully managing its use PHOTO: JOHN WOODROOF

they had with the white paper proposals included the need for users to reregister for rights every five years for a maximum period of 40 years.

"There must be no time lim-

its, as we see water rights to be linked to property rights," said Opperman. He said having to pay a premium for water for irrigation was a constraint on property rights.

Scarce water 'could cause friction' in southern Africa

00 22/5/97

(2/11) (3)

MASERU — A senior Southern African Development Community (SADC) official warned yesterday that water, a scarce resource in the region, could trigger conflict unless it was shared and properly used.

At a water conference in Lesotho attended by more than 100 delegates from 11 of the 12 SADC countries, SADC deputy executive secretary Lengolo Monyake said water had gained an increasingly important role.

"It is perhaps worth underscoring the fact that water scarcity and the concomitant reliance on shared rivers can be a potential source of conflict at various levels," he said.

"Water scarcity is increasingly becoming the pivotal issue that will determine the success or failure of the new SADC vision which is aimed at increasing investment, trade, peace, security and the social and economic development of the region as a whole."

The community, which groups Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, SA, Swaziland, Tanzania, Zambia and Zimbabwe, represents 40% of Africa's population and 80% of its gross domestic product.

Studies have indicated that within the next 10 to 30 years, Lesotho, Tanzania, Zimbabwe, Mozambique and Mauritius will join Malawi, SA and Namibia as countries where water is very scarce.

By 2000, more than half of southern Africa's population will live in urban areas, further increasing the demand for clean water, according to reports presented to the conference.

Civil strife in Angola, Mozambique, Namibia and SA has caused the mass movement of millions of people to urban centres. It has also meant that water resources have not been properly developed.

The Zambezi River, the largest African river to flow into the Indian Ocean, which along with its tributaries is vital to about 26-million people in eight countries, generates about 4 500MW of hydroelectricity out of a potential 20 000MW. A report by the Desert Research Foundation of Namibia said at least four future hydroelectric developments for the Zambezi River basin could generate a further 4 500MW. It said more than 50 000ha of land could also be brought under irrigation in the next 30 years. — Reuter.

SA needs more and more water

By Russel Molefe

PROFESSOR Kader Asmal, Minister of Water Affairs and Forestry, is aware that South Africa requires more than just political democracy to achieve equitable distribution of water to all of its people.

New demands on the country's limited water resource base are emerging as the Reconstruction and Development Programme is being implemented to redress past imbalances in water distribution.

The demand for water is steadily increasing. It has been estimated that South Africa may experience an almost permanent drought between the years 2002 and 2040.

However, water authorities assert that if the RDP's vision for water supply is adhered to, the government may be able to maintain reasonable levels of demand in relation to population growth. The opposite would have disastrous results.

Of the 12 million people who have no access to clean drinking water, the government has so far been able to supply a million people with clean water after the Modderspruit Water Supply Scheme in the North West was completed early this month.

According to Asmal, this achievement is an example to the entire world. After demonstrating to the international community that peace can be created out of conflict, he says, proper water distribution is another milestone worthy of emulating.

He is very optimistic that the creation of a "Blue Revolution" might become a reality. "For every one of the 1 000 days our democratically elected Government has been in power, 1 000 people have been supplied with water," Asmal says.

"To speed up delivery of fresh, safe water - to create a 'Blue Revolution' in this land - my department has had to accept that the government alone can-

not do the job. We have to work with businesses and with communities in facing the challenges."

Asmal's ultimate goal is to provide previously disadvantaged people with a basic minimum of 25 litres of water per day per person, which should not have to be carried

more than 200m to their homes. In the short term, Asmal is working towards providing clean water to six million people by the year 2000. While observers have placed Asmal's department above others in terms of performance, they question whether this target can be attained in the next three years.

Good progress

Their criticism is based on the fact that it took the African National Congress-led government three years to provide a million people with water. But Asmal's director-general Mike Muller supports Asmal's prediction.

"Projects have already been started and some have been set up as early as 1995. Our assessment is that by the year 2000, six million people will have access to clean water through these projects."

Asmal believes that the recent Cabinet-approved *White Paper on National Water Policy* will greatly assist the realisation of that goal. "South Africa's water law comes out of a history of conquest and expansion," he says.

"The colonial law-makers tried to use the rules of the well-watered

‘In a region of growing demands on a limited resource, the increasing scarcity of water could result in conflicts’

colonising countries of Europe in the dry and variable climate of southern Africa.

"In a region of growing demands on a limited resource, the increasing scarcity of water could result in devastating conflicts and catastrophes. The victory of our democracy now

demands that the national water law be reviewed."

His Department's White Paper sets out 28 fundamental principles and objectives for a new water law. However, two principles have angered farmers. These are that:

- All water, wherever it occurs in the water cycle, is a resource common to all and that its use should be subject to national control;

- There shall be no ownership of water, but only a right or an authorisation of its use, and that any authorisation to use water in terms of the water law shall not be in perpetuity.

The South African Agricultural Union's Charles van Veijeren says the White Paper advocates giving the Minister total power on decisions regarding the distribution and allocation of water and water rights.

"The Paper provides no protection for existing water rights. Such rights are being expropriated without compensation and replaced with a system of registration whereby user rights are allocated for limited periods," he says.

"We are of the opinion that water rights are linked to property rights and, as such, enjoy protection in the Constitution."



Water Affairs Minister Kader Asmal with Mrs Tryphina Mbele, 77, who became the millionth recipient of water when the Modderspruit Water Supply Scheme in North West was completed recently.

Govt publishes draft water bill

Wyndham Hartley

CAPE TOWN — Legislation creating a national framework for water provision for the first time in SA's history and bringing all the existing water boards under one legal framework has been published for information by the government.

Published last Friday in the Government Gazette and discussed in yesterday's meeting of Parliament's agriculture, water affairs and forestry committee, the bill would, when approved, make the wastage of water a punishable crime in SA.

The Water Services Bill seeks to make it an offence for

any person to "continue the wasteful use of water after being called upon to stop by the minister, a province or any water services authority". Excessive use of water has until now only been an offence in terms of local regulations relating to drought crisis measures and not in terms of a national statute.

Punishment suggested in the draft bill is a fine or imprisonment for not more than two years or both a fine and imprisonment. If an employee commits the offence with the express permission of the employer then the offence will be considered committed by the employer, the bill suggests.

BD 29/5/97 (1) (3)
It also says access to a basic water supply of water is the right of each and every South African. Every water service authority covered by the new national structure "must take reasonable measures to realise this right".

It is estimated about 12-million South Africans do not have access to basic water supply and many more do not have access to basic sanitation.

The legislation from Water Affairs Minister Kader Asmal will also set national norms and standards both for the provision of water services and for the tariffs charged for them. It provides for the preparation of wa-

ter service development plans by water service authorities.

Current water boards, such as Rand Water will be both established and "disestablished" in terms of the new legislation when it becomes law.

The legislation will allow the water affairs minister to prescribe compulsory standards for both the provision and the quality of water supply.

He will also be able to, with the concurrence of the finance minister, prescribe tariffs for water and this could take into account the socio-economic and physical attributes of each area making cheaper water possible for the poor.

WATER RIGHTS

FM 30/6/97 (3)

Cutting across property rights

Agricultural Union could approach Constitutional Court for ruling

Will legislation arising from the White Paper on National Water Policy infringe farmers' property rights? The question is being taken seriously by the SA Agricultural Union (SAAU).

The union charges that the new policy — accepted by Cabinet (see *Current Affairs* May 9) — “provides no protection for existing water rights (which) are expropriated without compensation and replaced with a system of registration whereby user rights are allocated for a specific period.”

Making water universally available, the union argues, could mean that “the use of irrigation water could become uneconomical for commercial agricultural production.” In other words, abolishing existing water rights amounts to nationalisation — followed by rationing in the name of the greater social good.

Charles van Veijeren, who chairs the SAAU irrigation and water affairs committee, is on record as saying such a process would run counter to the constitutional property clause since “water rights are linked to property rights to the land and, as such, enjoy protection in the Constitution.”

The property clause was one of the most contentious issues addressed by the Constitutional Assembly and, as it stands, only weakly protects property rights.

The clause states: “No-one may be deprived of property except in terms of law of general application.” But such a law, of course, could be passed by the ANC-dominated parliament, though it would have to take into account the question of compensation. However, constitutional provision is made for restitution and a legislative framework to “enable citizens to gain access to land on an equitable basis.” Property is defined as “not limited to land.” More specifically, “no provision (of this clause) may impede the State from taking legislative and other measures to achieve land, water and related reform, to redress the results of past racial discrimination.”

An SAAU spokesman says a Bill reflecting water policy is expected by the end of July and will be subject to the normal process of public hearings and parliamentary oversight before being enacted into law — possibly by the end of this year's session. The constitutionality of the Bill could also be questioned.

For now, the union has simply expressed its immediate concern; taking the matter to the Constitutional Court would be “the last step.” The union finds much that is good in the new policy. The spokesman adds: “We prefer negotiation. We have had an open door to the Minister (Kader Asmal) in the past and hope we will have it in future.”

The property clause, as framed, represents a compromise between those on the ANC's side who wanted no special protection for property rights and those who did. The formulation's vagueness was thus the product of opposing viewpoints and the pressure of deadlines for the writing of the Constitution. It is the vagueness that has prompted uncertainty among the farmers — and made clarification essential. Peter Wilhelm



Kader Asmal . . . farmers challenging his proposal to nationalise water

Asmal's tap runneth over

(3) (125) et (BR) 3/6/97

DUMA GQUBULE

Johannesburg — The government has awarded contracts worth R700 million to four companies to implement its community water supply and sanitation projects through the private sector, Kader Asmal, the minister of water affairs, said yesterday.

The winning consortiums — Wasscon in the Eastern Cape, Aquamanzi in KwaZulu Natal, Consultburo in Mpumalanga, and Bergman Ingeprop in the Northern Province — were selected from among 25 tenders.

Mike Muller, the deputy-director general of water affairs, said yesterday the department had committed more than R2,8 billion to the programme over the past three years.

"The projects have become too big for the department to manage directly. We do not have the capacity and need assistance from the private sector," he said.

Muller said the department would spend R1 billion on 357 community water supply and sanitation projects this year.

"We have introduced a concept called Build Operate Train and Transfer (BoTT) which will require the four consortiums to

operate the contracts and train relevant local government agencies to take over the projects after a certain period. The department will continue to implement projects not covered by the BoTT contracts."

Asmal said the State Tender

Board had approved the awarding of the contracts to companies in the Eastern Cape, KwaZulu Natal, Northern Province and Mpumalanga, which had 80 percent of the country's water supply and sanitation backlog.

"Between 15 and 40 percent of the work will be done by firms belonging to members of previously disadvantaged communities. Should this not happen, the consortiums will have to pay penalties of up to R30 million," Asmal said.



PLUGGING THE LEAK *Kader Asmal, the minister of water affairs, has turned to private consortiums to handle water supply and sanitation projects in the four neediest provinces*

PHOTO: JOHN WOODROOF

IDC sustains slower crops

CT (B&K) 25/7/97 (3)

Anyone wanting to produce a cash crop applies to a commercial bank or the Land Bank for a loan. But who does the farmer go to when the crop could take 10 years to bear fruit?

The agricultural arm of the Industrial Development Corporation (IDC) has positioned itself to finance slow-growing, labour-intensive, export-potential agricultural projects.

Despite the image attached to farmers in this part of the world, not everyone is involved in grain and livestock production. And citrus and deciduous fruit are not the only farm products exported in quantity.

Consider these products: paprika, pistachios, cashew nuts, table grapes and dates. These are scarcely the agricultural products for which South Africa is famous. However, IDC finance is ensuring that in the next couple of decades the country will be growing more of these products, adding value to them and exporting them.

The IDC is committed to

long-term agricultural products in a way that individual farmers are rarely in a position to be. One reason for this is experience the IDC accumulated with the Sapekoe experience.

Sapekoe, the local tea company, was launched in 1963 with the main intention of creating jobs in rural areas. A tea bush takes 12 years to mature. It was the IDC's first major venture into long-term agricultural projects. Today Sapekoe has seven tea plantations, three coffee plantations, macadamia and paprika plantations, and provides permanent jobs to 12 000 people.

Since becoming involved in primary agriculture, the IDC has made it its business to identify, evaluate and establish new crops and products in South Africa. Some of the long-term projects at present under way



JUSTINE NOFAL

include a R110 million pistachio project (1 000ha) on the Orange river near Prieska, a R20 million cashew project (850ha) in northern KwaZulu Natal, and a R100 million early table grape and date project on the Orange river. The potential for the cultivation of walnuts on a similar basis is under investigation.

The other notable IDC commitment is to adding value. Here the IDC can help to create infrastructure where individual farmers and co-operatives do not always have the resources to do so. At present exposure of this self-funded state-owned corporation to the sector is R1,7 billion.

The third IDC farming speciality is the "fledgling" agricultural sectors. These offer substantial potential for expansion but do not have ready access to capital owing to the risks involved and the typical problems experienced in fledgling industries. Typical examples are cut flowers, prawns, macadamias and paprika.

Control of land vital, says judge

Louise Cook
BD 12/6/97

PROPER control of land was crucial for justice, stability and development, making the land claims court a key component of SA's transition, Chief Justice Ismail Mohammed said at the official opening of the court in Randburg yesterday.

"It is the competitive claim to land which makes up so much of our history and military, economic and political conflicts," Mohammed said.

Land claims court president Fikile Bam said the jurisdiction of the court was limited to specific land issues which related to racially motivated events since 1913.

"The land restitution process is not reconcilable with Roman-Dutch law — it is a product of the SA constitution."

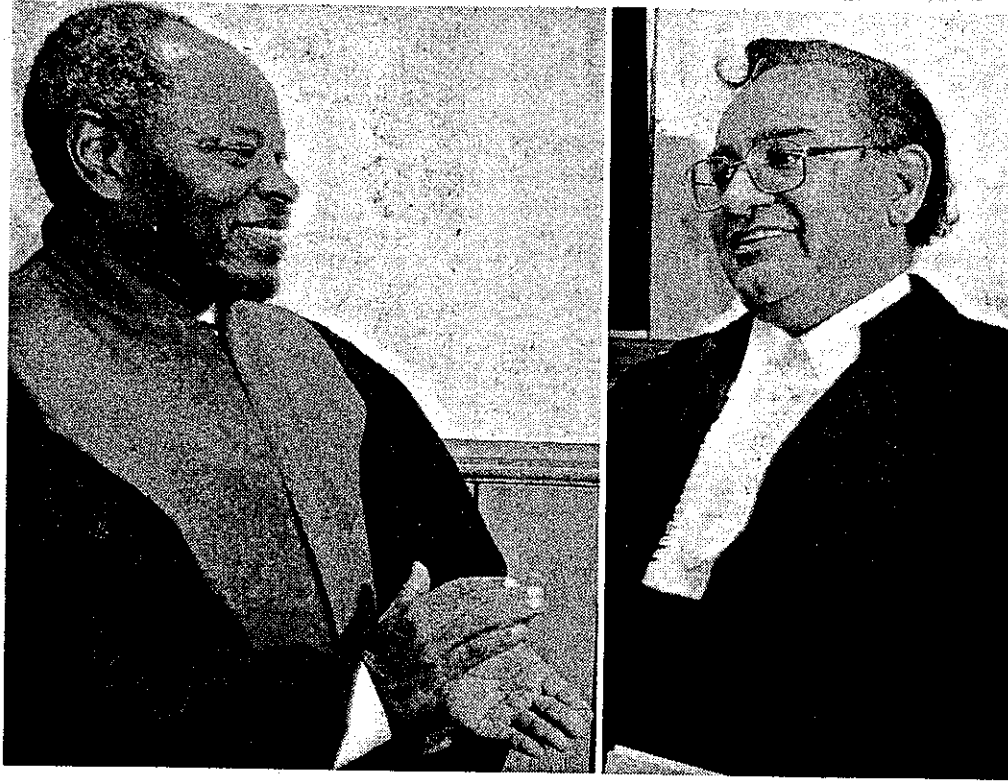
Bam said the court's immediate priority was to decide the extent to which tribal chiefs represented communities claiming land.

This was necessary so as to avoid further social disruption, he said.

The court was established about a year ago and eventually found permanent premises in Randburg.

However, more than 15 000 land claims lodged so far, only 50 had reached the court by way of the restitution commission.

Bam said it was hoped that most of the land claims would be settled between opposing parties, which would make adjudication unnecessary.



Land Claims Court Judge-President Fikile Bam applauds as recently appointed Chief Justice Ismail Mahommed opened the Land Claims Court in Randburg yesterday. Picture: LORI WASELCHUK

Telkom cable plan to link SA and Malaysia

Business unit managing executive Rhynie Greeff said yesterday that France was the fifth party to sign up for the project, which has an estimated cost of \$280m.

Other groups to have signed, which, with France Telecom, would account for about \$200m of the capital cost, were Telekom Malaysia,

Mauritius Telecom and Cable & Wireless.

Greeff said France joined the project because it wanted to connect its Reunion island to the international information superhighway. France Telecom was also involved in the Sea-Mewe Three cable which links east to west in the northern hemisphere.

Should something happen to the cable in the north, making traffic impossible, traffic could eventually be diverted through the southern hemisphere, Greeff said.

Telkom also recently announced plans to lay a cable hugging the west coast of Africa from Cape Town to Senegal, costing up to \$400m.

R700-m plans for sanitation, water okayed

R/rev 8/6/97
~~(12)~~ (3)
Four contracts valued at close to R700-million, to ensure the delivery of water and sanitation services in four provinces, were approved by Minister of Water Affairs Kader Asmal on Monday.

The provinces to benefit are the Eastern Cape, KwaZulu Natal, Northern Province and Mpumalanga, which represent 80% of the country's backlog in water supply and sanitation services.

Asmal said it was the Government's intention to provide water to at least 1,5 million people each year, provided funds were available.

"Neither my department nor I will rest on our laurels until all of our people have access to these basic services."

He said more than 160 projects had already been identified. The approved projects would be administered by the Build, Operate, Train and Transfer Consortium. - Staff Reporter.

BD 6/6/97

New water bill reflects world trends

Louise Cook

SA's current changes in water legislation were in tandem with international trends, the Food and Agricultural Organisation (FAO) said yesterday.

Speaking at a workshop on water policy in Pretoria, FAO legal adviser Stefano Burchi said changes to water management in SA were needed, but the "appropriate legal instruments" would have to be devised to implement new policies effectively.

"Most countries in the world are doing away with permanent rights to water with no time limit in the rights. Nowhere in the

world are water rights permanent, especially when it comes to surface streams."

A new National Water Bill was expected by the end of the month and government was hoping to have it made law next year.

Several changes, some of which affected water rights and would affect mainly agriculture and forestry, were being planned.

California university delegate Joseph Sax said water rights changed continuously in the US depending on the circumstances. "SA farmers cannot expect rights to remain static... In the arid western parts of the US a permit system applies."

Asked if water rights in the US formed part of a property right, an issue SA farmers were particularly insistent about, Sax said they were a "qualified property right." He conceded that US farmers in dry areas received lucrative subsidies to afford irrigation. He said in those areas the states - not users - have developed extensive infrastructure such as dams and canals for irrigation purposes.

Melbourne University's centre for energy and resources chief Sandford Clark supported the view that a license or permit system was needed in SA, saying SA needed to devise a system appropriate to the needs of the country.

BD 6/6/97

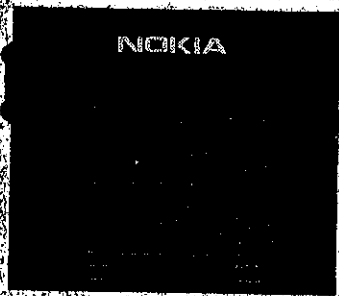
Windhoek businessman hit for breaking arms embargo

Simon Barber

THE US government is continuing to settle accounts with violators of the SA arms embargo.

Yesterday it announced that it was denying a Windhoek-based businessman US export privileges for 20 years for having smuggled unlicensed shotguns into SA in the early 1990s.

According to an announcement by the US commerce department, Karl Cording had conspired with the proprietor of a California shop which sold sporting goods to bring two shipments of shotguns into SA



Would you pass the driving test?

waters successfully each reimburse the mu- vene. — Sapa.

Gencor

Continued from Page 1

in the Burnstone development project — an exploration southwest of the Evander gold field, Maude said.

Fairview-ETC was now poised to become the largest greenstone gold mine in SA and one of the largest worldwide.

"Eldorado's intended participation in an SA greenstone gold operation will be one of the first major Canadian investments in the SA mining industry and a significant one by an overseas mining company," he said.

Eldorado Gold will offer \$76m in

cash and issue nonvoting shares, valued at \$8 a share, to pay for the assets. Gencor already owns about 40% of Eldorado through a previous deal.

Eldorado Gold CE Bob Elton said the \$29/oz the company paid for these assets was "a fair deal".

Eldorado Gold would focus, with Avgold, in reducing cash costs at Fairview-ETC to \$225/oz from its current \$270/oz. The Canadians would have 50-50 management control of the Fairview-ETC operation.

The deal with Gencor will boost Eldorado's 1997 production by 18% to 230 000oz. It will be finalised in August and is subject to a number of conditions, including a due diligence test.

KWV

Continued from Page 1

the fake champagne sold at the auction in Cape Town.

Under point five of the memorandum, van Staden tells Toua to "remember SA must not appear on any packaging material, also not the name of the suppliers (of the materials)". There is no printer's identification on the Charles Lemond labels.

The agriculture department's directorate of plant and quality control, responsible for regulating wine imports, told a potential buyer in a fax in Au-

gust 1993 it "cannot confirm that this wine was made according to the Methode Champenoise". The product could not be offered for resale in SA, and anyone doing so would be prosecuted.

The directorate's head, Andries Tromp, said yesterday he remembered the sale "vividly". His directorate had been asked by customs and excise to verify the beverage as champagne, but as no import permit was available, it had been unable to do so.

Customs and excise had been told to inform buyers that the champagne was fake. He had no idea of the product's origin, "it came out of the blue".

See Page 5

'Fake champagne' sale bid probed

French producers to act but KWV denies scam claim

(3) ARG 9/6/97

ALIDE DASNOIS

French champagne producers will investigate reports that Paarl wine co-operative KWV tried to sell thousands of cases of sparkling wine disguised as champagne.

KWV has denied press reports last week that a plan was approved by senior executives in 1990 to pass off sparkling wine as champagne in the United States and Europe. The reports said the wine was to be sold in special

bottles imported by KWV from France.

Andre Enders, head of the Comite Interprofessionnel des Vins de Champagne, the French champagne producers' body, said his association viewed the allegations in a serious light. "We will undertake our own investigation," he said.

Interviewed by telephone from his offices at Epernay in Champagne, Mr Enders said the association would contact St Gobain, the French glass

manufacturer from whom KWV allegedly imported more than 250 000 champagne bottles, as well as the suppliers of corks to KWV.

"But of course anyone can buy these bottles and use them, provided the contents are labelled correctly. There is also no ban on using the same corks as we use for champagne. But if the corks were labelled with the word 'champagne', that is not acceptable".

Mr Enders said the goal of his association's investigation was to tighten

protection for champagne producers and the public.

"If this has happened once it can happen again. The public pays the price for champagne and has a right to the authentic product."

He hit out at the American authorities who allegedly refused to allow the fake champagne to enter the United States but did not take the matter further.

"It is as if they only wanted to protect their own public," he said.

Black farmers hit at white plunder

City protesters seek formal go-ahead to use land (3) ARG 10/6/97

NORMAN JOSEPH
STAFF REPORTER

Black farmers in the Kuils River and Brackenfell area claim that their farms are being plundered by surrounding white farmers who are angered by their presence.

The farmers, members of the South African Small Farmers' Association, occupied the foyer of the Western Cape legislature building for several hours yesterday in protest against the alleged plundering of their farms.

The farmers, who live in Khayelitsha, say officials in the office of provincial land affairs and Agricultural Minister Lampie Fick gave them the go-ahead to farm the vacant land, which they had identified themselves.

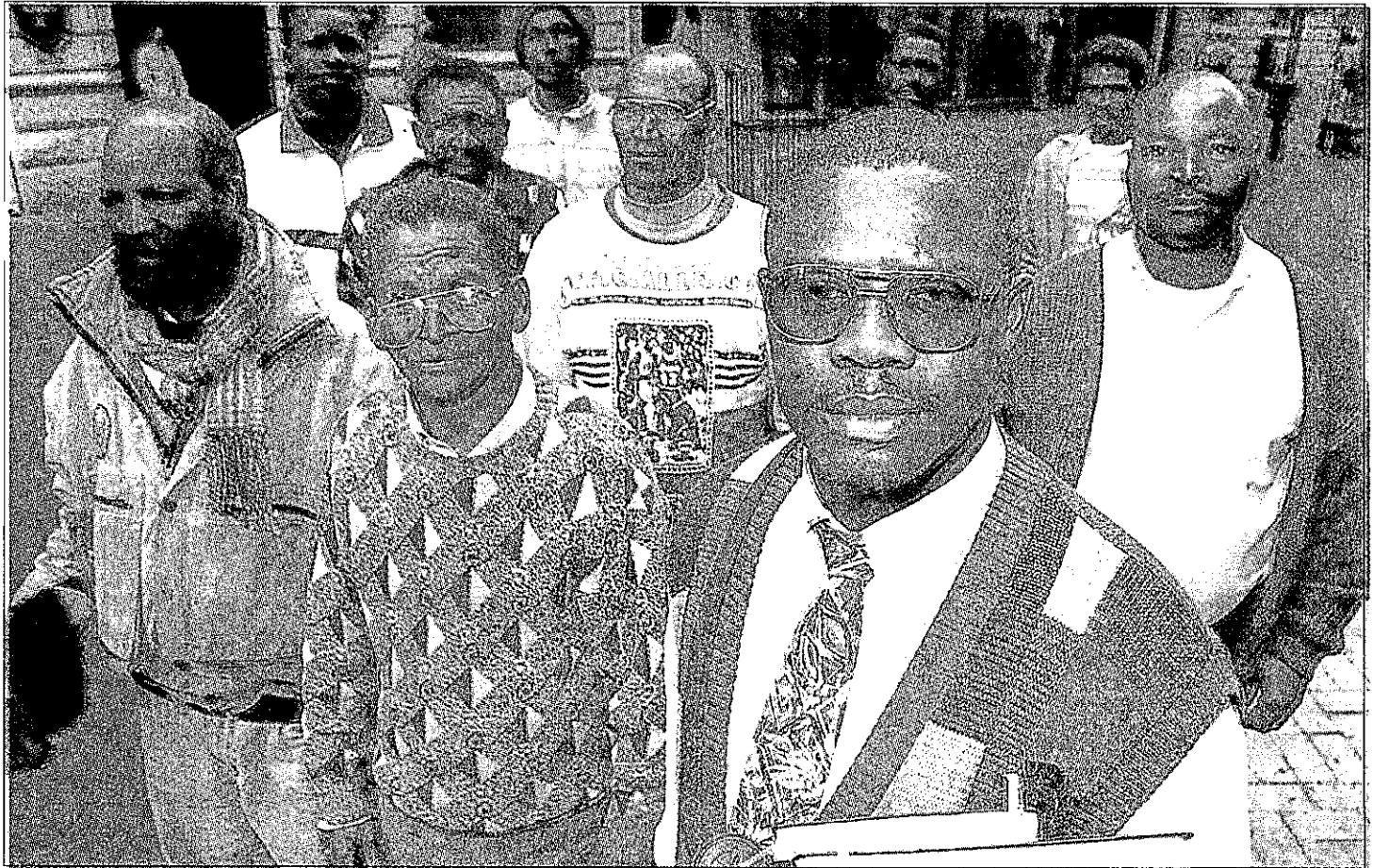
They are demanding formal recognition that they have been awarded the farms.

The angry farmers yesterday alleged that neighbouring white farmers did not want them in the area and had threatened them several times.

They said that cattle, equipment and produce had been removed from their farms.

The farmers recently moved on to the vacant farms, known as Nooiensfontein, Schietekat, Hillgerwood, Voëlvlei and Rainbow.

Association president William Norushu said they wanted a formal, written agreement from Mr Fick that his department had given members the vacant farms.



ROY WIGLEY

Occupation force: angry Khayelitsha farmers, led by William Norushu, foreground right, who occupied the provincial legislature's foyer in Cape Town

Call for special deal for emerging farmers

John Dlodlu
and Louise Cook

3
28/17/16/97
GOVERNMENT should negotiate special arrangements for SA's emerging farmers with trading partners, an agricultural trade policy draft document recommends, but warns government not to rip the competitive heart out of established farmers "with unrealistic low tariffs".

The draft paper dated May 1997, which was not for circulation, suggests too that government should "actively

and aggressively" push for freeing trade in agricultural products in multilateral negotiations.

A weakness of the multilateral trading system has been limited success of General Agreement on Tariff and Trade talks to liberalise agricultural trade, thanks to lobbying by vested interests. Further talks on the sector are due to start at the turn of the century.

The paper notes that past policies have led to stagnation of the emerging

Continued on Page 2

Farmers

Continued from Page 1

farming sector in SA, including skewed land distribution, poor market access, overgrazing, weak investment on agricultural land and limited access to new technology. It calls on government urgently to "rectify the situation", but states that the circumstances of SA's developing agricultural sector are such that government should be able to negotiate special arrangements for it.

In negotiations with the European Union (EU), Pretoria authorities — who were offered less generous terms

for the agricultural sector — have argued for a deal that would see benefits being passed onto emerging farmers. In its offer to SA, the EU has suggested that 39% of SA farm exports continue to suffer from import duties and other restrictions to its 15-nation markets.

SA has also been barred from participating in the commodities protocols as a qualified member of the Lomé convention — the partnership between the EU and 71 African, Caribbean and Pacific nations. Internally, though, the policy paper calls for supply-side measures for the developing sector, including support for research, technology development and improvement of transport infrastructure.

State says farmers need foreign expertise

FRANK NXUMALO

Johannesburg — South Africa needed to work with overseas partners to overcome the legacy of a segregated agriculture system, Thoko Didiza, the deputy minister of agriculture, told foreign envoys last week.

Didiza said it was necessary for the partners to understand

what each other wanted from such a relationship.

She said that to guarantee food security and close the gap between rich and poor farmers, while creating a dynamic and competitive sector that contributed to economy, interaction with the international community would be in the areas of technological transfer, agricultural

research, training, information and trade.

“From the South African perspective, we move from a premise that in achieving our goals for transformation, we will require various expertise, some of which we do not have as a country, but (which) some of your countries indeed offer. We need to locate our economic growth within the

parameters of the international trade environment and see how they will benefit our nationals.”

Joint ventures could be considered around trade and technology development issues, Didiza said.

These could combine technology transfer, training and create trade opportunities for black empowerment.



THOKO DIDIZA ... Looking for partners in farming

Farms battle: MP vows action

NORMAN JOSEPH
STAFF REPORTER

Western Cape MP Russell McGregor has undertaken to trace the previous owners of farms at present occupied by 60 black farmers in the Kuils River and Brackenfell areas.

At a meeting yesterday on Schietekat Farm in Kuils River, Mr McGregor heard how farms were plundered by surrounding white farmers angered by the presence of their new black neighbours, and how they had threatened them several times.

The farmers, who live in Khayelitsha, said officials in the office of Western Cape Land Affairs and Agriculture Minister Lampie Fick had given them permission to farm the vacant land, and they had recently moved on to Nooiensfontein, Schietekat,

ARG 19/6/97

Hilgerwood, Voëlvlei and Rainbow farms. (3)
But their cattle, equipment and produce had been removed, allegedly by white farmers.

The aggrieved farmers - all members of the South African Small Farmers' Association - are demanding formal recognition that they have been awarded the farms.

Mr McGregor, vice-chairman of the Western Cape legislature's standing committee on agriculture, environment affairs and tourism, promised to take up the issue urgently with Mr Fick.

After inspecting the farms, he told the farmers that if he succeeded in locating the previous owners, he might be able to find a solution to their problems.

Leader William Norushu said the farmers had 400 cattle, 300 goats, 200 pigs and 230 sheep on the farms which were their sole source of income.

SA farmers lose out in bid⁽³⁾ to obtain land in Uganda ~~200~~

OCT 25/6/97

DAR ES SALAAM: Foreigners interested in buying land in Uganda either for agricultural development or for industrial purposes now have to look elsewhere.

A Law Reform Commission appointed by President Yoweri Museveni to look into ownership of land by foreigners has rejected recommendations to open up the sector to outsiders. The country's Public Land Act and the 1995 Constitution bar non-Ugandans from owning land.

The move spells death to dreams of a large group of South Africans who wanted to settle in Uganda. Last year, the Transvaal Farmers' Association sent a delegation to Kampala with a request for three thousand acres of land to enable its members to engage in

dairy farming, game ranching and traditional and non-traditional farming.

The new breed of South African settlers wanted either a joint venture with local farmers or a long-term lease agreement of more than 45 years with automatic renewal. During the visit at least 200 Ugandan farmers expressed interest in joint ventures with the South Africans.

The visitors also indicated an interest in Ugandan citizenship. They said they wanted to be settled in groups to allow them to maintain culture and language. But the request came at the height of Uganda's presidential and parliamentary campaign which made it difficult for a decision to be made.

Although the Uganda Invest-

ment Authority (UIA) favoured the idea, some politicians feared the presence of such a large group of wealthy white South Africans in the midst of rural Uganda so soon after the end of apartheid could have sent wrong signals to the local population.

"The matter was, and still remains sensitive," says a political analyst. "A feeling of neo-colonialism could creep in and create racial tension."

But others felt the settlers would bring advanced farming technology and expertise that could help transform vast tracks of virgin land into a useful reservoir of food.

An American legal consultancy firm has recommended that land be opened to foreigners. — IFS

Getting the dope on dagga

M+G 11-17/7/97(3)

Gustav Thiel

ONE of South Africa's quietest but most successful and influential industries is finally going to receive the accolades it deserves: a full-blown investigation into dagga is on the cards, stretching from legalising the joyous weed to its mass industrial production.

The Land and Agricultural Policy Centre, the influential think-tank aligned to the African National Congress, says it is time the country faced up to the reality of what dagga, also known as hemp or marijuana, has to offer, over and above its normal attractions.

The proposals could also see the powerhouse of the South African economy shifting from Gauteng to the more laid-back climes of the Transkei.

The centre's natural resources programme manager, Saliem Fakir, says there is a growing habit worldwide to re-establish hemp as a cash-crop. The centre is now embarking on a study to

"investigate the viability of such a venture".

The study will start with the prospects of legalising dagga, before moving on to its use in industry and research; the environmental impact of its cash-crop production; and trying to regulate production.

The Minister of Agriculture and Land Affairs, Derek Hanekom, supports the initiative, his representative says. The plans also have formal backing of the Parliamentary Standing Committee on Agriculture, says committee chairman Janice Love.

Fakir says it is impossible to estimate the size of a likely South African market for hemp products, although hemp markets are flourishing in the United States, Europe and Asia.

Hemp is used in the textile and construction industries, and is also used for medicinal purposes, such as treating people with multiple sclerosis and asthma. Experts say the quality textile produced from hemp is unequalled.

The number of jobs industrial dagga production could create is also difficult to assess,

although it is believed the current illicit trade involves a vast number of South Africans involved in growing, transporting, selling and smoking.

Fakir placed press advertisements this week, calling for interested parties to contribute to his efforts.

From the ads' wording, however, Fakir may unwittingly eliminate many parties already well-versed in dagga's benefits.

"As part of its consultative process, integral to policy formation, the centre wishes to invite all interested parties/organisations to submit options and proposals relevant to the study in question," Fakir notes in a tiny-type, closely crushed advertisement.

"This would ensure that a broad and comprehensive arena of legitimate concerns are accommodated, incorporating that of the heretofore marginalised or precluded sentiments.

"The aim of this initiative is to ascertain and solicit key issues relevant to the study in question so as to develop and inform the policy processes addressing the matter."

So far, Fakir says, the main respondents have been academics and NGOs.

Gold is out, green is in, PAGE 20

IDC sustains slower crops

CT (B&K) 25/7/97 (3)

Anyone wanting to produce a cash crop applies to a commercial bank or the Land Bank for a loan. But who does the farmer go to when the crop could take 10 years to bear fruit?

The agricultural arm of the Industrial Development Corporation (IDC) has positioned itself to finance slow-growing, labour-intensive, export-potential agricultural projects.

Despite the image attached to farmers in this part of the world, not everyone is involved in grain and livestock production. And citrus and deciduous fruit are not the only farm products exported in quantity.

Consider these products: paprika, pistachios, cashew nuts, table grapes and dates. These are scarcely the agricultural products for which South Africa is famous. However, IDC finance is ensuring that in the next couple of decades the country will be growing more of these products, adding value to them and exporting them.

The IDC is committed to

long-term agricultural products in a way that individual farmers are rarely in a position to be. One reason for this is experience the IDC accumulated with the Sapekoe experience.

Sapekoe, the local tea company, was launched in 1963 with the main intention of creating jobs in rural areas. A tea bush takes 12 years to mature. It was the IDC's first major venture into long-term agricultural projects. Today Sapekoe has seven tea plantations, three coffee plantations, macadamia and paprika plantations, and provides permanent jobs to 12 000 people.

Since becoming involved in primary agriculture, the IDC has made it its business to identify, evaluate and establish new crops and products in South Africa. Some of the long-term projects at present under way



JUSTINE NOFAL

include a R110 million pistachio project (1 000ha) on the Orange river near Prieska, a R20 million cashew project (850ha) in northern KwaZulu Natal, and a R100 million early table grape and date project on the Orange river. The potential for the cultivation of walnuts on a similar basis is under investigation.

The other notable IDC commitment is to adding value. Here the IDC can help to create infrastructure where individual farmers and co-operatives do not always have the resources to do so. At present exposure of this self-funded state-owned corporation to the sector is R1,7 billion.

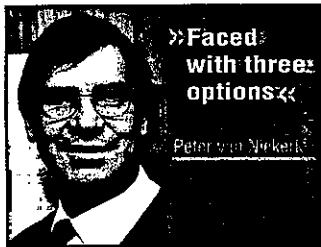
The third IDC farming speciality is the "fledgling" agricultural sectors. These offer substantial potential for expansion but do not have ready access to capital owing to the risks involved and the typical problems experienced in fledgling industries. Typical examples are cut flowers, prawns, macadamias and paprika.

As dire warnings of the dreaded El Nino hit the media headlines, what may well prove to be SA's answer to the infamous weather pattern is beginning to take shape.

Work on the complex system of tunnels, weirs and dams that is the multibillion Lesotho Highlands Water Project is gathering momentum with the latest undertaking of the scheme being the R4,5bn Phase 1(b).

This will include the 950m m³ Mophale Dam and a 30 km transfer tunnel. Department of Water Affairs manager, international projects, Willie Croucamp says after access roads (R250m) are completed by the end of the year, the R100m advanced infrastructure will be built at Mophale (see map). This should be completed by March next year.

"Tenders for the dam, tunnel and di-



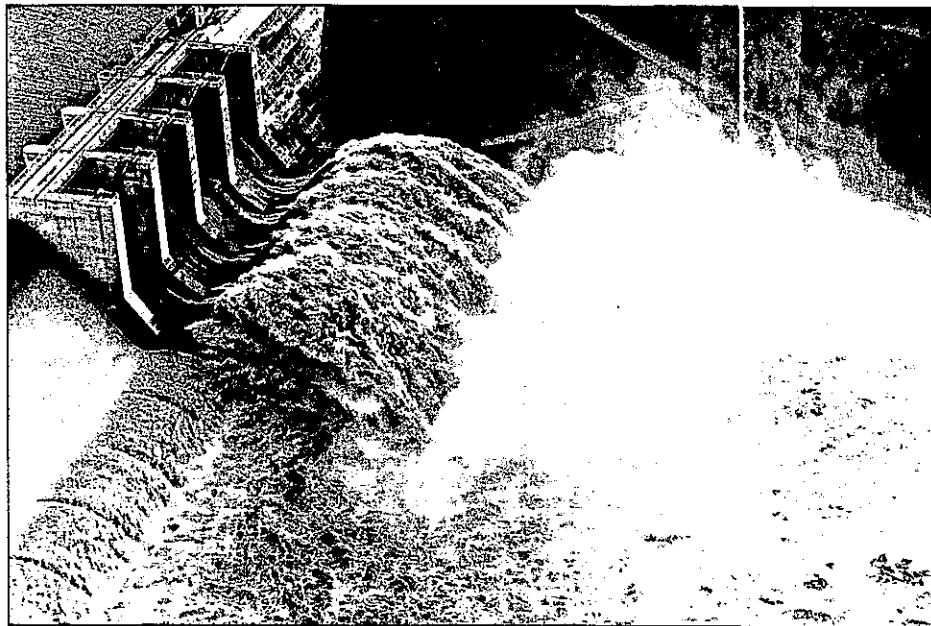
version weir have already been advertised and we expect to take a decision early in 1998. Water should begin to flow into the Vaal system by 2003," says Croucamp.

Other project teams are already looking at completing feasibility studies for the next series of dams and waterworks that will need to be completed by 2006-2008 depending on consumption projections and the possible effects of El Nino and other climatic uncertainties.

Water Affairs managing engineer (planning) Peter van Niekerk is faced with three choices. "We can go for the second phase of Highlands; we can build the new Boskop Dam upstream from the Gariep Dam in the Orange River; or we can go to the Tugela River, where two major dams could be built in the Bushman's River near Weenen and in the Tugela near Colenso, KwaZulu-Natal.

But, he says, Lesotho lies closer to the Vaal and offers cleaner but costlier water. Boskop could provide "free" water but would involve a series of tunnels, weirs and pumping systems to get the water to the Vaal, while the Tugela scheme would use existing pumping capacities into the Sterkfontein Dam.

Tugela water project feasibility study



Vaal Dam in spate... roaring its defiance in the face of looming drought

LESOTHO HIGHLANDS WATER PROJECT

FM 8/8/97

3

SA's saviour from the ravages of El Nino

Weather child's temper tamed by leading edge technology

head Bob Pullen says "this second phase of utilising Tugela water for the Vaal system would take total potential utilisation to about 1 016m³/year out of the Tugela, which has an average river mouth runoff of about 3 865m³/year."

El Nino is a vast accumulation of exceptionally warm water in the Pacific off the coast of Peru and is predicted to set off droughts and "above normal temperatures" across southern Africa in the summer ahead. US weather sources say this year's El Nino could be even worse than that experienced in the summer of 1982-1983. That drought cost an estimated R5bn across

southern Africa. Based on SA's past record of seasonal and regional droughts, a "big one" could well stretch over two to three years. However, with dam levels at present capacities, Highlands should kick in well before there is any danger of water shortage. Previous droughts also hit economic prospects, with a poor agricultural season often depressing national growth prospects.

SA Agricultural Union chief economist Koos du Toit says: "The 1995 drought reduced gross farming output by about 26% and slashed about 1% off GDP for the year, while the good 1996 rains increased gross

farm earnings by about 30% and added an estimated 1,6% directly and indirectly to the GDP."

But, while farmers are braced for severe dry conditions which will hit hard on summer rainfall crops like maize, cotton, sunflower and sorghum, "excellent" underground moisture reserves derived from recent rainy summers should still boost early crops.

However, irrigation farmers and the urban economy have never been better prepared.

Irrigation farmers producing tobacco, citrus, wheat, cotton and vegetables should not fear drought for at least the next two years. And commerce, industry, mining and ordinary households are even better off.

Rand Water GM, community support services, Archer Davis says: "We have enough water stored in the Vaal system to take us through five years of drought."

Water Affairs deputy director-general Claus Triebel, says the state of the nation's dams "has never been so good." Most major dams in the Vaal system are still overflowing, while the

2 617m³ storage capacity Sterkfontein Dam, which receives water from the upper Tugela through the Drakensberg Pump Storage Scheme, is 74% full. And Lesotho's new 1 900m³ capacity Katse Dam (part of the Highlands project) is already 80% full.

"Katse water will be available from January next year, once we have tested the transfer tunnel," Triebel says. But consumers will also have to start paying off the estimated R10bn costs (including finance charges) for Phase 1(a) of the Highlands Project (Katse Dam and transfer tunnels), while the R4,5bn Phase 1(b) costs should also start filtering through to end-con-

sumers' accounts from 2000 onwards.

Ironically, rising water prices are also having a beneficial effect on consumption patterns. Consumers are tightening belts to stop wastage and save costs. In fact, says Davis, "average water consumption in

Rand Water's jurisdiction area has shown minimal growth between the 1983 drought and 1996 — and we only forecast 2,5% annual growth in the foreseeable future." Households consume about two-thirds of Rand Water's total sales, with mines, commerce and industry taking up the balance.

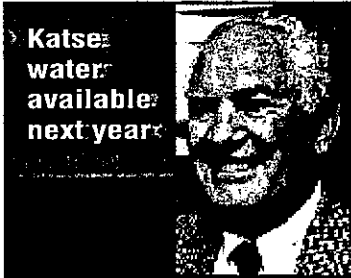
The same good news applies to the rest of the country, with major irrigation dams brimful or overflowing. Western Cape storage dams are at levels of 80%-100%; KwaZulu-Natal's storedams at 99%-100% levels; while even dams in the normally dry Little Karoo are still overflowing. The Eastern Cape is also well prepared, with most storage dams at high levels.

But, while grazing throughout the country is also still in excellent condition, late-season farmers have to ready themselves for El Nino. Farmers' earnings plummet during a drought which has a knock-on effect. Fertiliser and agricultural supply companies,

banks, as well as millers and food processors are all affected. The balance of payments also suffers

from reduced export revenues, while increased imports add to the Reserve Bank's woes. Some milling companies have already started signing forward contracts for maize, based on expectations of severely reduced crops in the 1997-1998 season.

Long-term forecaster at the Weather Bureau in Pretoria Ben Kgakatsi says: "While October rainfall might be above normal, El Nino will start influencing our weather patterns from about November and this should continue till next April, with the worst

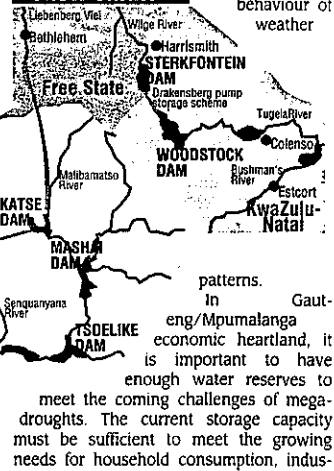


effects being felt between December and March."

Maize and other summer crop farmers have already been cautioned to reduce plantings and fertiliser purchases, as a severe drought could slash up to 75% of projected crop returns. But, says Du Toit, if Mpumalanga crop farmers start planting early this summer, they could partly miss the effects of the drought.

With dams brimful and overflowing, do we have anything to worry about? Yes, because water conservation, consumption and demand is as dynamic as the economy and could become just as unpredictable. This is more so should the future bring worse El Ninos, with the impact of global warming adding to the erratic behaviour of weather

FLOW CHART



patterns. In Gauteng/Mpumalanga economic heartland, it is important to have enough water reserves to meet the coming challenges of mega-droughts. The current storage capacity must be sufficient to meet the growing needs for household consumption, industrial, mining, power generation and agriculture into the next century. At full capacity, Vaal Dam holds 2 600m³ of water (but loses huge volumes to evaporation); the deeper Sterkfontein dam also about 2 600m³; while Katse will also contribute about 1 900m³. But Water Affairs — which continues to explore all viable options for water schemes — says this is not enough. "We must not only provide for normal growth, but also for emergency supplies," says Triebel.

Arnold van Huyssteen

Tariffs policy remains undecided

Louise Cook

THE fate of a policy proposal by government 18 months ago on appropriate tariffs on agricultural products was still undecided, sources said yesterday.

This followed a recent report in the agricultural media by agricultural economist Johan Willemse (also a member of the National Agricultural Marketing Council) warning that agricultural industries were being threatened by government's policy on tariffs and poor border controls.

"A serious crisis is again building up in the agricultural sector due to an unco-ordinated and unsuccessful tariff policy coupled with poor border controls. This is costing SA farmers millions of rands in lost production, the state is losing money, the local econ-

omy is losing job opportunities and consumers often receive the minimum advantage (of cheap imports)."

Willemse said it was pointless to deregulate agricultural markets and scrap control boards if tariffs on farm products remained "totally unacceptable". The worst-hit industries were poultry, dairy, meat and wheat.

Board on Tariffs and Trade spokesman Aalwyn Kraamwinkel said the board was still awaiting a formal response from the agriculture department on tariff policy proposals, set out in a green paper on agricultural tariffs, submitted in February last year.

The document, drawn up by the board, acknowledged that international trade was fraught with distortions — especially in developed countries — and sought to transform SA's 50-year-

old customs tariff policy.

The agriculture department presented the document to the various farming sectors at its annual agricultural economics conference last year to canvass interest in the proposals.

However, agriculture department acting director Gerda van Dyk said on Monday the extent to which the board's proposals had been accepted or rejected would be known only at the end of next month.

"The department is in the process of revising its policies on various fronts, including trade."

The document proposed that protection of agricultural industries should be determined by the difference between the landed cost of the imported product and the price of the product produced in the custom unions of SA,

Swaziland, Namibia, Lesotho and Botswana.

This would ensure protection was justified and at the same time encourage the agricultural sector to use its natural, human and financial resources optimally and in a sustainable manner, the document said.

Willemse warned that farmers and the agriculture minister would have to "rectify the situation urgently". He called for the control of tariffs on farm products to be shifted from the trade and industries department to the agriculture ministry.

"I believe the time has come for producer organisations and local processors to sort out the mess. The ministers of trade and industry and of agriculture should be confronted once and for all," Willemse said.

0013/8/97

(3)

'Govt should keep servicing R177m Land Bank debt'

Louise Cook

(3)
BD 15/8/97

A COMMITTEE reporting to Land and Agriculture Minister Derek Hanekom on the future of Maize Board assets recommended government continue to service a R177m debt to the Land Bank, and that the net assets of the board be transferred to a trust.

The agriculture department had been servicing the interest on the loan on behalf of the Maize Board and the fiscus had been responsible for repayment of the loan on behalf of the Maize Board.

Hanekom confirmed yesterday that the committee supported the formation of an SA grain information service to handle market information. The report proposed that future research in the industry be covered by the Agricultural Research Council and the National Maize Producers' Organisation.

The report recommended that once the board's capital (believed to be about R250m), as well as its income, had been transferred to the trust, the funds should be available to cover specific maize industry needs. "Based on current estimates, it is recommended that R2m, R10m and a remaining income of R10m per annum, should be allocated for information, research and market access."

Hanekom said the committee, headed by National Agricultural Marketing Council chairman Eckart Kassier, was in agreement on the issues with the exception of one member who had proposed in a minority report that the Land Bank debt not be serviced by government and that the assets of the board be used to assist drought-stricken farmers.

The committee also agreed not to support the use of the Maize Board's funds to set up a floor price at this stage. "It could be considered in future, if all role-players in the industry agreed to it and if the necessary procedural steps were followed."

Sources said maize farmers had dropped earlier claims to some of the board's money. Farmers argued that the money paid last year in compulsory levies should be returned to them as no price support was necessary during the marketing season.

"It is clear that consensus was reached between the majority of committee members primarily because they were willing to put their respective positions aside while considering the range of possibilities. I appreciate the willingness of the members of the committee to take a long-term view in the interests of the maize industry," Hanekom said.

Benefits of free market are apparent

HARKODA, a trading house based in Krugersdorp, would have been breaking the law had it been in business four years ago.

For more than six decades, SA maize farmers were required to channel their entire crop through the Maize Board at prices determined by the board. But Harkoda, formed in 1994, says it now buys and sells an average of 50 000 tons of maize a month.

Its seven employees compete for farmer's business against an array of co-operatives, multinational trading houses and other entrepreneurs, at the same time juggling the risks of international commodity and currency markets.

Harkoda is one of many examples of how the demise of control boards is revolutionising SA's farming and food processing sectors. "The whole way of trading is changing," Hamish McBain, president of the Federation of Food Processors said. "The methods of procurement, the funding of the supply chain are totally different."

The control boards were set up to help farmers recover from the deep recession of the early 1930s. As their name suggests, they kept a tight grip on their sectors with devices such as production quotas, import curbs, price controls and pooled accounts.

Only one of the 16 control boards — the Tobacco Board — has so far been formally disbanded. All the others, however, are in terminal decline. In terms of the 1996 Marketing of Agricultural

Products Act, the remaining boards must be wound up by January 6 next year.

A handful of boards have tried to resist the assault on their monopoly. The wheat and deciduous fruit boards, for instance, are still applying their single-channel marketing schemes for the current season. But according to an official at the National Agricultural Marketing Council, all have now submitted wind-up plans.

The control boards' demise has opened up opportunities and challenges on an unprecedented scale, and an intense jockeying for position is under way to fill the regulatory vacuum. "Some are further down the road than others," says McBain.

The tobacco industry reflects the competing interests at work and the high stakes they are fighting for. The Tobacco Board, wound up late last year, has been replaced by a body known as Tobacco RSA, but the new agency's mandate has yet to be determined.

Some farmers and commercial groups are pressing for regulatory powers similar to those of the old boards. Others want the market to prevail, with Tobacco RSA's role limited to such uncontentious is-

ssues as research, grading standards and assistance programmes to disadvantaged farmers.

British American Tobacco SA MD Steven Jurgens says: "We're not happy with the rules of the game. They're too cosy. We'd like to see some new ground rules that reflect a free market economy".

BAT has moved to shake up the old order by refusing to continue the former practice of buying at least 80% of its domestic tobacco requirements from SA farmers. Its local purchases will drop to about 50% this year.

But in a move that it predicts could have greater long-term benefits for producers, BAT plans to boost exports to about 900 tons this year, from 150 tons last year. "If they want to grow, it's the export market they should look to," Jurgens says.

Winners and losers have begun to emerge across the spectrum. Among those rushing to take advantage of the opportunities is the Rhys Evans group, which has wide farming interests in the northern Free State. The end of the Oilseeds Board's monopoly has cleared the way for Evans to move into groundnut buying and processing.

As agriculture control boards fade and new marketing methods are adopted, SA's food sector is undergoing a major shake-up, writes assistant editor **Bernard Simon**

BD 19/8/97

③ MAIZE

The next stage, says Evans GM Rhys Rolfe, will be to move into finished products, such as peanut butter and cooked peanuts.

The group is also considering building its own maize storage and drying facilities, long the preserve of co-operatives, the boards' traditional agents.

"Control boards are there to look after farmers who can't look after themselves," says Rolfe. "It's a new ball game now. There are opportunities to do your own thing." Big multinational commodity groups are also rushing to take advantage of the more open environment.

Thad Goff, MD of Cargill's three-year-old office in Johannesburg, says "one of the primary reasons we came back was liberalisation, including the diebanding of the boards". In the past Cargill and other trading houses were forced to deal only with the boards. Their sources are gradually widening to include co-operatives, brokers and, most recently, farmers themselves.

Small farmers with little or no marketing experience are struggling to adjust to the new world of competing bids for their crops, hedging strategies, and innova-

tive financing vehicles.

The same applies to co-operatives, which for years have been accustomed to the cosy life of acting as a storage and handling agent for a control board.

Some co-operatives have turned themselves into limited companies in an attempt to become more profit-oriented. They have hired traders and risk managers, and widened the services they offer. Others have opted for a more conservative route, sticking to storage and handling.

The revolution on the farm has extended to transport operators, notably Transnet, who instead of dealing with a single shipper, must now have trucks and rail cars on call for dozens if not hundreds of customers. One trader says Spornet has handled heavier demand "extremely smoothly".

However, many participants complain about a dearth of information — previously gathered by the control boards — on weather patterns, crop quality and so on.

According to Giel van Zyl, GM of the National Maize Producers Organisation (Nampo) in Bothaville, "the instruments that have to be in place for a free market to work are not yet in place".

Big trading houses and processors have begun peppering farmers and co-op managers with information as a way of securing their business. Cargill has arranged trips to the US, including to the Chicago Board of Trade, and elevators in Iowa and Minnesota. Nampo has set up a small brokerage operation to help small farmers sell their crop.

One of many unanswered questions is what the shake-up on the farm means for consumers at the end of the food chain. Views are divided. Prices may become more volatile without the influence of control boards, which were created to stabilise both producer and consumer prices.

Just how volatile may become apparent later this year when many crops are expected to be ravaged by drought, caused by the El Nino weather pattern above the eastern Pacific.

In any case, farm prices around the world may edge up in coming years as pervasive government subsidies are lifted under international trade agreements.

On the other hand the demise of the control boards will give food processors wider freedom of choice for their raw materials, including easier access to imports. The benefits could be passed on to supermarkets and shoppers.

According to Cargill's Goff, "the private sector has proved in the past year that the changes are for the better, not only for the trading companies, but also for producers and consumers".

BUSINESS

More black farmers gain from land bank

By Gerry Reilly

THE Land and Agricultural Bank has granted loans to emerging black farmers at a rate of R1.5 million a week, says the bank's chairwoman and managing director Helena Dolnay.

She told *Sowetan Business* that blacks' applications for loans are increasing steadily as they become more aware of the facilities offered by the bank.

In the last two and a half years, 579 applications from blacks for loans involving about R579.3 million were granted.

Last year, Dolnay said, the bank approved 2 410 loans worth R723 million for South African applicants.

Loans were being serviced regularly and bad debts were minimal, she said.

Dolnay said the Land Bank was one of five Government-supported development finance institutions with a specific mandate to "benefit the new black clientele".

She expected many of the 12 000 clients of the Agricultural Credit Board

about a third of them black — to depend on the bank for any new credit, following the closure of the board.

Asked whether black applicants for loans were given special borrowing conditions Dolnay said: "The bank wants its money back, and the normal criteria are applied to assess risk and decide whether or not to grant a loan".

Increasing demand

She said the bank was preparing itself to respond to and cope with the increasing demand for assistance.

"We are getting ready to give seasonal loans directly to black farmers.

"Our present break-even point on medium term loans is about R80 000, but we will consider requests for loans from R5 000 as a sign of our willingness to aid those in need of smaller loans."

On the composition of the bank's board to reflect the client base, she was of the opinion that the board should be chosen on the basis of the best group to carry out the new mandate.

Sowetan 21/8/97

Green paper on food security aims to ease plight of starving

Louise Cook

BD 11/9/97

IMPROVED food security in SA was set to become one of government's main priorities with the launch of a green paper on food security in October, agriculture department policy review committee member Milla Mclachlan said at the weekend.

The fact that the green paper would be brought out as a separate policy document from other agricultural issues demonstrated government's commitment to solve the problem of people going hungry in SA, she said.

In addition, the first SA branch of the UN Food and Agriculture Organisation (based in Rome) would be operating from Pretoria in weeks.

The idea was that the office would assist government with technical know-how on a better diet for the poor.

Land and Agriculture Minister Derek Hanekom said last week that with a Food and Agriculture Organisation office in SA it would now have better access to international expertise to help feed the poor.

Meanwhile, the planned green paper on food security would be launched as part of a national food security campaign next month, Mclachlan said. The

document would deal with revised drought-management policies, community-based public works programmes and improved access to safe and adequate food.

"The time for talking is over. It is ironic that we export tons of food but millions of our people go hungry."

In Gauteng in particular, food insecurity required a multifaceted approach due to the province's high population density and lack of arable land.

Gauteng agriculture and environment department deputy DG Trish Hanekom said: "The challenge is to improve food security for densely populated informal settlements. Household food production possibilities are more limited than in other provinces — the key is to assist communities in more urban-based production methods and focusing on the distribution chain (of products) and job possibilities."

Mclachlan said the planned green paper would propose that not every drought was viewed as a national disaster that warranted state aid.

"This means not farming on marginal lands and better planning against the impact of droughts." The agriculture department said the green paper was "in the final stage".

Farming now unprofitable, says Bruwer

Louise Cook

203/9/97

SPIRALLING input costs and the cost of borrowed money had turned commercial farming into a non-profitable venture, Transvaal Agricultural Union (TAU) outgoing president Dries Bruwer said last night.

He was speaking at the TAU centennial banquet in Pretoria.

"A single crop failure can force farmers to exhaust all their reserves."

In international trade, SA farmers competed with highly subsidised overseas products. "Local farmers either have to get similar state subsidies or organise cheaper finance, production and processing methods."

Bruwer disclosed that after his retirement he would work on new risk management practices for commercial farming.

On the issue of declining services in rural areas, Bruwer said farmers needed to transform local branches of the TAU into service centres to boost health, safety, education, culture and local government in remote areas.

"It is essential each community should start to co-operate along non-political lines. Only when this is done will central government take the farming community seriously again."

Police charged with murder of Basothos

CP 7/9/97 ~~27~~ (3)

GRAHAMSTOWN – Seconds before police opened fire, 50 year-old Mochochisi Sekoati and four other Lesotho men knew they were staring death in the face when ordered to lie on the ground after their cattle raid went horribly wrong.

Fourteen Basotho corpses were carted off by police in February last year in Tabase after a wild west shootout between 600 Lesotho raiders, frightened Transkei villagers and a small group of police.

The dead were left by the raiders, who made off into the rugged Maluti mountains with 1 000 cattle.

But, when Sekoati suddenly awoke on the mortuary slab hours after the raid, he told an alarming tale of simmering cross-border tensions and the execution-style murders of some of the raiders by Transkei police.

This week, the Umtata High Court heard how Sekoati and four other men were captured by Sergeant Nkosikhona Abel Mbobo (30) and Constable Ngubenkosi Dlaza (34) while trying to flee back to the safety of the mountain kingdom.

Cross-border cattle raids between Lesotho and the Transkei are an ongoing concern and are becoming increasingly violent. **ECN Weekend Service** reports.

The two have pleaded not guilty to four counts of murder and one of attempted murder after Sekoati alleged they ordered their captives to lie down and executed them.

The five were arrested earlier and taken to the Tabase police station and held without being charged.

Legal teams for the accused this week pointed fingers at each other.

Mr Dave Shaw, representing Dlaza, told Mr Justice Mbuyieli Madlanga that Mbobo had said shortly before the killings that: "Lesotho people must be killed. I am not prepared to stand in court with Sotho people."

"At the charge office Mr Mbobo instructed my client to shoot the people whom he had apprehended. Mr Dlaza saw that they were still alive. Mr Dlaza diverted his eyes to the right and fired one shot."

Dlaza then allegedly refused to shoot the others.

Shaw said: "Mr Mbobo took the

rifle from Mr Dlaza and fired at the rest of the men. Mr Mbobo then ordered Mr Dlaza to assist him to take the bodies to the mortuary."

Sekoati later regained consciousness in the morgue.

Mbobo's attorney Robert Dilizo claimed Mbobo had only fired into the air to scare the raiders off.

Dilizo said: "My client, who is stationed in Maluti, was radioed to go and assist at Tabase. On his arrival, the battle was still in progress. After the shootout between the police and Lesotho nationals ceased, Mr Mbobo was ordered to take nine bodies in his police van to Tabase."

Advocate Nico du Plessis, appearing for the State, said that on February 3 last year a group of 600 people crossed into South Africa from Lesotho to steal livestock.

Police and the army were sent to the rural village nestling in the foothills of the Maluti mountains and a shootout ensued between them and

the fleeing Lesothos.

Du Plessis said the five were captured alive by the two accused and then executed hours later.

The two policemen have been charged with the murder of Samputi Makhube (21), Pheelo Seema (25), Tsepiso Mpopo (23) and Abel Qaoko (60) and the attempted murder of Sekoati.

The trial is continuing.

The court was told that the cross-border stock theft raids had gained momentum in October 1994 after Lesotho shepherds, hit by a drought had started grazing their cattle in the Transkei.

It was said the raids had plagued the area for over a century and eventually started violence.

In December 1994, local farmers retaliated for the grazing of their fields by impounding more than 2 000 Lesotho livestock and demanded payment for their return.

After last year's attack Eastern Cape police commissioner Gerrie Bezuidenhout said Basothos swore revenge and that the recovery of the impounded stock was the main motivation for cross-border raids.

In an area with few telephones, and where police patrols are hindered by the rugged landscape, justice is often meted out through the gun.

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MONDAY, 15 SEPTEMBER 1997

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QUESTIONS

†Indicates translated version.

For written reply:

Defaulters on Land Bank Loans 3

1047. Mr M F CASSIM asked the Minister for Agriculture and Land Affairs:

- (1) Whether any investigation has been undertaken in respect of defaulters on Land bank loans to ascertain whether such defaulting is due to either (a) adversity caused by nature or (b) high standards of living; if so, what are the relevant details; if not.
- (2) whether the Government will consider undertaking an investigation to ascertain whether payments to the Bank are being withheld primarily because of high standards of living being maintained; if not, what is the position in this regard; if so, what are the relevant details? N1758E

The MINISTER FOR AGRICULTURE AND LAND AFFAIRS:

- (1) No such investigation has been undertaken.
- (2) No, the Government is not considering undertaking an investigation to ascertain whether payments to the Bank are being withheld primarily because of high standards of living, at this stage.

The circumstances of all defaulters on Land Bank loans are investigated in each individual case. The Bank's recovery procedure is at all times practised in accordance with sound business principles and each defaulter's case is treated on its own merits. A lenient approach is adopted only in respect of those defaulters who have difficulty in meeting their commitments during adverse climatic conditions. In respect of those cases where the defaulters however adopt an indifferent attitude towards their Land Bank obligations, the necessary steps are instituted in order to safeguard the Bank's interests. To enable the Bank to evaluate a defaulter's circumstances and to determine the Bank's exposure, it is

standing policy to keep a close and sustained contact with the defaulters. In this respect officials of the Bank pay regular visits to the defaulters. The Bank is convinced that in general defaulters will in the course of distributing their available income, allocate an equitable and realistic payment to the Bank in reduction of their commitments. To qualify this statement the following statistics reflect the sound position regarding payment of Land Bank instalments.

On 30 June 1997 the total number of accounts in operation in respect of mortgage loans amounted to 25 339 of which only 3 804 were in arrears. The accounts in arrears as a percentage of the total accounts in operation represent only 15%, whereas the arrears as a percentage of the outstanding capital only represents 3%.

Ministry: expenditure iro telephone/facsimile/cellular telephone accounts

1116. Mr A H NEL asked the Minister of Minerals and Energy:†

- (1) (a) What did his Ministry's expenditure in respect of (i) telephone, (ii) facsimile and (iii) cellular telephone accounts amount to in each month during the period 1 January to 31 July 1997 and (b)(i) by whom was such expenditure incurred in each case and (ii) what did the expenditure in respect of each such person amount to in each month during the said period;
- (2) whether he will make a statement on the matter? N1912E

The MINISTER OF MINERALS AND ENERGY:

(1)(a)(i) and (ii) Telephones and facsimile expenditure for the period January up to March 1995 = R35 571,20.

Telephones and facsimile expenditure for the period April up to July 1997 = R57 719-86.

Total expenditure January to July 1997 = R93 291,06.

(1)(a)(iii) and (b)(i) and (ii)

- (1) Whether she was present in the House during Question Time on 4 June 1997; if not, (a) what was the reason for her absence, (b) who granted leave of absence to her and (c) what were her whereabouts at the time;
- (2) whether any Minister or Deputy Minister was acting on her behalf during her absence; if so, who;
- (3) whether the reasons for her absence were made available to the public; if not, why not; if so, what are the relevant details;
- (4) whether she was on a visit abroad at the time; if so, (a) who did she meet, (b) what was the purpose of the visit, (c) how did such visit benefit South Africa and (d) what advice did she obtain from the Minister of Foreign Affairs concerning such visit;
- (5) whether she met with any institutions and/or bodies during this visit; if not, what is the position in this regard; if so, (a) which institutions and/or bodies and (b) when was the last time a Minister visited each such institution and/or body?

N1522E

The MINISTER FOR WELFARE AND POPULATION DEVELOPMENT:

- (1) No.
- (a) to attend to funeral arrangements of my father, Mr A H Fraser.
- (b) the Whip was informed that due to the reason mentioned in (a) I would not attend Parliament during that specific week and
- (c) Cape Town;
- (2) yes, the Minister of Health.
- (3) yes, as far as official appointments were scheduled;
- (4) no.
- (a) to (c) fall away;
- (5) no.

(a) to (c) fall away.

*6. Mr D DE V GRAAFF – Trade and Industry. [Written Question No 909] [Removed.]

Commuters using motor cars/minibus taxis/trains/buses

*7. Mr G M E CARELSE asked the Minister of Transport: [Written Question No 919]

(a) How many and (b) what percentage of South African commuters in urban areas made use of (i) motor cars and/or motor cycles, (ii) minibus taxis, (iii) trains and (iv) buses in 1995 and 1996, respectively? N1615E

The MINISTER OF TRANSPORT:

Information is not available on the basis for the years as requested, but the current estimated market share split is as follows:

Bus	25%
Trains	25%
Taxi	50%

This market share split represents only the commuter market excluding private motor vehicles.

Market share percentages applicable to all modes of transport can only be calculated correctly if a common denominator such as passenger kilometers or passengers per day is given as a standard reporting format. Information is, however, not available in this format. It is believed that this information will only become available once authorities at lower spheres of government have compiled transport plans for their areas.

Black farmers: land taken away without compensation

*8. Mr A S BEYERS asked the Minister for Agriculture and Land Affairs:† [Written Question No 930]

Whether his Department has details in regard to black farmers whose land according to the White Paper on Land Policy, was taken away from them without compensation; if so, what are the relevant details? N163E

The MINISTER FOR AGRICULTURE AND LAND AFFAIRS:

No, restitution claims are lodged with the Commission on Restitution of Land Rights which deals with each claim according to the merits. Because of the extent of claims already received (currently more than 16 000 claims), keeping statistics of the kind referred to in your question is administratively almost impossible and will place an unbearable burden on the Commission.

Much historical research has been done on the scale and nature of dispossession of black farmers from their land. A consistent picture of cruelty and insensitivity emerges. This is why we are engaged in a restitution process today – to in some way compensate people for the losses they suffered under the racially discriminatory laws of the land which dispossessed mainly black people of their land rights.

Department: payments to non-statutory service providers

*9. Mr A S BEYERS asked the Minister for Agriculture and Land Affairs:† [Written Question No 931]

(a) What is the total amount spent by his Department in payments to non-statutory service providers during the period 1 January 1995 up to the latest specified date for which information is available, (b) to which service providers were such payments made and (c) what amount was paid to each such service provider? N1632E

The MINISTER FOR AGRICULTURE AND LAND AFFAIRS:

The Departments of Land Affairs and Agriculture employ many non-statutory service providers. However, the kind of information requested by the hon member is not readily available. The Financial Management System of the Public Service is designed in such a way that it is not easy to retrieve such information.

In order for me to respond fully to the question posed by the hon member, each contract entered into by the Department since January 1995 must be checked manually and the information correlated with the information on the Financial Management System. Such a task would involve

several weeks of work by a number of officials.

*9. Mr A S BEYERS – Agriculture and Land Affairs.† [Written Question No 931] [Question standing over.]

Benefits paid out from UIF

*10. Mr A WATSON asked the Minister of Labour: [Written Question No 933]

At how many pay-points in the Republic were benefits paid out from the Unemployment Insurance Fund in 1996. N1635E

The MINISTER OF LABOUR:

There were 500 applications and pay-points in the Republic where benefits were paid out from the Unemployment Insurance Fund in 1996

*11. Mr J J DOWRY – Posts, Telecommunications and Broadcasting. [Written Question No 937] [Removed.]

Job creation

12. Comdt A BLAAS asked the Minister of Labour: [Written Question No 938]

(1) How many jobs were created in (a) total and (b) each specified industry (i) in (aa) 1995 and (bb) 1996 and (ii) during the period 1 January 1997 up to the latest specified date for which information is available;

(2) whether he will make a statement on the matter? N1640E

The MINISTER OF LABOUR:

(1) The Department of Labour does not have figures for the number of jobs created. However, we have statistics on people employed on a specific date. The number of people employed on a specific date compared with the number for a previous date can indicate how many jobs were created or lost during a particular period.

Our employment figures cover only the formal non-agricultural sectors and the public sector's community, social and personal services.

(a) Total

A total of 4 850 jobs were lost during 1995 in

Scrapping of control boards angers black farmers' group

Louise Cook

NELSPRUIT — Angry black farmers warned Land and Agriculture Minister Derek Hanekom at their annual congress in Nelspruit this week that his political future was in the balance.

They said he was wrong to scrap compulsory levies on produce and shut down agricultural control boards, and demanded that the system of subsidised interest rates to buy farms be continued by the Land Bank.

National African Farmers' Union (Nafu) technical committee chairman Joe Kotsoakoane told the minister if he wanted to survive politically he would have to close the "serious communication gap" that had developed between his office and African farmers.

"You are only in government

BD 10/9/97 (3)
because of your constituency, but I put it to you this is a partnership not of equals. We as farmers have been deliberately crippled in the past — we are still carrying ourselves — but unlike Cosatu this could only start very late in the day."

Reacting to an earlier comment by Hanekom that the union should improve its organisational structure, Kotsoakoane said the union lacked the necessary resources to do this. "Give us some assistance to transform," he said.

At issue was the scrapping of levies due to new marketing legislation. For about 18 years the SA Agricultural Union, representing white farmers, benefited from statutory levies, but African farmers slotted into the system only four years ago. Now both have to do without this income.

Outgoing Nafu president,

Matome Maponya, said the union's 40 000 members were poor and could not be expected to make a one-off payment, as commercial farmers were doing, to tide their union over.

"Nafu objects to the phasing out of levies as a means of promoting and keeping up organised agriculture," Maponya said. "The dismantling of control boards and problems created by this illustrates the need to involve the emerging sector. The mindset of those in power ... must change. Even today, as Nafu struggles to position itself as the legitimate constituency of African farmers, government and other role players fail to engage the union and empower it," he said.

Farmers also attacked government's new agricultural finance policy, saying it did nothing to remedy the discrimination of the past.

Land Bank set on increasing market share

Louise Cook

NELSPRUIT — The Land Bank plans to increase market share as part of a three-year transformation starting in January next year.

Speaking at the National African Farmers' Union annual congress, Land Bank CEO Helena Dolny said the transformation would include the introduction of computerised banking systems, new lending criteria and closer co-operation with the land affairs depart-

ment on the issue of repossessed farms and land reform.

"We face fierce competition from the commercial banks, but in the next few months we will set targets to achieve a greater market share."

Dolny warned farmers a system of relaxed lending criteria would be sustainable only if loans were serviced promptly. She dismissed criticism that interest rates were too high, saying that subsidised rates tended to push up land prices.

"We charge 20% on seasonal

loans, 18,5% on loans for livestock and machinery and 17% on loans to buy land. The cost of lending makes it impossible for the bank to drop the rates."

Farmers were particularly angry over the fact that they could no longer obtain loans to buy land at 8%. These loans lapsed last month when the Agricultural Credit Board closed down. Dolny said the difference was the credit board did not have to borrow money on the money market and had "other sources" of finance.

No cash for El Nino relief, state says

LYNDA LOXTON

PARLIAMENTARY CORRESPONDENT

Cape Town — Giving drought relief to farmers should the El Nino weather phenomenon prove as serious as feared would be bad business practice, Derek Hanekom, the agriculture minister, said yesterday.

"It is not an absolute certainty that we are going to have a less than average rainfall season but the probability is very high," he told a parliamentary media briefing.

This meant South Africa would probably have to import maize, which could cost about R1 billion if the crop was half its normal size of about 8 million tons.

But this was not a major problem, Hanekom said. New

marketing arrangements had made South Africa more adept at importing as well as exporting maize. It also had the foreign exchange resources to import maize.

At the same time, the National Maize Producers' Organisation advised farmers not to plant less maize, but to plant it later in the season. What would be serious about El Nino would be its effect on the availability of water to poor communities.

"The reason why I have said we will not give drought relief as a direct form of subsidies to farmers is quite simply that it is not the right thing to do," Hanekom said.

"It is not because I am unsympathetic to farmers, far from it. My job is to do the right

thing in terms of an intelligent approach to agricultural policy to get the right outcomes."

Drought relief would result in the wrong outcomes as farmers would be assured that, no matter how they ran their farms, or what cropping decisions they took, they would get a subsidy, which taxpayers would have to pay.

Subsidies would in this way encourage the continuation of bad farming practices.

"It says that as a farmer you do not have to take account of the realities of South Africa, that we are drought-prone and that drought can in fact hit in any year, with or without El Nino. (It also says) when you make cropping decisions and plan your enterprise, you have to take that into account."

~~CT(BR)~~ 12/19/97 (3)

NY NEWS

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A complete set of CSS publications is available at the CSS Library and the following libraries:

INSIDE AGRICULTURE

Cape bees sting honey farmers into action



JUSTINE NOFAL

Newcomers to the bee farming industry in South Africa tend to be enthusiastic. They see the potential in a field limited up to now to a few commercial operators.

They are right, because this branch of farming has gone through cataclysms recently and is ready to be redefined. The potential for commercial bee farming in central and southern Africa as a whole is even greater.

Experienced bee farmers in South Africa are jaded. Over the past couple of years those in the north of the country have seen their apiaries destroyed by swarm attacks of *Apis mellifera capensis*, or Cape honey bee, which is used for commercial purposes in the Western Cape. *Apis mellifera scutellata*, or African honey bee, is used in the rest of the country.

Although African honey bees are the more aggressive type, they unfortunately recognise *capensis* queens as their own. This is equivalent to a self-destruct button for bee colonies.

No one knows how the Cape honey bees moved outside their indigenous area, but it is certain that the problem spread widely because many migratory hives

are kept near to certain "flows", such as aloes, and because bee keepers hired colonies between themselves.

The Cape honey bee has changed the dynamics of bee farming. Productivity has halved because twice the number of hives are required to produce the same amount of honey. Hives last an average of only six months now, and replacing hives — and swarms — is expensive. Previously it was common for a commercial bee farmer to have as many as 3 000 hives.

To manage the *capensis* threat, smaller apiaries that are not transported too far are preferable. So it has become an interesting option for part-time and small-scale farmers.

Managing bees has become such a complex business, partly because of the *capensis* problem, that the business of bee farming has splintered. Now some farmers specialise in breeding queens so that African honey bee swarms can be replaced. Others produce honey, others concentrate on pollination and others have left bee

farming behind the specialised packaging and marketing side. Diversification of the industry is creating opportunities for entrepreneurs.

There are setting-up costs involved for bee farming, and transportation is an expensive input cost. The farmers use trucks to take the hives to fruit orchards and sunflower plantations for pollination purposes, while honey producers transport them to floral flows and bluegum plantations.

Honey extraction equipment must also be considered. However, the cost is limited compared with other types of farming where it is necessary to buy land, livestock and machinery.

South African honey prices are linked to world honey prices, and SA is a net honey importer. Locally produced honey fetches between R12 and R13 a kilogram, which is a good production price. Today it costs about the same to import. There is a 30 percent import tariff included in import costs.

The South African honey industry is still small, worth only around R20 million a year. This industry is profitable for those who are dedicated and prepared to confront the difficulties, such

as the high cost of labour in a labour-intensive industry.

Before reaching for your Farmer's Weekly, remember that South Africa's potential for bee farming is not boundless since this country has relatively little honey-friendly vegetation. The further up in Africa you go and the more abundant the natural vegetation, the greater the potential.

Although bee farmers are a fractious and divided community, industry organisations are in place. They offer courses and aid.

The SA Professional Bee-farmers' Co-operation represents commercial bee farmers. The SA Federation of Beefarmers' Associations (excluding the KwaZulu Natal association) represents hobbyists. The SA Bee Industry Executive (Sabie), which consists of three members from each body, attempts to unite hobbyists and commercial farmers.

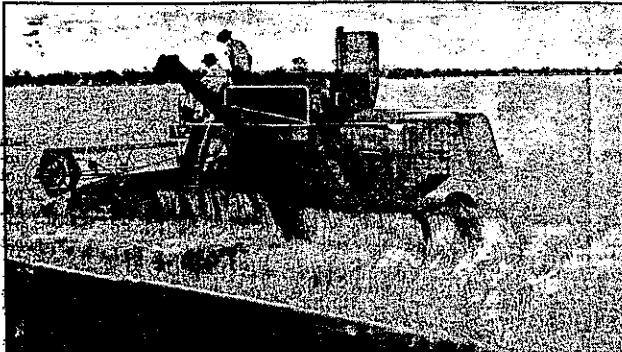
The Pollination Services Association, with branches for the north and Cape, looks after the bee farmers who concentrate on pollination. An interesting point is that the R1,2 billion — and growing — deciduous fruit industry relies entirely on commercial bee pollination.

(3)
Bees

CT (AR) 12/9/97

Agriculture harnesses market forces

③ BD 18/9/97



FARMERS, government, banks, agricultural co-operatives and consumer representatives have spent this year plotting how to survive and operate without control boards, fixed prices and statutory levies on produce.

Between now and the end of the year, the wool, meat, wheat, cotton, mohair, lucerne, citrus, deciduous fruit, dried fruit, milk and canned fruit boards will close their doors. This follows five years of special parliamentary debates, friction that saw the entire Meat Board axed last month by Land and Agriculture Minister Derek Hanekom, and intense negotiations between industry stakeholders to decide who will take over the boards' essential functions, and how these will be funded.

By law, the free market will be fully established by January next year. The Maize Board was the first to close down on April 30 this year, a result of the Marketing of Agricultural Products Act, which does away with the marketing schemes and other interventions of the former government.

Says Hanekom: "Many producers have fears and insecurities about deregulation because so much is unknown. They know they will feel market forces much more directly and that there will be no one to look after them. They know that success or failure is in their own hands."

SA Futures Exchange (Safex) agricultural markets division head Rod Gravelet-Blondin says farmers are rapidly mastering the new marketing mechanisms and instruments, including futures contracts.

"In the maize sector in particular, farmers are finding their feet and flocking to the futures market. The market boomed this season."

How will the scrapping of agricultural control boards affect the food marketing chain, asks agriculture reporter Louise Cook

Banks, too, face new challenges. Absa Bank agricultural division head Andre Louw says that in the new setup both the bank and the farmer have to work out ways of managing risk and applying effective management practices. This means farmers also have a responsibility to contribute enough risk capital to new endeavours.

But if agricultural deregulation has been at times vehemently resisted by commercial farming organisations, the emerging agricultural sector's apparent apathy is misleading.

The National African Farmers' Union (Nafu), that represents hundreds of thousands of black farmers, is opposed to the scrapping of the compulsory levies and fixed marketing systems — key contributors to the growth and success of the commercial farming sector in the past.

Nafu spokesman Andrew Makeneti, backed by National Agricultural Marketing Council vice-chairman Godfrey Rathogwa, has misgivings about emerging farmers' ability to farm effectively and expand in a free market.

"Some form of continued intervention may be necessary for a specific period of time — not less than three years — to assist resource-poor farmers. I support deregulation but unfortunately it impacts negatively on emerging farmers."

Another worrying aspect of the change is the danger of a void in market information previously collected and disseminated by the control boards. But Hanekom says so-

lutions are being developed.

"One of our biggest challenges is to establish systems that are able to provide appropriate information to all the different categories of producers, including the small, emerging producer. Often this will be a different kind of information to that required by commercial producers."

"Government also needs information to meet its World Trade Organisation (WTO) obligations, therefore government has an interest in ensuring that proper information is available to producers, exporters, importers and consumers."

Hanekom says if the private sector does not provide the necessary information, government will have no choice but to step in, even if it is only an interim measure.

Most sectors plan to set up non-profit companies to handle their sector's information requirements. Pending Hanekom's approval, the companies will obtain funding via industry trusts once these have been set up and the control boards' assets transferred.

But high-potential export commodities such as cut flowers and subtropical fruit will not have industry trust funds to cater for their information requirements after January.

"We are presently examining the possibility of setting up an institution which will have a general responsibility for providing market information, as well as a trade promotion function," Hanekom says.

But the door is not shut to the reintroduction of levies — the new

law states that anyone can request a "statutory measure", possibly a levy. However, the move has to get the support of the National Agricultural Marketing Council, "directly affected parties", Parliament's standing committee on agriculture and the agriculture minister.

Rathogwa says that, so far, only the wool and maize sectors have applied for this type of intervention; the maize industry wants to make the registration of farmers and the submission of crop information compulsory by law and the wool sector wants to collect levies to continue to pay SA's membership of the International Wool Secretariat. No decision has been taken by the council yet, Rathogwa says.

The co-operative sector is also working on new strategies to deal with the changed circumstances.

Sources in the industry say the focus is likely to shift from farmer financing to direct marketing. It is not clear whether co-operatives will market on behalf of members or independently, although each organisation is likely to determine its position in the new environment. Where

does this leave the consumer?

SA National Consumer Union chairman Lillibeth Moolman believes deregulation can only benefit consumers.

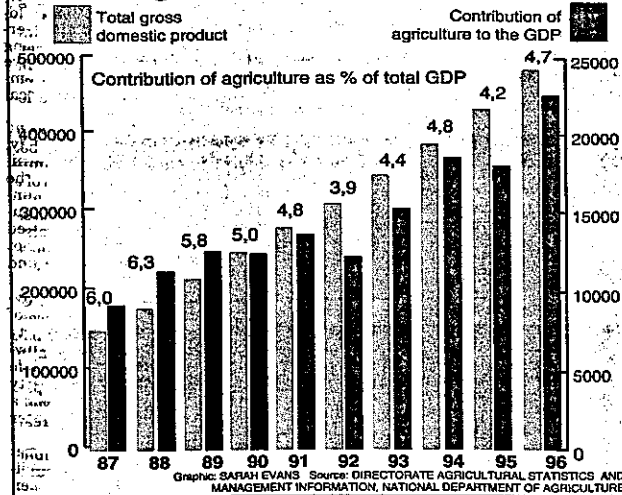
"There will no longer be expensive structures seemingly benefiting producers only. Consumers have become far more part of the decision-making process. This, together with freer world trade having taken over, means local food shortages can be imported."

Hanekom says government is convinced that deregulation is the right path to follow.

"We need to move down it boldly, and if we work together there is no doubt that there will be an overall positive effect on the economy as a whole."

For consumers the proof of the pudding will be the prices on supermarket shelves a year from now.

Contribution of agriculture to the gross domestic product



Probe smells a rat in cut-price farm deal

(2) CT 19/9/97

POLITICAL STAFF

THE Agricultural Credit Board, which sold a millionaire KwaZulu-Natal farmer a state farm in the Ixopo area for R60 000 — way below its market value — has been rapped over the knuckles by a commission of inquiry appointed by President Nelson Mandela.

The De Meyer Commission of Inquiry said in a report to Parliament yesterday that while the credit board — charged with selling off state property by the previous government — could not be said to have acted irregularly, it had applied its policies inconsistently.

The 161 hectare Helmsley Estate in Ixopo was, according to the report, made available by the Agriculture Department "to the agricultural sector".

The credit board originally assessed the market value of the farm at R140 000 in 1990. Then, in 1991, it decided that it was worth R138 200.

In coming to this decision it

took into account the fact that the land was "wedged between two adjoining farms", was very steep, that the growing of a valuable crop would be difficult and that there was no access road through the two adjoining farms.

On April 12, 1991, the credit board placed a provisional reserve price of R80 000 on the property. On June 23, 1992 two board members suggested that this price was "too high" and recommended R60 000.

The main motivation for their recommendation was that Mr C A Knight, whose application put his credit balance at R1,075 million, was the only applicant, and that he estimated the value of the property to be R60 000.

The board accepted the recommendation and sold him the farm.

Land Affairs director-general Mr Geoff Budlender said last night that matters referred to in the De Meyer report would be referred to the treasury to determine which sales of land should be set aside.

to counter El Niño

Rand Water's 11 million consumers urged to start saving now:

Cabinet approves measures to support rural communities

BY SHIRLEY WOODGATE

Strong warnings have gone out to the 11-million consumers in the Rand Water supply area not to waste water, following dire forecasts by weather experts of the renewed effects of the El Niño phenomenon this summer.

Today's warning by Rand Water quality marketing manager Karl Lubout to Gauteng consumers comes as the Government for the first time in history announced a pre-emptive disaster management plan to counter the effects of drought well before El Niño hits the country.

El Niño triggers either drought or flooding in various parts of the world as the temperature of the Pacific Ocean drops by some 3C.

Local weather forecasters have issued a string of warnings that the current recurrence, which is the strongest in 50 years, will lead to well below average rainfall from November this year to March 1998.

Lubout said while El Niño would be a major problem for farmers relying on regular rainfall, the current situation in the Vaal River system - which supplied 60% of the country's industry - was extremely healthy.

"But while the bottom line is that we have supplies for up to four years, there is absolutely no guarantee where we will be at that stage," he said.

Swinging into action ahead of the expected drought, the

Cabinet approved several measures this week to tackle the problem facing South Africa and its neighbours.

Constitutional Development Minister Valli Moosa said an inter-ministerial committee for disaster management (IMC) had been set up to co-ordinate the activities of Government to combat El Niño.

Cabinet had approved an urgent ministers' meeting of the Southern African Development Community (Sadec) to address the consequences of El Niño and the Department of State

Drought is likely from November to March

Expenditure had to ensure emergency funds be made available.

Cabinet also recommended the implementation of action plans by all departments and provinces, and steps would have to be taken to establish provincial structures to deal with El Niño and other disaster related incidents.

Earlier, Agriculture Minister Derek Hanekom warned farmers the Government would no longer provide drought relief, and Moosa said officials were liaising with agricultural bodies and farmers on how best the sector should reposition to cope with the expected drought.

Conservation measures introduced by Water Affairs Minister Kader Asmal included the allocation of an extra R190-million from the poverty relief fund to help speed the removal of alien vegetation from catchment areas of major dams.

As the potential drought disaster period looms, dams which are currently at an all-time 91% full countrywide would be closely monitored, water savings promoted countrywide and restrictions introduced where necessary.

A more conservative operating rule for dams is due to be implemented to ensure at least a two-year water supply for domestic purposes.

Asmal stressed that special measures would have to be introduced for millions of mainly rural South Africans who still had no access to clean water.

They included the repair of waterworks in the former homelands and the sinking of more boreholes and close liaison with the army to co-ordinate water delivery in tankers to drought-hit communities.

Talks were due to be held with Eskom to facilitate a proposed national energy campaign to save water. Millions of rands would be contributed for a cloud-seeding programme near Tzaneen in Northern province.

Asmal stressed, although it was not absolutely certain that a severe drought would occur, the proposed measures would not only reduce the impact of a drought but be cost-effective.

Battle plans prepared

Star 19/9/97

(3) (17)

Government calls on farmers to identify own

Wyndham Hartley

CAPE TOWN — Farmers must get involved in identifying surplus land, and the government should devote greater resources to resolving the potentially explosive problem of the landless and homeless, the chairman of Parliament's land committee, Patekile Holomisa, said at the weekend.

Holomisa, an African National Congress MP, was interviewed at the end of the third quarter of the parliamentary year, during which his committee had to deal with the

controversial Extension of Security of Tenure Bill which seeks to protect the residential rights of farm workers to live on land they do not own.

Holomisa, an advocate and Eastern Cape traditional leader, said that the "87% syndrome" still existed — placing most of SA's land in the hands of 13% of the people.

"We have shown that we are not in the business of punishing landowners, and farmers should now come out and actively assist the landless and the homeless," Holomisa said. It was the habit of organised

agriculture to criticise loudly when there were aspects of legislation which they disagreed with, he said, but they failed to praise tough compromises which helped the agricultural sector.

Holomisa said farmers could help by establishing whether they were using all their land or not. They could then make available for the land redistribution process land they were not using.

He said farmers could play a vital role also in helping to identify state land which could be used in solving the problem. Many

white farmers were aware of, indeed many had use of, land which belonged to the state, but government was unaware that the land belonged to it. He said farmers were far more aware of who owned what land in their areas and they could help because "the state does not know how much land it has".

Referring to government, he said the land reform process was not going fast enough. This was because there was not enough staff or enough money. He said of Land Affairs Minister Derek Hanekom and his department "the political will is there",

but there was a lack of resources. The R15 000 state subsidies for the acquisition of land were inadequate and held the danger they would force landless people to buy farms collectively, and this would reduce the viability of the units because they could become overcrowded.

However, Holomisa stressed that he was in favour of communal ownership of land in the areas governed by traditional leaders, because widespread freehold in those areas could make rural people vulnerable to exploitation by entrepreneurs and the be-

haviour of a single person. A single drunkard who made mistakes could render his entire extended family homeless and this would increase the pressure on traditional leaders and communal lands, he said.

Because traditional leaders were required by custom to take care of the landless and homeless, there should be proper recognition by government of the institution of traditional leadership and their powers and functions should be legislated. He said government still "has to make up its mind" on the issue of traditional leadership.

unneeded land
RD 22/9/97

(10/10)

(3)

New laws will alter face of land development, says Hanekom

By ADAM COOKE

Within a year South Africa could have laws that would dramatically change the way land development takes place, Land Affairs Minister Derek Hanekom said when launching the Development and Planning Commission yesterday.

The commission, whose task it is to shape a new legal and administrative framework for planning and development, has a year in which to produce its findings.

The commission will be tasked with finding ways of swinging the balance in favour of land development instead of constraining it.

Speaking at the launch yes-

terday, director of land development facilitation Steven Berrisford said the aim of the commission was to get to the bottom of the morass of planning and land-development law that had been inherited from apartheid days.

"That legislation was not just very complicated, but it actively discriminated against certain people," he said.

Giving an example, Berrisford said development in the previously white suburbs of Johannesburg had been a very complicated and closely monitored process.

However, in townships, development had never been controlled effectively, and at the same time, industrial develop-

ment had been prohibited.

The commission's findings will inform South Africa's long-term development planning, which is being handled in the interim by provincial tribunals.

Chaired by Pam Yako, past head of the National Land Committee, the commission was warned by Hanekom to take into account the needs of all citizens and not just the most vocal views of land-owning interests.

"Right now our cities, towns and countryside still starkly reflect the patterns of apartheid. It is only by specifically addressing the needs of the poor ... that the commission will be able to have an impact upon the enduring legacy of apartheid," he said.

Star 23/9/97 (3) (3)

Star 23/9/97

Free water to farmers must end - Asmal

(3)

Farmers should no longer get water virtually free, Water Affairs Minister Kader Asmal said yesterday.

"It makes no sense to me that we treat agriculture's critical component as an almost free commodity. There is irrefutable evidence that doing so leads to substantial inefficiencies," he told a water law workshop in Pretoria.

Asmal said water tariffs in South Africa were lower than the real value of water, amounting to water being subsidised.

"Should we not say to farmers: let us do away with the subsidies, so you pay an appropriate price for water, and let us invest instead in your ability to manage land?"

Industry, which also employs people and earns foreign revenue, was insisting on fair practices on water.

"How can I justify their paying tenfold and more for the same water that farmers use on low-value crops?"

He said subsidies should be phased out gradually.

New policies were being devised for all major users, including industry, urban, and domestic consumers, Asmal said.

Sapa

Commission launched to shape land development

(FEB) (3) 20 123/9/97
 AN INDEPENDENT commission appointed to unravel inherited planning and land development legislation, and to shape it into a new framework which embraces the needs of all provinces, was launched yesterday by Agriculture and Land Affairs Minister Derek Hanekom.

At a news briefing in Edenvale in Johannesburg, Hanekom said the new body, the development and planning commission, faced an awesome task.

"The commission was established in terms of the Development Facilitation Act and has the task of unravelling the morass of planning and development legislation inherited from apartheid, and reshaping a new legal and administrative framework for planning and land development," he said.

The committee has three main output objectives — to make a provincial analysis of existing frameworks, to make gen-

eral principles for land development set out in the first chapter of the Development Facilitation Act accessible to potential investors and officials responsible for land development and decision making, and to create a draft green paper on planning which incorporates its findings.

Land Development Facilitation Director, Stephen Bernsford, said problems with present legislation existed, especially where provinces had inherited former homelands. "Take not only the complexity of urban area legislation which differs from one province to the next, but overlay that with the laws of former homelands," he said.

He said legislation was unfair, especially with regard to former white suburbs which received more protection than residents in the homelands.

Members of the commission were appointed on September 1 and consist of experts in land de-

velopment and planning and local government representatives.

Hanekom said he was delighted the commission could begin its work, which was long overdue. "I am confident the men and women appointed to the commission are the best qualified and experienced to undertake the task," he said.

Hanekom said the subject matter of the commission's work was of provincial and national importance. "In the light of the crucial implications that its findings will have for local government, I am pleased there is a strong local government profile on the commission ..." he said.

Hanekom said he had asked the commission to complete its work within a year.

"It is asking a lot, but in the interests of efficient and effective administration, its important to get clarity on all the issues as soon as possible," he said. — Sapa.

Govt to regulate irrigation farmers' water use

Louise Cook

(3)

BD 23/9/97
WATER Affairs and Forestry Minister Kader Asmal announced yesterday further changes to government's planned licensing system for irrigation farmers.

This sector was SA's biggest water consumer, accounting for at least half of the water currently used in the country. Nearly one third of SA's gross agricultural output was grown under irrigation.

In terms of government's Water Law Principles, farmers will no longer have permanent water use rights based on the riparian system. Government licences would be allocated to a person or a specific farm for a specific purpose and for a specific period.

Farmers fear their investment in equipment will be jeopardised, saying licences will create uncertainty about their long-term ability to irrigate. Fruit farmers in particular feared losses because of the time it took to establish orchards.

Addressing a joint agriculture and water affairs and forestry workshop in Pretoria yesterday, Asmal said the severity of the effect of time limits on licences would be "softened significantly" with the introduction of "rolling" licences — licences granted for an indefinite term, but linked to a notice period.

Asmal was commenting on proposals in the draft National Water Bill due for submission to the Cabinet for approval in De-

ember. Asmal said he hoped to table the National Water Bill in Parliament in February.

He said the rolling licence system would be in addition to fixed-term licences.

"Both cases allow for a maximum of 40 years. Under a rolling licence, a continuous allocation is allowed which will run out only once — if ever — a notice is served during a five-yearly renewal period."

On the issue of state irrigation schemes — in many cases schemes started in the 1950s and maintained at high cost by the previous government — Asmal said he would be willing to lift a moratorium on the transfer of the schemes and their maintenance to Water User Associations, provided the associations supported the objectives of the new water laws.

Sources said the delay in the transfer of the projects was part of government's

overall policy not to privatise state assets without due consideration. In the former homelands, state irrigation schemes involved 13 000 farmers and 24 000 foodlot holders.

Land and Agriculture Minister Derek Hanekom said the potential return on investment would be a key factor in deciding the extent to which government would be involved in state irrigation schemes. "We are compelled to make judicious water-use decisions," he said.

Asmal said the new water laws were not aimed only at farmers.

"Under the new water law ... we will be developing policy for all major water-user sectors such as industry, urban and domestic. No one will escape the need for better use of our limited water resources."

Asmal was expected to address the workshop again today.

This is the first time that a specific policy for irrigation in SA is being written.

Call to improve farm services

(3)

Louise Cook

BD 25/9/97

PRETORIA — SA had to raise the level of livestock improvement services in rural areas to help black livestock producers farm commercially, Deputy Agriculture Minister Thoko Didiza said yesterday.

Speaking at a Red Meat Producers' conference in Pretoria, she said animal health services were lacking in rural and peri-urban areas. Government and the private sector should solve the problem, she said.

"It is important that we realise the monetary value that can be gained through livestock rearing by communities. Commercialised production has so far started only on a small scale."

SA's animal health services fell under the provinces. In some cases regular preventative vaccination programmes had come to a halt for lack of money.

In the Eastern Cape, 80% of the agriculture department's budget was allocated to salaries and administrative costs, leaving insufficient funds for animal care services.

Didiza said that to have black farmers trading in meat, hides, genetic material and other by-products, rather than keeping livestock only for traditional uses, would require a "repositioning" of the industry.

Product quality, market information and a knowledge of consumer preferences became critical in a commercialised environment, Didiza said.

Sowetan 25/9/97

3

Govt lays fraud charge

THE Ministry of Land Affairs discovered last month it had paid more than R9 000 to a computer company which allegedly submitted fraudulent hotel bill claims, director-general Mr Geoff Budlender said this week.

Budlender told reporters in Pretoria that complaints had also been received about the quality of the company's services, leading to the suspension of the ministry's R5,3 million contracts with the firm.

A charge of fraud had since been laid with the police, and an internal auditor had been asked to investigate earlier subsistence claims submitted by the company.

Budlender said the company, F

Ministry of Land Affairs accuses company of submitting false claims

Systems Technology (FST), had been contracted by the ministry since 1993 for management and maintenance of its computer network and to conduct computer skills training for staff. The contracts were renewed every two years.

The total value of the latest contracts – valid from September last year – was R5,3 million, R4 million of which had already been paid.

An independent consultant appointed to assess FST's perfor-

mance last month raised questions about the quality of its service, Budlender said.

This followed staff complaints that the computer network crashed too often.

FST disputed all claims about its services.

The ministry also instructed its internal auditor, Mr Jurie Venter, to investigate the contractual relationship between FST and the ministry.

"Venter discovered that since

November 1996, FST had submitted apparently fraudulent subsistence claims in the form of hotel bills in an amount of R9 045," Budlender said.

Both contracts with the company were suspended immediately. After being confronted with the allegations, FST allegedly acknowledged it had submitted false claims, and refunded the ministry in full.

Budlender said the Government Tender Board had been asked to cancel the two contracts, and to authorise the ministry to enter into a temporary contract with another service provider.

"Once the ministry has completed its investigations, a full report will be submitted to the auditor-general," Budlender said. – *Sapa*.

Asmal takes on dam commission

m+G 26/9-2/10/97 (3) 22

A new commission to investigate the costs of dams puts South Africa at the centre of the debate on sustainable development, writes Aspasia Karras

On a live satellite link-up between Washington and Cape Town, the World Bank and the World Conservation Union this week announced they would be establishing a world commission on dams in November to be chaired by the Minister of Water Affairs and Forestry, Professor Kader Asmal.

The eight-person commission arises from a ground-breaking conference in Gland, Switzerland, where a détente was initiated between environmentalists and the proponents of capital-intensive development projects — the most contentious being dams. According to Asmal, not only is this "one of the most stimulating things that could happen to South Africa, but it is also politically very important. South Africa will be at the centre of the debate on sustainable development.

"The commission will reconcile fundamental differences in an unnecessary battle where there was no dialogue to work out how effective development related to dams could be carried out. The commission's reference group is unparalleled, with over 50 stakeholder representatives from financial institutions, non-governmental organisations (NGOs) and the private sector."

Asmal has been the focus of media attention over issues that are close to the commission's agenda. He gave the go-ahead last week for the planning of a R560-million, 126,4-million m³ Skulfram dam on the Berg river near Franschoek, and concurrently extended his water project

called "working for water" by R190-million. This project aims to clear mountain catchments in the Western Cape of alien water-guzzling invasive vegetation, thereby potentially increasing water yield by more than 30%.

Alan Taylor, adviser to the minister, believes that "the two projects aim to mediate between the conflicting pressures around the demand for water in an environmentally and socially sustainable fashion on the one hand, and the building of dams for drought prevention and emergency measures on the other".

Asmal was in fact responsible for a community-driven environmental impact assessment of the dam in 1993.

The commission he will now chair will carry out a two-year review of the development effectiveness of large dams and devise standards and guidelines to advise coun-

tries on future dam-building.

In fact, it is the first cost-benefit analysis on a global scale of the impasse between the Scylla of droughts and floods and the Charybdis of dams and their environmental and social damage.

Dams have become development pariahs in the past 20 years as the costs often far outweighed the benefits for developing countries.

In the 1980s, large dam projects began to be fundamentally questioned by affected interest groups and global coalitions of environmental and human rights groups, leading to several calls for a moratorium on World



Shoring up support: A new commission will hear all sides of the dam story. PHOTOGRAPH: HENNER FRANKENFELD/PICTURENET AFRICA

Bank-funding and reparations for those affected.

Controversial projects like the Narmada dam in India and the Three Gorges dam in China have polarised opponents and proponents and resulted in the virtual breakdown of any constructive dialogue.

Maurice Strong, chair of the Earth Council and senior adviser to the president of the World Bank contends: "This initiative is very timely — the issue of large dams is critical in light of growing energy needs and the role of hydropower in the future of many developing countries. However, recent experiences with large dams make it very clear that such projects should only proceed if both environmental and social concerns are fully met.

cial, environmental and developmental challenge. For this challenge to be met successfully, the bank is prepared to join IUCN and other stakeholders to create an appropriate framework focused on learning from experience and on the design of adequate standards."

The last being an area where the World Bank has been notoriously fickle. A recent review of the economic and social impact of bank dams by the independent operations evaluation department of the bank concluded that while 90% of the dams reviewed met the standards applicable at the time of approval, only about 25% now complied with the bank's more demanding policies.

The review also stated that mitigation of the adverse social and environmental consequences of large dams would have been both feasible and economically justifiable in 74% of the cases.

Which is why activists like Patrick McCully of the International Rivers Network are so positive about the new commission: "It offers the potential for the first ever objective review of the actual overall costs and benefits of large dam projects. It also offers an opportunity for recommendations on the issues of reparations to affected communities and the restoration of dam-impacted ecosystems."

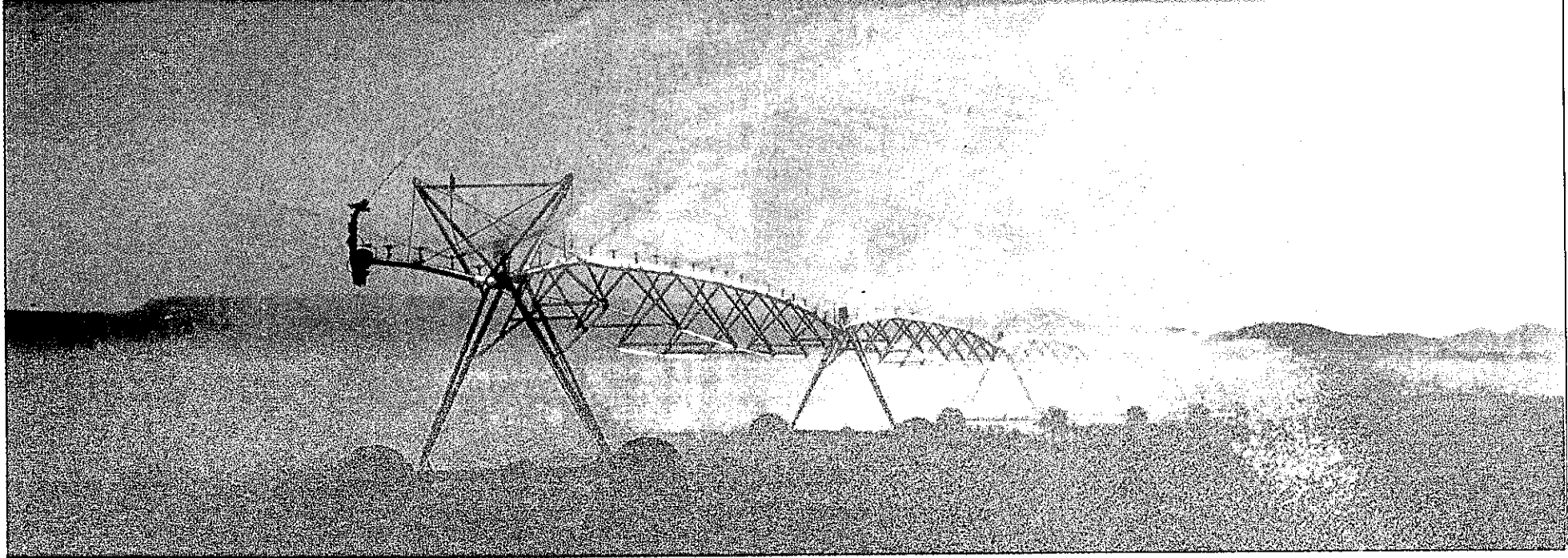
For Asmal, the commission and his own pivotal role are primarily an opportunity to "work out conditions that ensure that the First World cannot impose its standards on the Third World.

"The commission will seek to ensure that all stakeholders are heard and given the opportunity to share their views. Through a process of wide-ranging consultation, I hope that by April 2000 the commission will be able to present a balanced and objective report — in terms of diplomacy it may be even a greater challenge that some of those we've had to face in building a democratic South Africa."

"It would clearly be counterproductive to undertake large dam projects in which environmental and social costs exceed long-term benefits."

Asmal believes what is more salient is that "it's not the initiative of two or three wise men or an individual government. It's globalisation from below. The fact that institutions in the public sector like the World Bank, and NGOs like IUCN-World Conservation Union, could agree on terms of reference and agree on a chairperson is a first."

The conference, which unanimously decided on the need for such a commission, was the result of more than 18 months' collaboration. Announcing the move, World Bank president James Wolfensohn said: "Large dams constitute a major technical, so-



Evaporating resource: The Department of Water Affairs and Forestry plans to make big users of water, like farmers, pay more. PHOTOGRAPH: DANNY HOFFMAN

Engineer has deep-storage solution to shortages

M+G 26/9-2110/97 (3)

Ellen Bartlett

South Africa has long operated under the assumption that it is running out of water. The year 2020 is the oft-projected point at which the country will no longer have enough water to meet its needs.

In looking towards a future of high demand and dwindling supply, water resources planners have considered such schemes as diverting water from the Zambezi River and bringing it south by canal, towing icebergs from Antarctica and melting them, or even setting up huge ocean distilleries to turn salt water into fresh.

Basil Lund, a consulting engineer in Midrand, has what he says is a cost-effective engineering solution to the problem, an idea for saving water and

pushing back the D-Day by at least three decades beyond 2020. The only drawback appears to be that it is too simple; it has yet to be taken seriously.

In a paper published in May in the *South African Journal of Science*, Lund proposed that South Africa take advantage of rainy years by diverting excess water into "deep-storage" dams where it could be saved for the inevitable dry years ahead.

He points out in the paper, entitled *Water for All?* that as the experts warned South Africa was running out of water, the amount of run-off from rain that fell on the Vaal Dam catchment area was enough to fill the dam at least four times.

But because there was nowhere for the water to go, it was lost. Had there been a "deep-storage" dam nearby, it would have been saved.

"My idea is to catch all these very high floods and put them into storage. That's the whole idea, to capture the water and to hold it so that it would be available when we need it in the years ahead ...

"It's a simple and an obvious idea ... nothing very bright about it," he says. "Though the engineering of it requires a little bit of planning."

Lund (76) is a specialist in the construction of earth dams. He has overseen the construction of water supply dams for Gaborone, the Orapa diamond mine in the middle of the Kalahari Desert in Botswana, and numerous others.

He points out that projections of future water availability are based on the assumption by the Ministry of Water Affairs and Forestry that only 60% of the mean annual runoff

of all the rivers in the country will be used. The rest will be lost to the sea or to the air — water stored in vast dams such as the Vaal evaporates at the rate of one to two metres a year.

Lund estimates that the addition of deep-storage dams would increase the yield to 90%.

Finding sites where evaporation would be at a minimum is also important. One solution not under consideration is the warren of mine shafts and tunnels under the Witwatersrand. Water from gold and coal mines is notoriously polluted; in fact, water pumped from the mines now must be treated before it can be returned to the river systems.

Lund's scheme has the praise of Graham Baker, editor of the *South African Journal of Science*, who calls

it "deceptively, brilliantly simple". But he has yet to get the water affairs department to take it seriously.

Water affairs ministry planners have told him that if results of ongoing studies of the country's water resources indicate that deep storage is necessary, the ministry will pursue it. Ministry water specialists were unavailable for comment at the time of going to press. Lund argues that there is a need now.

He has identified a number of sites that would accommodate deep storage dams — natural steep valleys where a large volume of water can be stored under a small surface area.

"What I'm asking for is for this to be made part of our future planning," he says. "There is no doubt that we are ultimately going to be short of water. But you should take the long view and not the short view. We're going to need these deep storage sites in the future. Let's identify them and preserve the ground where they're going to be located."

SA on target to meet water supply goal

Pula Molebetedi

23 (3)
ED 26/9/97

THE water affairs and forestry department was well on the way to meeting its objective of supplying safe water services to 1,7-million people this year, Water Affairs Minister Kader Asmal said yesterday.

Asmal was speaking at the celebration ceremony of the completion of the 100th water supply project by Mvula Trust in Arekwaneng village, Mpumalanga.

He commended Mvula Trust for its success in achieving the goals set out in government's national water supply and sanitation programme. Asmal said the programme formed the base of government's delivery success in water.

European Union (EU) ambassador Erwan Fouéré praised the trust for its innovative approach to community-driven water and sanitation development and applauded the Arekwaneng community for the instrumental role it played in improving its own living standards.

The trust was founded in 1994 with funding from the Development Bank of Southern Africa, the Independent Development Trust, Kagiso Trust and the EU.

The project supplies safe running water to 993 people. It was financed with reconstruction and development programme (RDP) funds allocated to the trust in terms of the collaborative agreement signed between it and the department in 1995.

This was the first RDP project to be completed in Mpumalanga.

New Water Bill is the key to internal stability

The time for action is now, urges Tami Sokutu, Deputy Director General of the Department of Water Affairs and Forestry

ST 28/9/97

WORLD experts on water, including the World Bank, say the wars of the next century will be fought over water. Governments everywhere are working against a fate, bred of a shortage of water, of external conflict and internal instability.

This is particularly relevant for Southern African countries. In neighbouring Zimbabwe, for example, the beneficiaries of land reform are clamouring for water rights to make their land rights real. This is threatening stability now, not in the future.

While analysts have warned that South Africa will face serious water shortages in 2030, the real news is that the shortage is already here. Not only because of El Niño, but because so many of our citizens — those least able to afford it — are already paying exorbitant amounts for water every day, sometimes as much as R5 for 25l. In addition to South Africa being a major player in the global economy, substantial expansion and industrialisation is expected over the next few decades.

The new Water Bill, which is available from the department, will make water available for human needs and economic growth by doing away with the inherited system where water use was automatically attached to the land alongside rivers — even if the most productive use for that water was elsewhere. This does not mean that holders of riparian rights will automatically lose them.

At the same time, under the proposed water allocation system, downstream landowners will not be left with merely nominal rights, because the river, by the time it gets to them, is empty — as is the case now in certain areas. In short, the new system will bring fairness and equity to water allocation.

In moving towards a system based on beneficial use of water, the government will take its public obligation as custodian of water resources more seriously. By drawing on the best of overseas law and adapting it according to local priorities, we will secure the continued viability of the water itself.

Protecting the environment is like protecting our golden goose. If we continue with the current approach to water resource management, we will not be in a position to protect or

attract investors since the water, which is central to most economic activities, will be totally degraded or in short supply. Investors will have phantom collateral — empty rivers.

The minister has inherited a range of draconian powers from the past, and if he wanted to “grab” water from privileged farmers, he could do so right now by, for instance, declaring “control areas”. He needs no new law to do that. But, by moving away from the arbitrariness of the past, the new allocation system will give water users more certainty. Water will be moved to where it can do the most good and, as circumstances change and new uses become more beneficial than old ones, water will be moved on again.

We are moving from a mystical and static common-law system to a modern and evolving one, one which will

include trading in water allocations. There is no intention to promote a regime of random water-grabbing as a means of redistribution. However, it is important to signal to those who were previously disadvantaged that they will also benefit under the new arrangements. This will go a long way towards securing internal stability.

For too long we have acted like frontiersmen, believing that new water needs can infinitely be met by building more dams. This mentality is outdated. In terms of water use, no less than in the nation's budget, we have to tighten our belts and make less go further.

After all, our Constitution requires it. Section 24 gives every citizen the right to an environment protected “for the benefit of present and future generations” by “reasonable legislative and other measures”. Likewise,

the property clause of the Constitution expressly states that it shall not impede the state from taking legislative and other measures to achieve “water and related reform” and to “bring about equitable access to all South Africa's natural resources”.

The legal requirement in the new law for a water reserve to meet environmental needs fulfils constitutional requirements. Protecting the environment represents a giant leap towards protecting water resources to meet the needs of our country.

The Department of Water Affairs and Forestry, through its community water supply initiatives, has already supplied water to more than one million citizens: one million people who now have a basis for more productive economic activity than the daily grind of the long walk for water. The next challenge is to ensure that these people have enough water, not only for physical survival, but for engaging in activities that will enhance rural development and help the economy to grow.

By ensuring that water allocation priorities and procedures are responsive to the evolving realities of the economy in the future, the new Water Act will remove another of the old barriers to growth. The challenge now is for each of us who use water to support the initiatives of the Department of Water Affairs and Forestry by commenting positively on the current draft of the Water Bill. The Bill should be celebrated by all.

THE old stone gatepost which displays the name of the Somershoek farm in square wrought iron letters has stood there for more than 100 years.

But although the name and the track from the gate along the top of the rolling hills and down into the valley have not changed, something less obvious has.

Somershoek, which lies between Volksrust and Amersfoort in Mpumalanga in the heart of an Afrikaner farming community, is now owned by 385 black families who live in simple mud houses in the next-door settlement of Daggakraal.

Led by their chief, Eddie Moloi, — a smart dresser with a cellphone, sunglasses and a gun as accessories — the community combined their R15 000 individual government housing subsidies to buy the farm as a going concern for R5.7-million.

But instead of moving onto Somershoek or carving it up into plots, the 385 families who formed the Lephatsoana Trust chose to develop it as a viable business in the hope that it will eventually provide jobs for their families and that profits will be used for proper housing and other community projects. The trust was also fortunate that government policy changed shortly before they bought the farm, allowing them to use subsidies to buy not only land but movable assets too.

As a result, unlike many other land reform initiatives where people have bought land but do not have the capital to farm it, the Lephatsoana Trust was able to operate from the start.

With the help of ex-Rhodesian farmer Andy Hartel, who they have employed as manager, the trust has already made substantial productivity improvements to the farm which includes a large piggery, chicken broilers, a feedstock mill and a brick-making enterprise.

Their efforts have been singled out by President Nelson Mandela, who visited the farm in June, as proof of the government's ability to deliver a better life for all.

Neighbouring farmers who predicted that Somershoek would "fall" within three months of the transfer to the trust in November last year, are now looking for ways to co-operate by buying Somershoek's feedstock or by renting some of its facilities.

The unusual partnership between Moloi and Hartel is largely to thank for the farm's success.

Not that long ago, the two lived in vastly different worlds.

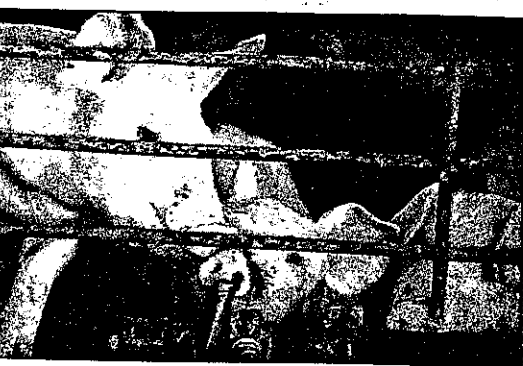
While Hartel was embroiled in Zimbabwe's war of independence in the late 70s, Moloi left home in Daggakraal to become a television technician in Johannesburg.

He was called back in April 1994 after his father died, to take over the reins of the Makhholokwe tribe.

mult of government policy. The Makhholokwe, along with a number of other disparate groupings in Daggakraal, then fought a long battle against forced removal, which left them marginalised and poor.

In the face of their refusal to move, the government left the community to deteriorate and most signs of agriculture began to vanish.

On his return home to the originally grand but now crumbling Daggakraal farm house where his



INCREASED PROFIT: The project may well turn sows ears into silk purses

(3) ST 28/9/97

Here an oink, there an oink, everywhere an oink, oink

A slick young chief and an ex-Rhodesian farmer have joined forces to create one of the South Africa's most successful land reform projects. CAROL PATON reports

mother still lives, the chief began to regroup his followers around the initiative to buy Somershoek.

Stephen Lephoto, an old man who is one of the trustees, beams with pride over what the chief achieved. "All this time people thought very little of my chief and my tribe. Now we can show that we can do something," he says.

Moloi and the trustees were determined to see the farm run on strictly commercial lines.

"The Department of Land Affairs advised us to employ Andy because he had experience in farming on a big farm like this. I've got no knowledge of farming and neither do any of the others," says Dumisani Malsea, one of the trustees.

Hartel — who's come a long way since he left Rhodesia in 1982 — presented himself as an excellent candidate.

"I've worked for English, Afrikaners, a Hollander and even a Dane. Now I'm working for the



JOINT VENTURE: Eddie Moloi, the Daggakraal chief, and Andy Hartel, Somershoek farm manager. Picture: NICKY DE BLOIS

blacks and I think they're the best — because they listen to me," he laughs.

Since Hartel took over the farm, turnover has increased from R140 000 to R300 000 a month; the number of sows has increased from 204 to 254; infant piglet deaths have decreased and chickens have been introduced. The farm sells 1 000 chickens a week to Daggakraal and around 100 pigs a week to butcheries in the area.

Hartel, although not a pig expert when he started out, has learnt everything there is to know about pigs. Each sow, with her squealing brood has a computerised card attached to her pen, detailing her performance.

"Each piglet always goes for the same nipple and becomes a dominant piglet in that area," he remarks, as he walks through the farrowing house.

Hartel has delegated full responsibility for different areas of the farm to workers, most of whom are also trust members.

Rosta Moloi, the chief's cousin, manages the pigs. She also worked for the previous owner, but now has more responsibility.

"In time to come things will grow and our lives will improve. Andy respects us and if there is a problem we solve it together," she says.

"She does a great job and I trust her. The staff are totally dedicated. They are part of the shareholders and they can see that they are working for themselves and their children," says Hartel.

But where discipline might be needed, it is Hartel and not the chief who hands it down.

"The chief will come to me and say so-and-so is not working and then I will pull him into line," he says.

In this way, the old relationships between farmer and labourer save the chief from having to compromise his popularity.

But new dynamics have creat-

ed their own difficulties. One of the most difficult questions is which of the 385 families should be the first to benefit from their ownership, as jobs are limited and the farm is unlikely to pay out dividends soon.

The chief has been first in line and he now lives in a small modern farmhouse at Somershoek and drives a double-cab 4x4.

It seems that relatives and friends of the trustees are also often the obvious choices for employment — a problem of which the trustees say they are aware.

To get around it, a list of all the trust members and their skills and interests will be compiled for Hartel to use as a basis for selecting employees.

In this context, where a large number of poor people have chosen to invest in an enterprise instead of keeping the government subsidy to buy improvements for themselves, there is an urgent need for the farm to expand its production.

Hartel, an unqualified support-

er of the project in every other way, is also wary of the huge expectations that rest on it.

"The business plan should have been done first to see whether this farm could carry 385 people.

"I think it can but I'm critical of the government for not doing it the right way round."

The Department of Land Affairs is keenly aware of these problems.

Chris Williams, the Mpumalanga official responsible for planning the project, said that government planning agents would begin work within a month to investigate opportunities for new agricultural and non-agricultural businesses.

Among these are plans for a dairy, fruit juice production and a trout syndicate.

Government was also keen to see greater "social facilitation" among the trust members to ensure that all "understand their rights and responsibilities" and to rank their needs.

Govt extends its regulatory powers over farm products

Louise Cook

BD 29/9/97
GOVERNMENT has surprised sections of the farming community by extending its regulatory powers over several farm products.

In terms of a recent notice in the Government Gazette, Agriculture Minister Derek Hanekom has given the National Agricultural Marketing Council powers over a range of previously unregulated products, including coffee, tea, poultry and sugar cane as well as relatively minor items such as herbs, ornamental plants and birds.

The notice empowers the minister to order a probe by the council into aspects of these sectors' marketing that are of "concern" to him. In addition, the sectors can apply for compulsory levies and other regulatory measures.

Southern African Poultry Association director Zach Coetzee said the poultry industry was "distinctly uncomfortable" with the move. "This is a very dark day — egg producers specifically and voluntarily opted out of controlling legislation a few years ago."

Other sectors also expressed surprise, saying they had not been consulted and did not know how they would be affected.

However, National Agricultural Marketing Council chairman Eckart Kassier dismissed fears of government intervention, saying the move was "nothing sinister".

Asked what had prompted it, he

said it "made sense" that all primary agricultural products were treated in the same way. The current situation of certain products — such as sugar — being treated differently from others was illogical.

"It broadens the scope of the council should such scope be required. There is nothing untoward about it," he said.

This view was backed by Land and Agricultural Policy Centre economist Brendon Bayley who said the move was probably procedural and aimed at achieving greater clarity and cohesiveness. "I do not think this implies a reregulation of markets," he said.

Citing potential benefits of listing plant and animal propagation material, Kassier said government wanted to protect emerging farmers' know-how of indigenous plant and animal varieties against commercial exploitation.

Indications were that the sugar sector could be first in line for a probe by the National Agricultural Marketing Council. Analysts said this could lead to the scrapping of the Sugar Act as SA sugar was still marketed in terms of agreements between cane growers and local sugar mills.

The game industry also confirmed it had "preliminary talks" with the council on imposing statutory levies to finance research. SA Game Farmers' Association chairman Jan van der Walt said it was an option, but the council would not formally be approached before next year.

Time for some home truths on import tariffs

et(BD) 3/10/97 (3)

There is something about import tariffs on agricultural products that makes crowds go mad.

The extraordinary popular delusion among consumers persists that if only import tariffs on chicken pieces were reduced or dropped entirely, then we would forever be buying packages of imported broiler cuts for R4 a kilogram or some such ludicrously low price.

There is the outcry of the middlemen, keen to exploit that popular delusion, saying if only import tariffs were reduced or done away with, they would pass on better prices to the consumer.

It never happens.

There are succinct truths about these tariffs. First, the tariff system exists now because of Gatt, to which South Africa is a voluntary signatory. The present government signed the Gatt agreement.

Second, tariffs protect local agricultural industries, in line with international practice and Gatt regulations. The essence of this system is that countries with low agricultural subsidies

must be protected against those with high agricultural subsidies.

The idea is that all subsidies, and so all tariffs, will eventually be phased out and everyone will be able to compete on equal ground.

As Derek Hanekom, the minister of agriculture, explains: "The subsidisation of farmers in South Africa, at 12 percent, is among the lowest in the world. In Austria and Finland it is 60 percent, Canada 27 percent, the EU 49 percent, Iceland 75 percent, Japan 77 percent, Norway 74 percent, Sweden 50 percent, Switzerland 81 percent, Turkey 23 percent and the US 15 percent."

Third, tariffs only work if they are implemented fast in response to world prices of agricultural products. Of course, it seems ludicrous that the department of trade and industry has slapped a R2,20 a kilogram tariff on some chicken cuts.



**JUSTINE
NOFAL**

It is ludicrous because the poultry industry has, quite legitimately, been asking for tariff protection for so long that many farmers have bled to death already.

By the time local prices adjust to reflect the tariff, the world will have changed and it will be time for another tariff, either higher or lower. This will take months.

Fourth, guidelines for tariffs need to be simple. The present tariff book is highly complicated. That is why tariffs take too long to be carried out.

Fifth, there needs to be enough people to pronounce on tariffs and implement them. But there are not enough people, either in the department of trade and industry or in customs and excise.

Sixth, illegal imports make a mockery of fair pricing through tariffs. No country can impose tariffs on illegal imports. Actually, tariffs encourage illegal imports, as the wider profit margin makes the spoils so much greater.

There are not enough customs and excise officials to

control illegal imports, and the justice system is inadequate either to render effective punishment on those who are caught or to deter others.

Contributing to the popular delusion that tariffs are evil is the illegal importer. How fine it sounds when a trader says he is fighting for the consumer. He never has to prove that he does not have container loads of frozen chicken thawing in Durban harbour.

So conditioned are consumers in this country to disbelieving everything South African farmers have to say that they truly think Rainbow Chicken and all the others are receiving gratuitous protection because they are inefficient.

Actually, the logical target for consumers should be the present government. It signed Gatt, thus taking on the present tariff structure. It runs the departments of trade and industry and customs and excise. It runs the justice system.

So actually, it is the government that is trading on extraordinary popular delusions and the madness of us all.

Clinton asks Congress to extend powers of FDA

US to get tougher on imported SA produce

(3) ~~ETC~~ ETC (Be) 9/10/97
RICH MKHONDO

Washington, DC — South African fruit and vegetable exports are to be more heavily scrutinised before entering the US, and the US government will send inspectors to some South African farms to ensure that the products are safe, US officials said this week.

South Africa is one of more than 100 countries exporting fruit and vegetables to the US.

As part of a new programme aimed at blocking contaminated products reaching the US, President Bill Clinton has asked the US Congress to give the Food and Drug Administration (FDA) powers to inspect most food produce entering the country and halt the

import of fruit, vegetables and other food products from countries that do not maintain food safety standards equivalent to those in the US.

South Africa exports millions of tons of grapes, citrus fruits, apples, peaches, pears and plums to the US each year.

Agricultural experts said South African exports would be targeted for safety standards.

Foreign producers are already denouncing the plan to scrutinise fruit as an unfair trade barrier. Statistics show that last year 38 percent of fruit and 12 percent of vegetables consumed in the US came from foreign fields. Currently, a sample of imported fruits and vegetables is inspected

by the Agriculture Department for general quality and pesticide residues.

The new programme would give the FDA the same authority over fruit and vegetables that the department has to ban meat imports from countries that do not meet US-equivalent meat regulations. This programme has caused friction with some US trading partners, particularly the European Union, and a crack-down on foreign produce conceivably could cause tensions as well.

But agricultural experts said since the FDA samples less than one percent of food imports at the docks, tainted food can easily reach consumers undetected. — Independent Foreign Service

Farmers propose to reject land laws

Louise Cook

BD 10/10/97
FARMERS, weary of government policies that they said were alienating them from their land and hampering food production, proposed yesterday to reject all existing and pending laws that "effectively placed a servitude on privately owned land".

They also proposed at the SA Agricultural Union (SAAU) congress in Pretoria that negotiations between government and organised agriculture, focused on water and land tenure policies, be suspended until the portfolio of agriculture minister was separated from land affairs. Farmers warned rural poverty and unemployment would be compounded by the El Niño weather phenomenon.

Transvaal Agricultural Union member Willie Lewies said the existing and planned legislation on tenure security, water usage and mineral rights placed restrictions on farmers' land.

He said the Extension of Security of Tenure Bill contained a clause in terms of which a landowner, not a livestock owner and worker, was liable in cases where animals caused damage to public roads or elsewhere. "All these laws are a blatant attempt at expropriation of farms without compensation."

Lewies said Land and Agriculture Minister Derek Hanekom had to attend to land issues, devise farm policies and control the Land Bank. This was too much responsibility for one person.

BD 10/10/97
The congress also hit out at changed government policy on disaster aid during droughts.

Hanekom reaffirmed recently that, despite the possibility of an El Niño phenomenon this season, farmers would no longer qualify for the type of financial help given by the previous government during droughts. Farmers criticised this policy, saying that it was "short-sighted and ill-conceived".

The congress was due to end in Pretoria today.

Co-operatives 'key links in farm loans'

Louise Cook

THE Land Bank was targeting farming co-operatives as "important intermediaries" in emerging farmer finance and would seek ways of sharing the risk, CEO Helena Dolney said at the weekend.

Up to now, financing SA's large emerging farming sector has been fraught with difficulties because of risk profiles and the lack of financial institutions in rural areas.

Co-operatives have generally not been involved in small-farmer finance, having felt — like commercial banks — that the risks were too high. Most said the problem of collateral was never properly sorted out by the former Agricultural Credit Board, which wanted co-operatives and banks to act as finance agents and take on small farmer clients.

Yet more recently SA's farm co-operative representative body, the Agricultural Co-operative Business (ACB), made an about-turn on the issue after meeting Dolney.

"Co-ops can play an important role in serving emerging farmers. They know the area, the people and the types of products produced. They can offer advice and support to emerging farmers," she said last week.

ACB chairman Charles van Veijeren welcomed "the

fact that Dr Dolney seeks continuing talks with the chamber on agency agreements, with the view of getting Land Bank finance through to the farmers as in the past.

Dolney said a risk sharing agreement would have to be reached between the Land Bank and co-operatives. She declined to give details, but the idea of a credit guarantee scheme backed by government has been mooted for several months by the agriculture department's policy committee on finance.

The Land Bank currently has R5,5bn on loan to co-operatives, about half of its total loan portfolio, and has set a target for new loans in the next three years of 20%.

Contrary to earlier expectations, the bank declined to take over the R1,2bn loan portfolio of the former agricultural credit board when it shut down in August. Dolney was reportedly not keen to take it over because the books had not been audited.

Meanwhile, Absa Bank agricultural finance GM Andre Louw reportedly said banks were especially interested in co-operatives business. Banks and co-operatives should form strategic alliances in farm finance, as co-operatives had an important role to play in rural areas, he said at a recent ACB meeting in the Free State.

Affluent blacks tell of 'new SA' trauma

NEW YORK — Newly affluent SA blacks are struggling "socially and emotionally" as they climb the ladder of success, reports Suzanne Daley in The New York Times.

Daley, who interviewed nouveau riche South Africans, writes that they generally enjoy the trappings of their new status and, given a little power, are not above using it.

However, those who played no part in the fight for equality spoke of guilt feelings about benefiting from the sacrifices of others.

Well-to-do blacks still faced small humiliations as they adapted to a new

lifestyle and negotiated the minefields of situations like taking out a mortgage and talking to neighbours who assume they are servants.

Some likened work to "a battlefield where they are patronised and ignored by white colleagues".

Members of this new social class are not comfortable, either, with friends who have done less well and typically want to borrow money.

However, prosperous lawyer Enos Banda told Daley, finding new friends was not easy. There are so few wealthy blacks that he sees the same people at every party he attends. — Sapa.

Water reserves to outlast El Niño

PRETORIA — The El Niño weather phenomenon should not dry up SA's water reserves, thanks to the best storage levels in 77 years at major reservoirs, the water affairs department said yesterday.

It said water delivery was not expected to become a problem for at least two to three years, which matched El Niño's life expectancy.

"It is therefore evident that the emergence of El Niño does not necessarily bode us all that is evil," the department said.

"It is fortunate that it hits us at a time when storage levels are excellent."

The department said SA experienced above-average rainy seasons during 1995/96 and 1996/97, and the current storage state at major reservoirs was the best on record since 1920, it said.

El Niño, which is expected to cause a warming of the Pacific Ocean, generally negatively affects SA's summer rainfall.

It was therefore expected that run-off from catchment areas would also be below average.

The department said the long duration of a warm spell caused by El Niño between 1990 and 1995 was regarded as exceptional.

Also, the 1982/83 drought caused by an unusually strong El Niño affected SA at a time when storage levels were low — at about 48%. The current storage level was 90% of capacity.

"No problems are foreseen in water delivery from major water systems for the next two to three years, by which time the Pacific Sea surface temperatures may be back to normal or even below normal," the department said. — Sapa.

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Rural protection plan for farmers

Louise Cook

(3) (2)
BD 15/10/97

PRESIDENT Nelson Mandela has responded to farmers' urgent appeal for action against criminals targeting rural areas by announcing details of a protection plan — but he stopped short of appointing a commission of inquiry into allegations that there was a political motive behind the attacks.

Some farmers have said they suspect the recent spate of killings on farms has been co-ordinated, with the specific goal of driving them off their land.

Mandela, accompanied by high-ranking police officials, met an SA Agricultural Union (SAAU) delegation in Pretoria yesterday. He said afterwards that the intelligence services were investigating the possibility that the attacks were part of a strategy to destabilise rural areas.

After the meeting the SAAU also distanced itself from calls for farmers to take the law into their own hands. Union president Chris du Toit said proactive measures against those suspected of being involved in attacks, along the lines of moves by People Against Gangsterism and Drugs, would be irresponsible.

Andre Pruis, divisional commissioner for crime prevention and response services, said the rural protection plan was similar to the one which had successfully brought down the number of bank robberies, and involved the police, the SA National Defence Force and the public. Helicopter support, response units and tracing units would be used.

Land and Agriculture Minister Derek Hanekom was not at the meeting, but said he was alarmed at the growing number of murders of farmers. "I know tensions are running high ... but I urge them (farming communities) not to take the law into their own hands." Last week several delegates to the SAAU annual congress called for vigilante-style raids on the homes of suspects. This was taken up by farmers at Bultfontein in the Free State days later following the murder of a local farm owner.

At yesterday's meeting Mandela said government would not tolerate the attacks "because of the importance of the farming community, farmers, (farm) workers, to the country and the economy".

Rural protection plan for farmers

Louise Cook

(3) (S) BD 15/10/97

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MILLIONS STILL GO HUNGRY

CT 16/10/97

Govt plans to ensure enough food for all

HAT MILLIONS in South Africa go hungry is the "biggest single manifestation of the inequality of apartheid", says the Minister of Agriculture. **ROGER FRIEDMAN** reports.

THE government plans a major change in food policy — to redress the situation in which South Africa produces more than enough food but millions of citizens go hungry.

The Food Security Policy for South Africa, an early draft of which was revealed to the Cape Times this week, will, in essence, maintain the government's blueprint to put food on all South African plates.

It will seek to close a chapter in the country's agricultural history in which white farmers were protected often at the cost of consumers. But the policy does not involve the agricultural sector alone: it includes programmes for land reform, welfare, job-creation, nutrition and health.

South Africa is a net exporter of agricultural products, but nearly 15 million of its people do not eat enough calories and the development of about 1.5 million children under the age of six is stunted by chronic malnutrition, according to statistics in the draft policy document.

Minister of Land Affairs and Agriculture Mr Derek Hanekom says the situation is "outrageous" and "the biggest single mani-

festation of the inequality of apartheid".

Eleven months ago, Deputy President Thabo Mbeki was in Italy to endorse the Rome Declaration on World Food Security and the World Food Summit Plan of Action which has as its long-term goal halving the number of chronically undernourished people on Earth, to 400 million, by the year 2015.

The Plan of Action laid down seven commitments: Creating an enabling political, social and economic environment; eradicating poverty and inequality and improving physical and economic access by all to sufficient, adequate and safe food; pursuing participatory and sustainable food, agriculture, fisheries, forestry and rural development policies and practices; fostering food, agricultural trade and trade policies in support of food security; meeting transitory and emergency food requirements in ways that encourage development; promoting and allocating the use of public and private investments; and monitoring and follow-up at all levels in co-operation with the international community.

Today, World Food Day, marks

the symbolic launch of South Africa's long-term response to those commitments, a national programme of action, if you like, to right the skewed distribution of South African food. The country's theme for the day is *Investing in Food Security*.

Food security refers to access to adequate food to offset hunger and malnutrition, or, in Hanekom's words: "Safe, adequate and nutritious food for all, at all times".

According to the draft policy document, between 11 and 17 million South Africans are either food-insecure or vulnerable. These people range from those who actually go to bed hungry at night to those who only have an imbalanced diet.

The draft document, compiled by a food security working group of the Agricultural Policy Unit will evolve into a green paper to be released for public comment before the end of the year.

Similar working groups on support services: rural finance, co-operatives, trade, marketing, natural resource management, livestock, and employment are also reviewing policy to ensure food security at a household level.

South Africa is regarded as an "upper-middle income country" with a per capita income similar to that of Brazil, Botswana, Malaysia and Mauritius, but 24% of the population lives on less than R5 a day



NUTRITIOUS: Nomaciko Salmani of the Khayamandi shanty town outside Stellenbosch explains the running of her roadside sausage-and-intestine fry-shop to Minister of Land Affairs and Agriculture Derek Hanekom. **PICTURE: BENNY GOOL**

and about 40% don't have enough calories.

South Africa's health statistics are similar to those of low-income, food-deficient countries.

"These figures are terribly disturbing," said Hanekom, interviewed in his office on Tuesday, "but because of the wealth we see around us people tend to be blissfully unaware of the real state of affairs."

He stressed that while the state

had the primary responsibility to provide a framework in which South African households could achieve food security, civil society had to contribute in whatever ways it could.

"What is ultimately required is a combination of dynamic trade, good distribution networks, economic growth and better income distribution," he said.

He conceded that agriculture probably had the most important

role, but added: "A lot of this is about making it a countrywide campaign".

White farmers' attitude to food security was "key" to the success of the programme, he said, because about 20% of the country's population, including many of the poorest citizens, lived on their farms. Food insecurity and malnutrition were highest in provinces with large rural populations.

The policy would strongly

emphasise support for local initiatives and partnerships between farmworkers and farmers, for which state funds were already available.

It would encourage small-scale production of food for own-consumption: "The food you consume from that piece of land has the greatest value because it is the equivalent of producing retail value. If you did not grow it, it would be something you would

Food facts and figures

● About 1.5 million South African children under the age of six are malnourished.

● Twenty percent of children were found to be anaemic and 10% iron-deficient, in a 1995 study.

● Sixty percent of the poor are over 60 or under 18 years old.

● In the Northern Province 83% of children live in poor households, compared with about 21% of Gauteng children and about 20% of Western Cape children.

● A 1994 study found that 57% of rural households fell below a 2 100 calories a day poverty line.

● Almost three-quarters of the combined populations of the Eastern Cape, Northern Province and Free State are in poverty, compared with less than 20% of the populations of Gauteng and the Western Cape.

● Demands for wheat and mutton are projected to grow fastest of all agricultural products in the next 25 years, followed by beef, pork and potatoes.

have to buy," Hanekom said.

The government would continue to encourage food exports, but was not averse to increasing the import of affordable food.

"It doesn't matter where it comes from, it's to do with affordability, availability and accessibility. The availability of food includes importing food where necessary. If you protect farmers from imports it is not in the best interests of the broader population."

Food security a growing problem in SA, says Fawu

CT(B2)17/10/97 (3) (S)

FRANK NXUMALO

LABOUR CORRESPONDENT

Johannesburg — As the world celebrated World Food Day yesterday, the Food and Allied Workers' Union (Fawu) drew attention to the problem of food security in South Africa and to what it termed the adverse impact that free market globalisation had on the ability of nations to feed themselves.

Fawu said South Africa's economy was dominated by the ghost of apartheid and that in the past national food security was directed towards benefiting the white minority.

"The failure of these policies to maintain a sustainable growth path is evident in the economic difficulties that South Africa faced in the eighties and continue to haunt the economy in the nineties," the union said.

Fawu called on the government to convene a national conference on food security and to facilitate submissions by all

concerned parties to inform state policy formulation towards the eradication of hunger and poverty in the country.

The union said free market globalisation was undermining social security systems the world over.

"This (globalisation) trend is informed by the theory that reduced state involvement in economics will allow the private sector to champion economic growth.

"This forms the basis of less social spending by governments and reduced social security and the result is an increase in hunger and poverty," the union said.

Fawu said that in South Africa the World Food Day was being observed against the backdrop of the government's growth, employment and redistribution macro-economic strategy which "we believe lays the basis for less social spending and the resultant reduction in the provision for food security".

Letaba 'apartheid' farm poses tough choices

Wyndham Hartley

CAPE TOWN — The intended sale of a Northern Province "apartheid" farm has the Letaba community up in arms as the owner has attempted to use loopholes in land-reform legislation to earn massive profits by selling his land to a black farmers' association.

The proposed sale of the farm is the first of its kind and will provide a searching test case for Land Affairs Minister Derek Hanekom in his capacities as political head of both agriculture and land affairs.

On the one hand he will have to rule on whether the owner may sell and, on the other, whether he should accept the price the owner is asking — because it was originally acquired at between 20% and 30% below the market price at the time.

The farm in question was bought from the state in 1992 for R800 000 after being valued first at R1,4m and then R1,04m. Initially the property

(3) (OFF) BD 20/10/97
was offered to Leon Bondesio for R900 000 and then, according to the findings of the Budlender Commission, the price was inexplicably lowered and Bondesio got his farm at what was essentially a bargain basement price.

A source said that the price asked of the Calais Farmers' Association (CFA) for the farm could be in excess of R5m.

Bondesio said mistakes were made in the assessment of the area under mango trees and were rectified by the agricultural credit board, bringing the price down to R800 000.

The local community in Letaba is opposed to the sale of the farm to the CFA because the application to the land affairs department says it is for "settlement" as well as farming. The farm sits astride the only pristine river in the district as well as an irrigation canal system, and there are fears of environmental degradation should a large settlement of people settle there.

Letters from, among others, the Selati Irrigation Board, the Trichardts-

dal farmers association, the Letaba district agricultural union and several individual farmers, expressed concern over potential job losses, employment creation, the environment, sustainable agriculture and the use of state funds for the benefit of all.

The letters of objection also question the way in which the members of the CFA were consulted, and on what basis they qualified for state land acquisition grants.

The letters also suggest that some people whose names were on the register were unclear on what the project was about, while others were completely unaware of it.

Director-general of land affairs

Geoff Budlender said if the acquisition was an expropriation case then the way in which the land was acquired by Bondesio could be taken into account in determining the compensation the state would pay for it.

But because land redistribution acquisitions were normally willing buyer-willing seller cases, if the state declined to pay the asking price, the owner could simply say the deal was off.

This would leave Hanekom with the decision of whether or not to have the land expropriated. The owner could then take court action on the basis that the expropriation was simply because the state was not prepared to pay his asking price.

Land Bank targets emerging farmers

By Maxwell Pirikisi

THE Land and Agricultural Bank of South Africa (Land Bank) is to unveil a three-year development plan in March next year to boost its ability to accommodate a broader client base.

The bank, established in 1912 as an agricultural lending institution, is also scheduled to be re-launched in February.

In an interview with *Sowetan* last week, the Land Bank's managing director, Dr Helena Dolny, said the bank "was very much a hierarchical pyramid" and was old fashioned in the way it was being run. Accordingly it had been decided to embark on an ambitious restructuring process.

Said Dolny: "We aim to deepen our penetration of the broader agricultural market. Previously we focused on the top end of the sector only, relegating the rest to the broad title of 'low income' and therefore not able to receive loan funds."

She said the bank was working out ways of financing on a project basis and of making wholesale arrangements with intermediaries "which get turned into smaller loans than we could possibly

manage profitably".

Dolny said the Land Bank had a double-pronged challenge - to grow its share of the corporate market and to develop new products at branch level while keeping existing retail clients happy.

She said the bank's ability to lend to emerging farmers was being hampered by a range of problems.

These include the limited ability of most rural households to repay loans, little or no recoverable security and high delivery costs.

Dolny said the Land Bank's business target for the year ahead was about 6 000 new, predominantly black, clients. This would represent a 23 percent increase in its clientele.

"We expect the demand on our loan fund to be around R95 million of retail lending in the first year of implementation and around R5 million in project-based lending.

"We hope that once the new-look Land Bank is operational the R100 million will be the beginning of a loan portfolio that grows bigger every year until it rivals that of our corporate clients," she added.

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Sowetan 23/10/97

'Trade with neighbours or accept economic refugees'

CT(MR) 24/10/97 24 (3) (100)

ANN CROTTY

Johannesburg — South Africa must be willing to accept increased trade with its regional neighbours or it must be prepared to accept economic refugees from those countries, Hamish McBain, Tiger Oats' executive director, said recently.

McBain, who was addressing a conference in Pretoria on Value-added Agriculture on the subject of the free market at work in the agricultural sector, urged South Africans to focus on improving their competitiveness, but to encourage imports from regional neighbours.

"We must buy what they produce competitively and help those economies to become successful or we will have to accept their economic refugees," he said.

McBain referred to a number of concerns that had been raised by interested parties in the local agricultural sector in the wake of deregulation.

These included the lack of reliable information relating to crop sizes and price indications; the lack of funding for research; the fear of a decline in quality standards; the difficulty farmers might have in finding buyers for their output; the danger that co-operatives would manipulate the market; and the likelihood of excessive price volatility.

McBain intimated that many of these concerns proved to be unfounded. On the issue of reliable information, he said there was easy and cheap access to varied sources of information through the Internet, Safex services and the media. For example, useful information relating to South African and international crop estimates, from the US department of agriculture and Nasa, was available through the Internet.

McBain said previous crop estimates provided by a number of statutory bodies were often questionable and seemed at times to represent a deliberate attempt to influence crop prices.

He pointed out individual farmers were now in a position to gain access to useful long-range weather forecasts on the Internet.

At present, these showed that the current El Nino weather pattern was at its most intense since about 1700. However, the good news was that the country was better prepared in terms of high moisture content in the soil and high water levels in the dams.

On the issue of producers finding buyers, in the absence of statutory purchasing by the boards, McBain said there were plenty of buyers in the market place, and local traders were supplemented by international traders.

ANALYSIS

Govt, industry can learn from the cluster process

SA's agro-processing sector is showing some positive signs, says David Frost

AN ARTICLE in Business Day (October 16) on a submission on the wheat, milling and baking cluster to the joint parliamentary portfolio committees on agriculture, and trade and industry, was misleading as it focused on the negatives rather than the many positive points presented.

The agro-processing sector has been characterised by a legacy of distorting government intervention, a lack of synergy between elements of the value chain and an absence of coherent strategies. The sector has recently changed significantly by moving to a deregulated environment.

After three years of cursory contact with the trade and industry department, despite being the largest manufacturing sector in SA, two emerging approaches from government have recently given us hope in redressing this legacy and moving to a sustainable competitive footing.

Firstly, the inclusive policy processes which have been initiated by Land Affairs and Agriculture Minister Derek Hanekom. For the first time, the minister has drawn on the expertise available in SA: organised agriculture, the private sector, research units, labour and NGOs. He has also drawn on qualified personnel from other areas of government.

Secondly, the trade and industry department has refocused its approach to cluster initiatives. This dovetails with the needs of the agro-processing sector, and is being tried out in the wheat,

milling and baking sector.

Our input to the joint portfolio committees was intended to discuss what we have learnt from the cluster process.

The key lessons can be summarised in four main points:

□ The changing nature of the relationship between government and industry (including labour) means that we need to shift the dialogue from lobbying to understanding and synergy. This relationship needs to emulate the closeness and involvement of the sector in countries we compete with, if we in SA are to survive. The cluster process has provided us with a first view of what this co-operation could look like;

□ The changing nature of choices for both government and industry can only be understood through real data and real dialogue. The data-driven process we have used in the cluster initiative represents the first attempt at creating a joint understanding, rooted in objective analyses, prior to other choice making processes — policy formulation in government and strategic choices by farmers, firms and labour, etc. The emerging consensus around key issues in the sector leaves the path open for independent and joint actions based on a common vision;

□ The emerging nature of co-operation, including the important guiding role performed by government and Parliamentary representatives in the steering committee, points to an exciting future. The recently appointed director:

agro-processing in the trade and industry department has been a positive and integral party in the cluster steering committee. Negative reflections, such as the one in the article, potentially damage this vital element of learning how to work together; and

□ The nature of the work is such that a tight balance needs to be struck between the thinking within the cluster process and decision-making elsewhere.

For instance, government's challenge is to absorb the lessons from the cluster process into its policy formulating processes. The cluster process cannot (and should not) absorb this government responsibility. So too for businesses: the cluster learning provides an important input into the strategy process, but does not appropriate it.

In summary, we are experiencing a powerful and encouraging new way of working together, which is making the often rhetorically touted partnership between government and industry concrete. There are bound to be problems as we grapple with this learning. We are, however, excited by the prospect of jointly tackling SA's competitiveness problems.

□ Frost is a member of the wheat, milling and baking steering committee and is public affairs and strategy manager at The Premier Group. These comments are made in his personal capacity and do not necessarily reflect the views of the committee or the company.

BD27/10/97

Ministers in 'racial rift' over top job

BD 27/10/99 (3)

Drew Forrest

A ROW has developed between Agriculture Minister Derek Hanekom and Public Services Minister Zola Skweyiya over a senior appointment in the agriculture department, which sources say reflects "intense racial politics" in the department.

A source said Hanekom walked out of a cabinet meeting last week after the cabinet delayed endorsing the appointment of a white agricultural economist, Diana Callear, as agriculture deputy director-general.

Hanekom denied this was a gesture of protest, saying he left after covering his agenda item. But he confirmed Callear was his favoured candidate.

He said the matter was still being dealt with by the cabinet. It is understood a meeting between Skweyiya and Deputy President Thabo Mbeki over the dispute has been scheduled.

Skweyiya said yesterday Hanekom was "rushing" on Callear's appointment, and the claims of another contender, agriculture chief director and acting deputy director-general Masi-pula Mbongwa, had not been resolved.

Mbongwa had complained that as a serving officer he deserved preference. "If anybody has a complaint in terms of public service regulations, there must be a hearing," Skweyiya said.

He denied that race was at issue, and described as "utter nonsense" suggestions that his friendship with Mbongwa may have influenced him.

Justice Minister Dullah Omar had run into legal difficulties with similar appointments, and government should not risk further embarrassment. He

said the Public Service Association had indicated that it would fight Mbongwa's case.

Skweyiya said if Hanekom could not deal with Mbongwa's complaint, he should refer it to the Public Service Commission.

Callear's appointment was approved by a departmental selection panel in April this year. Sources said Mbongwa objected directly to Skweyiya that the selection process had been irregular, and Skweyiya refused to take the appointment to the cabinet for approval. The selection process was repeated and the panel again opted for Callear.

A government insider said Skweyiya's "blocking tactics" reflected the views of an "Africanist caucus" in the agriculture department, of which Mbongwa was a member. They objected to Hanekom's perceived preference for white officials and privately wanted him replaced by his deputy, Thoko Didiza. The source said Skweyiya was also a close friend of another "caucus" member, agriculture director-general Bongi Mjobe-Mbuli.

There were also policy conflicts between this group and Hanekom, with the former urging state subsidisation of the emerging black farming sector and the minister preferring to use state resources to assist the rural poor.

Government is under pressure for subsidies from the National African Farmers' Union, which says black farmers should receive the same treatment from the state as white farmers had in the past. The union passed a vote of no confidence in Hanekom at its conference last month.

Bank will be able to lend to converted co-operatives

Louise Cook

PROPOSED amendments to the Land Bank Act which are before Parliament would allow the bank to lend money directly to companies that had converted from farming co-operatives, industry sources said yesterday.

The move would smooth the way for money to reach companies such as Senwes in Klerksdorp and OTK in Mpumalanga, without these companies having to keep a co-operative going as a conduit for the funds.

Up to now the act has required that the bank lend only to co-operatives. This meant that when a co-operative transformed to a company it was disqualified from Land Bank finance unless it retained a co-operative to receive the money.

Land Bank CEO Helena Dolny said half the bank's lending portfolio went to farm co-operatives.

The cabinet had approved the proposed amendments and no difficulties were expected during the

parliamentary process.

The large scale economic empowerment of emerging farmers would also get into full swing once Parliament passed the planned amendments, she said. This type of financing would be geared to cut out stringent collateral requirements and provide for new risk management policies.

When the Land Bank took over the financing of emerging farmers from the defunct Agricultural Credit Board three months ago, Dolny refused to take over a R2bn debt portfolio.

The bank said despite its new role as chief financier of emerging farmers, it planned to expand loans to the commercial agricultural sector in the next three years. Industry sources said if the amendments were passed, a range of financial intermediaries would be able to lend to farmers.

Dolny said earlier work on rewriting the Agricultural Credit Act had been stopped and no further loans would be granted in terms of the act.

RD 28/10/97

3

Seaweed farming is poised to take off in South Africa

Star 29/10/97 (3)
BY MELANIE-ANN PERIS
Environment Reporter

South Africa's efforts to break into the highly lucrative seaweed industry could be realised by early next year.

Frik Basson, the owner of Agartek, the company applying for the St Helena Bay permit, said that they were hoping for a decision on the matter next year after several setbacks over the past three years.

These included an objection in which the argument that it could obstruct a recreational boat harbour planned for the area was raised.

Sue Matthews from the Sea Fisheries Research Institute said a compromise had now been reached between Sea Fisheries and Cape Nature Conservation, which have agreed that the two developments could co-exist "side by side".

The idea of cultivating seaweed came about to ensure both a regular and a high quality sup-

ply of red seaweed (*Gracilaria gracilis*).

Seaweed washed up on beaches is dried and exported to Japan and Korea, where it is processed for agar, used in laboratories around the world as a culture medium for bacteria and fungi.

Dried red seaweed fetches R6 000 per ton and it is estimated that the South African seaweed industry is worth about R15-million, less than 5% of the world market. There is also international interest in some of the country's other seaweed species because of their carrageenin content, which is used as a stabiliser and thickener in yogurt and ice-cream.

There is also a market in the Far East for South Africa's edible seaweed such as the "purple laver".

The International Sea Institute based at the University of the Western Cape is presenting a two-week course on seaweed mariculture next month.

NP calls for land policy white paper to be rewritten

Louise Cook

PROFOUND changes to SA's land policy may be on the cards for next year after the National Party (NP) said yesterday it planned to table a motion in the National Assembly calling for the recent white paper on land policy to be rewritten.

The NP said Land and Agriculture Minister Derek Hanekom's white paper on land policy contained "a complete lack of scientific basis or factual information". It would generate hunger and poverty in SA and could lead to increased racial tension.

Far-reaching proposals changing the land policy included indicating on title deeds the nationality of a foreign buyer of land.

Scrapping the separation of mineral and land rights and gearing up all government departments to add value to the R15 000 grant for land reform beneficiaries were other possible changes.

In addition, Parliament's portfolio committee on land reform planned a series of hearings during the next session to decide on the need to "improve and add" to the white paper, portfolio committee chairman Patekile Holomisa

said on Tuesday.

Holomisa said the land policy white paper was not a "bad document, especially the consultative process that was followed to write the document". But it was clear that many communities did not know about programmes on offer from the land affairs department.

He said the decision to hold the hearings came as a result of certain problems the provinces had with the land reform programmes. The idea of the hearings followed a visit by the committee to the various provinces a few months ago.

"There is universal agreement

that the R15 000 grant is not enough. It is perhaps enough to acquire land if families pool their grants, but it is insufficient for any development or utilising of the resource (land)."

Land reform has been criticised by farmers, banks and opposition political parties for creating "dumping grounds" without prospects for development.

In Western Cape, the Elandskloof community, the first to benefit from a negotiated settlement before the Land Claims Court, complained that most claimants could not move back to the fruit

farm owing to a lack of farming prospects and money to buy farming requisites. Last year the state paid several million rands to return the property to the dispossessed community.

NP land affairs spokesman Willem Odendaal said the white paper's biggest flaw was its failure to show current land use and ownership patterns in SA by different categories. Indications were that a fifth of farm land was in the hands of the state, he said.

The white paper was a mere "propaganda pamphlet" in which the minister ignored the "dire

need for improved land ownership rights of thousands of farmers in the former homelands".

Another issue was having land and mineral rights legally separated. "I cannot see the logic behind this," Holomisa said.

The mineral rights issue fell under Mineral and Energy Minister Penuell Maduna who has been threatening to bring out a green paper on the issue. But organisations involved in land claims have said the process was too slow and that they wanted land restitution beneficiaries to be able to make a living from minerals on the land.

3) (S) (S) BD 30/10/97

New land bill criticised

Robyn Chalmers

THE unlawful occupation of land bill currently before the parliamentary portfolio committee will encourage land invasion rather than prevent it, says the Forest Industries' Association.

Association spokesman Mike Edwards said yesterday that following closely on the heels of the extension of security of tenure bill, this was another piece of land legislation that could have serious negative impacts on owners of forestry and agricultural land.

The unlawful occupation of land bill provides for a landowner to seek an eviction order against illegal occupants of land, but only after they have been resident on the land for one year.

"This is untenable, especially when read in conjunction with the tenure bill, which states that occupiers of land who have been resident for one year will be deemed to have the consent of

the landowner and hence are legal occupiers," said Edwards.

"Between the two bills it will be very difficult for anyone to be classified an illegal occupier."

Although an urgent application for eviction could be made, the association said that if this was to succeed, landowners would have to prove that their needs were greater than those of the illegal occupiers. It would also have to be proven that the illegal occupiers posed "imminent danger of substantial injury or damage" to persons or property.

Edwards said the onus on the landowner to prove this presumed that the landowner was guilty until proven innocent.

The association had made an urgent representation to the housing department on the bill.

"This is another piece of rushed, impractical legislation that will do nothing more than further encourage farmers and foresters to reduce their labour requirements," he said.

P20 30/10/97 (27) (3)

Agricultural union slams land act 'poverty traps'

Louise Cook

30/10/97
THE SA Agricultural Union (SAAU) has asked the land affairs department to change legislation guiding redistribution of land in such a way that farmland goes to individual black farmers on the basis of private ownership.

Government's land reform programme was criticised for creating "dumping grounds" for large groups of people on high-potential farmland. This created "poverty traps" due to the unsustainability of these settlements.

Reacting to government's plans to amend the Certain Land for Settlement Act, SAAU legal spokesman Analize Crosby said settlement schemes should not be allowed to proceed unless they were viable.

The settlement scheme helps to settle people on land of their own and to distribute the state's R15 000 grants to beneficiaries.

"There is an increasing tendency

throughout the country whereby communities are purchasing valuable farm land by means of the R15 000 grant.

"Owing to the large numbers of people involved, these settlements often translate into one cow a family. The result of settlements of this kind is poverty and the destruction of the natural resource (land).

"The SAAU is very worried about the loss of agricultural land. Where settlement does take place, it should take place after proper planning and consultation." Crosby said amendments to the act should provide for scientific studies to assess the impact of the settlements on the environment.

Meanwhile, Land and Agriculture Minister Derek Hanekom's scrapping of the Prohibition of Subdivision of Agricultural Land Act, a law that required the consent of the Minister before farm land was divided, has been criticised by the National Party and the SAAU.

LAND REFORM

Heavy yoke drags initial redistribution plans down

Dramatic lowering of sights as government ploughs into serious difficulties. Twenty-year time frame is best scenario

Bureaucratic bottlenecks, insufficient funds and hostile white farmers have played havoc with government's plans for a more equitable land redistribution.

Three years ago the new ANC-elected government promised that 30% of all agricultural land would change hands by 1999. To achieve this it set in place a three-pronged programme — a land redistribution scheme under which the State pays people R15 000 per head of household to buy land on the open market, a restitution programme under which land can be reclaimed and legislation to ensure that 1,2m farm workers and several million rural dwellers are given security of tenure.

Resistance from the white farming community, constraints on capacity and a lack of funds has slowed all three processes down.

The initial target has been scaled back

FM 31/10/97
dramatically, with the Land Affairs Ministry setting its sights on redistributing only 1% — 2% of SA's 80m ha of agricultural land a year. At this rate it will take 20-30 years to redistribute land to the estimated 2m households which want ownership rights.

"The initial target was plainly vastly over-optimistic. It was completely unrealistic to assume we could achieve that figure in the first five years," says the Department of Land Affairs DG Geoff Budlender.

He denies the revised target represents an embarrassing climbdown. "There was nothing scientific about the initial stated objective. We have now set a more sensible target."

Budlender admits the department has been through a steep learning curve. But he points out the "typical project cycle takes one to two years. A good deal of the first three years has been used to design new policies, have new laws enacted, hire and

train staff and get projects moving."

He adds that it is important not to overlook the achievements of the past year. "We have in process projects affecting 2m ha of land and nearly 500 000 people.

"The constitution protects property rights and says the State must pay compensation for land. Confiscation is not on the cards. We have to pay for it."

But industry analysts believe redistribution has been hampered more by government's inability to get projects off the ground than by financial constraints.

Budlender agrees. "We have been severely constrained by our capacity to get projects rolling. This is because we are dealing with a labour intensive business."

Nevertheless, he believes next year budget constraints could begin to impose limits on the programme. "This is the year of take-off for redistribution. We spent just under R80m last year, this year we will spend R200m and next R300m."

Budlender says: "This is a long-haul project, both because of the scale of need and because it must be sustainable."

But Agriculture Minister Derek Hanekom is forced to defend his record on a more emotive issue — that of land restitution. Of the 17 000 claims lodged with the Land Claims Commission, only 13 have been resolved.

Budlender admits that here too over-optimistic projects were made. "We are dealing with dispossessions which occurred



Derek Hanekom . . . battling to plant seeds of reform

large piece of rural land," he says. More than 14 000 of these claims have been lodged by individuals for small urban plots, the remaining 3 000 by large groups for rural farmland.

Budlender estimates government will have "broken the back" of the restitution problem within 10 years by which time most of the 1m people seeking government intervention will have recovered their land or received compensation.

But the most vocal of Hanekom's critics has been the white farming community which has been outraged by his plans to ensure security of tenure for farm workers. An uneasy truce between Hanekom and the white agricultural union over the terms of the Land Tenure Act was shattered recently when MPs voted to toughen clauses setting down the conditions under which workers can be evicted.

The acrimonious dispute has not dented Hanekom's resolve. He believes that without reform SA's agricultural sector will be held hostage to instability between white farmers and powerless black rural dwellers.

"Many farmers see reform as an attack on them and on commercial agriculture. It should be seen as an opportunity for stability and growth.

"My hope is that as more projects take off more people will stop being threatened by reform and start seeing it as a solution to the instability they confront every day," he says.

Caroline Southey

between 1913-1994. To think that we could reverse 81 years in just a few is not sensible. We cannot act like the old government. We must carry out restitution through fair processes."

Nevertheless, he says that between

40 000-50 000 people will have been given back their land by the end of the year.

"The headline figure of 17 000 claims is misleading. Some are claims lodged by one person for a small urban plot while some represent 5 000 families laying claim to a

'Hare-brained' plan to dam Doring River

Water 'too salty for irrigation'

PIETER MALAN

A "hare-brained" plan by the Northern Cape provincial government to grow grapes in the Karoo by building a dam on the Doring River has been met with disbelief by water experts.

After being furnished with a glowing report about the economic advantages of building the dam, Northern Cape Premier Manne Dipico referred the matter to Water Affairs Minister Kader Asmal, asking for permission to go ahead with the scheme.

Called a "hare-brained" idea by some, the Northern Cape government wants to build a dam on the Doring River at a place called Aspoot in the Tankwa Karoo between Ceres and Calvinia.

Jenny Day, director of the Freshwater Research Unit at the University of Cape Town, said very little was known about the water chemistry of the Doring River, apart from the fact that the water became very salty in summer.

This means that the river is probably not suitable for damming, because the water would be too saline for irrigation purposes.

Dr Day said the fact that the soil in the area was too saline for agriculture and would have to be flushed for several years before it would be arable, cast further doubt on the Northern Province's plan.

The Doring River, and its major tributaries, rise in the Cedarberg mountains north of Ceres, flow through the Northern Cape for a few kilometres, before turning west into the Western Cape again where the river links up with the Olifants River just south of Klawer.

According to a report presented to

Mr Dipico earlier this year, at least 4 000ha of arid Karoo soil could be placed under irrigation if a dam is built on the stretch of river passing through the Northern Cape.

The plan is to produce table grapes and citrus fruit for the export market through an ambitious scheme where-by first-time farmers from "previously disadvantaged communities" would be settled on the land.

The investigation, headed by High Court Judge Appie Steenkamp, suggested that up to 5 000 job opportuni-

'The river may not be suitable for damming as the water is too saline for irrigation'

ties would be created through the scheme. They also recommend that "one or two small towns" be established to house those working on the scheme.

Mariëtta van Vuuren, spokeswoman for the Steenkamp Committee, said as soon as Water Affairs Minister Kader Asmal gave his approval for the proposed scheme, a second phase of investigations would start. These would centre around the "completion and implementation" of the scheme.

But a spokesman for the Department of Water Affairs and Forestry said Mr Asmal had requested a report from his own officials comparing a number of possible schemes on the Doring and Olifants Rivers.

It is understood that the water affairs investigation will compare the

advantages and disadvantages of:

■ The Aspoot scheme - the dam favoured by the Northern Cape government.

■ Damming the Doring River in the narrow gorge where it flows through the Nardouws Mountains - an option that could put an end to the Western Cape's lucrative white water rafting industry.

■ Building a dam in the upper Olifants River south of Citrusdal.

■ Increasing the size of the Clanwilliam dam by raising the dam wall.

But any of these schemes - if given the go ahead - is bound to be hugely controversial, especially if the Doring River is affected.

The Doring is one of the last rivers in the Western Cape in which the flow has not been restricted, and therefore offers the last refuge for several endemic and endangered migratory fish species.

These include the Clanwilliam yellow fish, the Clanwilliam sand fish and two minnow species.

Several interest groups have also expressed concern over the fact that very little is known about the proposed plans and that no proper public participation process has been undertaken to gauge opinion.

Graeme Addison, national executive of the SA Rivers Association, the controlling body for the white water industry, said the association knew very little of the plans - even though it would have a tremendous impact on association members.

He said the association was, in principle, opposed to building more dams and that the country should rather invest money in looking at alternative ways of providing usable water, for example, desalination of the sea.

(3) ARG 1/11/97

Storm erupts over co-op moratorium move

Louise Cook

AN UPROAR was caused recently when Land and Agriculture Minister Derek Hanekom attempted to place a moratorium on further transformations of co-operatives into companies.

The moratorium was reportedly retracted this week after the Agricultural Co-operative Business Chamber, representing SA's R23bn-a-year farm co-operative sector, objected in a letter to the minister.

(3) BD 14/11/97
Industry sources said yesterday that Hanekom — possibly acting on the advice of his policy working group appointed to revamp co-operative policy with a view to amending the Co-operatives Act next year — wanted to stall a flood of planned conversions until government's plans regarding co-operatives had been finalised and made public.

A source said Hanekom urged co-operatives at a meeting at Johannesburg International Airport two weeks ago not to rush in

to conversions only to regret it later.

The minister said at the airport meeting that he had advised the Registrar of Co-operatives about the moratorium.

While Hanekom was not available for comment yesterday, there were indications that the move might have been prompted by plans to provide co-operatives with soft loans or government guarantees for loans to emerging farmers.

Sources said it was possible

that this type of favourable financial arrangement would be lost to co-operatives if they transformed to companies.

However, a spokesman for the Agricultural Co-operatives Business Chamber said the moratorium was subsequently retracted and replaced with a request by Hanekom that co-operatives "consult with certain institutions" before converting.

While declining to name the institutions, he said details would be available today.

Two months ago, between 20 and 30 of SA's 50 central farm co-operatives lodged applications similar to that of wine co-operative KWV to convert to companies.

Several primary co-operatives and members of central co-operatives were also in the process of converting.

In most cases the decision was prompted by co-operatives wanting easier access to funds — by law they were not able to list on the Johannesburg Stock Ex-

change or issue preferential shares.

However, unconfirmed reports yesterday said the minister told co-operatives at the airport meeting that the flood of current conversions was prompted by fears of hostile legislation next year.

He reportedly urged the co-operatives not to act prematurely before they had details of government's new policies.

Co-operatives policy working group chairman Nick Amin could not be reached for comment.

Hanekom asks registrar to halt co-op conversions

Louise Cook

ED 17/11/97 (3)

LAND and Agriculture Minister Derek Hanekom has asked the registrar of co-operatives not to approve any further conversions of farm co-operatives to companies for fear that this might impinge on the rights of the Land Bank.

Hanekom denied in a letter dated November 6 this year to the Agricultural Co-operative Business Chamber that he had called for a moratorium on further conversions, but said he was concerned about the "unrelenting and ever increasing flood" of conversions passing through the office of the registrar.

In the letter, Hanekom asked the registrar not to approve conversions unless the Land Bank and the Agricultural Credit Board — shut down for loans but operating for the purposes of recovering funds owed — confirmed their rights were not being infringed.

Other conditions spelled out in the letter included written confirmation from the agriculture department's chief of legal services that the rights of co-operative members and its creditors were not hit by the conversion.

The R23bn-a-year farm co-operatives sector has undergone major changes the past year with a significant number of co-opera-

tives opting to convert to companies.

Recently the wine co-operative KWV managed to pull off a conversion after a prolonged legal battle with Hanekom in the Cape High Court over industry regulation and assets. KWV ended up shedding a greater part of assets for social upliftment programmes than it had originally envisaged.

The other 250 farm co-operatives would not have the same type of problems as KWV because they had no regulatory functions. However, analysts said grain co-operatives could be vulnerable to court action by the state as their massive silo facilities were mainly funded by soft loans from the Land Bank.

Hanekom said in his letter he had no objection in principle to conversions, but that they should be done for business and economic reasons. "The overwhelming rate and anxiety with which co-operatives were currently considering switching (to companies), does not convince me that it is done for the right reasons or that the stakeholders' interests were being adequately considered."

Meanwhile, co-operatives are awaiting the outcome of a crucial report by a Hanekom's co-operative working group on policy and proposed changes to the Co-operatives Act.

NewFarmers will harvest 520 jobs as projects grow

ALIDE DASNOIS
BUSINESS EDITOR

③ ARG 20/11/97

More than 500 permanent jobs will be created in the five projects which agricultural empowerment group NewFarmers now has up and running, chairman David Gant has announced.

Mr Gant said the company, launched in 1994 with R10-million in capital, had invested R28-million in the five projects 75% of its capital base of R51,2-million. The projects are fruit farms near Ceres and Montagu, fruit in the Piketberg area, papayas, grapefruit and sugar in Mpumalanga and an olive farm near Paarl.

NewFarmers' main shareholders are the Commonwealth Development Corporation, the Netherlands Development Finance Corporation, Proparco (an arm of the French development bank), Sanlam, Old Mutual, Absa Bank, Unifruco and Outspan.

Mr Gant said that when the projects were fully developed, 520 permanent jobs - including those of people already working on the farms - and 620 seasonal jobs would have been

created. All permanent employees would be shareholders in the company and ways of giving seasonal workers access to an equity stake were also being investigated.

Farm workers could buy shares at subsidised prices and were encouraged to use the R15 000 settlement grants available from the Department of Land Affairs to finance their investment.

"We have found that the best farmers are those with a stake in the land," Mr Gant said.

After-tax profits in the year ended June totalled R670 000 and the group expected profit growth to accelerate after the first five years because of the long-term nature of the investments.

"All the projects we have chosen have great potential for development. In Ceres, for instance, we will quadruple production within a few years and on the Paarl olive project we expect to double production."

NewFarmers also had a list of new projects "as long as your arm".

The group intended to list on the Johannesburg Stock Exchange within five to seven years.

Agriculture's input to GDP drops 12%

(3) BD 20/11/97

Louise Cook

THE agricultural sector's contribution to the gross domestic product (GDP) in the third quarter of the year had dropped more than 12% to R3,1bn compared with R3,5bn in the third quarter last year, Standard Bank senior manager of agriculture Bertus van Heerden said yesterday.

However, this was to be expected as last year had been an extremely good farming year — this year was nonetheless 2% better than the average third-quarter contributions to GDP over the past seven years.

Van Heerden said due to the seasonality of farming, comparisons should not be made between

sequential quarters as no meaningful conclusions could be drawn this way. It was more appropriate to compare the corresponding quarters within each year.

"The main reason for agriculture's poorer performance during the third quarter of 1997 was due to lower output of field crops. The livestock sector's performance was only marginally lower, while horticulture showed some growth.

"SA farming is characterised by seasonality in production. Agriculture performs better in the second quarter of each year than in others because most of the field crops are harvested and delivered during this time."

Van Heerden said the only years in which the contribution to

GDP had not been the highest in the second quarter since 1990, was in 1991 and 1995 when deliveries of summer grains were late.

Meanwhile, the National Maize Producers' Organisation (Nampo) warned wheat farmers that the latest indications were that the El Niño phenomenon could last until winter.

Nampo chairman Japie Grobler said: "For wheat farmers in summer rainfall areas this is bad news because of the anticipated limited soil moisture content during planting time."

He said farmers should plant only in areas with a high soil moisture content, not plant too early, avoid large capital expenditure and refrain from overfertilising.

'Emigration drops 24% in year to July'

(22) BD 20/11/97
DURING July this year, the number of self-declared emigrants was 636, a 24% drop compared with July last year, and 329 of these emigrants were economically active, the Central Statistical Service said yesterday.

The number of professionals, semiprofessionals and technicians who reported in July that they were emigrating was 144.

Immigrants to SA in July in the same category numbered 60.

Documented immigrants in July numbered 412, a 10% increase over last year's July figure.

The leading source countries of immigrants in July were the UK (14%), India (8%), Germany (5%), Taiwan (4%), Lesotho (3%), the US (3%) and Zimbabwe (3%).

The leading destination countries for self-declared emigrants were the UK (27%), New Zealand (16%), the US (12%), Australia (11%), Namibia (7%) and Canada (5%).

The trend in the ratio of documented immigrants to self-declared emigrants showed that since 1993, when the number of emigrants exceeded the number of immigrants, their number had never again exceeded the number of self-declared emigrants.

The gap narrowed in the second half of 1994 and again in the last quarter of last year. — Sapa-INet.

US's Polar Air applies to fly freight to SA

(22) BD 20/11/97
Simon Barber

WASHINGTON — California-based Polar Air Cargo is seeking clearance from the US transportation department to operate thrice-weekly all-freight flights between New York and Johannesburg via points in Europe and Africa, starting in the New Year.

No US cargo carrier is providing a service between the US and SA, although the recently adopted US-SA aviation treaty allows US carriers to run up to four round trips a week. Southern Air Transport, which origi-

nally had rights to the route, abandoned them in February.

Polar claims to rank among the top five all-cargo airlines in the world.

Kevin Montgomery, Polar vice-president, said his company was seeking to avoid the problem of empty northbound flights by serving other African cities as well as Johannesburg, and routing the flights via Polar's Amsterdam hub. Each round trip will stop at Cairo, Nairobi and Harare en route to and from Johannesburg, with additional stops at Entebbe/Kampala and Addis Ababa once a week.



Molope Foods Limited

(Incorporated in the Republic of South Africa)
(Registration number 95/00511/06)
("Molope")

Cautionary announcement

As indicated in the Molope Pre-listing statement, Molope is currently involved in negotiations to acquire a number of additional businesses. These negotiations are now at an advanced stage, which if successfully concluded, may have an effect on the price at which Molope shares trade on the Johannesburg Stock Exchange.

Accordingly, shareholders are advised to exercise caution when dealing in their Molope shares until a further announcement is made.

Johannesburg
19 November 1997

Joint Merchant Banks



ABSA Bank Limited trading as
ABSA Corporate Bank
(Registration number 86/04794/06)



AFRICAN MERCHANT BANK LIMITED
(REGISTRATION NUMBER 95/016470/08)
REGISTERED BANK

INCE

Co-op plans to transform — and list

Louise Cook

LEEUDORINGSTAD grain, livestock and farm machinery enterprise Southwest Co-operative announced today that it planned to transform to a company next year.

The co-op, with a turnover of R2,3bn, said in a special notice that the High Court of SA had authorised it to hold a series of meetings with members in February next year to adopt a scheme of arrangement in terms of the Co-operatives Act.

Southwest Human Resources GM Flip van der Merwe said yesterday the Land Bank and other interest groups had been consulted about the planned conversion.

He said that the co-operative

intended to set up three companies — SKB Farming, SKB Industries and Southwest Finance — with a holding company, SKB Investments.

A Johannesburg Stock Exchange listing was planned after four years from now, he said.

"The transformation should be finalised by March next year. The move was prompted by a need to increase our capital base, one of the present limiting factors being that the law does not allow for the issue of preferential shares to be issued."

Van der Merwe said the co-op hoped to raise R100m through the planned listing.

"We need a 75% majority vote from our members to do the trans-

formation.

"Voting will take place in February and meetings at which members will be informed of the plans and implications, are scheduled for mid-December."

Van der Merwe said that, at the request of the registrar of co-operatives, the benefits of co-operatives as against companies would be dealt with at the meetings.

In addition to clearance from the registrars of co-operatives and of companies, primary co-ops with individual farmer members such as Southwest Co-operative, needed clearance also from the High Court to transform.

Southwest has 7 000 members and 26 branches, mainly in North West and Northern Cape.

Appointment reflects 'racial politics'

Louise Cook

LAND and Agriculture Minister Derek Hanekom's office confirmed at the weekend that the cabinet had approved a senior appointment in the agriculture department, which sources said reflected "intense racial politics" in the department.

The cabinet initially delayed endorsing the appointment of white agricultural economist Dianna Callear as agriculture deputy director-general when a row developed between Hanekom

AD24/11/97 (3)
and Public Services Minister Zola Skweyiya over the appointment.

However, a spokesman for the minister confirmed that the cabinet eventually approved the appointment. Hanekom was not available for comment on Friday.

Several officials at the agriculture and public services departments did not want to comment on the issue. A source at the agriculture department indicated that it "did not want to fuel the flames".

The problem arose when another contender for the position, acting deputy director-general Masi-

pula Mbongwa complained that, as a serving officer, he deserved preference. The Public Service Association backed Mbongwa's case, but it was not known how the matter was resolved.

A government insider said Skweyiya's "blocking tactics" reflected the views of an "Africanist caucus" in the agriculture department, of which Mbongwa was a member. The caucus objected to Hanekom's perceived preference for white officials and privately wanted the minister replaced by his deputy, Thoko Didiza.

The gift of land proves useless

Many black farmers with new land are struggling to survive.
Ann Eveleth reports

When Dorah and Josiah Matlou took out a lease on 200ha of farmland in Rust de Winter, they dreamed of one day becoming part of Africa's "breadbasket." But for now the best they can hope for is to turn a tiny profit on the bits and pieces of arable land they have managed, with meagre resources, to carve from the bushveld.

Last year Josiah Matlou (71) was forced to dip into his life savings — a herd of 85 cattle, now shrunk to less than 50 — to cover the losses on the 10ha maize plot he had planted in the rainy season. The harvest he reaped in July, 29 bags of mealie meal, fell far short of expectations, and of what he and his wife needed to feed their seven children, even with income from the odd sale of milk, and the tiny cabbage and morogo patch Dorah nurtures behind the house.

In 1993, Dorah Matlou (45) quit her R600-a-month job as a shop assistant, and Josiah Matlou retired from his job as a foreman on a white farm near Hammanskraal — a job that after 25 years earned him a monthly salary of R130 and an 80kg bag of mealie meal — to take a chance on land reform.

The Matlous are one of about 40 "farmworker" families in the Vuka Nzenzele Co-operative trying to eke a living from the fertile but dry agricultural land of Rust de Winter.

The co-operative is one of six groups vying for a piece of the Rust de Winter land, one of three farming areas targeted by the Gauteng

Province Land Reform Pilot Program for redistribution, restitution and land tenure reform.

The Matlous had applied for restitution; Josiah Matlou's forefathers had lived in the area and they believed they had a right to a plot of land. The claim was rejected, so they applied for land through the redistribution programme about four years ago. They are leasing the land in the meantime.

"But what we need most is water," said Dorah Matlou, pointing to dry ground under the rusted water-pipe by the dilapidated farmhouse they have made their home.

"There was water for three months when we came to Rust de Winter. Then they cut the water. Now they say we must pay for water from

the dam, but they won't give us what the white farmers used to get and we can only irrigate five hectares. Last year we had to farm dry land," she said, depending on scant rainfall.

Northern Province water affairs chief engineer Jan van Rooyen said the community had not been prevented from drawing water from the Rust de Winter and Rhenosterkop dams, both of which feed the area.

"I'm sure whoever applied got water, but if they are leasing the land they have to pay upfront," he said.

In a recent meeting with the Rust de Winter farming community, Minister of Water Affairs and Forestry Kader Asmal said there would be 1,5-million cubic metres available to them annually. "That is much less than they had planned on and it is ob-

viously a great source of frustration, but virtually the whole former KwaZulu-Natal province also depends on that water," Van Rooyen said.

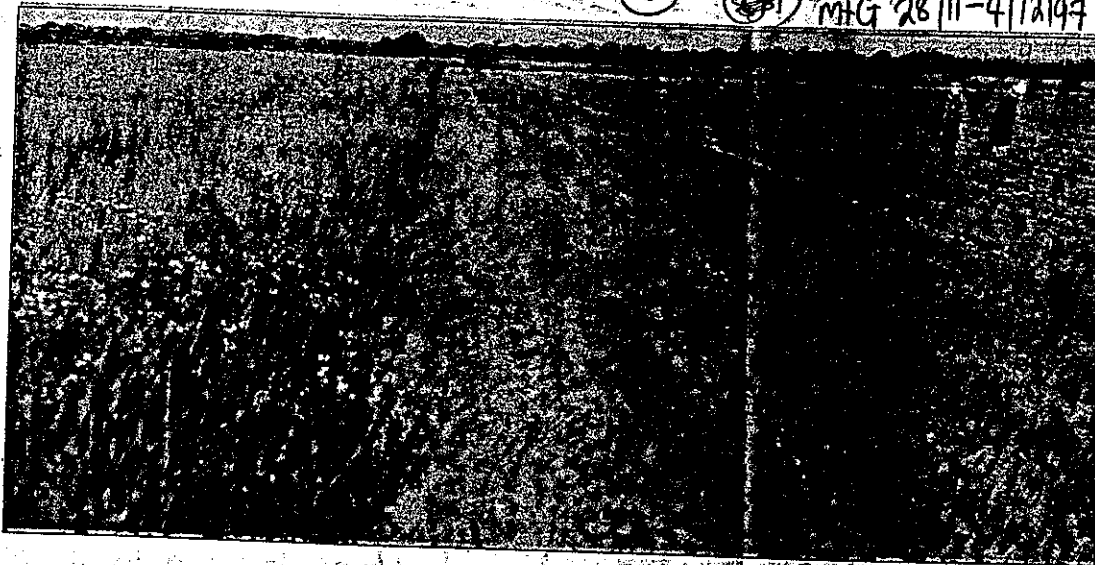
Van Rooyen said the new quota provided enough water to irrigate about 450ha of land — a far cry from the 17 000ha irrigated when the land was occupied by white farmers, and even then many failed due to water shortages. New water policies, Van Rooyen said, have forced a review of the entire Rust de Winter project.

But water shortages are not the only obstacles in the way of the Matlous' dreams. Delays in implementing Rust de Winter's land reform have forced prospective landowners like the Matlous to sign a succession of one-year leases with the Department of Agriculture.

At R8 per hectare a year, the Matlous' yearly rental of R1 600 sounds like a bargain. But Josiah Matlou argues that short-term leases have made it impossible to get credit. He spent R5 000 last year to plant 10ha of mealies. He sold the crop — 29 bags of mealie meal — for R2 200.

"I'm going to keep selling cows until I become poorer and poorer and poorer. Tomorrow when I die I'll leave Dorah with nothing and my little babies will have to suffer," he said.

The costs of agriculture — long financed for white farmers by the Agricultural Credit Board — are high. This year the Matlous and other farmers in the areas are being aided by a contract from Lonhro to plant cotton. The company has paid most of the costs of the planting — except a



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from 5.8 cents to 57.8 cents.

Secret report called for into silo storage 'monopoly'

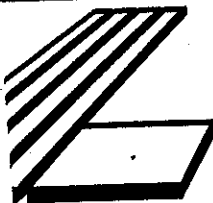
Louise Cook

A ~~SECRET~~ report called for by Land and Agriculture Minister Derek Hanekom would question co-operatives' monopoly over the country's 15-million-ton silo storage capacity, a source close to the co-operatives policy-working group said at the weekend.

Uncertainty over the future of SA's R1bn silos arose when the minister intervened in the Cape High Court case against wine co-operative KWV when it transformed into a company earlier this year.

Ownership of the silos, at present in the hands of farm co-operatives, became questionable due to the soft loans co-operatives enjoyed in the past from the Land Bank to build the silos. "The fact that the co-operative sector owns the silos and there is no way the grain industry and farmers can function without these storage facilities, is a problem," the source said.

Co-operatives working group chairman Nick Amin declined to comment prior to the release of the report. However, he said the sector's monopoly over silos was a known fact and that he did not want to "inflame the arguments". Indications were that the focus would fall on storage costs in particular. Several grain co-operatives had in the interim transformed into companies and taken the silos with them as part of new company assets.



S E R

Holdings Limited

Republic of South Africa
 Number 71/10431/06
 (Incorporated in the Republic of South Africa)

share award and cash election

Further to the announcement published on Wednesday, the terms of the capitalisation share award and cash election are as follows:

Turnover

Operating income
 Net financing
 Exceptional items

Income before
 Taxation

Income after tax
 Attributable to:
 - outside shareholders
 - preference shares and subsidiaries
 - ordinary shareholders
 - ordinary shareholders

Shares in issue
 Weighted average
 Earnings per share
 Headline earnings
 Dividend per share

Supplementary
 Depreciation
 Capital expenditure
 Capital commitments
 Interest bearing
 Interest earnings
 Non-interest bearing
Reconciliation
 Profit attributable to ordinary shareholders
 Exceptional items
 Minority share

Headline earnings

Ordinary capital
 Preference capital
 Non-distributable
 Accumulated losses
 Convertible debt
 Outside shareholders

Total group funds
 Long-term liabilities
 Deferred tax

Rural poor benefit from land project

Louise Cook

③ ~~1997~~
DD 0112/97

PRETORIA — About 1 000 people have in the past few months obtained land to lease in terms of a land affairs department-driven programme aimed at helping the very poor to supplement their incomes.

The programme provides resources for poor municipalities to obtain land to set up or extend commonages for food gardens, grazing, simple farming and ecotourism.

Land affairs director Lala Steyn said yesterday the programme was one of several land-reform projects aimed at meeting a variety of land needs in SA. "The other very important land-redistribution programme involves the R15 000 grant which government made available to households to buy land or to use to leverage further capital for land."

Most commonage projects backed by the department had been set up in Northern Cape in places such as Groblershoop, Oflifantshoek, Pofadder, Pella, Concordia and Komaggas. Other projects also existed in the Eastern Cape and the Free State.

"The department is committed to ensuring that existing commonage land is used as far as possible for land reform and will support the purchase of additional land for this purpose," Steyn said.

The legal position of each commonage would depend on the specific conditions under which the land was granted or the conditions of the title deed. Municipalities were not allowed to sell the land without the consent of the premier and had to make it available for the inhabitants of the land.

Land affairs director Geoff Budlender said this year was a year of considerable achievement by the department and that there was now legal order around land issues in rural areas.

"Redistribution, of which the commonage programme was a part, makes land available to people who need a place to live or produce what they need for a decent existence," he said.

Viljoen draws flak for militant stance on farmers

804/12/97

(3) (E)

FREEDOM Front leader Constand Viljoen's militant stance on protection for farmers following the spate of attacks on farms drew sharp criticism yesterday.

Viljoen said yesterday farmers might formulate their own protection plan, including deadly self-defence measures.

The announcement was immediately criticised by the SA Agricultural Union (SAAU) and by national police commissioner George Fivaz, who said some farmers themselves posed an obstruction to rural security.

Viljoen said in Pretoria that farmers had no option but to take the law into their own hands.

He was reacting to the murder on Tuesday of farmer Gerhardus Scheepers, 55, and his wife Isabella, 53, of Ermelo, Mpumalanga.

Fifteen farmers have been killed in 19 attacks in rural areas since the start of November.

The SAAU called on political parties not to make statements on behalf of the farming community.

This would lead to confusion over the channels to be used for solutions, said SAAU president

Chris du Toit. He said the SAAU would meet President Nelson Mandela on Tuesday.

Fivaz said police initiatives to curb farm attacks should not be hampered by what he described as short-term political point-scoring and divisive statements.

However, Viljoen said he intended calling a meeting with farmers in Pretoria today to discuss the possibility of formulating their own plan.

"To date I have pleaded with farmers not to take the law into their own hands," Viljoen said.

"Now I am afraid there is no other option. This is no longer crime — it has turned into a war against our farmers and rural communities."

His recommendations for a protection plan would include declaring farms no-go areas.

Fivaz said permanent success in rural security could be achieved only when farmers made an effort to improve relationships with their farm workers.

Workers were often the first to pick up information on planned attacks, or to spot suspicious-looking people.

A rural protection plan operating in rural Free State areas had since November 1 resulted in 1 747 arrests, 24 of them related to attacks on or murders of farmers, police spokesman Spt Leon Engelbrecht said.

"Statements that the police are not doing proactive work are utterly false," he said.

Louise Cook reports President Nelson Mandela "would not be surprised" if former Umkhonto we Sizwe and Azanian People's Liberation Army members were responsible for spiralling attacks

on and killings of farmers.

However, no conclusions could be made before the SA Police Service (SAPS) crime intelligence unit's investigations had been completed, presidential spokesman Parks Mankahlana said this week.

There were several cases where demobilised forces of the past were involved in different types of crimes at present, but the unit's findings would not be made public if it was going to interfere with the course of justice and "bringing the criminals to book".

Rural body aims for big growth in its loan book

Robyn Chalmers

THE Rural Finance Facility aims to grow its mortgage and micro-enterprise loan book to R520m within five years from its current loan portfolio of R33,5m, says MD Chris Höck.

He says the organisation, one of the biggest lending organisations in the low-cost housing and micro-loan rural sectors, aims to grow significantly over the next few years.

"We have covered Gauteng effectively and also have a presence in the Free State and the

Eastern Cape. We are now looking to grow into Mpumalanga and KwaZulu-Natal over the next few years," he said.

The Rural Finance Facility has disbursed about 18 000 loans totalling R60m since it started lending in 1993. Its borrowers are low income people, mostly self-employed rural women with no previous access to formal finance and skilled or semiskilled men in the manufacturing sector.

Höck said overall repayment rates had been maintained at about 99%. Finance for low-cost

BD 4/12/97
housing loans was offered at a fixed interest rate of 22% — lower than other retail finance lenders, many of which lent at rates above 30%.

Fixed interest rates were easy to apply and borrowers were aware of the exact repayment amount each month.

Many of the micro-enterprise loans were small — under R10 000. It was believed that one loan in three created a job.

Höck said it was estimated that about 75% of the housing loans provided were invested in rural areas, even though more

(3)
than two-thirds of the borrowers were based in urban areas with families in outlying places. Micro-enterprise loans were all invested in rural areas.

With housing loans, Höck said, the organisation went the payroll deduction route and the loans were backed by employees' provident or pension fund contributions.

He said there was a gap for a specialist lender with stable and reasonable interest rates at the bottom end of the market, and the organisation aimed to develop into that market.

Farm union's black female boss spurns race card

MICHAEL MORRIS

SPECIAL WRITER

ARG 8/12/97
Black farmers must work to achieve recognition in their own right, and not simply blame apartheid if they are not successful.

(3)
This is the frank view of the newly elected president of the African Farmers' Union, Sharon February.

She is the first black woman in South Africa to lead an agricultural union.

Ms February, a cattle farmer from

Saldanha, has set her sights on helping to speed up the settlement of new farmers on the land, and improving the level of agricultural assistance for them. But she insists they will have to work to achieve rewards.

"I'm sure (white) commercial farmers

have worked hard for what they have achieved. Now is the time for our people to prove they are worthy farmers and business people," Ms February said.

'New' farmers sow seeds for success, page 8

'New' farmers sow the seeds for success

ARC 8/12/99

'You can't look to apartheid for excuses, it's a worn-out argument'

INSIDE STORY

Farming is assuredly not what it used to be. Special Writer MICHAEL MORRIS meets Mrs Sharon February, cattle farmer and president of the African Farmers' Union



Gulls wheeling in leisurely spirals over the mustard stubble of the Saldanha landscape signal the proximity of the harbour and the sea on the approach from Vredenburg.

Bales of hay, like outsize cotton reels, are scattered across the raked fields where the baling machines have dropped them, and a stiff wind scours the curves of the hills.

It is the very picture of a seemingly changeless country order. But the rural idyll is seldom all it seems.

If you drive on through Saldanha proper, turn west up the coast, skirting Diazville - the "coloured area" - with its tight, bushy gardens and sandy pavements, the tar eventually gives way to gravel, the road deteriorating perceptibly as the low, formless mass of the Middelpoos squatter settlement comes into view.

From there, a single bumpy track trails off into scrubby veld dotted with wind-blown litter, and ends, less than a kilometre beyond, at a ramshackle collection of structures that, in the absence of white-washed gateway, homestead, or even clanking windmill, is not, by appearance much like a farm.

It is, in every other sense no ordinary sort of farm, but a self-made enterprise crafted from next to nothing.

It is home to upwards of 80 head of cattle - fine-looking Ayrshires and Brahmin among them - pigs, sheep, goats, ducks and chickens and it belongs to an unlikely pair.

Sharon February and husband Gene are not archetypal farmers - Gene's pet project is the pigs, and Sharon, once a secretary at a Black-

heath company, is the cattle farmer.

It's a career move that delights her and one that has nudged her, if not into the spotlight, then certainly into a position of prominence in the slowly shifting terrain of agriculture.

Elected president of the African Farmers' Union (AFU) a month ago, she has thrown herself with verve

into the transformation of a sector of the economy that often seems impervious to it.

Historically, the bond between politics and pasture has contrived to limit land-ownership to whites. Changing that is Sharon February's mission.

But it's no doctrinaire agenda that impels her: successful commercial farming is the objective, and it "is up to our people to prove they are worthy farmers and business people".

An only child, Sharon February was born in Kuils River. She was

schooling at Good Hope College and later learned computer and secretarial skills at Boston House College. skills she put to good use in six years spent as a secretary at a Blackheath truck and bus company.

But one of the most defining features of her early years was the time spent at an uncle's Brackenfell farm.

"I could drive a tractor before I could drive a car and I used to spend every bit of spare time there."

He uncle grew vegetables and fruit, and had cattle and a dairy.

"From childhood, I lived for the animals," Sharon says. It was fitting, then, that she married a man like-minded in this respect.

When she married Gene 11 years ago, he had been "farming" in Saldanha for some time and "it was like coming home."

"We didn't have much then ... four or five head of cattle and one goat."

And it has not been easy. "We have made everything here ourselves. Even the children - Diego, 4, Nino, 8, Chester, 14, and Leslie, 16 - have had to work in one way or another, the older ones often as hard as we have worked."

Buying goats, rearing them and selling them has been among strategies used to build up what is today a herd of more than 80 animals.

"We buy from stock sales whenever we can, or from commercial farmers. In fact, we work hand-in-hand with a few of them. If we need advice, they are always willing to help."

Of course, some are disdainful of the Februarys' efforts, "but they are not all like that".

The Februarys lease the land from the Department of Public Works and are keen to buy a portion of it.

As the farm develops, so do the expensive demands of the operation.

"We recently sold some of our



New breed: African Farmers' Union president Sharon February and her husband, Gene, on their modest farm near Saldanha

bulls at auction so that we could buy medication (injections, de-wormers, vitamins and dip formulations) and feed. You are talking thousands of rands, but you need these things to keep the herd in good condition."

Some of the animals on the 200-odd hectares of grazing belong to others, aspirant farmers from the local community, including the squatter camp. Gene, working off stubby, no-nonsense fingers, counts eight names, all "equal partners" in the business.

There's a Boetie, a Botha, a Dougie among them, and all share the labour and water bill.

With his full beard, wispy black pony-tail and black beret - and eyes reduced to thin cheerful gleams in a

wind-creased face - Gene has the weathered look of a sailor.

But it is the land that fires him. And he has no illusions about what it takes to harness its rewards.

"You cannot just buy and expect to get rich," he says, shaking his head emphatically. "You must love the animals and know what you're doing."

These are sentiments Sharon February brings to her new role as the leader of the AFU.

At "30-something", she cuts an ample, jolly figure, motherly in a down-to-earth sort of way, with a matching uncomplicated attitude to the tough business of farming.

"I don't like the terms 'upcoming' or 'emergent' farmers - it makes us

sound like mushrooms. 'Small farmers' also gets to me - make no mistake, I am in it to make good money. You can't have a stunted outlook."

Equally, it doesn't help looking back to apartheid for excuses.

"The apartheid issue is totally worn out. I'm sure commercial farmers have worked hard for what they have achieved and I am not bitter at their success. It's up to us to prove that we can be successful, too."

That said, she expects a more "user-friendly" service from government departments whose business is farming, and will be encouraging agricultural support services to play a greater role in helping new farmers.

Broadly, the challenge lies in get-

ting more new farmers on to the land and making sure they have sound business plans in place.

The AFU comprises 109 associations each with from 10 to 60 members. Not all are practising farmers: most are aspirant farmers, without land or resources.

There are numerous similar ventures to the Februarys' operation dotted around the landscape, but not enough, in Sharon February's view.

"My first goal is to see that we get more people settled on the land."

This is time-consuming, but she hints that, in the Western Cape especially, provincial politicians could "speed things up".

New farmers have "had a lot of help" from the Goedgedacht Agricultural Resource Centre in Malmesbury, and Elsberg near Stellenbosch, "but we would like to see the support services, especially the Department of Agriculture, being much more active, and giving us the kind of support we are entitled to".

While unabashedly sceptical about politicians' propensity to promise rather than deliver, she commends Land Affairs Minister Derek Hanekom, and his officials.

But a refrain in Sharon February's exposition of the post-apartheid new deal is that, whatever help may or may not come from official quarters, new farmers must themselves shoulder their responsibilities.

"You cannot just go the Land Bank or other financial institutions and then set off to farm. You cannot start with huge debts. You have to have a good business plan before you even even consider farming."

"New farmers must be ready for it."

That, more than anything else, is what will really change the profile of the countryside.

It is up to us to prove that we can be successful, too

500 000ha to go to new owners, says Hanekom

Jacob Dlamini

20 10/12/97

GOVERNMENT would transfer about 500 000ha of land next year as part of its land reform programme, Land Affairs and Agriculture Minister Derek Hanekom announced yesterday.

Hanekom said applications for the transfer had been processed and approved and that 50 000 households were expected to benefit from the deal.

The redistribution of state and private land had increased dramatically during the past three years, with a total of 900 000ha identified for eventual transfer.

Hanekom said government had had no choice but to introduce land reforms and that the basic components of the reform programme were restitution and redistribution. However, restitution was not the only answer and would, in fact, become ineffective if used as the only solution for SA's problem of land shortage and skewed ownership.

Hanekom said some land reform projects were destined to fail

and that government was trying to discourage the group purchase of land set aside for transfer.

Individual ownership had proved to be the most efficient way of ensuring the sustainable transfer of land to black farmers.

SA would not follow Zimbabwe's example of expropriating farms for redistribution as this would not work for the country. However, he said, he could not criticise the policies of another country.

Hanekom said SA farmers had approached him and expressed concern over Zimbabwe's land reform programme, which included expropriation of 1 500 private farms. But he could not act as it was a foreign matter.

Hanekom said there was a complex system of tenure in SA and that this was frustrating efforts to reform land ownership and to attract foreign investment.

He would submit legislation intended to clarify the status of people living on tribal land and the former homelands to the cabinet early next year.

Intelligence report on farm killings given to Mandela

Louise Cook

(3)
BD 10/12/97
THE long-awaited intelligence report on farm murders, which might indicate whether the killings were politically motivated, was handed to President Nelson Mandela yesterday, Safety and Security Minister Sydney Mufamadi said.

No details of the report's contents would be released until the president had had time to study it, Mufamadi told reporters in Pretoria after a meeting between Mandela, certain ministers and the SA Agricultural Union (SAAU).

However, there were indications that the report would find there was no political motive behind the attacks.

A police source close to the intelligence team which undertook the investigation said last week that remarks by an African National Congress leader that set off suspicions of political motives had been checked out and found to be purely speculative. Only one of the more recent attacks bore any signs of a possible political motive, the policeman said.

The SAAU asked Mandela two months ago to appoint a commission of inquiry into what seemed to farmers to be deliberate attacks to drive them off their land. But the president said the intelligence community would first investigate the attacks before he was prepared to appoint a commission.

Mufamadi told the SAAU yesterday that two senior police officers would be appointed to co-ordinate criminal investigations into the farm murders. Last month 13 farmers were killed on their farms and another four have been killed this month.

Reuter reports SAAU president Chris du Toit gave Mandela an ultimatum yesterday, threatening that farmers would take the law into their own hands. "Towards the end of January, that is the D-day for us. We as a farming community are (then) going to see what we can do to secure the lives of our members," he said. The union called again for a judicial commission of inquiry.

Agriculture Minister Derek Hanekom called the farmers' threat "irresponsible".
— Reuter.

Plan to protect farmers fails

ARG 10/12/97

ARGUS CORRESPONDENT



Pretoria - The Government has admitted that its plan to protect South Africa's farmers has failed.

Despite successes in the Free State, the Rural Protection Plan, drawn up with the aid of the National Intelligence Service, is to be revised and two senior policemen are to be sent in to seek ways of curbing the onslaught on farmers.

Safety and Security spokeswoman Thembi Mboisa said yesterday that little or no success was achieved in KwaZulu Natal, Mpumalanga or North-West, due to a lack of resources, commitment and poor active co-operation between farmers and members of the defence force and the police.

Attempts would be made to improve this state of affairs, she said.

SA Agricultural Union executive director Jack Raath warned that should the Government provide no answers or solutions for the killings by the end of January, the union would have to rethink its present position and look at other ways to protect farmers.

He did not want to speculate on what options would be considered but said that the establishment of a fund for security activities could be among them.

However, he cautioned farmers not to take the law into their own hands. "We cannot start a civil war."

No possible motives for the killings were given at yesterday's meeting between President Mandela, Safety and Security Minister Sydney Mufamadi, Agricultural Minister Derek Hanekom and a delegation from the Agricultural Union.

And while Mr Mufamadi was telling journalists that the success rate in capturing perpetrators was as high as 90 percent in the Free State and adding that it was more important to prevent attacks, another farmer, Robin Frost, 63, was fighting for his life in a Mpumalanga hospital after being attacked by six armed men.

More talks are expected in January, when Mr Mandela receives a final report from intelligence agencies.

Land affairs starts tenure project

Louise Cook

MO 11/12/97
THE land affairs department launched a tenure upgrade project at Thaba'Nchu in the Free State yesterday, committing R25m to provide 40 000 households with secure and properly planned communities.

Also in Thaba'Nchu, residents received title deeds to their properties from Land and Agriculture Minister Derek Hanekom at a ceremony marking the third such project to be completed by the department this year.

Complex issues had come to light

(3) (4)
with the consolidation of Thaba'Nchu, formerly part of Bophuthatswana, into the Free State and a multidimensional approach to reform had to be developed the department said.

The tenure upgrading at Thaba'Nchu would also ensure proper town planning was done in areas such as Tshiame and 11 other towns in the province. Provision had been made that the lowest tier of government had the necessary authority to carry out planning, provide water and sanitation and provide extra land for residential purposes, the department said.

Farmers blaze growth trails



Silent revolution: Farming is being transformed. PHOTO: SIDDIQUE DAVIDS

Tracey Simbi

While the image of South Africa's farmers as white, conservative, khaki-clad, beer-swilling men persists, the reality is quite different — most are responding dynamically to changes in the industry and new black entrants are slowly making their presence felt. In fact, a silent revolution is taking place in agriculture.

While some changes were implemented in the sector in the dying days of National Party rule, the real turnaround has taken place under Minister of Land Affairs Derek Hanekom. In less than 18 months he has piloted the dramatic transformation of agriculture.

At the end of last year, a new Marketing Act was put in place, providing for the phasing out of control boards over this year. The sector is beginning to reap some of the rewards:

- In 1987/88 the horticulture sector accounted for 18% of the value of agricultural production — this share has now risen by over 30%, showing the shift within the agricultural sector to high-value, labour-intensive crops and citrus production has grown by more than 50%;

- Agricultural exports are the fastest growing non-gold export — having grown from 8% of total exports before 1994, to almost 10% in 1996;

- While the growth in export markets refers specifically to fruit and vegetables (ex-

port of deciduous fruit grew by 350%), the volume of poultry exports rose by more than 300% and egg and milk exports by 1 000%;

- Similarly the value of wine exports has increased by several hundred percent.

Dynamic processes in the sector are further illustrated by the level of investment. In 1996, farmers invested nearly 30% more on fertiliser than in 1995 and over 50% more than in 1994. Investments in tractors and transport equipment is up 40% from 1995 and 55% on machinery and implements.

Individual farmers are not the only ones to benefit from the new open market. The extensive deregulation of controlled markets and the elimination of price controls will have a long-term impact on South Africa's competitiveness and efficiency. And agricultural producers, processors, consumers and the economy as a whole will all benefit from more jobs, more choice and lower prices.

A central theme of agricultural policy is the elimination of distortions, creating a highly efficient and economically viable, market-directed farming sector characterised by a wide range of farm sizes. To achieve this it is clear that government will need to place more emphasis on support to those who need it — resource-poor emergent farmers. And it will. Judicious use of government support programmes targeted at the small and emerging

farming sector, together with opportunities created by the open and diversified markets, will ease the way for new entrants.

Furthermore, changes to the services of the Land Bank will result in a broadening of the client base to include both small and large commercial farmers, with credit to emerging black farmers becoming more readily available. Emphasis is placed on the creation of an institutional framework and mechanisms to give resource-poor farmers access to production loans, to help boost productivity and stimulate the rural economy.

Added to this is the potential of land reform projects to boost aspirant farmers. The pace of redistribution is accelerating. This year, delivery more than doubled that of 1994-96. By mid-November, 272 projects had been approved, involving about 700 000ha, 60 000 households and over 300 000 people.

"It is a solid start at rectifying the injustices of the past in a fair and transparent way," says Hanekom, "and most of the projects involve some form of productive use of the land."

While Hanekom recognises that not all will be successful, "at the very least they will deal with land and housing needs" and contribute in some form to household food security.

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