CONSTITUTIONAL ASSEMBLY

CORE GROUP
THEME COMMITTEE 6

MONDAY
31 JULY 1995
(11H00)
E305

DOCUMENTATION

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CONSTITUTIONAL ASSEMBLY

MEMORANDUM

TO : **Mr SJ de Beer, Mr J Chiole, Mr ZD Dyani, Ms B Hogan, DA Jordaan, Mr P Powell, Ms J Schreiner, Mr I Vadi.**

FROM : **Ms B Mbete-Kgositsile**

DATE : **28 June 1995**

SUBJECT : **CORE GROUP MEETING: 31 JULY 1995**

Dear Colleagues

On 27 June 1995 at 13h00, a meeting of the Core Group was convened for purposes of discussing the following issues:

1. Crisis in Theme Committee 6.2: Problems arising from the Finance budget debate of 22 June 1995 and the impact of these problems on the work of the Theme Committee; and

2. Subtheme Committees' Progress Reports.

Due to poor attendance, this meeting had to be cancelled and was rescheduled for 31 July 1995.

I urge honourable members to attend the meeting as rescheduled so that the Core Group can evaluate the work of all the Subtheme Committees and map the way forward.

I also wish to draw the attention of members to the problems that have arisen in Theme Committee 6.2. In this connection, I refer members to pages 6-18 of the enclosed documentation. Theme Committee 6.2 has referred this matter to the Core Group for resolution and I implore members to apply their minds to the contents of the enclosed documents and to make suggestions for resolving this problem at our next meeting. In the meantime, I will write to Dr R Davies and Dr FP Jacobsz and request them to make written representations to the Core Group through the CA Administration and this information will be made available to members during recess.

I once more urge members to attend the said meeting.

BALEKA MBETE-KGOSITSILE
CO-CHAIRPERSON
THEME COMMITTEE 6
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THE SOUTH AFRICAN RESERVE BANK (SARB)

1 At the Constitutional Committee meeting held on 12 May 1995 it was decided to refer the report on the SARB back to Subtheme 6.2 for further investigation and discussion in view of various technical considerations.

2 At the Subtheme 6.2 meeting held on 15 May 1995, it was decided after discussion to recommend to the Constitutional Assembly meeting to be held on 19 May 1995, that the report on the SARB be reinvestigated to consider, inter alia, the technical implications of the new classifications of goal, and operational independence, as well as the need to obtain "the concurrence" of the Minister of Finance in matters of SARB policy. The concepts of "goal and operational independence" were discussed at a workshop on the SARB held earlier this year but had not yet been discussed and investigated by Subtheme 6.2 to enable them to take a view on it. The concept on "concurrence" was introduced by the ANC after their Congress in March/April 1995.

3 It was also stated that it was necessary to obtain inputs on these matters from the SARB in view of the complex technical implications for monetary and price stability.

4 On Wednesday 17 May 1995, I contacted Dr R Davies the Chairman of Subtheme 6.2, and told him that the Constitutional Assembly papers had been tabled for discussion had not taken account of subtheme 6.2's decision to investigate the SARB further and that the SARB was going to be debated by the Constitutional Assembly.

5 The papers also contained a report on the SARB dawn up by the legal advisors which had not been seen by Subtheme 6.2 and therefore did not contain their views.

6 Dr Davies informed me that the recommendation of Subtheme 6.2 had been overruled and that the SARB was going to be debated by the CA on the 19th May 1995. I objected to this and after discussion he undertook to take up the matter with the Constitutional Assembly again. I told him that I supported him strongly in this matter and asked him to keep me informed of developments which he agreed to do.

7 Dr Davies did not revert to me on Wednesday (17/5/95) or on Thursday morning (18/5/1995). As I had not heard from him I assumed that he had been unsuccessful to have the SARB report referred back to Subtheme 6.2 and that it was going to be debated on 19 May 1995.

8 At 13:45 on Thursday the 18th May 1995, I telephoned Dr Stals and asked him for his opinion on the new developments contained in the report on the SARB, a copy of which I sent to him, as it was going to be debated the next day. He gave me his opinion over the telephone and stated that he was not in favour of the new developments. I explained that we did not consider it correct that the developments referred to above be debated before the SARB had given evidence on the implications thereof.

9 On Friday morning 19/5/1995 I received a fax from Dr Stals confirming what he told me over the telephone. Because of the uncertainty as to whether the debate was going to take place Dr P Welgemoed and I prepared to debate the SARB report.

10 At the Constitutional Assembly meeting it transpired that Dr Davies had been successful in convincing the Constitutional Assembly that the debate on the SARB was premature and the Constitutional Assembly agreed to refer the matter back to subtheme 6.2.

11 On Monday morning 22 May 1995 I sent a copy of Dr Stals' fax after obtaining his permission, to the Secretary of Subtheme 6.2 for the information of members of the Subtheme group and for tabling at the meeting to be held at 12:00 on the same day.

12 I must emphasise that the steps I took to consult Dr Stals, were taken in good faith and it was my firm conviction that the views of the SARB had to be canvassed if Subtheme 6.2 was to make a meaningful recommendation on the impartiality and independence of the SARB - a view that still holds.

13 Had Dr Rob Davies informed me that the SARB would not be debated by the CA, as he undertook to do, I would not have consulted Dr Stals. Furthermore the unfavourable press reports on Dr Stals' and allegations that his action in sending me a fax confirming his views in "highly charged language", was "irregular", "not helpful" and was "stifling debate", would have been avoided as would have the substantial media coverage that followed.

Francois Jacobsz. 23.6.95.

GOVERNOR'S LETTER SPARKS ROW

STALS IN CLASH OVER BANK'S INDEPENDENCE

by Greta Steyn : Business Day 24 May 1995

A row has erupted over the ANC's proposals to rewrite the Reserve Bank's role in the final constitution, with Bank Governor Chris Stals and ANC MP Rob Davies differing sharply over Bank independence.

Davies yesterday accused Stals of using "highly charged language" and attempting to silence the debate on central bank independence. "Stals believes the issue should not be debated because it is sending the world the wrong signals. He cannot tell us that some things should not be discussed because they are supposedly sensitive."

He was reacting to a letter in which Stals expressed his views, which had been written to NP MP Francois Jacobsz and disributed to members of the Constitutional Assembly theme committee debating the issue. Davies, who is theme committee chairman, criticised Stals for directing the letter at Jacobsz and not at committee members—a move which he described as "irregular" and "not helpful".

Referring to the difference of opinion between himself and Stals, Davies quipped: "As Mandy Rice-Davis said — he would say that, wouldn't he?"

The difference of opinion centres around the ANC's proposal that a distinction be drawn between the Bank's "goal independenee" and its "operational independence". In terms of the ANC's proposals, the Bank's "goal independence" — the setting of its objectives — would be curtailed. Its "operational independence" — the use of monetary policy instruments to reach these goals — would, however, be certain.

Davies said a workshop held earlier this year at the Bank had suggested there was consensus that the Bank's goals were a political decision. Consultation on choosing the Bank's objectives was the issue that now had to be discussed.

Stals yesterday reiterated the stance in his letter that the distinction between two types of independence was academic. He said he had held the same view when the workshop was held in January. "The proposal cannot be implemented in practice. How will the line between goal and operational independence be drawn?"

He said SA had advertised its central bank independence in prospectuses for bond issues. Foreign investors might be scared off if they got the idea that SA now wanted to go back on the independence given by the interim constitution.

Stals said he had written a letter to Jacobsz because the NP MP had asked for his opinion. The letter had been distributed among committee members because Jacobsz had asked whether he would mind if his views were made public, and he did not. He would take part in further debate if the committee requested his participation.

The ANC initially proposed that Bank decisions be taken "in consultation with" the Finance Minister. But legal advisers rejected the suggestion, saying it would "effectively neutralize" the Bank's independence. But they said ministerial involvement in setting the institution's longer-term goal independence was compatible with constitutional principles.

PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

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26/6/1995

STATEMENT BY ROBERT DAVIES

Dr Jacobsz appears to be embarrassed at the way in which his drawing of the Reserve Bank Governor into the Sub-Committee's discussions led to press comment, such as that in an editorial in *Business Day* on May 25, which spoke of "...Stals's faux pas of expressing his views in writing to an NP MP and subsequently agreeing that they could be made public...". Dr Jacobsz is now trying to shift responsibility for his own, personal decision to contact the Governor onto me.

I do not interpret a telephone conversation with Dr Jacobsz as resulting in an undertaking to do anything beyond my normal duties as chairperson, viz (1) to pursue with the CA management the recommendation of the Sub-Committee that the item on the Reserve Bank be withdrawn from the agenda of the CA meeting of May 19 (2) to inform members of the Sub-Committee when there was anything to report in this regard. The fact of the matter is that it was only on May 18 that the CA management committee finally agreed to the Sub-Committee's request to withdraw the item from the agenda (see attached minute from the management committee). Before this, I did not know whether they would agree to our request or overrule us and decide to go ahead with the debate. It was only on the Thursday morning (May 18) that I myself knew for sure that the item would not be debated at the CA. Thereafter, I personally informed as many Sub-Committee members as I could contact and asked the Secretariat to inform all members as well.

This matter was discussed in the Sub-Committee on May 22. During that meeting, Dr Jacobsz said, "Going back to our meeting that we had last week on how we were going to handle this matter with the CA, it became clear that when the documents were submitted to us on what was going to happen at the CA that the way the RB matter was handled, it seemed to me to be completely different from what we had decided at the committee here. And it was only after certain discussions later on that it became clear what the approach was going to be - the process that we were going through. Now my interpretation of this was that this matter was going to be discussed and debated at the CA irrespective - notwithstanding of what we said here because this was the published document that came from the CA. I then took the opportunity of discussing this with Dr Stals and said can you give me some guidance. If we have to go into a debate on this what is the point of view ?" (transcript of proceedings of Sub-Committee 6.2, 22/5/1995).

Several points emerge from the above:

1. There is no mention of any alleged failing by the Chairperson of the Sub-Committee as a significant factor.

2. The decision to contact the Governor is explained largely in terms of Dr Jacobsz's subjective interpretation of what was likely to happen, after receiving the agenda of the CA meeting.

3. Reference is made to "certain discussions later on" which made clear what was actually going to happen at the CA, suggesting that Dr Jacobsz was, in fact, aware at some stage prior to the CA meeting that there would be no debate.

It is absurd and quite outrageous for Dr Jacobsz to suggest that I am responsible for a personal decision on his side to contact the Governor. I had no idea at all that he was contemplating any such move. We had, in fact, briefly discussed the possibility of the Sub-Committee contacting the Governor at the previous meeting, and I expressed some surprise at the meeting on May 22 at Dr Jacobsz's decision to pre-empt the Sub-Committee in this regard.

In his speech in the Finance Vote debate on June 22, Dr Jacobsz accused me of failing to honour an agreement with him. He alleged that I had failed to respect the convention that Members of Parliament honour undertakings given to each other. He has, thus, publically called into question my personal integrity in a way which I maintain is both unsubstantiated and unwarranted. I believe that I am entitled at the very least to a public apology.

Robert Davies,
Chairperson Sub-Committee 6.2,
Constitutional Assembly.

6. STRUCTURE OF CA MEETING AND DEBATE

6.1 Mr. Lilienfeld recalled the Constitutional Committee's decision that the Constitutional Assembly debate should be open and interactive in nature.

6.2 It was agreed that a resolution requesting the suspension of rules would be tabled at the Constitutional Assembly to implement the Constitutional Committee decision.

6.3 Mr. Eglin of the DP expressed concern that Theme Committee 6.2's draft formulations on the Reserve Bank had been included on the Constitutional Assembly agenda, when members of that Theme Committee had formally requested that the matter be deferred until the texts were finalised.

6.4 The meeting agreed that Theme Committee 6.2's draft formulations would be tabled at the Constitutional Assembly and that the item would remain on the Agenda. However, members of the Theme Committee could motivate for its removal from the Agenda at the Constitutional Assembly meeting.

6.5 Regarding the question of the "Open Time", the Chairperson noted that "Open Time" had not beed included on the draft Agenda, in order to accomodate the Constitutional Committee's instruction that the Constitutional Assembly meeting focus on substance. The meeting agreed, however, that the agenda item on the Constitutional Assembly Report could be run on an "Open Time" basis.

7. CA REPORT

7.1 The meeting noted and agreed that draft formulations would be numbered and bound separately from Constitutional Assembly reports to facilitate easy reference to them by members.

7.2 The meeting noted that the following documents, tabled at the meeting, would be forwarded for consideration at the Constitutional Assembly meeting:

1. *"Constitutional Assembly, Announcements, Tablings and Committee Reports, Friday 19 May 1995,";*

2. *"Constitutional Assembly, Announcements, Tablings and Committee Reports: Friday 19 May 1995: Appendix.";* and

3. *"Constitutional Assembly, Draft Formulations, Friday, 19 May 1995,".*

8. ANNUAL REVIEW OF THE CA

The meeting noted that the Chairpersons were compiling an annual review of the Constitutional Assembly and that this would hopefully be finalised on Tuesday 23 May 1995 andtabled at the Thursday, 25 May 1995 meeting of the Management Committee.

9. THEME COMMITTEE MATTERS

9.1 THEME COMMITTEE 2

The meeting agreed that Theme Committee 2 could extend the deadline for its final report beyond 30 June 1995, but noted that all submissions

CONSTITUTIONAL ASSEMBLY

11TH MEETING: CORE GROUP
THEME COMMITTEE 6
SPECIALISED STRUCTURES OF GOVERNMENT

MONDAY, 31 JULY 1995

Please note that a meeting of the above Core Group will be held as indicated below:

Date : 31 July 1995

Time : 11h00

Venue : Room E305, National Assembly Wing

AGENDA

1. Opening and Welcome

2. Previous Meeting

   2.1 Tabling and adoption of Minutes of Core Group meeting of 3 April 1995.

3. Crisis in Theme Committee 6.2: Problems arising from the Finance budget debate of 22 June 1995 and the impact of these problems on the work of the Theme Committee (Pages 6-18).

4. Subtheme Committees' Progress Reports.

   4.1 <u>Subtheme Committee 6.1</u>

   4.1.1 Public Administration; and
   4.1.2 Election Commission.

   4.2 <u>Subtheme Committee 6.2</u>

   4.2.1 Reserve Bank;
   4.2.2 Auditor General;
   4.2.3 Financial and Fiscal Commission; and
   4.2.4 The Revenue Fund.

4.3 Subtheme Committee 6.3

4.3.1 The Public Protector;
4.3.2 The Human Rights Commission;
4.3.3 National Machinery for Women; and
4.3.4 Land Restitution.

4.4 Subtheme Committee 6.4

4.4.1 Accountability and Control;
4.3.2 The Police;
4.3.3 Defense; and
4.3.4 Intelligence

5. AOB

6. Closure

H EBRAHIM
EXECUTIVE DIRECTOR

Enquiries: Mr N Nyoka and Ms P Fahrenfort, Tel 24-5031.

CONSTITUTIONAL ASSEMBLY

MINUTES OF THE 10TH MEETING OF THE CORE GROUP

SPECIALISED STRUCTURES OF GOVERNMENT

MONDAY 3 APRIL 1995

PRESENT

De Beer S (Chairperson)

Chiole J
Jordaan JA
Kgositsile B
Makgothi HG
Schreiner J
Vadi J

P Fahrenfort, B Levy and N Nyoka were in attendance

1. OPENING AND WELCOME

Mr de Beer opened the meeting at 13h15 and welcomed members.

2 ADOPTION OF MINUTES

The meeting of the Core Group held on Monday 27 March 1995 were adopted subject to the following corrections:

i) ***Register***

Mr JA Jordaan's apology to be recorded

ii) ***Item 2: Subtheme Committees' Progress Reports***

TC6.2 Corrected minute to read:

"It was noted that the area of National Revenue Fund will be dealt with at a later stage".

3. SUBTHEME COMMITTEES' PROGRESS REPORTS

3.1 Tabling and discussion of TC6.2's report on the Reserve Bank and the Auditor General

R Davies spoke to the report. It was agreed that this report be submitted to the Constitutional Committee.

3.2 Tabling and discussion of TC6.3's report on the Public Protector

B Kgositsile sport to the report. It was agreed that this report be submitted to the Constitutional Committee.

The above reports should be tabled at the CC without the draft formulations, given the fact that the decision regarding draft formulations were only taken at a point where these reports were already completed.

4. AOB

4.1 Re-organisational arrangements of TC6.2 activities

R Davies reported that TC6.2 will have its next meeting on 8 May 1995 to finalise the Financial Fiscal Commission and Budget and Procurement reports.

He further stated that there will be a period when TC6.2 will have to work jointly with TC3 especially on the issue of financial relations. This entails that a certain amount of time when TC6.2 will not meet as a subcommittee.

The Core Group noted the report and ruled that the CC be advised of the situation.

4.2 Theme Committee Meeting of 3 April 1995 at 17h30

It was agreed that as the Core Group has accepted the above reports there was no necessity for a Theme Committee meeting scheduled for 17h30 today (3 April 1995). The secretariat was accordingly requested to advise memebers of the cancellation of the Theme Committee meeting.

4.3 Future Theme Committee Meetings

The Core Group expressed its disatisfaction with the Standing Rules of the Constitutional Assembly relating to subcommittees' reports. These views were expressed in the context of the requirement that subtheme committees' reports haveto be approved by the Theme Committee before their transmission to the Constitutional Committee.

The committee proposed that the CA review its present rules. In the interim, however, it was agreed, reports of subtheme committees will be transmitted to the CC via the Core Group, and **not** through the Theme Committee.

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22 JUN 1995 TAPE: 203 DISK: 91 TAKE: S.3

Mr M V SISULU

DONDERDAG SE DEBAT	THURSDAY'S DEBATE
TERUGGESTUUR TE WORD OP MAANDAG	DUE BACK ON MONDAY
Voor 18h00	By 18h00

Dr F P JACOBSZ: Madam Chair, it gives me great pleasure to follow on the hon member Max Sisulu. The speech he made this afternoon contains very important points which I would have loved to debate with him, follow up and support. Unfortunately, in view of the fact that I have another matter which I want to discuss, I ask his apologies for not responding to his speech now.

VIA

Ek wil vandag oor 'n ander aspek gesels. Daar bestaan 'n baie noue verband tussen die Departement van Finansies en die Minister en die SA Reserwebank. Die Reserwebank was in die afgelope tyd geweldig baie in die kalklig. Hierdie debat het hoofsaaklik gegaan oor wat in die finale grondwet oor die

Reserwebank geplaas gaan word.

CIE

At the same time a number of Ministers and officials are working very hard to create a climate that is conducive to economic growth and prosperity, a climate based on confidence, an economic system and the integrity of the financial institutions in our country. I have great appreciation for the work that is being done in this respect by the Minister and his department as well as the Reserve Bank.

However, somewhere along the line we in this country seem to have the uncanny ability to keep shooting ourselves in the foot and to undo a lot of good work that is being done. A very good example of this is what has happened in the case of the Reserve Bank during the last couple of weeks.

As a result of certain developments the Reserve Bank became a matter which was hotly debated in certain newspapers. This brought the integrity of the Reserve Bank, its independence, its functioning and the confidence that people have in the bank into the spotlight. It also resulted in a banker of international repute, who is completely outside the political system, being

drawn into a political debate for the purpose of scoring certain political points.

The most interesting point about this is that if the hon member Rob Davies had honoured an agreement which he made with me, I am absolutely convinced that this hot debate would never have taken place. I am saying this not to start an unnecessary, aggressive attack on this matter, but I am putting it on the table because I think at times we reach a stage where we have to put issues on the table and debate them so that we can understand where we come from.

The point is that the whole question of what is going to be said about the Reserve Bank in the final constitution is a matter which has been delegated to Theme Committee 6(2). In that committee we had reached concensus on what the form of that input into the final constitution should be. In other words, we were going to maintain the independence and the impartiality of the bank, plus a few other things.

The hon member Rob Davies had also drawn up a report in which he said that the ANC supported the inclusion of the clauses in regard to the Reserve Bank which exist in the interim

Constitution to be included in the final constitution. But then, at a very late stage, the hon member told me that the ANC had decided to change certain of these things. The amendments that had been proposed then would affect the impartiality and the independence of the Reserve Bank rather markedly. In fact, a report that we received from the legal advisers confirmed that.

New concepts were also being brought in which had never been discussed with the committee at all, nor had this question of the ANC's new amendments with regard to the Reserve Bank been discussed in the committee at all.

It was then decided, after discussions with the Constitutional Committee, that the matter would be referred back to the Theme Committee in order to thrash these things out. Strangely enough, two days after we as a committee had decided to support that point a paper saw the light, which was drawn up by the Constitutional Assembly to be tabled at a Constitutional Assembly meeting which was going to take place a few days later. This contained a new report on the Reserve Bank which was published, incorporating these amendments brought forward by the ANC, including the new concepts which our committee had never decided upon.

Mr B NAIR: Madam Chair . . .

Dr F P JACOBSZ: Madam Chair, I am not prepared to take any questions.

Mr B NAIR: Madam Chair, on a point of order: The issues that the hon member Dr Jacobsz is putting before us pertain to Theme Committee 6(2). It will be difficult to respond to them, because they rightly belong in that committee. The debate should actually take place in Theme Committee 6(2) and finalised there. This matter is still in the melting pot. I do not see why Dr Jacobsz has chosen to bring these issues here when we will have difficulty in responding to them.

The ~~DEPUTY~~ TEMPORARY CHAIRPERSON (Mrs XF Gasa) ~~OF COMMITTEES~~: Order! This is a broad financial debate, as the speaker said at the start of his speech. I will allow him to go on, but he must keep the comments the hon member Mr Nair has made in mind.

Dr R H DAVIES: Madam Chair, on a further point of order: The hon member Dr Jacobsz accused me of not honouring an agreement that I had made with him. I have been waiting to hear him say what

that agreement is. I should like him to either substantiate or withdraw the suggestion that there was some agreement with him that I did not honour. I think that is an attack on my integrity.

Mr G C OOSTHUIZEN: Madam Chair, on a real point of order: With respect to the Chair and to the people who raised the previous points of order, none of them were either a question or a point of order. I request the Chair to rule them not points of order and to permit the speaker of the NP to continue his speech without depriving him of the time used in taking the two invalid points of order.

The ~~DEPUTY~~ TEMPORARY CHAIRPERSON (Mrs X F Gasa) ~~OF COMMITTEES~~: Order! I will allow the hon member Dr Jacobsz to go on.

Dr F P JACOBSZ: Thank you, Madam Chair. I shall ~~get~~ come to the points raised by the hon member Rob Davies just now.

//This report was prepared which had never been discussed . . .

/IB

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22 JUN 1995 TAPE: 204 DISK: 92 TAKE: T.1

Dr F P JACOBSZ (contd):

This report, which had never been discussed by the theme committee, was prepared and was going to be discussed by the Constitutional Assembly within two days. I rang the hon member up and told him that I was very dissatisfied with this and that it did not conform to the discussions we had had in our theme committee. I asked him if he would please use his influence with the management of the CA to see whether we could get it changed. I asked him to keep me informed of developments, which he agreed to do.

That was on a Wednesday. I heard nothing from him on the Wednesday or on the Thursday. On Thursday afternoon, the afternoon before this matter had to be debated, I then rang Dr Stals, the Governor of the SA Reserve Bank. I informed him of the contents of this report and asked him for some input because if this matter was going to be debated in the CA, we would like to know what the practical implications of those recommendations would be, and we had not had any input from the Reserve Bank. Dr Stals gave me his opinion over the telephone.

The next morning - the day on which the matter was going to be debated by the CA - I received a fax from Dr Stals in which he

confirmed the points that he had made. We went into the meeting. Both my colleague Dr Welgemoed and I were prepared for the debate. We had our speeches ready, because we did not know what was going to happen. Apparently the hon member had succeeded in convincing the management of the CA that this matter should not be discussed and it was referred back to the committee.

Dr R H DAVIES: So I honoured our agreement!

The TEMPORARY CHAIRPERSON (Mrs X F Gasa): Order! I would like to ask Dr Jacobsz to continue with his speech and to present it in such a way that the Minister will be able to respond to it in the end. Given the time constraints, he should not pursue arguments which can be taken further at theme committee level.

Dr F P JACOBSZ: Madam Chair, with respect, I am trying to explain what our approach is in regard to the Reserve Bank. I will at some stage put a point of view, but before that I have to give background on why this whole development took place.

The TEMPORARY CHAIRPERSON (Mrs X F Gasa): Order! The hon member may continue.

Dr F P JACOBSZ: The agreement that I had with the hon member was that he would, before the CA meeting that Friday, inform me of whether the matter was going to be discussed or not, and he did not inform me. That is what I said. Had the hon member done this, it would not have been necessary for me to contact Dr Stals and the whole thing would never have blown up.

[Interjections.]

Ms Y L MYAKAYAKA-MANZINI: Madam Chair, on a point of order: We are being presented with a story now, but I do not think the debate is about that. The Minister is supposed to reply to the debate, so we do not understand why the integrity of an hon member is being questioned here. If this is the case, he should be able to respond, and I do not think this debate was meant for that. The member's integrity is at stake here.

Mr G C OOSTHUIZEN: Madam Chair, on a real point of order . . .

Ms G MARCUS: I am not sure why it is only a real point of order when it comes from the NP!

The TEMPORARY CHAIRPERSON (Mrs X F Gasa): Order! I would like to say that, given my limited knowledge of finance, I am doing my

best to allow this debate to continue in a fair manner. I want to ask members to assist the Chair by sticking to issues to which the Minister will be able to respond. They should please control themselves and try to discern the level of discussion on which appropriate themes can be dealt with. If we feel that we must debate matters such as those I understood Dr Jacobsz to be referring to when he apologised at the beginning, let us restrain ourselves and guide the debate in the proper direction, because that, I think, is the point of the exercise. I think I have taken all the points of order, and I hope . . .

MS G MARCUS: Madam Chair, on a point of order: With due respect, I think that there seems to be only one real point of order, while the rest of us are dismissed. The point of order is that this is a debate about the Department of Finance. If there is a debate about the relations of the Department of Finance with the Reserve Bank, let us debate that. If, with due respect, the issue is a dispute in the theme committee, let it be disputed in the theme committee. We are meeting at 09:00 tomorrow morning. We can continue the debate there. We expect Dr Jacobsz to be there, and we will deal with the issue there. This is a debate on finance, not a debate about the integrity of Rob Davies.

The TEMPORARY CHAIRPERSON (Mrs X F Gasa): Order! Thank you very much. I have to protect the Chair. [Interjections.] Order! I have to protect the Chair. I think I have been fair enough. I have not dismissed anybody and I think I must be able to say I have given everybody a chance. Let us now give Dr Jacobsz time to complete his speech so that the other points can be raised in the right place.

Dr F P JACOBSZ: Madam Chair, I must crave your indulgence. I believe I have one minute left now.

The TEMPORARY CHAIRPERSON (Mrs X F Gasa): I will give you one more minute.

Dr F P JACOBSZ: Thank you very much. I think it is my democratic right to discuss any matter in regard to the Reserve Bank which falls within the kind of approach we would have towards to the way in which the Reserve Bank operates. We will have the opportunity in the theme committees to discuss all these matters, but this was a public matter that was debated in the press, and I have the right to react to that.

To make things a little easier, let met say that it was very

interesting from my point of view that those amendments that were put forward were the same amendments that were put forward by the SA Communist Party when they put their recommendations to us in the theme committee. [Interjections.] That is a fact. [Time expired.]

Mr A ALLY

RESOLUTION PLACED BEFORE THEME COMMITTEE SIX.2

As ANC members of this Theme committee, we have become increasingly concerned at the spate of personal attacks through the media on the chairperson, Professor Rob Davies. The statements made in the Finance Debate yesterday, 21 June, continued this line of attack, calling into question the integrity of a Member of Parliament.

We therefore wish to state the following:

1. That the positions that have been tabled in this theme committee are those of the ANC as adopted at its Constitutional Conference held in Johannesburg from 31 March to 2 April, 1995.

2. That a vigorous debate over policy positions and differences is totally within the norms of acceptable debate.

3. But it is unacceptable to single out a chairperson for attack for views that he expressed reflecting his organisation's position, and to further impugn his integrity in the manner that occurred during the Finance Debate of 21 June, 1995

4. The behaviour has resulted in a loss of confidence that the matters before this committee can be constructively discussed. We propose that the matter be referred to the Core Committee of Theme Committee Six, which should set up a dispute resolution mechanism to resolve the framework within which the work of this committee can be taken forward.

5. We therefore feel that no further discussion in this theme committee on this issue is possible in the circumstances, and that further discussion on the SA Reserve Bank cease until the dispute resolution procedures proposed have been completed. Furthermore, the ANC reserves the right to still refer the discussions on the SARB to the Constitutional Committee as a point of contention.

Resolution of Theme Committee 6.2

Theme Committee 6.2 refers the matter of a dispute between Dr Francois Jacobsz and Professor Rob Davies to Core Committee Six for resolution.

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