

D. 36



PAN AFRICANIST CONGRESS OF AZANIA (PAC)

PO BOX 68
SALT RIVER
7924

Ph. (021) 211-971/2
FAX. (021) 216-023

FAX TRANSMISSION

DATE: 27. 07. 93

TO: THE TECHNICAL COMMITTEE

FAX NO: 011 - 3972211

COMPANY:

FROM: PAC

TOTAL PAGES 5 INCLUDING FAX COVER:

MESSAGE:

TO: - THE TECHNICAL COMMITTEE

WORLD TRADE CENTRE

MULTI PARTY NEGOTIATIONS PROCESS.

IF YOU DO NOT RECEIVE EVERYTHING TRANSMITTED, PLEASE CONTACT US AT THE ABOVE FAX OR TELEPHONE NUMBER.



**PAN AFRICANIST CONGRESS (P.A.C.)
OF AZANIA**

HEADQUARTERS

**PO BOX 25245
FERREIRASTOWN
2048
SOUTH AFRICA**

TEL: (011) 8360407/0442

FAX. (011) 8383706

**BUDGETING DURING TRANSITION: STRUCTURES AND PROCESSES
SUBMISSION TO TECHNICAL COMMITTEE ON TA/TEC.**

A. BUDGETARY STRUCTURES AND PROCESSES

I. Transition: TA/TEC Period to CA:

During this period the structure of the South African State and Government will be unchanged except for the following:

1. TA/TEC structures and budgetary expenditure.
2. Re-incorporated "independent" and self-governing states.

Budgetary Structures and Processes during this Transition Period will be as follows:

- (a) The subordinate or constitution units of the TA/TEC will make budgetary estimates for their activities. These will be basically, for recurrent expenditures. Capital and related development budgetary requirements will be the responsibility of the existing government. These capital budgets are already provided for in the 1993/94 budgetary period. The next Financial year will be within the CA period or phase.
Recurrent expenditures to TA/TEC requirements will be provided by the regime as supplementary expenditures for Transition to

Democracy.

The collection of revenue will be executed under the existing structures and processes of the existing government. No new structures and processes are required up to the CA period/stage.

- (D) With respect to re-incorporated independent and self-governing states the following budgetary structures and processes will be operational;
- (i) There will be a need to integrate the civil service into one.
 - (ii) Secondment and on the job training of incumbents responsible for fiscal activities in the former independent and self-governing states,
 - (iii) For budgetary (fiscal) purposes the structure and responsibilities of these state will not be interfered with during the transition to CA. Training of incumbents and secondments to these states will be the only new measures.

NB. During Transition to CA it is completely unwise to try to delineate regions, their structures and powers. Such issues, which are complex and loaded is emotive political time-bombs and should be left for the CA and beyond phases or stages.

- (vi) Capital expenditures for these states are already provided for at individual state and South African government levels: this is with respect to the 1993/94 Financial year budgetary provisions.

II. Transition: CA to post-CA Government.

- (c) During the first year of CA the budgetary structures within the re-incorporated states will remain as they were during the TA/TEC to CA transition, except that the budgetary allocation responsibility of the central government will be taken over by the CA.
- (b) With the installation of the new government as represented by CA

the TA/TEC structures will be dissolved. As budgetary structures they will cease to exist normal fiscal and monetary structures and processes of a sovereign government and state.

- (v) The fiscal (budgetary) structures which will remain unchanged will be responsible for the collection of taxes (revenue function) and to allocation of these revenues for recurrent expenditures. Any short-falls will be referred to the TA/TEC which in turn will take the matter with de Klerk's regime. Capital budgets will be the responsibility of the Central government, (through TA/TEC, if these are new additional requests during the transition to the CA)

NB. During the Transition to CA reincorporated state will represent constitutional and political integration, relative budgetary autonomy will be maintained. This will only change during the CA and beyond phase(s) will be operational in an unfettered manner.

- (c) With the new Constitution, which among other things, will delineate regional structures, processes and powers, the budgetary and fiscal responsibilities of the new regions will replace that of the present regions including the reincorporated states.

C. TREATMENT OF STATES REFUSING RE-INCORPORATION

Actions to be taken against those states that will refuse re-incorporation are as follows:

1. Their independence will not be recognised and, therefore, no diplomatic relations will be established. Existing diplomatic contacts will be stopped. Passports issued by these countries will also not be recognised. Individuals in these countries who will declare themselves to be citizens of the New African state will be offered the citizenship and passports of the New African State. As citizen of the New African State they will be provided with all the protection as

citizens of a sovereign state.

2. These states will be asked to print their own currencies which will not be recognised for transaction purposes between them and the New African State. Purchase of goods from the New African States will be done in foreign currencies.
3. In all respect they will be asked to be truly independent as they would have chosen to be. But our citizens will be protected.