

THESE ARE DRAFT MINUTES, AS APPROVED BY THE CHAIRPERSON. THEY ARE CONFIDENTIAL AND RESTRICTED TO THE MEMBERS OF SUBGROUP 3, THE WORKING GROUP STEERING COMMITTEE, THE DAILY MANAGEMENT COMMITTEE AND THE MANAGEMENT COMMITTEE. THEY ARE STILL SUBJECT TO RATIFICATION BY THE SUBGROUP AT ITS NEXT MEETING.

MINUTES OF THE FIFTH MEETING OF SUBGROUP 3 (THE ADMINISTRATIVE, FINANCIAL AND PRACTICAL EFFECTS OF REINCORPORATION OF THE TBVC STATES) HELD AT THE WORLD TRADE CENTRE ON MONDAY, MARCH 23, 1992.

<b>PRESENT</b>	<b>Delegates</b>	<b>(See Addendum A)</b>
	<b>JL Mahlangu</b>	<b>(Chairperson)</b>
	<b>WJ Viljoen</b>	<b>(Minutes)</b>

**1. Chairperson's opening remarks and adoption of draft agenda.**

The Chairperson welcomed the delegates and a special word of welcome was extended to Mr GM Memela (Rapporteur) and Mr N Singh of Solidarity, who has replaced Dr Bagwandeem.

Mr Memela was wished well on his role as Rapporteur.

The draft agenda was adopted.

**2. Ratification of minutes of the meeting of Subgroup 3 held on March 9, 1992.**

The minutes of the fourth meeting of Subgroup 3 were ratified subject to the following amendments that were agreed upon:

- 2.1. 6.2. Add: "A list of all outstanding information will be supplied to the Subgroup by the minute taker."
- 2.2. 5. Add: "Since the National Party decided to withdraw their nomination of a Rapporteur in the interest of progress, it was agreed..."
- 2.3. Names in Addendum A were corrected.
- 2.4. 3.2.4. substitute "delay" for "attitude"

**3. Progress on assembling material identified in the minutes of Subgroup 3 meeting held on February 18, 1992.**

- 3.1. SA Government
  - 1 Document was tabled.
  - See: 9: Information received.
- 3.2. TBVC Governments

3.2.1. Transkei Government

3 Documents were tabled

See: 9: Information received.

3.2.2. Bophuthatswana Government

No additional information was tabled.

3.2.3. Venda Government

2 Documents were tabled.

See: 9: Information received.

3.2.4. Ciskei Government

A comprehensive document was tabled structured according to the minutes of the meeting of 18 February 1992.

See: 9: Information received

The delegate from the Ciskei Government apologized for not being present at the previous meeting and for the time delay in providing information.

The meeting accepted the explanation and thanked the delegate for the information provided.

3.3. The Development Bank of Southern Africa

It was noted that the DBSA will be providing comprehensive information which will be available at the next meeting.

3.4. Other information

3.4.1. Three SECOSAF documents were tabled.

See 9: Information received.

3.4.2. The delegate from the Venda Government noted that information on the retention of business confidence was still to be submitted by the Venda Government.

4. Identification of further information needed.

It was agreed that this will be investigated as the work of the Rapporteur proceeds.

5. Submissions

Position papers/discussion papers were submitted by:

5.1. The ANC (Addendum C)

- 5.2. The SACP (Addendum D)
- 5.3. The Democratic Party (Addendum E)
- 5.4. The Labour Party (Addendum F)
- 5.5. The Bophuthatswana Government (Addendum G)

It was agreed that all parties/organizations will submit position papers to the minute taker by no later than 14:00 on Thursday, 26 March 1992, for distribution to the Rapporteur.

The SA Government and Inkatha delegates indicated that they will not be able to submit their position papers by the deadline agreed to.

Objections were raised and noted to the Bophuthatswana delegate leaving the meeting prior to closure.

The SACP delegate noted their dissatisfaction at not being able to raise and discuss certain issues at this meeting.

## 6. Production of report for Subgroup 3.

It was agreed that this will be left till the next meeting.

## 7. Any other business

### 7.1. Land Moratorium

It was agreed that the Rapporteur will submit a draft agreement on the Land Moratorium to the next meeting of Subgroup 3, so that this issue can be finalised at the next meeting of Subgroup 3.

### 7.2. Participation of Advisors in Working Group 4 Plenary sessions.

It was reported that advisors can interchange their positions to allow advisors to participate in Plenary Session debates. In this situation the previous delegate would assume the seat of the advisor. Heads of delegations should guide the procedure.

## 8. Date of next meeting

The next meeting will be on Tuesday, March 31, 1992 at 10:00 to 16:00.

## 9. Information received

### Information received from the SA Government

- 9.1. Government Pension Funds Paragraph 11.6. of the minutes of the meeting held on 18 February and State Debt - Paragraph B.6. of the same minutes.

### Information received from the Transkei Government

- 9.2. Transkei Status Report
- 9.3. Transkei Electricity Supply Corporation: Financial Statements 31 March 1991.

- 9.4. Transkei Airways Corporation: Statements: 31/12/91.

**Information received from the Venda Government**

- 9.5. Status of the Republic of Venda Pension Fund.  
9.6. Venda Comparative Indicators.

**Information received from the Ciskei Government**

- 9.7. Comprehensive document as supplied to all delegates.

**Information received from SECOSAF**

- 9.8. Multilateral agreement between the Governments of TBVCSA for the avoidance of double taxation, the prevention of fiscal evasion, the rendering of mutual assistance and co-operation, and the establishment of a transfer system, with respect to VAT.  
9.9. Manual on the implementation of the Regional Industrial Development Incentives introduced on 1 April 1982.  
9.10. RSA Regional Industrial Development Programme Incentive Package applicable from 1 May 1991.

**10. Closure**

The meeting was adjourned at 16:00.

ADDENDUM A

Attendance Register

ANC	A Nzo
BOPHUTHATSWANA GOVT	DW Schoeman
CISKEI GOVT	M Sondiyazi
DP	C Simkins
DIKWANKETLA PARTY	D Thejane
IFP	NJ Ngubane
INTANDO YESIZWE PARTY	JL Mahlangu
INYANDZA NAT MOVEMENT	ND Moekoena
LABOUR PARTY	J Douw
NIC/TIC	S Singh
NP	R Radue
NPP	L Dwarkapersad
SOLIDARITY	N Singh
SACP	L Nyembe
SA GOVERNMENT	RW Burton
TRANSKEI GOVERNMENT	M Titus
UPF	ER Maponya
VENDA GOVERNMENT	SE Moeti
XIMOKO	TW Tshabalala

SCHEDULE OF MEETINGS FOR WORKING GROUP 4

Monday 30 March 1992 - Working Group 4 meeting : 10:00 to 16:00

Monday 30 March 1992 - Working Group 4 Steering Committee to take place after the conclusion of the working group 4 meeting

Tuesday 31 March 1992 - Working Group 4 Sub Group 1 : 10:00 to 16:00

Tuesday 31 March 1992 - Working Group 4 Sub Group 2 : 10:00 to 16:00

Tuesday 31 March 1992 - Working Group 4 Sub Group 3 : 10:00 to 16:00

Tuesday 31 March 1992 - Working Group 4 Sub Group 4 : 10:00 to 16:00

Assendum C

1.9.

**AFRICAN NATIONAL CONGRESS**

**SUBMISSION TO**

**SUB-COMMITTEE 3 OF WORKING GROUP 4**

**THE ADMINISTRATIVE, FINANCIAL AND PRACTICAL  
EFFECTS OF REINCORPORATION  
OF THE TBVC STATES**

**23rd March 1992**

# AFRICAN NATIONAL CONGRESS

## THE ADMINISTRATIVE, FINANCIAL AND PRACTICAL EFFECTS OF REINCORPORATION OF THE TBVC STATES

### SUB-COMMITTEE 3 OF WORKING GROUP 4

#### GENERAL COMMENTS

##### Regional Government

The African National Congress has always been clear in its opposition to the policies of Grand Apartheid, which saw the creation of the 'homeland' system and the 'independence' of the TBVC territories. The reincorporation of these territories is thus a necessary part of the larger process of dismantling apartheid.

When examining the administrative, financial and practical effects of reincorporation, the context within which reincorporation will take place must be borne in mind. The restructuring of South African society will require the development of non-racial democratic structures of government at national, regional and local level. Of particular importance in relation to the reincorporation of the TBVC territories is the regional dimension.



Current thinking in the ANC on the issue of regional government is contained in the discussion document "Ten proposed regions for a united South Africa", produced by the Constitutional Committee of the ANC. This document proposes a regional demarcation in South Africa based on developmental and functional criteria, which would essentially see the homelands merged with the provinces, or subdivisions of the provinces within which they find themselves. This would see the creation of new non-racial and democratic structures of regional government.

### **Regional Development**

It must be noted that the ten homelands contain around 42% of South Africa's total population, but contribute only 7,6% of the total Gross Domestic Product (GDP). (The 4 TBVC's contain 17,3% of the population and produce 4,4% of the GDP). These figures bear testimony to the failure of the National Party government's successive policies of 'homeland development'.

While the ANC is committed to the reincorporation of these territories, it should be made clear that we are also committed to the development of these neglected areas of our country. Thus while reincorporation will result in some savings in relation to certain aspects of the national fiscus, we would envisage an increased allocation of resources towards the development of these deprived areas. This would be done in terms of a comprehensive national policy for regional development, which would be implemented within the framework of a new structure of regional government.

RESPONSE TO ITEMS 1.4 (a) TO 1.4 (i)  
TERMS OF REFERENCE - SUB-COMMITTEE 3 OF WORKING GROUP 4

a) Retention of Business Confidence in the TBVC's

It should be noted that business confidence is already shaky in the TBVC's due to

\* the withdrawal by central government of 'growth point' status, and associated decentralisation incentives, from designated points in the TBVC's, under the new Regional Industrial Development Programme (from April 1, 1991),

\* labour unrest due to unsatisfactory labour relations in Ciskei and Bophuthatswana. (The Impala Platinum mines lost 100 000 ounces of production, worth R100 million in the second half of 1991. This was caused by strike action and labour unrest resulting from the refusal of the Bophuthatswana administration to allow the National Union of Mineworkers to operate in Bophuthatswana)

The harmonisation of labour legislation through reincorporation should actually boost business confidence through promising a more stable relationship with unions.

The central government's industrialisation incentives specific to the TBVC's are already being phased out, irrespective of whether or not reincorporation takes place. Certain of the TBVC's are, however, offering tax incentives to attract industry.

The submission by the SA Government on "Taxation" indicates that company tax in the TBVC's is as follows:

- \* 40% in Bophuthatswana
- \* Companies are exempted from tax in Ciskei
- \* 35% in Transkei
- \* 48% in Venda
- \* 48% in central RSA

It is inevitable that reincorporation should mean a harmonisation of taxation systems. This would mean companies as well as individuals at the upper end of salary scales being taxed more heavily in Bop, Ciskei and Transkei, but not in Venda. The increased taxation on those companies presently paying taxes lower than in central South Africa could be introduced in a phased manner so as <sup>to</sup> allow gradual adjustment to a uniform tax system.

In certain cases there may be a conflict between South African legislation and some business operations in the TBVC's eg the casino's. In these cases temporary exemptions to continue operation would have to be granted on the assumption that these aspects of the South African legal system may well be overhauled in the transition process.

#### **b) Land Transfers**

The Government submission on "Land Transfers" indicates that a number of land transfers to the TBVC territories are pending in terms of bilateral and independence agreements. The position of the ANC is that there should be a moratorium on all such transfers.

### **c) Disposal/Transfer of Assets**

Reincorporation would see the transfer of the existing assets of the TBVC's to the state authority assuming responsibility once reincorporation has taken place. The ANC has expressed its opposition in the past to the privatisation of state assets by the South African government in advance of the transition process. We would take the same view in relation to the assets of the TBVC's (including land), and would recommend that Codesa should take a position that there should be a freeze on the privatisation of state assets, whether in the TBVC's or central RSA.

### **d) Optimal Use of Existing Infrastructure**

It is the view of the ANC that the attempt to impose the policy of Grand Apartheid on the people of South Africa has led in large measure to wasteful expenditure. In relation to this we note with regret that this is still continuing despite the reform process. (Submissions on development project funding contain items such as new parliament buildings in Mmabatho, costing R22 million).

We do, however, believe that the infrastructure put in place through apartheid policies belongs to the people of South Africa as a whole, and should be utilised to the benefit of all in a new dispensation. The infrastructure of the TBVC's could in most cases be taken over by the national government or the regional administrations that emerge within a new structure of regional government.

In certain instances there is an overdeveloped infrastructure in the TBVC 'capitals' in relation to their possible future role. Consideration can be given to these 'capitals' becoming regional administrative centres in the future. Where they are not well situated, however, more imaginative uses will have to be found for these facilities, eg. education centres.

#### **e) Review of Development Project Priorities**

Submissions by the TBVC delegations indicate a wide range of development activities being carried out by the TBVC's. These range from rural development projects to the construction of new military bases.

The prioritisation of development projects in the TBVC's should be part of a national process of prioritisation in the allocation of public resources according to new objectives in the new South Africa. An emphasis on the extension of adequate education, health and welfare, housing and other services to all in relation to budgetary allocations is needed. Wasteful expenditure on the expansion of the defence capability in the TBVC's, the construction of buildings which are not likely to be useful in the future (new parliament buildings etc) must be brought under control.

Codesa should establish in principle the possibility for a review of the 1992/93 budgetary allocations once an interim government is established.

#### **f) Good Administration During Transition**

The question of good administration in the TBVC's during the transition essentially relates to the need for continuity in the administration of development and social services during the transition to a new regional dispensation (Point g below)

The future of the civil service in the TBVC's is dealt with in point (h) below.

Essentially the establishment of an interim government in South Africa in the near future should see the administrations of the TBVC's brought under the ambit of this interim structure. This would be a transitional phase.

Once elections have taken place for a Constituent Assembly the task of finalising issues such as the demarcation and powers of a new framework of regional government can be ~~be~~ completed.

#### **g) Appropriate Measures to Minimise Disruption**

It is important that essential services to the residents of the TBVC's should not be interrupted during the transition. The continued financing of these services from central government coffers should be provided for.

The submissions by the SA government on financing of the TBVC's indicate a wide variety of forms of financial assistance to these territories. Figures for 1991/92 for all 4 TBVC's are:

Form of assistance	Rands (million)
Direct financial assistance	3 768
Transfer payments	2 343
Loans	122
Technical and other	86
<b>TOTAL</b>	<b>6 319</b>

Estimates of expenditure for 1991/92 for the TBVC's are as follows:

Estimates of expenditure 1991/92 (Rand millions)	
Transkei	3 953
Bophuthatswana	3 329
Ciskei	2 016
Venda	1 158
<b>TOTAL</b>	<b>10 456</b>

The above figures indicate that around 60% of the TBVC budgets comprise assistance of one form or another from central government.

The SA budget for 1992/93 has already been drawn up. During this period it can be anticipated that reincorporation of the TBVC's will take place under the auspices of the interim government. This would necessitate the reallocation of resources within the overall budget to ensure continuity in the financing of ongoing development and services in the TBVC's. (eg. The TBVC's would no longer qualify for Customs Union payments once 'independent' status had been lost. This amount, comprising 22% of total revenue in the TBVC's, would have to be made up from another vote in order to ensure continuity of financing)

It should also be stated that there should be no disruption in the payment of pensions and other welfare benefits during the transition. These benefits would have to be harmonised with the ultimate unification of the various state pension schemes.

#### **h) Future of Civil Service in the TBVC's**

The integration of the homeland administrations into non-racial democratic structures of regional government will be a process with a number of steps. In relation to the implications for the TBVC civil service, different categories of departments can be identified.

\* Those departments which are likely to disappear. Departments such as the TBVC departments of Foreign Affairs, Information etc, whose function is clearly associated with the concept of 'independence' will no longer have a reason to exist after reincorporation. Staff from these departments would have to be absorbed by other departments.



\* Those departments which will be absorbed into the national structure. Each TBVC has its own defence force. These would have to be merged into a national defence force; once the TBVC's are reincorporated and an interim government is in place.

\* Those departments which would ultimately be absorbed into the new regional administrations under unified national departments. The ANC has always called for single national departments of education, health etc. Such departments in the TBVC's would ultimately become part of unified national departments, which could however have regional components under the new regional administrations. The vast majority of TBVC civil servants would therefore continue their functions within a new framework of national, regional and local government.

The recommendation of the Government that the civil service in the TBVC's should be rationalised in accordance with IMF norms needs to be examined. Essentially the South African civil service needs to be seen in its entirety (including the TBVC civil services). Any rationalisation process should thus take place following the unification of the South African civil service or as part of the process of unification.

### i) Servicing and Repayment of TBVC Debts

According to government submissions total state debt in the TBVC's is as follows:

	Debt (Rand millions)
Transkei	2 406
Bophuthatswana	665
Venda	762
Ciskei	1 757
<b>TOTAL</b>	<b>5 590</b>

No foreign loans are listed among the categories of TBVC debt. The major component of TBVC debt comprises DBSA and KEOSSA loans, and overdrafts which have been guaranteed by central government. The central government has a responsibility for the settlement of these debts, and these would be taken over upon reincorporation of the TBVC's.

\* FIRST DRAFT \*

WORKING GROUP 4 SUB-COMMITTEE 3THE ADMINISTRATIVE, PRACTICAL AND LEGAL EFFECTS OF  
RE-INCORPORATION AND NON-INCORPORATIONDISCUSSION DOCUMENT BY BOPHUTHATSWANA1. INTRODUCTION

Bophuthatswana in its position statement on the future of the TBVC-States, suggested an investigation by CODESA into various future options and an objective evaluation of the likely implications resulting from such options. The opportunity was also asked to assess freely and objectively the merits and demerits of each proposal before the will of the people is tested.

**The undertaking was given that every option which promises a better future, or a future at least as good as the present situation, will be regarded a feasible and realistic option for consideration.**

CODESA on its behalf, instructed Working Group 4 in its Terms of Reference, "to investigate and report upon all proposals and make recommendations with regard to the relationships between South Africa, the TBVC-States and the people of those states under a new South African constitution".

Working Group 4 continued in this spirit to explicitly state that the effects on re-incorporation and non-incorporation should be investigated by the various Sub-Committees.

Although re-incorporation into South Africa may be a foregone conclusion for Ciskei, Transkei and Venda, it became obvious that the people and Government of Bophuthatswana is not convinced that it would be to their advantage to be re-incorporated.

Because of this reasoning, Bophuthatswana selected two options of non-incorporation as their first preferences. The option of a Regional Government within South Africa was identified as a third option for consideration.

An important part of the Terms of Reference of this Sub-Committee is therefore to investigate these implications further and provide the necessary documented proof if consensus is reached, that it will be to the advantage of Bophuthatswana and South Africa to join forces.

## 2. PROGRESS

It is clear from deliberations and information presented, that the TBVC-States cannot be generalised as a group, but that each individual state should in fact be evaluated as a specific entity in terms of its own unique performances and circumstances.

This resulted in a decision that detailed information according to an approved format, should be presented by each of South Africa, Transkei, Bophuthatswana, Ciskei and Venda. Most of these countries presented their information in terms of the approved format and are now awaiting a report on information still outstanding.

It is crucial for Bophuthatswana to have a clear analysis and balance drawn up of all positive and negative implications and effects on incorporation and non-incorporation for its specific situation.

The initiative to obtain clarity on this all important aspect, was therefore taken by way of a detailed analysis as attached, in ANNEXURE A, for consideration and discussion. This is still a draft presentation and is mainly based on existing and available information to date. A final report is intended for attention of Working Group 4 and even CODESA II, after finalisation by this Sub-Committee.

It is further important to note that many issues identified, require a specific statement of clarity or confirmation before the position can be accepted as final. It can therefore be accepted that this document and its annexure will require further refinement as further information is gathered and clarity is obtained regarding the specifics of a new constitution and its regional structures.

It is thus considered important that this Sub-Committee investigate all issues identified and provide further guidance to be taken into consideration. There-after, the discussion can be documented in the report to Working Group 4. This Working Group could then clarify outstanding issues, and confirm the conclusions and recommendations formulated and undertakings given for verification of the Management Committee and CODESA II.

In preparing the analysis in ANNEXURE A, it was accepted as a best case scenario for re-incorporation, that a regional government with maximum devolution of autonomy and powers is possible. If not, this should be clearly stated. Similarly, it was accepted that Bophuthatswana will be allowed to continue unhindered as an independent country if it choose to remain autonomous. Furthermore, existing cordial and constructive relations with a new South Africa will continue as at present.

If this is not going to be the position, this must also be stated and motivated clearly.

It is obvious that the conclusions and findings of this draft analysis will have to be reviewed and adopted if these two basic premises are not acceptable as a point of departure.

### 3. CONCLUSIONS

From the analysis provided, it is obvious that each government should be assessed separately and on merit regarding the likely effects and implications in a new South Africa. General guidelines and undertakings will have to be followed with more detailed understandings reached with each specific country.

The economic analysis and available information show without any doubt that the average resident in Bophuthatswana is enjoying a quality of life and access to a quality service by government, that compares favourably with anything offered in South Africa at present. In fact, it is obvious that there is apparently very little to gain administratively and financially from re-incorporation.

In exchange for these doubtful prospects it would appear as if several sacrifices are required from the average resident, as listed in the detailed analysis.

[ANNEXURE A].

In summary, the following examples apply:

- An existing, proven and sound constitution must be replaced by a new constitution still to be developed as part of the negotiation process. It is not clear how principles and values of the government will be carried forward in such a constitution.

- Development attention will initially be focussed on the deprived areas of South Africa to the detriment of further growth and development in the relatively prosperous Bophuthatswana areas. All which has been gained in Bophuthatswana in comparison with the economic degradation in the bordering regions and towns in South Africa, will be lost again.
- The violence, killings and intimidation in South Africa will spill over into Bophuthatswana territory where peace, stability and economic progress were experienced the past years.
- Bophuthatswana's access to revenue sources and its fiscal autonomy to spend the money where the greatest needs are experienced and priority developments could be supported, will severely be limited.
- Political, economic and financial autonomy will largely revert back to a central government without the perspective nor appreciation for the needs and aspirations of the people living in this part of the country.
- The transfers of the functions and responsibilities to regional and local governments without access to revenue and the authority to take decisions, is a sure way to kill initiative and lose support.
- Although economies of scale are possible and provide exciting opportunities for the future, this must be weighed against the advantages of direct access and attention to grassroots and community needs and aspirations. Guidance on this must be given.

- There is a real danger that all good economic and administrative performances by Bophuthatswana will now be emptied in a bottomless pit of debts, shortfalls, poverty and basic needs experienced by the other populations in South Africa. Assurances and guarantees on this aspect is required before re-incorporation becomes a realistic alternative.
- Wrong constitutional, economic and financial policies in South Africa and TBVC countries, is further creating a financial burden and loss of confidence in the ability of South Africa to solve its internal problems.
- Very little respect and recognition is furthermore found at CODESA and in statements by some of the participants, regarding existing constitutions, acts, values and principles applied by ruling governments. This, together with examples where the merits of an argument is subject to political pressure and positioning, do not offer favourable prospects for a future South African Government.
- The way in which existing agreements and the peace accord are also interpreted and applied by the very signatories of these agreements, and the continued use of private armies, violence and intimidation, contribute to the existing despair on what a new South Africa holds.

From the above, it is obvious that considerable debate and guidance on all contradictory signals are required before reasonable expectations about the future can be created.



Furthermore, specific assurances and guarantees on the future of the people, the assets and the structures of existing governments, its resource base and functional responsibilities will be required, before even a remote opportunity is created for a favourable consideration of a re-incorporation option.

D W SCHOEMAN





THE EFFECTS OF RE-INCORPORATION AND NON-INCORPORATION ON BOPHUTHATSWANA.  
(ADMINISTRATIVE, FINANCIAL AND PRACTICAL)

DESCRIPTION		EFFECTS OF RE-INCORPORATION		EFFECTS OF NON-INCORPORATION	
		POS.	NEG.	POS.	NEG.
<b>A. ADMINISTRATIVE</b>					
RESOURCE BASE	LAND	No need for further land transfers All residents subject to compulsory RSA citizenship Unless stated otherwise, schemes to force existing land-owners from land can be expected Unless stated otherwise, affirmative actions to favour certain population groups at the cost of other		* Outstanding land transfers to continue * Bilateral negotiations for more land and technical corrections will continue * Citizenship will remain a free choice * People will remain free to own and sell land as they wish * All population groups will be equally treated with respect to land claims and services offered	* * * *
	LABOUR	Increased activity in large and politically motivated trade unions More and wider selection of employment opportunities A labour force known for low productivity and considerable loss of productive manhours A relatively higher wage structure in operation No compulsory scheme for employers/employees to provide for pensions Farm workers and domestic servants not yet recognised in labour legislation Labour legislation in need of review Education and training out of step with modern needs	*	* Less employment opportunities and smaller selection * Smaller and more disciplined trade unions focusing on labour related issues * Loss of productive manhours negligible and limited primarily to the mining sector * Labour legislation already provide protection to farm and domestic workers * Advanced dispute resolution procedures in operation * Education and training much more advanced and applicable than in South Africa * National Provident Fund in operation for more than 10 years to provide for the elderly/disabled	* * * * * *
PHYSICAL INFRASTRUCTURE	ROADS	Not enough funds to maintain already surfaced roads Rural roads need urgent attention throughout country		* Government spending per capita higher than in SA * General standard of road network superior than SA average * Proximity to SA surfaced and national network also better than remote selfgoverning areas	* * *

THE EFFECTS OF RE-INCORPORATION AND NON-INCORPORATION ON BOPHUTHATSWANA.  
(ADMINISTRATIVE, FINANCIAL AND PRACTICAL)

DESCRIPTION	EFFECTS OF RE-INCORPORATION		EFFECTS OF NON-INCORPORATION		
	POS.	NEG.	POS.	NEG.	
WATER SUPPLY		Access to good sources of water supply	*	Dependant on bulk water supply from SA	*
		Provision of clean water in rural areas is a major challenge		Reticulation of water in rural areas superior to the average SA situation	*
		Major problems are encountered to collect tariffs		In position to give higher priority to water supply than would be otherwise the situation	*
		Improved access to reticulation services in towns	*	Polution of water not a big problem	*
ELECTRICITY		Major source of electricity supply	*	Do not experience problems with collection of tariffs and fees	*
		Access to big coal resources	*	Dependant on SA for electricity supply	*
		Advanced structure to supply the total sub continent	*	Duplication of structures to supply electricity	*
		Major problems in collection of tariffs	*	Limited access to coal/energy reserves	*
		Improved reticulation of services in towns	*	Collection of tariffs not a problem	*
COMMUNICATION SYSTEMS		Considerable improvement in telephone facilities is likely	*	Tremendous need for affordable energy in area	*
		Improvement in private telephone connections possible	*	Not the funding base to support big investments	*
		Superior provision of postal services in Bophuthatswana will not be improved soon	*	Higher per capita expenditure on these services will continue	*
		Interference in radio and TV services can be expected	*	Larger number of postal services could ensure an superior service in future	*
		Access to improved maintenance of service	*	The provision of adequate telephone services is a problem	*
			Technological expertise requirred not readily available	*	
			Can continue its independant broadcasting and TV service	*	

THE EFFECTS OF RE-INCORPORATION AND NON-INCORPORATION ON BOPHUTHATSWANA.  
(ADMINISTRATIVE, FINANCIAL AND PRACTICAL)

DESCRIPTION		EFFECTS OF RE-INCORPORATION	POS.	NEG.	EFFECTS OF NON-INCORPORATION	POS.	NEG.
SOCIAL INFRASTRUCTURE	HOUSING	Large shortages are experienced Funding requirements put tremendous strain on budget Registration of bonds on tribal land still a problem Housing needs in towns will dominate attention at cost of rural areas Many towns require basic services urgently Local government structures not operational as a result of intimidation by residents Rent boycotts by residents are crippling operations Violence and lawlessness make these towns unsafe for law abiding citizens			* Shortages for housing is manageable * Budgetary provisions for housing relatively small * Structures and finance in place for loans in tribal areas * Towns reasonably provided with basic infrastructure * Effective and efficient local/tribal authorities * Although backlogs are experienced no rental boycott * Local authority legislation in process of completion * Continued inflow of people to escape the violence in SA		
	TRANSPORTATION	Transportation in rural areas very bad Very heavy subsidy burden on the government Reluctance to pay transport fares			* Very advanced transportation system that will take years for SA to match * Increases of tariffs are less of a political instrument and budgetary constraint * Manufacture own buses that are required		
	EDUCATION	Become part of school unrests in SA Children to be subject again to inferior education system and bad matriculation results Superior teacher to pupil ratio will diminish Superior classroom to pupil ratio will diminish Improved enrolment rate will have to wait for SA to catch up			* Discipline and good examination results will be maintained in schools * Superior level of education will continue * Special training to improve skills of teachers will continue unabated * Special programmes on adult and literacy training will continue to be improved * The provision of technical/vocational training will continue to receive priority * System of entrepreneurial/small farmer training will continue		
	HEALTH	Improved access to doctors Improved access to nurses Improved access to hospital beds Improved facilities and funding	*	*	* Superior level of services/clinics in rural areas will stagnate until rest of SA caught up	*	*



THE EFFECTS OF RE-INCORPORATION AND NON-INCORPORATION ON BOPHUTHATSWANA.  
(ADMINISTRATIVE, FINANCIAL AND PRACTICAL)

DESCRIPTION	EFFECTS OF RE-INCORPORATION		EFFECTS OF NON-INCORPORATION	
		POS. NEG.		POS. NEG.
C. FINANCES				
REVENUE	Loss of Customs and Excise revenue		* Continued access to Customs and Excise transfers	*
	Loss of autonomy on the use of budgetary assistance from Central level, unless otherwise stated		* Continued honouring of bilateral agreements on financial transfers	*
	Uncertainty on basis of future financial transfers from Central level		* Continued budgetary assistance from SA	*
	Unless stated otherwise, no claim to individual taxes paid by citizens in SA		* Continued KEOSSA funding of projects	*
	Unless stated otherwise, no transfer of company taxes paid to Central Authority		* Continued DBSA funding of projects	*
	New double taxation agreements to be entered into		* Complete fiscal autonomy over revenue sources	*
	Unless stated otherwise, loss of control over mining taxes		* Continued lower marginal rates for individuals	*
	Unless stated otherwise, loss of VAT as revenue source		* Highly motivated collection of revenue	*
	Fiscal autonomy over other revenue sources to be considerably restricted		* Trained staff and known legislation	*
	Less revenue to fund functions and needs		* Access to loan funding	*
	Introduction of higher marginal tax rates for individuals		* Flexibility to apply deficit financing in budgeting	*
	Autonomy to raise loans to be restricted considerably		* Very low exposure to loan funding at present	*
	Strong indications that revenue generated in area will be transferred to other communities		* Very low debt servicing ratio	*
	Motivation for increased revenue collection not there		* Existing debts will remain responsibility of the government	*
	Training of staff and community to collect taxes according to new and strange legislation			
	Complete chaos in implementing new policies and rates			
	Access to new sources of revenue at regional service/local level			
	New guidelines on central/regional/local revenue sources to be developed			
	Overborrowed according to IMF standards			
	Debt servicing ratio unacceptably high			
	Access through Central government to Foreign aid	*		



DEMOCRATIC PARTYSecond submission to Working Group 4 Sub-committee 3 - the administrative, financial and practical effects of reincorporation of the TBVC states

1. Working Group 2 has agreed that there shall be three tiers of government - national, regional and local - with democratic representation at each level. The duties and functions of each level will be entrenched in the constitution, with the proviso that each level of government may delegate powers, duties and functions to lower levels. No decisions have yet been taken on the allocation of powers, duties and functions or on the number and boundaries of regions.

2. It therefore seems sensible to regard public administration and finance in the TBVC states as having to go through two stages of transformation. The first stage involves reincorporation into South Africa as distinct entities. The second stage (which will also involve national states and provincial administrations) will consist of reorganisation of the public sector to accommodate new regions.

3. The second stage has two characteristics. Firstly, the progress which WG 4 can make on it depends on decisions made in WG 2. There is little detail at this stage for us to work with. How far WG 2 will go at the level of detail is itself uncertain. Secondly, the working out of the second stage will take considerable time, certainly stretching beyond CODESA itself. The first stage has neither of these characteristics.

4. With regard to the second stage, it is proposed that:

\* WG 4 SubC 3 goes as far as it can in agreeing on proposals, given progress in other WGs.

\* WG 4 gives consideration to the form to be taken of an ~~accountable mechanism to be set up by the interim government to deal~~

SUBMISSION OF THE LABOUR PARTY OF SOUTH AFRICA TO SUB-COMMITTEE  
3 OF WORKING GROUP 4 ON THE ADMINISTRATIVE, FINANCIAL AND  
PRACTICAL EFFECTS OF REINCORPORATION OF THE TBVC STATES.

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1. The Labour Party of South Africa is in favour of the reincorporation of the TBVC States.
2. It is essential that there should be an exhaustive and penetrating debate on this complex subject. It must be based on thorough research taking into account all the political, legal and fiscal implications. It is essential that political groupings should endeavour to adopt a statesmanlike, dispassionate and realistic approach on this important issue.
3. "The TBVC States geographically and politically formed part of the original South African state as it emerged in 1910 as a result of the unification of South Africa. They are perceived an integral part of South Africa from an economic, geographical and political point of view.  
" They emerged as separate political entities as a result of the discredited policy of apartheid and thus did not enjoy international recognition.
4. The process of incorporation must occur through negotiation and democratic means. It is essential that the relevant parties act in good faith.
5. The following problems should be addressed :-
  - 5.1. Retention of business confidence : Social and political stability in these states are of utmost importance during transition. Under no circumstances should existing investments be disrupted. A withdrawal of investment would accelerate unprecedented unemployment and its accompanying social evils.
  - 5.2. Land-transfers : The Labour Party proposes a moratorium on all land transfers.

- 5.3. Disposal/transfer of assets : A complete inventory of all assets/liabilities of the TBVC States must be provided. Should reincorporation be the wish of the people, all the assets/liabilities of the respective states would be transferred to the new government.
- 5.4. Existing infrastructure : Infrastructure in these states should be optimally utilised and where possible be supplemented from South Africa.
- 5.5. Review of development project priorities : It would be unwise to terminate or even review development projects already underway. Where possible, future projects might be re-prioritised.
- 5.6. Good administration during transition : It is proposed that these states be left under the control of its present rulers during transition.
- 5.7. Taxation : Harmonisation of tax regimes - personal, indirect tax, corporate tax - in South Africa and the TBVC States imperative.
- 5.8. Future of civil servants : An emotive issue that should receive urgent attention. The actuarial position of pension funds of utmost importance.
- 5.9. Servicing and repayment of TBVC debts : After reincorporation all loans - direct and guaranteed, domestic and foreign - would become the responsibility of the new government.

**SUBMISSION OF THE SOUTH AFRICAN COMMUNIST PARTY TO SUB-GROUP 3  
OF WORKING GROUP 4 ON THE ADMINISTRATIVE, FINANCIAL AND PRACTICAL  
IMPLICATIONS OF REINCORPORATION OF THE TBVC STATES**

**Section One: Introduction**

**1.1 Proposals and recommendations with regard to the  
relationships between South Africa, the TBVC states and  
the people of those states under a new South African  
constitution**

**\* general**

Since our party favours reincorporation of all the TBVC states into a single, united, democratic South Africa, we would therefore see the need for the TBVC states to eventually dissolve, for their administrations to be reincorporated into and form part of a central South African administration, and for their armed forces to be integrated into a united South African armed force, falling under the central government. This would, of course, apply equally to the self-governing territories. In terms of administration, we would finally end up with single departments of health, education, etc. at a national level.

All people of the TBVC states, who were not foreign nationals, would be South African citizens with full, unqualified citizenship rights.

There will clearly be some form of regionalisation of government in South Africa under a future constitution. Even if there are no elected regional governments, it will still be necessary to decentralise administration, as is the case under the existing provincial system in the RSA.

The reincorporation of the TBVC countries is closely related to the issue of the regionalisation of government. If there is some clarity on how regionalisation is to take place, strategies for dealing with reincorporation may become more obvious.

The process of creating regional structures has five components:

- 1) National and regional boundaries must be defined.
- 2) The powers and responsibilities of regions in relation to central and local government must be defined.
- 3) Regional administrations must be formed.
- 4) Elections to regional government must be held (assuming that such elections are agreed to under the new constitution).
- 5) Where regions are created from territories where existing legislation and administration differs, the process of harmonisation needs to be managed.

We would be in favour of a situation where the TBVC states are reincorporated under an Interim Government and participate fully in the process of constitution making. The Interim Government should decide on how the TBVC and self-governing states should be administered during the transition period and oversee the necessary harmonisation processes.

**\* in relation to administrative, financial and practical aspects**

There are two ways of approaching this process. Either agreement can be reached in detail by all relevant parties on all these components, and only then implemented; or the process can be approached incrementally, where certain changes may be introduced before agreement is reached on all issues.

While the former approach is theoretically sound, it is highly unlikely that the practical implications of any set of agreements will be comprehensively forecast; thus serious mistakes are likely which will be difficult to correct. The latter approach is better at enabling problems to be dealt with as they arise, and ensures that agreements are more closely informed by practical experience.

**\* Establishment of the principle of the desirability of reincorporation.**

In short, we can establish that the principle of reincorporation is eminently desirable and begin to set the formal process in motion, without prejudicing in any way the final outcome of the form of government, administration, etc.

## **Section Two: Main body of submission**

On the basis that reincorporation of the TBVC states is desirable:

**(a) the retention of business confidence, particularly in relation to existing investments**

**\* the present situation**

Both company and personal taxation in the TBVC states are at rates which are lower than under central government. In some instances, businesses have used these opportunities simply as a means of evading the South African tax laws, rather than in attempts to develop the economic/industrial infrastructure in the TBVC states. This should cease immediately.

The focus of the industrial decentralisation incentive schemes has shifted from inputs to profitability and these schemes apply throughout the SATBVC. There appears to be no immediate need to address this issue at present, as the matter should be dealt with by a future government.

**\* key issues and problems**

Business confidence will best be maintained and improved, if there is clarity about the direction and pace of change, if there is a sense that, on balance, conditions for business will not deteriorate and if there is good administration during transition. Maintaining business confidence should not become an excuse for delaying appropriate harmonisation of taxation and regulation environments (legislation). The objective should be to protect the people against uncertainty, not to protect people against an inevitable future. In certain cases, phasing will be necessary to ensure that harmonisation is not overly disruptive.

**\* recommendations**

1. A formal Statement of Intent should be issued by CODESA 2 by which businesses are informed that on re-integration of TBVC and self-governing territories, the laws and regulations of the RSA will apply. Such a statement should relate both to company and personal income tax.
2. A multi-lateral commission to be set up by CODESA 2 to consider a plan for the harmonisation of taxation and regulation environments. This Commission to consist of representatives of the tax authorities of the TBVC states and to include representatives from organisations who would not have automatic representation - Democratic Party, ANC, etc.
3. The process of harmonisation could be implemented incrementally and the revenue could accrue to the TBVC administrations in the interim. A date would have to be established on which agreements on taxation, etc. between businesses and TBVC governments would terminate. This would presumably be the date of dissolution of the "independent" status of the TBVC administrations and the effective date of reincorporation into the central South African state.
4. If this will prejudice their businesses in any way, during the transition period, they should be permitted to be exempted for a defined period from South African laws and regulations, and instead, the present agreement between the company and the TBVC administration can be maintained temporarily. This could be organised by applications to the Commission to whom all businesses will have to apply for any exemptions,

ensuring that the body managing harmonisation will have full information about the implications of the change to all individual businesses where the businesses consider such implications to be harmful. Advantage gained out of harmonisation should not be a criteria for exemption. The Commission should ensure that tax avoidance ceases immediately.

5. Except where completely impractical, the granting of exemptions (upon application) should be fairly automatic up to a certain date, which would be the "deadline" for harmonisation. The setting of dates is necessary to ensure greater ease of administration of the national process - otherwise four sets of different dates for exemption will apply.

**(b) land transfers**

**Democratic Party proposal for a moratorium on land transfers**

We refer here specifically to state owned land or land held in trust by any state or state official.

What is a moratorium? It is "a legally authorised postponement of the fulfillment of an obligation" and "an agreed suspension of activity".

Thus, a moratorium on all land transfers between the SATBVC states implies:

- (1) No further land transfers to the TBVC states by the South African government, or vice-versa, should take place.
- (2) The South African government should give an undertaking that the State President will not exercise his powers to excise further land from South Africa for the purpose of transfer to these states.

It must therefore be established which of the land listed in the Schedule to the Borders of Particular States Extension Act 2 of 1980 has not yet been excised from South Africa.

It has been stated in this sub-group of Working Group 4 that certain land was previously proclaimed for transfer. While this land was therefore, officially speaking, TBVC land, certain infrastructural work had first to be completed. Thus these states have not formally taken possession and rental still accrues to the South African government. This is the case of the Transkei government, as quoted in their report. The Venda government has stated that it will not take possession of any outstanding transfers. We are still awaiting the position of the Ciskei government.

It has also been argued in certain instances, and by the South African government in particular, that they have certain legal and contractual obligations, in terms of contracts already signed. The proposal is that these obligations should be fulfilled. As can be seen from the definition above, this would make nonsense of the call for a moratorium.

But let us look at the real concerns of the groups involved:

- (1) The TBVC states who are in favour of reincorporation may be in favour of the completion of certain transfers. This will certainly tidy up matters at an administrative level, but would not necessarily be the right political decision.
- (2) There are also people who reside and/or farm on this land. We have been unable to ascertain whether these are South African citizens or TBVC citizens or a combination of both. If the latter two are the case, transfer could deprive more people of their South African citizenship, something which we would all wish to avoid.
- (3) Where a state is not in favour of reincorporation, the moratorium becomes particularly important. Future land claims, if any, would have to be negotiated with a future South African government.

A moratorium has been proposed in order to maintain the status quo as regards state land. It has been proposed to obviate actions which would pre-empt or be in contradiction with the present process of negotiations towards a single, undivided South Africa and a new constitution. We support a moratorium on all land transfers, applicable to all the SATBVC states, pending reincorporation. At the point of reincorporation, all land should revert to the South African state.

**(c) disposal/transfer of assets (liabilities) of TBVC governments**

**\* general**

The assets and debts of the TBVC states and self-governing territories will be taken over by South Africa, or the relevant province, on reincorporation. There should be a moratorium on the sale, privatisation or commercialisation of all state assets pending reincorporation.



**\* land**

- 1) All land registered in the name of the TBVC government, or held in trust by a government official in his official capacity, should be transferred to the South African government. The reason for this is self-evident: reincorporation assumes that the property of the TBVC states should become the property of the South African state. If the new constitution provides for regional government with the power to hold property, it will have to be decided at that stage which of the national assets should be transferred to those governmental authorities.
- 2) In the period leading up to reincorporation, there should be a moratorium on the transfer or sale of any land in the TBVC states, registered in the name of the relevant government, held in trust by the government, or registered in the name of an official or a chief in his official capacity.

When communities were forcibly removed from their land, they were sometimes allocated land in the relevant TBVC state. They were seldom if ever given title to this land. The land was generally registered in the name of the TBVC government or one of its officials, or a chief. It is now widely accepted that the position of affected communities should be reviewed. Many parties believe that the Advisory Commission on Land Allocation is an inadequate response and that the affected land should be stabilised or "frozen" while long-term solutions are found. In all of these cases, the sale or disposal now of the affected land would complicate reincorporation by creating new "owners" whose rights would also have to be considered in the process of reincorporation.

**d) optimal use of existing infrastructure**

**\* general comments**

Infrastructures are likely to be more efficiently used given the greater rationality in the structure of political and administrative control once re-integration has taken place as described above. There is no reason why they should be less efficiently used.

**\* key issues and problems**

We are dealing here with two sets of services - the one being general public and social welfare services eg. health, education and the other being social security services eg. workmen's compensation, unemployment insurance services, etc. Both sets of services would need to be integrated into the South African state departments and

provincial administrations or regional administrations as the case may be, and, once again, a process of harmonisation may be necessary.

Social security and other social benefits should be maintained in the interim period and no person should suffer a loss of benefits. In this regard, it is encouraging that the Social Assistance Bill is being amended, particularly on the question of pensions and citizenship.

It will also be necessary to ensure sufficient funds for the maintenance of existing infrastructure. Over 60% of the TBVC's revenue comes from direct budgetary assistance, transfer payments and loans from the central government. The reincorporation of these areas does not therefore imply any additional financial responsibility for the central state.

**\* recommendations**

- 1) Budgetary assistance to the TBVC states should continue so as not to cause any disruption to the lives of residents
- 2) All social welfare and social security services should continue and a process of harmonisation should be worked out and set in motion.

**(e) review of development project priorities**

**\* general comments**

On re-integration the review of development project priorities will continue to be carried out on the same basis as before, except that the political responsibility will be exercised through the constitution-making interim government. The Development Bank of South Africa, which has been involved in prioritisation of development projects in the TBVC countries may need to take on increased responsibility temporarily.

**(f) good administration during transition**

**\* general**

It is generally easier to build new structures around existing institutions, rather than create completely new ones. The actual process would depend very much on the existing administrative structures under the interim government. The existing national and provincial

structures have good resources and have in the past had responsibility for all South Africans. The fact that administration will be re-organised around existing structures, would offer some guarantees of maintaining good administration during transition. In most cases, existing officials of TBVC countries would continue for some time to perform - for the same communities - the functions they perform at present; although they would be reporting to different higher structures.

Over time, administration in the new central and regional governments will have to be rationalised. This should improve efficiency. Re-integration should be done on the understanding that new appointments will be subject to review by a future public service commission, whose structure and power will be defined in the new constitution. It should be recognised - for practical reasons - that the longer the TBVC and self-governing states stay out of the RSA, the more likely they are to prejudice their opportunities for positions under the new system.

**\* speed of implementation**

Implementation could begin as early as possible with the creation of single nonracial administrations out of existing "own" and "general" affairs and self-governing territory administrations. Decentralised administration should be organised under the assumption that the TBVC territories will re-join the RSA. As each of the various TBVC territories re-join South Africa, their public services could be absorbed into the relevant administrative structures.

**\* allocation of finance**

Initially, in cases where the location of the administration of functions is shifted, budgetted finance should be re-allocated to the new location. As re-organisation takes place, more appropriate formulae for the equitable allocation of finance will have to be developed. This will be the responsibility of the legislating and constitution making body, informed by the practice of the reforming administrations.

**(g) appropriate measures during transition**

**\* administrative**

Agreement would need to be reached on the details of how administration could be re-integrated. Interim channels of authority and responsibility would need to be outlined. This would take some time, and would need to be complete before actual integration. Organisation would need to be set up at each level of administration with the task of planning the integration and dealing with problems as they arise. The process of outlining appropriate measures could

commence post-CODESA 2, following agreement on administrative structures during the transition period. One of the items for consideration would be :

- 1) Those departments which are likely to disappear eg. the TBVC Departments of Foreign Affairs
- 2) Those departments which will be absorbed into the national structure eg. the police, prisons and defence forces.
- 3) Those departments which will be absorbed into new regional structures under unified national departments eg. health, education, etc.

**\* personal taxation**

As with company taxes, harmonisation of the taxation regime would have to occur and this could be one of the terms of reference of the proposed multi-lateral Commission.

**\* land**

Steps should be taken to regularise the position of land in the TBVC states held by people who are not recognised by the law as the owners or holders. In very many cases, and particularly in rural areas, people occupy and deal with land as the owners, whereas in fact the law does not recognise them as the owners or holders - for example, because the applicable regulations allow transfer of the land to take place only with the approval of an official, which has not been obtained.

In South African law, this is recognised by three statutes:

- 1) Section 8 of the Black Administration Act 38 of 1927 creates a procedure for an enquiry into the ownership and occupation of land, and the issuing of new title deeds, to ensure that the land registration details are accurate and up to date.
- 2) The Conversion of Certain Rights to Leasehold Act 81 of 1988 creates a procedure for enquiring into and establishing who is entitled to leasehold rights in respect of any land, and recognising that person's rights, even though official records may show another person as having the right in question.
- 3) The Upgrading of Land Tenure Rights Act 112 of 1991 again creates a procedure for establishing who is entitled to ownership of any relevant land, and recognising that person's rights, where another person may be recorded as having the right.

It is necessary for the law in the TBVC states, where the scale of the problem is likely to be even greater than elsewhere, to be brought into line with the South African law. It should be borne in mind that in most rural areas,

most individual land tenure is not used for profit, but for simple survival. The above proposal is therefore necessary both in order to protect the rights of the people affected, and to create harmonisation of law and practice.

Other matters requiring appropriate measures have been dealt with elsewhere in this submission.

**(h) future of the civil service**

**\* rationalisation of personnel**

Initially, there should be no retrenchment of personnel. Civil servants should retain their existing salaries, benefits and conditions of service. However, it must be accepted that, in time, rationalisation will have to take place. This will have to be led by an appropriate, legitimate and non-partisan body whose workings will have to be negotiated at a national level.

**(i) servicing and repayment of TBVC debts**

In principle, the RSA will have to take over the servicing and repayment of TBVC debts.

**Section Three: General Summary and Conclusion**

The South African Communist Party believes that reincorporation is the best political decision for the future of all South Africans including TBVC residents. There may be many practical problems to resolve. However, it is our sincere belief that these problems are not an impediment to the unification of our country and the resolution of its problems.

23 March 1992

Addendum H

WORKING GROUP 4, SUBCOMMITTEE 3 MEETING: 23-03-1992.Land moratorium:

The meeting reaches consensus on the following in regard to the above subject,

1. that no further attempts be made to identify new Land for transfer to the TBVC Governments.
2. that Land currently in the possession of the S.A. Development Trust should remain in the hands of the Trust until its dissolution, whereafter it will be transferred to the S.A. Government (Successor in title).
3. that the moratorium should apply to all land listed in the Schedule to the Borders of Particular States Extension Act 2 of 1980 which has not yet been exised from South Africa.
4. that this moratorium will apply to all SATBVC States.

However, the meeting notes the concern of the South African Government and National Party delegations about certain legal and contractual obligations which have to be fulfilled as well as land purchased by the S.A. Development Trust from individual South African citizens which has not yet transferred.

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