



SOUTH AFRICA

IN THE EIGHTIES —

An Individual view

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An increasing number of South African companies are currently involved in explicitly formulating corporate strategy. A common step in all such exercises is a look at the environment, both over the short and long term to establish future opportunities, constraints and threats facing the company.

Ideally comprehensive studies of economic, social, political, technological, ecological and international issues, should be done by a panel of experts in each field. Such studies should further be done regularly, because their quality improves with repetition. Several large companies overseas have been doing this for several years, while in South Africa a few elementary attempts have already been undertaken. In most cases, however, local companies enter into strategic planning exercises with little more than management's opinion of opportunities and problems.

This article is adapted from a scenario which was prepared at short notice towards the end of 1972, mainly to stimulate management's thinking rather than to serve as a forecast. Obviously for strategic planning, additional scenarios, more specific to the company's markets and circumstances, should be prepared. This study is presented because of the almost total lack of published work of this nature. If it does nothing more than stimulate thinking as well as provoking more systematic studies about the future from its critics, its objectives will have been reached.

INTRODUCTION

One can look at the future in many ways and

be certain of only one thing, that one's forecast will be wrong.

The "safe" method would be to extrapolate past trends for another ten years. But our economic, demographic and other statistics and indicators whereby we quantify our environment are but a very imperfect and oversimplified model of our world and one which is already more than a century old in its basic elements.

Useful as such extrapolations are, they rarely provide the type of information which really is required for strategic planning. Strategic decisions have to do with adaptation to change, with the exploitation of opportunity and the avoidance of threats and restrictions. These changes tend to become lost in the aggregates of official statistics while extrapolation by its very nature, seldom indicates discontinuities.

It would be irresponsible to attempt, on the other hand, a number of interesting but wild "science fiction" type guesses about the future and present these as a basis for serious discussion.

In this study I shall attempt to isolate some relevant factors and trends of which the beginnings are already visible and consider their likely impact on the future. In doing so, individual judgement as to the identification and selection of such trends, as well as the extent to which they will influence the future, will be crucial. One has to continually strike a balance between being too cautious on the one and being too bold, or forcing individual prejudices, on the other. Events since this scenario was written indicate that I was over-cautious in estimating the rate of change.

HOW MUCH HAVE WE CHANGED OVER THE PAST 10 YEARS?

In trying to obtain a feel for the magnitude and the nature of environmental changes, I paged through newspapers, magazines and journals of ten years ago. In Annexure I some of the headlines are listed. Such an exercise is, however, only partially helpful, as many important changes, particularly in the social sphere, are not heralded by headlines but are apparent only in retrospect.

Some of the significant changes and trends of the past years which I have selected are as follows:

- (1) the development of the Bantu homelands policy;
- (2) the development of the "verligte" and "verkrampte" concepts in politics;
- (3) the application of sanctions against Rhodesia;
- (4) the building of the Tanzan railway with Red Chinese aid;
- (5) the independence of Lesotho, Botswana and Swaziland;
- (6) the announcement of TV for South Africa;
- (7) developments such as the Orange River Project, the Carlton Centre, Iscor's expansions, the Sishen-Saldanha project, Cabora-Bassa power (Annexure II lists some recent major announcements);
- (8) awakening to the realities of pollution in the air, water and coastal waters;
- (9) the pressure on US subsidiaries to increase non-white wages;
- (10) the way in which computer services are becoming an unexciting and necessary part of the background operations of many organisations;
- (11) the increase in the free market price of gold;
- (12) the recent dramatic demand for platinum;
- (13) a shift in emphasis from import replacement to exports;
- (14) the growth in size and sophistication of the money market; the discount houses,

merchant banks, general banks, building societies, grey market activities.

Taking a wider view, and considering the world at large, the problem of what to include and what to leave out becomes even more difficult. I choose the following:

- (1) the rise of permissiveness and drug abuse in the Western countries;
- (2) the rise of the hippie cults and student unrests, the rejection of traditional values and adult hypocrisies;
- (3) the US and world reaction against the war in Vietnam;
- (4) the awareness of the pollution, overpopulation and associated issues;
- (5) the increasing use of anarchy and blackmail methods such as hijacking, terrorism and rioting to achieve social and political aims;
- (6) the dramatic improvements in agricultural technology (the so-called "green revolution");
- (7) the rise of Red China as a power in her own right;
- (8) the disillusionment with the "marvels of science and technology" and an emphasis shift away from affluence to a concern about poverty and deprivation;
- (9) the medical services crisis in the US;
- (10) the intensity of the racial problem in the US and other countries.

THE SAMENESS OF TOMORROW

In spite of considerable change, it is likely that the South Africa of the early nineteen eighties will, in many respects, be much the same as it is now. The major issues of today will still be current ten years from now, as they have been for the past decade.

It is likely that the following issues will still be important:

- (1) South Africa will still earn most of her foreign exchange from mineral and agricultural products;
- (2) industries will still be exhorted to pay more attention to export markets;

- (3) racial issues will still be a major problem;
- (4) cities will still suffer from traffic congestion;
- (5) pollution, population increase and drug abuse will be serious issues;
- (6) the newspapers and political parties will still be split along language lines;
- (7) South Africa will still be in bad odour among the nations of the world;
- (8) the affluence gap between white and black will still be substantial;
- (9) South Africa will still be a net importer of capital;
- (10) the training and development of non-whites will still be an issue of urgent priority about which little is done;
- (11) infrastructure services, particularly telecommunications, will still not be able to keep up with demand.

SOME IMPACTS ON THE FUTURE

Having looked at the past, as well as the more "certain" trends, let us now examine certain recent trends and speculate about their impact on the future. Many trends in society cannot be merely extrapolated because of the balancing counter-reactions which so commonly arise.

Without being comprehensive, I shall first examine a number of trends in the economic, social and political systems and then consider their impact on a few selected areas such as travel, property values and leasing.

(1) Industry, Exports, Mining, Agriculture

During the fifties and sixties local industries were developed with active encouragement from Government to replace imported goods. This was a major task during which, particularly in the initial stages, much persuasion had to be done and many setbacks overcome. Even today many local industries find it difficult to compete effectively with imported goods. Over the past few years the emphasis has rapidly switched to exports, and, typically, politicians and economists expect industries to get a sizeable export effort going almost immediately. Import replacement was difficult enough, but

the export of manufactured goods on a profitable basis is a task vastly more complex and demanding. Aspects which favoured local industries, such as tariff protection, import control, distance from overseas countries, being inland and manufacturing under licence, all to some degree become disadvantages when trying to export. The products traditionally made by local industries are not sought after in world markets because most countries prefer to manufacture these items themselves and understandably place tariff barriers to block them off. A sizeable amount of international trade is either subsidised or priced for sales volume and long-term contracts, rather than profits.

Few South African companies put in even an elementary effort at marketing in overseas countries. They do not know their markets, they do not promote their products, or adapt them to the needs of the markets, product design is often neglected, distribution is neglected. Often the only marketing instrument used is price and this is lowered until the goods are gotten rid of. (One cannot use words such as "selling" or "marketing" for such a process). Another obstacle to exports is our lack of knowledge, development and design incorporated into the products we attempt to sell abroad, with the result that they are competitively at a severe disadvantage. A final aspect concerns the provision of finance, insurance, and shipping services.

It will take many years before the elementary lessons of profitable international trade are learnt and financial institutions with international ties could conceivably play a positive role in this regard.

In the meantime, South Africa will continue to rely on minerals and processed minerals and metals for a major share of export earnings as well as capital for financing the development needs of the country.

Platinum appears to have a bright short-term (five years) future which could improve with time unless an efficient substitute for pollution control of exhaust fumes is found. There is a fair chance that such a substitute will be found, or alternatively that pollution-free

engines (electric or other) will become feasible within the next ten years.

The general outlook for gold appears optimistic and it would appear that South Africa will have it as a crutch to hide its inefficiencies and failures in competitive exporting for some decades to come. It is worth reflecting on the so-called "industrial" uses of gold. These consist largely of the manufacture of jewelry, and small bars for private hoarding; only a very small amount is used for true industrial uses in electronics and so forth. In the unlikely event that gold should really lose its monetary role, the crucial question will be whether it will retain its appeal in jewelry and whether the accumulated hoards will be thrown on the markets in panic. This would seem to me very unlikely but it is worth careful thought.

South Africa has the raw materials to become the world's major force in ferroalloys. It has the world's largest reserves of chrome, manganese and vanadium, as well as plentiful supplies of iron ore and coal. At present there are several companies in the field, marketing via agents and competing with each other on world markets. Various factors, such as rail tariffs, electricity tariffs, and a desire by the USA to be self-sufficient, conspire that our ferroalloys often have to compete with products made from our own exported ores. A systems approach, whereby the whole system, including ore mining, power, transport, converting technology, shipping and marketing, is co-ordinated on a massive scale, is an attainable ideal, waiting for men with vision and drive for its implementation.

It would seem that it would be far better for South Africa to export red meat than surplus maize as at present. This, once again, requires systems thinking and co-operation between both public and private organisations in these fields.

(2) Income of Africans

The next decade will probably see the emergence of a noticeable group of well-to-do Africans.

Firstly wage levels are likely to rise faster than inflation. This will be due partly to pressure from outside and the examples set by

subsidiaries of overseas companies. It will also be due to internal pressures, to the realisation that Apartheid has no real restrictions on increases in wage levels and because of publicity-generated awareness of social responsibilities in many sections of the community.

In spite of increased wage levels, the vast majority of Africans will still remain very poor but the total buying power will increase considerably.

This will, in turn, create many opportunities for traders, doctors, medicine men, entertainers, sportsmen, gangsters, cosmetic salesmen, swindlers, agents, lawyers, and so forth to become wealthy. Provided these services are performed mainly by their own kind, it is likely that a sizeable African middleclass and upperclass will develop, both in the townships and in the homelands.

In the homelands opportunities for civil servants at all levels will proliferate and even in the poorest countries, large sums of money will be accumulated via taxes, development projects, royalties on minerals, etc. Once money is accumulated and power is in the hands of the local population, it is virtually inevitable that some wealth will be accumulated by a number of individuals.

The fixed gold price placed as much a ceiling on African wages as the recalcitrance of the white miners. With the increase in gold price, the log jam has been freed. Mining costs will, however, also increase rapidly now that the discipline of a fixed price is gone and the need to increase productivity will become an even greater reality.

Large numbers of Africans with about a standard five level of education and with aspirations of white collar work are already flowing from the schools. This could possibly create difficult social problems, or it could be a real opportunity to increase productivity, provided it is coupled with large-scale industrial training.

(3) Bantu Homelands

It is human nature to compare oneself with one's peers rather than with those far above or below one. Thus I hardly feel real emotions or envy about the actions and style of life

of Messrs Oppenheimer or Onassis, but I cast a careful eye at how neighbour Jones is faring.

The Bantu homelands will tend to make comparisons first of all among themselves and make sure that the Central Government does not favour one above the other, and then a comparison with even greater implications will be with neighbouring independent states such as Lesotho, Botswana and Swaziland.

Using the Government's own policy statements as well as other pressures, it is likely that the authorities of the Bantu homelands will demand, particularly on economic affairs, many of the freedoms enjoyed by the neighbouring states.

They might demand the right to appoint their own economic advisers and to take over full control of own Development Corporations. They might want to erect casino's, radio and television stations with advertising. They might demand that their citizens, while aliens in South Africa be treated without racial discrimination and they might formulate a policy regarding whites in their own territories.

Problems regarding the relative priorities of the following are building up for the Central Government:

stimulating general economic growth while still being committed to reducing Africans in white areas;

sorting out the relative priorities of the border areas, Bantu homelands, white/coloured areas such as Kimberley, Mamre, the Orange River Scheme area, the OFS goldfields, to name but a few.

A logical step would be to create large industrial areas straddling the borders with a

Date born	Age in 1970	Age in 1980	Dates when 10 and 20 years	Events at formative ages
1970	10	0	1970-1980	?
1960	20	10	1960-1970	Affluence
1950	30	20	1950-1960	Start of affluence
1940	40	30	1940-1950	War & turmoil
1930	50	40	1930-1940	Depression, Hitler & Stalin
1920	60	50	1920-1930	Gay twenties
1910	70	60	1910-1920	First World War

part as border area and a part in the homeland. This would save on infrastructure costs; would allow industries suited to white control to be in border areas and those managed by Africans to be in the homelands; it would further lead to the creation of viable cities with each component living under its own government.

(4) Social-Political attitudes

Social and political changes are seldom dramatic over the short term. They tend to be recognisable only in retrospect and then only when pointed out by a perceptive observer. These changes though slow, tend to be glacial in character in that once in motion, they are virtually impossible to resist or to stop and through the years have profound effects on all aspects of the community.

These changes are the most difficult to forecast and such forecasts tend to generate emotional reactions because they affect intimately our own value systems, beliefs and prejudices. It is an area in which it is impossible to be objective.

One approach is to assume that value systems formed in youth, say up to the age of twenty, will strongly influence us for the rest of our lives. The effects of these opinions and value systems are felt by society at later stages, depending on the power and numbers of people of particular age groups involved. Thus for example, the weight of voters will tend to be younger than the leaders of political parties, the age of the general customer and consumer will likewise be younger than the top management of an organisation.

In the present year of 1972 leaders of both English and Afrikaans establishments, representing economic and political power respectively, formed much of their basic values and assumptions about life during the late twenties or early thirties. By 1982 only those over 50 years of age will remember anything of the war and fewer still of the depression. The Afrikaner will have joined the English in having a sizeable group who knew little else but affluence, and who have urban rather than rural backgrounds.

It is difficult to generalise about the effects of environment on attitudes and politico-socio thought. It is my impression that affluence or

perhaps more correctly, the absence of economic and physical threat, tends to generate at the same time abstract compassion as well as indifference to the individual lot of the underprivileged. Those struggling to rise in society have little time or patience for abstract philosophies and the problems of other groups, but are frequently more compassionate when encountering individual examples of distress. A further observation is that the media and the arts tend to attract those concerned with human values and the quality of life and those whose political thinking tends to be liberal and left of the general society — except in communist societies where they tend towards the liberal freedoms. If this view holds water, then a period of affluence, when a large part of the young can afford the time and money to attend universities, to read and go to the theatre, will tend to absorb liberal ideas and tend towards the left. During periods of hardship, threat and strife people will be more concerned with survival and will tend towards the right and the maintenance of conservative values.

These are obviously oversimplified views of an extremely complex situation. One can also cite evidence that the influence of the media is often overrated. In spite of a hostile press and TV, President Nixon scored heavily in the recent US elections. In spite of the large readership among Afrikaners of the English liberal press and hardly any English readership of the right-wing Afrikaans press, the Nationalist Party is still strongly in power.

In South Africa political threats and anxieties will continue to play a powerful role and this will continue to cause a complicated problem where the political realities are in vivid contrast to conscience-stilling theories. With modern value systems tending away from institutionalised hypocrisy and rationalisation, one can make a case for a future which will not necessarily be violent but in which much agonised thinking will be an important feature. The Afrikaner will probably become more aware that social injustices are not rectified only by well-meant theory or by making more rules and regulations, while the English will have to face up to the fact that they cannot absolve their consciences by

expressing public disgust, and continue to profit by the system.

(5) South Africa and World Politics

It is likely that South Africa will remain the target of attacks in various forms for many years to come. The most likely forms will include increased terrorist activities, attempts at internal subversion, propaganda directed towards all population groups and various forms of sanctions.

I expect that pressure against large international companies with subsidiaries in South Africa will continue to build up in the near future, particularly in the USA and the UK. This may conceivably result in some companies deciding that it is not worthwhile to continue close ties with their subsidiaries, and deciding to sell their shares in them. South Africans may then be faced with the problem of finding massive amounts of capital to buy these shares or alternatively these shares will be going cheaply because of our limited buying power.

There is a likelihood of a widening gap between South Africans and people overseas. A generation is growing up, the members of which, particularly in the US, have spent several hours each day in front of TV sets. This is bound to affect attitudes and ways of thinking, and South Africans of the same generation who grew up with traditional inputs of information might face an ever-increasing cultural gap. In addition, the generation in the UK who remembers South Africans as comrades in war is growing older and is being replaced by those whose only knowledge of us concerns racial problems.

On the other hand there are also signs of countervailing forces developing. There is a growing awareness of cultural differences and of the fact that old-style integration does not provide simple solutions to racial problems.

The implicit dogma in the thinking of the Liberal that the true desire of everyone, regardless of race, sex or creed, is to be whatever he is, is increasingly being questioned and disproven in recent studies. Eventually it might even penetrate the consciousness of the daily press. Coupled with examples of these realities all over the world, there is a

distinct possibility of a growing understanding of the complexity of South Africa's problems even if our policies are not condoned.

(6) Value Systems

In South Africa there is already a rising concern about the destruction of the environment, excess materialism and blind obedience to authority. A desire for self-actualisation rather than accumulation of wealth, status or power is a new kind of thinking which, if channelled wrongly, could seriously harm the economic welfare of a community. Conventional business success and growth is dependent on the willingness to obey authority of superiors within the firm and ambition of a large part of the population to get ahead, to work hard, and to consume lavishly.

In the US rapid pace, large organisations, heavy industrialisation, mass affluence and high educational level have provoked extreme reactions. For various reasons South Africa will hopefully be spared extreme manifestations of radical thought, but it will not remain unaffected. Business as well as other organisations, will in the future have to accept much unconventional dress, thought and behaviour from its employees. Social responsibility of business regarding the products it sells, the type of advertising it does, its treatment of employees and its effects on the environment will be aspects of ever-increasing importance within the next few years.

(7) Leisure time

Common wisdom has it that with the coming of machines, since the industrial revolution, and computers and automation more recently, leisure time will increase and people will have to seek new ways of occupying this time. There is no doubt that the worker who a century ago worked up to 70 hours a week now has far more leisure time. Some companies are experimenting with flexible working hours or even a four-day week.

However, for the managerial and professional man, the opposite appears to be true. In the past the rich, the professional men and the leaders in society apparently had ample time for leisure activities. Today this class seems to work hard with long hours, neglecting personal and family life. Time, rather than money, is the

scarce resource in the lives of these men.

For the next ten years, at least in South Africa, it is likely that the labourers, artisans and lower levels of administrative workers will have increased leisure time in spite of official exhortations for higher productivity. The managerial and professional groups will lead an increasingly hectic life but will be provided with the necessary economic means to spend heavily on short vacations. Towards the eighties or even sooner, attitudes may develop in which many of these men will deliberately reserve more leisure time for themselves, even to the extent of foregoing wealth and promotion.

(8) Personal Services

There are two types of personal services: Those services where individual professional advice and attention are required, e.g. financial investments, insurance, medical and tax advice and those where the person dispensing the service follows a set procedure, e.g. selling prepacked food, postage stamps, teller at a bank, petrol, oil and air services at a petrol station.

Professional services — the first type of personal service — are expensive and it is likely that the demand will increase considerably in the future both in quantity as well as in quality. This is a feature of modern knowledge-based economies. Where supply of services is limited by some factor (e.g. medical doctors) the cost will keep increasing and resentment by the public will grow as education level increases. Where supply is not artificially limited, the services offered will proliferate in numbers, variety and quality. This will be the case particularly with financial and managerial advice.

In the second type of personal service, people will initially put up with a certain amount of mass handling and de-personalised services, e.g. vending machines, self-service and large numbers of attendants, if by that means they will obtain quick, efficient and low-cost service. There will also, however, continue to be a demand for more smaller, individually-serviced service points, where the customer is prepared to pay for convenient service.

(9) Transportation

The problem of the individually-owned motor-

car is that it is a marvellous thing to own as long as there are not too many other owners. The negative effects of cars, e.g. pollution, ugliness, environmental damage to build roads, parking garages, and traffic congestion arise not from the individual car but from massive concentrations of them. It is a social problem which will have to be faced by society. The highways being built in and around our cities at present, plus underground parking provided under new buildings and by the local authorities, will continue to act as powerful magnets to draw more cars into the city. Present bus services are poor substitutes.

South African cities still have a long way to go before their traffic problems reach the magnitude of overseas cities and it is unlikely that traffic problems will have been solved by the eighties. Johannesburg has announced plans to start building an underground system by 1974 and it is likely that a start will be made towards the end of the seventies.

I feel that the local authorities will in the interim, try to ease traffic problems with measures which are relatively easy to apply such as increasing parking fares, reserving lanes and possibly streets for buses, banning street parking, levying taxes on cars entering the CBD to subsidise bus services, providing circle-line bus services from parking lots through the CBD, closing narrow short streets to traffic, etc.

Flexible or staggered working hours will allow marginally more people into the city but will not appreciably ease the problem.

It is interesting to speculate on the effects of the double highway system at present under construction in and around South African cities. As presently planned, it is a costly infrastructure element which is grossly underutilised. It would be logical to build administrative offices close to intersections as this would provide quick and congestion-free driving to and from home.

It is likely that the following activities will gravitate to the highway intersections:

(a) Professional services such as consulting engineers, medical specialists and management consultants. These men often do

concentrated work within their offices, they do not employ large staff, they either have to go by car to clients situated in various towns or clients have to come to them, and as self-employed people or senior partners, personal values and comfort enter strongly into locational decisions.

- (b) Maintenance services and fast distribution of spare parts and goods. These activities will tend to concentrate at intersections of the highway and industrial (Kew, Wadewille, Doornfontein) or CBD areas with a preference for the Jan Smuts-Isando area for imported goods.
- (c) Organisations which draw major portions of their personnel from a homogeneous socio-economic background and where frequent business meetings with outsiders in the CBD are not essential. Research and academic institutions fall within this category and even they find it necessary to heavily subsidise special bus services to a large number of suburbs for both white and non-white personnel.
- (d) It is likely that a very large regional shopping centre will be erected at a convenient intersection which could draw customers from the Rand and as far away as Pretoria, Krugersdorp and Benoni.

Looking further into the future one can speculate that a high-speed rail link from Bantu homelands to Pretoria, the Rand and Vereeniging would be considered to relieve pressure for growth on Soweto.

(10) Television

Apart from the obvious effects of developing new manufacturing and service industries, the introduction and development of television may have some interesting side effects.

Some possible developments are:

- (a) the development of idiot-proof video-cassettes at reasonable cost;
- (b) the development and proliferation of cablevision;
- (c) receiving TV broadcasts from other countries, via satellite.

Video-tapes and cassettes are in the infancy stage of development. It is, however,

potentially a very important force in future entertainment and particularly in education.

One can imagine a situation where people would tune in on one or more TV channels for direct broadcasts of current events and use cassettes for programmes of their choice. It would be interesting to see whether the man in the street will actually exercise such a choice or merely passively accept what comes over the air.

As a method of instruction, the TV cassette should have great potential, but it will supplement rather than replace books, schools or universities. Potentially it can have a large effect in shifting the main occupation of the teacher from repetitive lecturing towards individual guidance and interaction. This will initially be resisted by many teachers and university staff and could lead to situations where these institutions are bypassed.

TV cassettes and other teaching methods could greatly assist in the future industrial and business training so necessary for the non-white population.

Cablevision is technically an excellent but expensive system limited to high-density areas. Instead of receiving transmissions through the air, all sets are connected via coaxial cables to a locally centrally-located point. In addition to current broadcasts individual programmes could be dialled from a central video-cassette library. At present satellite transmissions are sent to central retransmitting stations and not to individual home sets. Should it become apparent that foreign propaganda would be beamed directly to home sets via satellites, the introduction of cablevision could well be accelerated.

(11) Travel and Tourism

In the past travel consisted largely of the excitement of actually going abroad and seeing in real life the things one read about in books. Today travel as such is no longer the novelty it was, and seeing the tourist sights is sometimes a disappointing experience because of weather, crowds, fatigue and pressure of time. In beautifully illustrated books, magazines, films and on television one can view these sights at leisure at home under virtually ideal

conditions.

Modern people, particularly the younger group who now comprise a sizeable part of the travelling population, want to participate, not merely to view. They want to ski, sail, work or study, or just form part of the local scene lounging in comfortable clothes at the gathering places in the cities. Conducted tours through endless cathedrals, castles, monuments and museums at a forced pace, are rejected.

If this observation is correct, visitors to South Africa will also demand more and more opportunities to participate and to be active. For example, the Kruger Park may lose some of its attraction to game parks which, in addition to merely viewing animals from a car, provide other activities such as walking through the bush, camping under trees, horseriding, bird watching, etc.

(12) Property

Property values have increased rapidly over the past decade and this trend is likely to continue in the future — in particular values in the CBD and around the major cities.

It is interesting to speculate about the willingness of people to pay ever-increasing prices for property. To what extent does this willingness depend on the assumption that whatever they pay, they will be able to sell it for more, that it is a good investment and a hedge against inflation? Should for some reason this assumption become suspect or invalid, will property values drop?

My impression is that property values at certain vacation resorts will be particularly susceptible to sharp falls in the future. Should viable vacation alternatives providing variety become available, and doubts arise about capital appreciation, many people will think seriously about the advantages and disadvantages of owning and caring for a house a thousand miles away which is used for one month each year.

(13) Leasing

With rise in level of education, rise in sophistication of the economy, the greater mobility of people, increase in variety of short-term activities and tax considerations, one can anticipate that it will become increasingly

common to lease rather than to buy. This tendency will be reinforced as leasing services proliferate and become an accepted part of life.

In the past people tended to have a more limited range of interests and desires and were prepared to wait until they had the money to buy the required items. Today by leasing, one can try a new hobby or enjoy the benefits of, say, a dishwasher or other durable item, without waiting to accumulate the capital. This trend will be reinforced by a social outlook developing whereby people are more interested in enjoying life at the moment rather than accumulating for the "rainy" day (inflation will beat you anyway) or for children (who will not appreciate your efforts).

ANNEXURE I

SELECTED NEWS ITEMS FROM 1962/1963

South Africa in 1962/1963

Orange River scheme announced.

Regional Chambers of Industry are applying themselves to a practical study to raise unskilled and semi-skilled Bantu wages by a minimum of 50% in five annual stages.

Partial government for Transkei announced.

Draft Bill introduced "To provide for the prevention of the pollution of the atmosphere".

The financial news section of the Sunday Times consisted of one page, partly filled with advertisements and advertisements for professional and managerial posts took about one and a half pages.

Welcome to Unit Trusts.

Dr Carpio and Senor de Alva visited SWA as emissaries from the UNO.

Pig iron exports to Japan was big news and certain Japanese were declared "honorary Whites".

Group of Johannesburg businessmen prepare a blueprint for an Export Corporation to provide impetus to the export endeavours of individual firms.

Dr Diederichs, then Minister of Economic Affairs, rebuked businessmen for being too cautious and pessimistic about the future.

Japanese assault on South African Motor market.

South Africans enjoyed a tax-free holiday in converting to the PAYE system.

Airlines suffering losses because of inability to fill additional seating capacity resulting from the introduction of jet aircraft — 90 million seats empty on scheduled airlines last year.

"Chances of a higher gold price fade as sterling hardens".

The Rhodesian Front Party came into power, led by Mr Winston Field.

White liquor was made available to Bantu.

FM was introduced in January 1962 and the Hertzog tower inaugurated.

Gold and Foreign Exchange reserves £86 million.

South Africa left the Commonwealth.

Introduction of Decimal Currency.

The UN voted for sanctions against South Africa by two-thirds majority.

Bantu Investment Corporation published its first accounts.

A series of sabotage attempts occurred, the situation at Paarl was tense, people were placed under house arrest for the first time.

Installation of President Swart.

A giant sinkhole occurred at West Driefontein mine swallowing 34 miners and part of a crushing plant.

National Discount House of South Africa formed.

Defence Minister Fouché warned that he needed R120 million for defence.

Exchange control introduced by Dr Dönges.

Government gave go ahead for Durban-Johannesburg pipeline.

Professor Hobart Houghton states: "If new industries do not soon appear in or near the Bantu areas, these new non-agricultural centres will quickly deteriorate into rural slums".

Various expansion schemes in refineries, synthetic rubber and ferroalloys announced.

Rand Mines announces RMB alloy project at Middelburg.

Sasol announces Gascor.

South Africa had 29 computers in operation in 1962 with 15 more on order.

Deputy Minister of Economic Affairs (Mr Haak) says 13 out of 19 gold mines on the far East Rand affecting 60 000 mineworkers will close down before 1970.

Dr Dönges, Minister of Finance, pleads for a rise in price of gold from R25 to R50 per ounce.

Direct dialling between South African cities planned for before end of decade (i.e. 1969).

From January 1st the Commercial Banks will reduce their minimum overdraft rate to 6½%.

South African Railways embargo on consignments to Katanga spells an end of the Republic's once thriving trade with that unhappy territory.

Overseas in 1962/1963

A film "A Kind of Loving" was made in London with blush-provoking scenes in which actress June Ritchie appears naked to the waist. "During the filming of the more passionate scenes, Miss Ritchie's inhibitions underwent a severe strain".

John Kennedy became president of the US at the age of 43.

US sends military advisers to South Vietnam.

The US was involved in a confrontation with Russia over missile bases in Cuba.

Gen. Galvao seized the Portuguese ship Santa Maria and eluded pursuing ships for several days in the Caribbean. He did it as a protest against Salazar.

India seizes Goa.

Eichmann found guilty.

N'Krumah tightens grip on Ghana.

"Fire-eating Dr Hastings Banda surprised critics with his moderation and energy in office".

Uganda became independent.

The Twist is the new dance.

Traffic jams make headlines in the Boston through to Washington corridor.

A split appeared between Russia and Red China.

Kenneth Keniston of Harvard comments about disengagement of youth and their lack of commitment to adult values. "They picket or parade for disarmament or civil rights and the really curious thing is their political style, — restrained, reflective, cautious, intellectual and even pedantic".

Boycott attempts against South Africa admitted in Time magazine to be a failure.

The USSR put Gagarin in orbit in 1961 and the US intensified its space race activities in 1962 with orbiting of Glenn, Carpenter and Schirra.

Telstar TV communication satellite launched.

French rule was terminated in Algeria.

Berlin remains a crisis point between east and west.

Half of Africa's countries independent with many more in the pipeline.

ANNEXURE II

MAJOR PROJECTS UNDER WAY, ANNOUNCED AND LIKELY TO BE ANNOUNCED

Already under way or announced

Richards Bay developments.

Newcastle/Ladysmith/Tugela Basin developments.

Cabora Bassa power scheme.

Nuclear power station at Duynefontein.

Uranium enrichment project.

Iscor-Newcastle and Vanderbijlpark expansions.

Iscor-Sishen-Saldanha Bay project — railway, pig iron.

Platinum mining expansions.

Prieska copper mine.

Mining in Botswana.

Orange River Project.

Tugela-Vaaldam pumping and dam project.

Television.

Underground rapid transit system for Johannesburg.

Extensive double highway systems.

Major expansions at African Explosives in nitrogen fertilisers.

Expected in future

Major expansions in several capital intensive projects — particularly petrochemicals and synthetic textiles.

Ferroalloy plants and in particular advances in marketing organisation.

Fast train services or other transport between homelands and Southern Transvaal complex.

Training of Africans on large scale.

Further attempts at rationalising motor-car industry.

Further local manufacture of military items.

Major electronic industry expansions — connected with TV.

Further telecommunication links with overseas — undersea cable, via satellite.

SUBMISSION OF MANUSCRIPTS

Our readers are requested to kindly assist the Editor by submitting the text of a speech or article on any aspect of business management.

We particularly need material in the English language.
