

Steve An

60th Annual Report

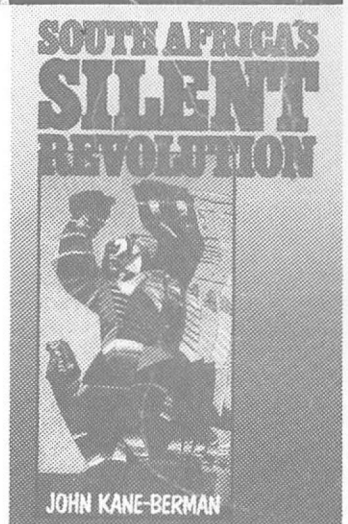
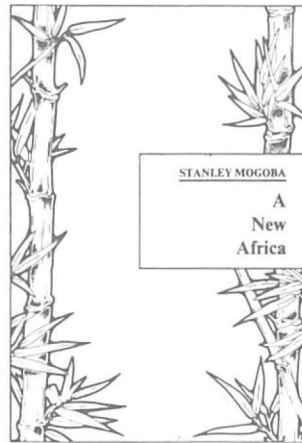
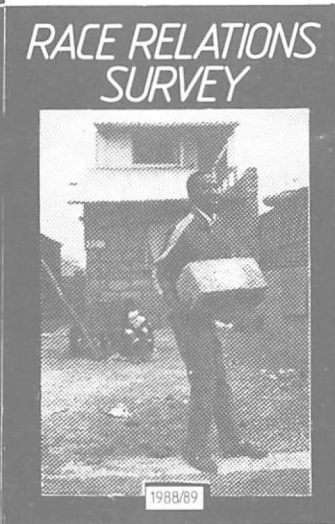
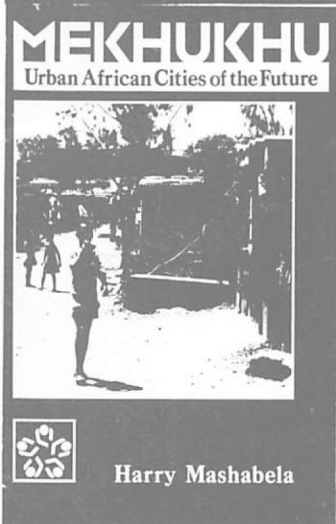
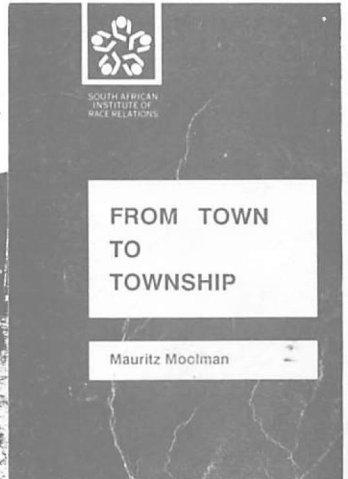
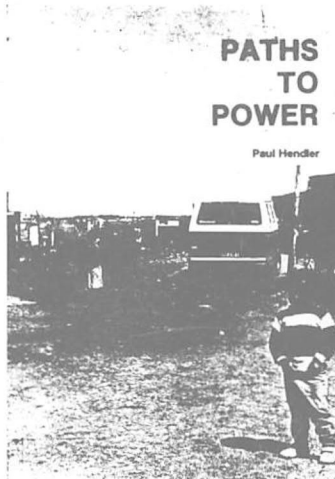
1 April 1989 - 31 March 1990



Guaranteeing
Fundamental Freedoms
in a new South Africa



Chief Justice M M Corbett



South African Institute of Race Relations

SOUTH AFRICAN INSTITUTE OF RACE RELATIONS (INC)

60TH ANNUAL REPORT

1ST APRIL 1989 TO 31ST MARCH 1990

1990-03-31
1989-04-01

1990-03-31
1989-04-01

PUBLISHED BY THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS,
AUDEN HOUSE, 68 DE KORTE STREET, BRAAMFONTEIN, JOHANNESBURG,
2001 SOUTH AFRICA

ISBN 0-86982-381-7
PD 19/90

COUNCIL

- President : Rev Dr Stanley Mogoba (to 25/8/1990)
Mrs Helen Suzman (from 25/8/1990)
- Vice-Presidents : Rev Mvume Dandala
Rev Dr Stanley Mogoba
Professor Wiseman Nkuhlu
Professor Lawrence Schlemmer
Mrs Helen Suzman
- Chairman of the
Executive Committee : Mr David Gevisser
Honorary Treasurer : Mr Tom Wixley
Honorary Legal Adviser : Mr Raymond Tucker
Regional Chairman : Professor John Cartwright (Western Cape)
- Representatives of
Honorary Life Members : Professor John Dugard
Mr Duchesne Grice
- Representatives of
Individual Members
Southern Transvaal : Mr Mohamed Dangor
Mr Brian Doctor
Mrs Heather Frielinghaus
Mr Peter Horwitz
Mr Thami Mazwai
Mr Allan Wentzel
Northern Transvaal : Mr Michael Rantho
Northern Cape and OFS : Mr Joseph Mokoka
Western Cape : Mrs Mary Burton
Professor Hugh Corder
Mrs Noel Robb
Professor H W van der Merwe
Eastern Cape : Professor Rodney Davenport
Natal Inland : Professor Denys Schreiner
Natal Coastal : Professor Gavin Maasdorp
Foreign : Professor Heribert Adam
Mrs Diana Boernstein
Dr Rudolf Gruber
Professor Jonathan Suzman
Mr Maritz van den Berg
Dr Ralph Yodaiken
- Representatives of Corporate/
Company Members : Mr Joe Kieser
Mr Henry Lavery
Mr Lekgau Mathabathe
- Representatives of
Institutional Members : Dr Reinhard Gnauck
Mr Richard Hawkins
Professor Elwyn Jenkins
Professor A Makapela
- Co-opted Members : Mr Harold Bernstein
Dr Sheila van der Horst
Mrs Hanna Jaff
Dr Franz Auerbach
- Executive Director : Mr John Kane-Berman

EXECUTIVE COMMITTEE

Chairman : Mr David Gevisser

Ex officio members : The President
The Vice-Presidents

Vice-Chairman : Professor Elwyn Jenkins

Elected Members : Mr Maurice Allen
Dr Franz Auerbach
Mr Harold Bernstein
Mrs Heather Frielinghaus
Mr Peter Horwitz
Mrs Hanna Jaff
Mr Joe Kieser
Mr Sam Mosikili
Dr Charles Simkins
Mr Allan Wentzel

Honorary Treasurer : Mr Tom Wixley

Honorary Legal Adviser : Mr Raymond Tucker

Western Cape Chairman : Professor John Cartwright

Co-opted Members : Mr Reinald Hofmeyr
Mr Bas Kardol
Mr Jack Unterhalter

Executive Director : Mr John Kane-Berman

FINANCE COMMITTEE

Chairman : Mr Tom Wixley

Mr Maurice Allen
Mr Harold Bernstein
Mr David Gevisser
Mr Reinald Hofmeyr
Mr Israel Skosana
Mr Hank Slack
Mr Allan Wentzel

Executive Director : Mr John Kane-Berman

STAFF

Executive Director : Mr John Kane-Berman

Deputy Director : Mr Theo Coggin

Assistant Director : Mrs Sheila Whiteman

Associate Director
(Research) : Ms Carole Cooper

Accounts Department : Mr Jos Compton (Financial Manager)
Mr Norman Ward
Mrs Joyce Joubert
Mrs Florence Magubane

Administration : Mr Louis Seloto (Building Manager)
Mr John Masindane
Mr Oscar Mchunu
Mr Horace Meek
Mr Japhet Mhlongo
Miss Sinah More
Miss Queenie Nkuna
Mr Obed Zuma

Bursary, Department : Mr Dennis Venter (Manager)
Mr Tlhoriso Maphike (Deputy Manager)
Ms Rachel Cham
Miss Nosipho Fetsha
Ms Margaret Khuzwayo
Mr Johannes Mcira
Mrs Betty Mokone
Miss Harriet Nxumalo
Mr Clement Satsha
Mr Stewart Sithole
Miss Linda Vilakazi
Miss Catherine Devetzis

Corporate Liaison Office : Mrs Jenneke Schuurmans-Stekhoven
(Manager)
Miss Sharmayne Moodley
Ms Elizabeth Nchoe

Hofmeyr Library : Mrs Ellen Potter (Chief Librarian)
Ms Meryl Bertram
Miss Mildred Francis
Mrs Eunice Halo
Mrs Clara Masoga
Mrs Sarah Mohale
Miss Prisca Nkungu
Mr Alfred Nkungu

Membership Department : Mrs Sue Gordon (Manager)
Mrs Mary Gwala
Mrs Winnie Makhalemele
Miss Martha Zengetwa

Policy Research Unit : Ms Monica Bot (Manager)
Mr Harry Mashabela
(Senior Research Officer)
Mr Ahmed Jooma
Mr Joseph Kelly
Mr Shaun Mackay

Printing Department : Mrs Edna Nhlapo (Manager)

Production Department : Mrs Lindsey Morton (Manager)
Mrs Connie Matthews
Mrs Dawn Weyers
Miss Sarah Zwane

Publications Department : Miss Moira Campbell (Manager)
Mrs Jeanette Gabatlholwe
Mrs Carole McCutcheon
Mrs Mirriam Ngwane

Secretariat : Mrs Susanne Eusman
(Executive Director's Secretary)
Mrs Penny Edge
Mrs Allegra Rose
Mrs Anita Loopoo
Miss Lara Payne

Special Research Manager : Mrs Jill Wentzel

Survey Research Department : Ms Colleen McCaul (Manager)
Mr Robin Hamilton
Mr Gary Moonsammy
Miss Kristine Mueller

Regional Representative : Mrs Bridget Scoble (Cape Western)

HONORARY LIFE MEMBERS

Professor John Dugard
Mr Duchesne Grice
Dr Muriel Horrell
Most Rev Denis Hurley OMI
Dr P R B Lewis
Sir Richard Luyt
Mr H F Oppenheimer
Mrs Ina Perlman
Right Rev P W R Russell
Dr Sheila van der Horst
Dr Rene de Villiers
Dr Oscar Wollheim

CONTENTS

	Page
Executive Director's Report	9
Honorary Treasurer's Report	19
Financial Statements	21
Statement on Multi-Party Democracy	39

EXECUTIVE DIRECTOR'S REPORT TO MEMBERS

FOR THE 1990 ANNUAL GENERAL MEETING

ON 27TH SEPTEMBER 1990

The Institute celebrated its 60th birthday on 9th May 1989. In his presidential address later in the year our President, the Rev Dr Stanley Mogoba, rejected the view that we had nothing to celebrate. In spite of abhorrent racial laws still on the statute book, he said, "there is one thing that we as an Institute can indeed celebrate in this our diamond jubilee year: it is that the trend away from apartheid is irreversibly established." On 7th May 1990, as our anniversary year drew to a close, one of our members, Mr Justice M M Corbett, the Chief Justice of South Africa, delivered the Alfred and Winifred Hoernle Memorial Lecture, on **Guaranteeing Fundamental Freedoms in a New South Africa**. The background to the lecture was the request by the government some years ago to the South African Law Commission to investigate the protection of individual and group rights. In due course the commission published a draft bill of rights and recommended that it be justiciable in the various divisions of the Supreme Court. That the introduction of a bill of rights should be formally on the South African political agenda at last, is cause for jubilation. For a bill of rights is the very antithesis of the entire apartheid system against which the Institute has always fought.

In August 1989 two departments of the Institute moved into Magicprint House, the small building adjoining Auden House that we had bought earlier in the year. The additional space has made us a lot more comfortable, and we are very grateful indeed to those corporate and individual members who between them have donated no less than R535 500 towards the costs of purchasing and refurbishing the new building. The donors were as follows:

Anglo American and De Beers Chairman's Fund
Gold Fields Foundation
South African Breweries
Standard Bank Foundation
Johannesburg Consolidated Investment Company
Gencor Development Trust
Barlow Rand Foundation
Afrox
Anglovaal
Boumat
Haggie Charitable Trust
SA Perm
Sage Foundation
Mrs Hanna Jaff

A bond was raised as well, but some of the costs of expansion had to be borne by normal revenues. These additional costs were one of the reasons why the Institute ran at a loss of R251 500 during the financial year ended 31st March 1990. This was a most disappointing result after the previous

year's surplus of R134 000. It means that we now have an accumulated deficit of nearly R254 000.

Losses of this magnitude obviously cannot be allowed to continue. At the time of writing this report steps were being taken to strengthen the Institute's financial position. Among these is an increase in membership fees. This is being done with great reluctance but we have no choice. Assuming a 15% average inflation rate over the six years since corporate membership fees were last determined, such fees are now worth not much more than a third of what they were. Other fees have also declined in real terms. In January 1984, following a strategic planning review, your Council decided as a matter of policy to base the Institute's financial security on its own membership rather than to become heavily dependent on funds from foreign donor organisations. Subsequent increases in membership revenues proved that the decision was a sound one. Membership-based financing, including not only membership fees but also special grants from members for research, remains the central plank in our financing strategy. Our entire membership campaign is now to be overhauled following a second strategic planning review. At the same time, the Institute's top management is undergoing major reorganisation with a view to better marketing and communication, and improving productivity and morale - in short ensuring that we are adequately positioned and equipped to face the major challenges of the 1990s. We are very grateful to Frank Cauldwell and Associates for their invaluable guidance in our strategic planning.

Research and Publications

Since my last report, no fewer than eleven publications have been produced apart from the **Survey, Countdown, Update, and Race Relations News**. Dr Mogoba's 1989 presidential address was published under the title **A New Africa**. We also published Judge Corbett's Hoernle Lecture. Other publications include **The Boksburg Boycott**, a study of the consumer boycott launched in Boksburg when the Conservative Party captured control of the town council in municipal elections in October 1988. By focusing renewed, and, for the government, embarrassing attention on legally-imposed social segregation, the boycott helped bring about the repeal with effect from 15th October this year of the Reservation of Separate Amenities Act of 1953. A study of the municipal elections in five black townships in the Pretoria/Witwatersrand/Vereeniging (PWV) area was also issued, under the title **Fragile Figures**. It laid bare once again the shortcomings of a local government system that had been imposed on black townships irrespective of the wishes of the residents thereof. A second edition of **Sanctions and the Alternatives**, first published in 1988, was issued in response to demand from the market-place. Also published was the third and last of a series of studies of housing, this one called **Paths to Power**. In addition, we issued the fourth and last of a series of monographs on the reform process, called **Options for the Future**. A study of shack settlements in the PWV region, based on fieldwork in seven such settlements, appeared as well. The title of this booklet was **Mekhukhu**, a Sotho word meaning temporary dwelling, but the subtitle - Urban African Cities of the Future - made clear that these dwellings were unlikely to be temporary, given the huge shortage of conventional housing.

The Institute also published the first study of regional services councils, under the title **From Town to Township**. This examined the extent to which these councils - the subject of an earlier Institute publication when they were launched - had succeeded in their main objective of redistributing funds from white cities and towns to black townships. The focus of our research was not exclusively on black shantytowns or planned townships, however. **No Easy Ride** looked at how people travelled between their homes and their places of work. This publication was also a first - the first systematic study of the black minibus taxi industry. Finally, in a joint venture with a commercial publishing house, we published **South Africa's Silent Revolution**, which showed how rank-and-file people rather than political elites had helped to reshape South Africa.

The regular issues of **Quarterly Countdown** were supplemented with a special issue called **Countdown to Negotiations** setting out the views of the various political parties about how a new constitution should be arrived at, what it should contain, and so on. **Social and Economic Update** was also supplemented with a special issue, looking, inter alia, at the differing positions of various organisations on such matters as nationalisation and privatisation. The **Race Relations Survey** was once again a winner.

Lectures and Conferences

Apart from the Hoernle lecture already referred to, four lectures were held at Auden House, on economic issues. The first, entitled **Neither Capitalism nor Socialism will do**, was given by Professor James Moulder, professor of philosophy at the University of Natal. Dr Charles Simkins, a member of the Institute's Executive Committee who will shortly take up the first Helen Suzman professorship of political economy at the University of the Witwatersrand, spoke under the title **How do we create a climate for economic growth?** This was followed by a lecture on **Going for growth - the practical issues** by Professor Merton Dagut, who is an executive general manager of Nedbank and also head of the economics department at Wits. Finally, Mr Stephen Gelb of the Institute for Social and Economic Research at the University of Durban-Westville, spoke on **Going for growth the other way round**.

Two conferences were also held. The first, **Winning Against Apartheid and Surviving in the Future**, made use of the ballroom at the Carlton Hotel in Johannesburg to enable a range of people to tell the stories of how they and their organisations had beaten apartheid. Introducing the conference, the Executive Director of the Institute, Mr John Kane-Berman, said that rank-and-file people had played a key role in eroding apartheid. Mr Steyn Krige, director of the New Era Schools Trust and first headmaster of Woodmead School, explained how Woodmead had thrown itself open to boys and girls of all races despite the fact that this was illegal. Mr Moosa Ebrahim, a former researcher at the Institute, described the breakdown of the Group Areas Act. Mr Sam Tuntubele, president of the South African Taverners' Association, related how shebeens survived in a hostile official climate and suggested that they could grow and compete with giant retailers. A spaza shopowner from Garankuwa, Mr Sydney Themba, introduced a sombre note by pointing to the threats that spaza shops face from supermarket chains and trade unions. Mr Knox Matjila, an executive member

of the Southern Africa Black Taxi Association, told the success story of the black taxi industry but also looked at some of the problems it was facing. Mrs Olga Lutu, chairwoman of the Weilers Farm Residents' Committee, urged that land be redistributed in a post-apartheid South Africa. Mr Thami Mazwai, senior assistant editor of the **Sowetan**, explained how his paper had dealt with official censorship but then went on to warn against the censorship imposed on the press by organisations at the other end of the political spectrum. Finally, Mr Kaizer Nyatumba, a poet, writer, and journalist, said it was time South African art outgrew its obsession with politics. The summing up was done by Professor Lawrence Schlemmer, director of the Centre for Policy Studies at the Graduate School of Business Administration at Wits and a vice-president of the Institute, who said that the conference had underlined the fact that politics could not deliver everything. The papers are being published under the title **Beating Apartheid and Building the Future**.

We were alarmed enough by what Mr Mazwai, who is also a member of the Council of the Institute, had said about attempts from anti-apartheid political organisations to intimidate newspapers and at what Mr Nyatumba had said about political pressures on artists, that we decided to invite them to speak again, this time at a special seminar at Auden House for Institute members. Others also spoke of their experiences of threats against newspapers from these political organisations. They included Mr Arthur Konigkramer, the editor of **Ilanga**, Mr Connie Molusi, a journalist with the South African Press Association, Ms Nomavenda Mathiane, a well-known columnist and author of a recently published book entitled **Beyond the Headlines**, and Mr Joe Thloloe of the **Sowetan**. With them on the platform talking about threats to free expression represented by political pressures were the poet and author Mr Lionel Abrahams, and the entertainer and impresario Mrs Dawn Lindberg. Many members of the audience were shocked at what the black journalists had to say about the pressures for conformity that they face and the personal risks that they have to endure in trying to do an honest reporting job.

Multi-party Democracy

At its annual general meeting in August 1989 your Council passed a resolution explicitly declaring the Institute's commitment to multi-party democracy based on universal adult suffrage and dedicated to providing rising living standards for all. Council directed that an appropriate statement be prepared and published. The full text of the resulting statement, which was approved by Council, is published as Appendix C to this report on page 39.

Bursaries

Our bursary programme once again performed exceptionally well. Altogether 83% of all university bursars funded through the Head Office of the Institute passed their exams at the end of 1989, an outstanding achievement in the face of years of educational deprivation and instability. Towards the end of that year we sent out in response to requests for them nearly

43 000 application forms for bursaries for 1990 (against nearly 41 000 the year before). Our 1990 Head Office awards are as follows (with last year's figures in brackets):

	Continuing	New	Total
Secondary School	10 (87)	53 (20)	63 (107)
Teacher Training College	33 (20)	58 (24)	91 (44)
Technikon	26 (14)	48 (28)	74 (42)
University	453 (507)	236 (197)	689 (704)
Grand Total	522 (628)	395 (269)	917 (897)

The United States Agency for International Development remains by far our biggest bursary donor. The agency has been highly complimentary of the superb performance of our students and also the efficiency with which our bursary programme was run. In particular, it has commended the Institute for its leading role in promoting technikons. Our second biggest donor is the German Academic Exchange Service, while the third is now the W K Kellogg Foundation of Battle Creek, Michigan, which has provided funds for an extra 20 bursaries a year in 1990, 1991, and 1992. New bursary finance obtained during the period under review came from the estates of the late Bertha Mackay and Joy Abelson. Our bursary programme sponsored by the Dutch government expanded, while Grinaker Construction, a corporate member of the Institute, is also to sponsor a bursary programme. Finally, Poupart Ltd, a British fruit importing company, will be sponsoring our first bursary in horticulture. The names of all our other bursary donors and funds are listed in the notes to the financial statements and may be found on pages 32 and 33 of this annual report.

I am pleased to be able to report that at long last the new SAIRR Education Trust, which was registered on 25th May 1987, has been approved as an educational fund for the purposes of Section 18(a) of the Income Tax Act. So far R18 500 in donations has been received for this trust, which was initiated by Mr Harold Bernstein, a member of your Council.

Contacts with the Union of Soviet Socialist Republics

The Executive Director visited the Soviet Union from 7th to 16th November 1989 as the guest of the Institute for African Studies of the Academy of Sciences of the USSR. Although two researchers of our Institute visited the African Institute in 1988, Mr Kane-Berman was apparently their first official non-exiled South African guest. The trip proved very worthwhile. He was received by Dr Anatoly Gromyko, director of the African Institute (and son of the late Soviet foreign minister and president), who expressed a strong wish for closer co-operation between their Institute and ours. Mr Kane-Berman delivered a lecture at the African Institute on **Prospects for a new South Africa** to a group of about 60 people who were among those attending an 'all-union' conference on the problems of Africa.

An official of the African Institute, Dr Vladimir Tikhomirov, visited South Africa in March as our guest. Dr Tikhomirov is the deputy director of the Centre for South African Studies at the African Institute. During his stay

Dr Tikhomirov visited Soweto and Lenasia, did a tour of informal settlements, and went to Cape Town. He had interviews with various political figures across a wide spectrum, and talked also to businessmen, trade unions, journalists, and others.

An Institute delegation, consisting of Professor Lawrence Schlemmer, Mr David Gevisser, Professor Gavin Maasdorp, Dr Charles Simkins, and the Executive Director, visited Moscow in June for a joint conference with the Institute for African Studies. The conference was most worthwhile and we will in due course be publishing the papers delivered by ourselves as well as those delivered by the Soviets. The African Institute intends to do the same once all the papers have been translated into Russian. The papers delivered were as follows:

- The Past, Present and Future of the Conflict in Southern Africa (Professor Anatoly Gromyko)
- South Africa: The Civilisational Aspect (Mrs Tatiana Krasnopevtseva)
- Some Parallels in the Development of South Africa and Russia-USSR (Mr Yuri Skubco)
- Political Reform and the Future of the South African Economy (Dr Leonid Fituni)
- A Special Function of the Republic of South Africa in the World Economy (Mr I Cherkasova)
- Contemporary Politics in South Africa and the Soviet Policy towards Southern Africa (Dr Vladimir Tikhomirov)
- South Africa's Political Options (Professor Lawrence Schlemmer)
- Issues Facing the South African Economy in 1990 (Dr Charles Simkins)
- South Africa in Southern Africa - Political and Economic Aspects (Professor Gavin Maasdorp)
- The Challenge of Material Inequality in South Africa (Mr John Kane-Berman)

Lectures by Institute Officials

Once again the Executive Director and other senior staff addressed many organisations. Among them were the Human Sciences Research Council in Pretoria, various companies around the country, professional and business associations, Rotarians and women's clubs, foundations, academic institutions, and gatherings in Botswana, London, Munich, Otzenhausen (West Germany), Moscow, Washington DC, Amsterdam, and Madrid. A non-stop string of visitors came to Auden House for briefings and discussions. We get more requests for such meetings than we can possibly cope with. Time will always be found for members, of course. We try not to turn others away.

Cape Western Region

The Institute's Cape Western region once again had a busy year. Its bursary awards for 1990 were as follows:

	Renewals	New	Total
University	141	94	235
Technikon	52	60	112
Teacher Training College	18	7	25
School	8	1	9
<hr/>			
Total	219	162	381

The estate of the late May Hillhouse enabled the region to award 29 new emergency bursaries to students showing good progress but unsuccessful in finding bursaries. As part of its educational efforts, the regional committee continued to run its school enrichment programme, which currently caters for 600 pupils. A successful winter school for 600 students, most of them from the University of Cape Town, was also organised.

The committee published three topic papers, as follows: **Collective Bargaining Shifts in South Africa** by Frank M Horwitz, **A Management View of Namibian Independence** by Bruce MacDonald, and **The Role of Management Development in the Process of Empowerment and Social Change** by Linda Human. In addition, the committee organised a number of public meetings, which were addressed by the President of the Institute, the Deputy Director, Mr Theo Coggin, Dr Jannie Hofmeyr, a lecturer in the department of religious studies at the University of Cape Town, and Professor Gerhard Erasmus of the department of public law at the University of Stellenbosch. Other regional activities include the running of the African art centre in Rondebosch, which fulfils the dual function of providing an outlet for rural handicrafts and helping to finance regional activities. In conjunction with the Black Sash, the regional committee runs an advice office whose main focus is on trying to sort out problems faced by pensioners and homeless people as well as people with houses who run into difficulties with financing their bonds.

Institute Office-Bearers

I regret to report the death of Mr H J Bhengu, who was one of the two Natal coastal representatives on Council. Dr Peter Robinson has been co-opted to fill his place.

I also regrettably have to record that Dr Mogoba resigned the presidency of the Institute after three years in this office - a year longer than our presidents normally serve. The heavy pressure of other commitments made him do this. On your behalf I should like to pay tribute to him for the distinction with which he filled the office. Dr Mogoba frequently challenged accepted views on a variety of subjects. In having the courage to say unfashionable things, he more than fulfilled his duties as president of an organisation which has never been fashionable. The Foundation for Freedom and Human Rights in Berne in Switzerland is to confer its 1990 award on Dr Mogoba at a ceremony in Switzerland on 24th November in recognition of his role in pursuing reconciliation both as presiding bishop of the Methodist Church of Southern Africa, and as President of the Institute.

Dr Mogoba's place has been filled by Mrs Helen Suzman, one of our vice-presidents and an honorary Dame of the British Empire. We are delighted to have her as our new president. Her election is the culmination of many years of involvement with the Institute going as far back as the latter part of the 1940s. Shortly after the end of World War II, she was asked by the Institute to write a report on the Fagan Commission, which had been established by the Smuts government to investigate the permanence of Africans in urban areas and the migrant labour system. She pointed out on her election that her political awareness had been first aroused when the Institute asked her to prepare evidence for the Fagan Commission.

The Future Role of the Institute

Who would have thought a year ago that a news broadcast on South African television on 6th February 1990 would report not only that Mr Mikhail Gorbachev had proposed ending the Communist Party's monopoly of power in the Soviet Union but that Dr Gerrit Viljoen would say the same thing about the National Party in South Africa?

The state president's announcement on 2nd February 1990 clearly necessitates overhauling our research. This overhaul has in fact been under way for some time. The issue of material inequality has dramatically been brought to the fore by talk of nationalisation. But the Institute anticipated some years ago that this debate would soon begin in earnest, which is why we launched **Social and Economic Update** in April 1987. This publication is way ahead of the field in that it is the only systematic monitor of its kind available. We are, however, overhauling it with the addition of sections focusing on policy issues and monitoring urban/rural cleavages. We have not been caught napping in the constitutional field either. **The Prisoners of Tradition and the Politics of Nation Building**, which we published in 1988, foreshadowed the discussions that are now taking place between various black organisations and the government, while **Quarterly Countdown** has been adapted to focus specifically on the negotiation process. The 1989/90 edition of the **Race Relations Survey**, now on its way to the printers, is probably the last to appear in that form and with that title. The new South Africa clearly requires a new kind of **Survey**. By the end of this year we will have re-designed this and other publications.

The resolution on multi-party democracy that Council passed last year proved to be timely. We are attempting to obtain funding to continue research related to promoting multi-party democracy.

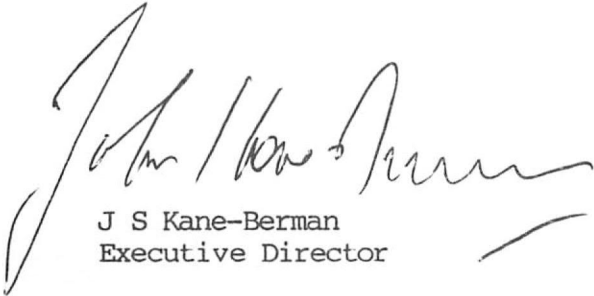
The Institute as a liberal organisation has always stuck to two fundamental principles: we have opposed racial discrimination, and we have upheld civil liberties and the rule of law. With statutory racial discrimination now clearly on the way out we will pay less attention to that and focus instead on the legacy of discrimination, particularly in the social and economic fields. At the same time we will pay more attention to the civil liberties side of our tradition by focusing on constitutional issues such as a bill of rights, limitations on governmental power to abuse the rule of law, checks and balances, and so on. We have always been vigilant about civil

liberties and we should continue this vigilance no matter whence any threat to civil liberties might come. As this report was being written fatalities in political violence in South Africa had topped 8 000 in the six years since September 1984. Killing on this scale threatens our future. As long as it continues, we will perform the unenviable job of monitoring its causes in the hopes of thereby helping to bring it to an end.

Thanks

Once again thanks are due to all our members for their continued loyal support. From most this comes in the form of membership fees and subscriptions but some give us special grants for research (usually acknowledged in the resulting publication) or bursaries over and above this. To these we owe additional thanks and in particular we would like to thank Mr Kenneth Birch, an individual member, who has made a generous donation to our research. Thanks are also due to taxpayers in various countries on whose behalf various foreign governments have donated funds for bursaries run by the Institute. Various other institutions and individuals abroad also raised money for bursaries and to them too we are grateful.

I would like also to thank our outgoing President for his unfailing support over the past three years. To our Vice-Presidents, the Chairman of the Executive Committee, Mr David Gevisser, the Honorary Treasurer, Mr Tom Wixley, and the Honorary Legal Adviser, Mr Raymond Tucker, also go special thanks for the time and effort that they, busy people all, put into the Institute's affairs. The same applies to members of Council, the Executive Committee, the Finance Committee, the Cape Western Regional Committee, and the volunteers without whom the Cape Western region's art centre could not function. All the staff of the Institute help in a wide variety of ways to make the organisation the success it is. To them too on your behalf, gratitude and thanks for their work and support.



J S Kane-Berman
Executive Director

10th September 1990

**REPORT OF THE HONORARY TREASURER ON THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 1990**

The financial results for the year are extremely disappointing. A consolidated deficit of R251 000 was recorded, due mainly to the following factors:

	<u>R</u>
A loss in the bursary department - This department derives its revenue from an administrative charge levied on bursary funds spent. The deficit is a result of lower than budgeted expenditure - partly due to delays in payment of bursaries.	160 000
Additional costs resulting from the expansion of the Institute's premises -	90 000
Expenses incurred in rectifying accounting problems - The finance committee has resolved on a number of actions to remedy these problems.	55 000

An important milestone during the year was the completion of the building renovations and extensions following the Institute's purchase of Magicprint House towards the end of the previous financial year. The Institute is now adequately housed in its own premises and owns an asset which is worth considerably more than its book value of R901 000. Thanks to the generosity of a number of corporate members of the Institute, grants amounting to R444 500 were received during the financial year. A mortgage bond of R350 000 was raised during the year to finance a portion of the cost of the building.



T A Wixley
Honorary Treasurer
Chairman, Finance Committee

10th September 1990

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
AND ITS SUBSIDIARY COMPANY
FINANCIAL STATEMENTS
31 MARCH 1990

REGISTRATION NO. 05/10068/08

FUND RAISING NO. 01 100066 0006

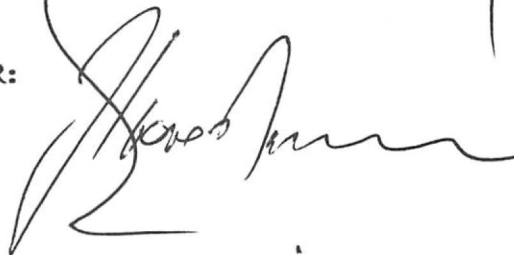
INDEX	
Auditors' report	23
Directors' report	24
Consolidated balance sheet	25
Consolidated income statement	26
Balance sheet	27
Income statement	28
Cash flow statement	29
Notes to the financial statements	30 - 38

The annual financial statements which appear on the attached pages were approved by the Directors on 13 July 1990 and are signed on their behalf by:

DIRECTOR:



DIRECTOR:



REPORT OF THE AUDITORS TO THE MEMBERS OF
THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
AND ITS SUBSIDIARY COMPANY

We have examined the Annual Financial Statements and the Group Annual Financial Statements set out on the attached pages. The Financial Statements of a Regional Office, which are incorporated, have not been audited by us. We have relied on the reports of the auditors of this branch not audited by us.

In our opinion, these statements fairly present the position of the South African Institute of Race Relations and its subsidiary company at 31 March 1990 and the results of its operations for the year then ended in the manner required by the Companies Act 1973, as amended.

Price waterhouse

PRICE WATERHOUSE
Chartered Accountants (S A)
Auditors

JOHANNESBURG
12 July 1990

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
AND ITS SUBSIDIARY COMPANY
REPORT OF THE DIRECTORS

The Directors have approved the attached Financial Statements and submit their Report for the year ended 31 March 1990.

REVIEW OF THE INSTITUTE'S BUSINESS AND OPERATIONS

The main activity of the Institute is that of a Research and Educational Welfare Organisation. The Financial Statements adequately disclose the results of the operations of the Institute and the state of its affairs.

PURCHASE OF PROPERTY

The purchase of a property registered in the name of the subsidiary company, was finalised during the period under review.

DIRECTORS AND SECRETARY

The following acted as Directors

- | | |
|-----------------|---------------------------------------|
| M S Mogoba | - President of the Institute |
| D J Gevisser | - Chairman of the Executive Committee |
| T A Wixley | - Honorary Treasurer |
| J S Kane-Berman | - Executive Director |

The Institute does not have a Secretary.

SUBSIDIARY COMPANY

The name of the Subsidiary is :

	<u>1990</u>	<u>1989</u>
De Korte Street Properties (Pty) Ltd		
Details are:		
Issued Share Capital	6	6
Company's Holding	100%	100%
Book Value of Company's Holding	6	6
Amount Owing to Holding Company	R 665 445	R 128 035

This company acquired property in 1954 at a cost of R 20 500 and erected buildings in 1956 at a cost of R 65 198. Further property costing R815 410, including amounts spent on renovations, was acquired during the year. All property is occupied by the Institute.

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
AND ITS SUBSIDIARY COMPANY
CONSOLIDATED BALANCE SHEET AT 31 MARCH 1990

	<u>Notes</u>	<u>1990</u>	<u>1989</u>
<u>CAPITAL EMPLOYED</u>			
NON-DISTRIBUTABLE RESERVES	2	817 131	226 631
ACCUMULATED DEFICIT		(253 703)	(2 204)
		<u>563 428</u>	<u>224 427</u>
SPECIAL FUNDS	3 & 4	3 827 952	2 516 943
LONG TERM LIABILITIES	5	378 875	14 900
		<u>R 4 770 255</u>	<u>R 2 756 270</u>
<u>EMPLOYMENT OF CAPITAL</u>			
FIXED ASSETS	6	932 036	491 626
INVESTMENTS	8	4 042 285	2 672 349
Special Funds		3 827 952	2 516 943
Other		214 333	155 406
CURRENT ASSETS		449 257	672 609
Stock	9	2	2
Accounts Receivable	10	288 010	491 670
Cash Resources		161 245	180 937
TOTAL ASSETS		<u>5 423 578</u>	<u>3 836 584</u>
CURRENT LIABILITIES			
Accounts Payable and Provisions	11	653 323	1 080 314
		<u>R 4 770 255</u>	<u>R 2 756 270</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
AND ITS SUBSIDIARY COMPANY

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 1990

	<u>Notes</u>	<u>1990</u>	<u>1989</u>
INCOME			
Membership fees and subscriptions		776 520	664 802
Administration fees received	1	184 151	810 917
Interest		209 704	180 546
Grants and donations		953 341	1 301 421
Publication sales		141 435	114 239
Rental received		12 626	11 203
		3 277 777	3 083 128
EXPENDITURE			
		3 529 276	2 949 117
Auditors remuneration		53 700	20 950
Fees for the audit	12	4 290	-
- Underprovision prior year		292	330
Secretarial expenses		67 880	16 272
Furniture and equipment written off	1	27 471	-
Interest		169 064	162 266
Library expenditure		16 464	22 897
Lease expenditure		-	150 000
Provision for building renovations		-	125 000
Provision for research		3 190 115	2 451 402
Research, publishing and administration expenses			
EXCESS EXPENDITURE OVER INCOME		(251 499)	134 011
(EXCESS INCOME - 1989)			
DEFICIT AT BEGINNING OF YEAR		(2 204)	(136 215)
DEFICIT AT END OF YEAR		R (253 703)	R (2 204)

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)

BALANCE SHEET AT 31 MARCH 1990

	<u>Notes</u>	<u>1990</u>	<u>1989</u>
<u>CAPITAL EMPLOYED</u>			
NON-DISTRIBUTABLE RESERVES	2	817 131	226 631
ACCUMULATED DEFICIT		(253 703)	(2 204)
	5	563 428	224 427
SPECIAL FUNDS	3 & 4	3 827 952	2 516 943
LONG TERM LIABILITIES	5	14 900	14 900
		R 4 406 280	R 2 756 270
 <u>EMPLOYMENT OF CAPITAL</u>			
FIXED ASSETS	6	30 928	405 928
INVESTMENT IN SUBSIDIARY COMPANY	7	624 683	87 607
INVESTMENTS	8	4 042 285	2 672 349
Special Funds		3 827 952	2 516 943
Other		214 333	155 406
CURRENT ASSETS		360 807	669 429
Stock	9	2	2
Accounts Receivable	10	287 058	490 719
Cash Resources		73 747	178 708
TOTAL ASSETS		5 058 703	3 835 313
CURRENT LIABILITIES			
Accounts Payable	11	652 423	1 079 043
		R 4 406 280	R 2 756 270

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

(INCORPORATED ASSOCIATION NOT FOR GAIN)

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 1990

	<u>Notes</u>	<u>1990</u>	<u>1989</u>
INCOME			
Membership fees and subscriptions		776 520	664 802
Administration fees received		1 184 151	810 917
Interest		209 421	180 512
Grants and donations		953 341	1 301 421
Publication sales		141 435	114 239
Rental received		12 626	11 203
		3 277 494	3 083 094
EXPENDITURE			
		3 528 659	2 947 269
Auditors remuneration		52 800	20 200
Fees for the audit	12	4 290	-
- Underprovision prior year		252	330
Secretarial expenses		67 880	16 272
Furniture and equipment written off	1	169 064	162 266
Library expenditure		16 464	22 897
Lease expenditure		-	150 000
Provision for building renovations		-	125 000
Provision for research		3 217 909	2 450 304
Research, publishing and administration expenses			
EXCESS EXPENDITURE OVER INCOME		(251 165)	135 825
((EXCESS INCOME - 1989)			
PROVISION FOR LOSS IN SUBSIDIARY		334	1 814
		(251 499)	134 011
ACCUMULATED DEFICIT AT BEGINNING OF YEAR		(2 204)	136 215
DEFICIT AT END OF YEAR		R (253 703)	R (2 204)

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
AND ITS SUBSIDIARY COMPANY
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1990

	<u>Group</u>	<u>Company</u>
Cash retained from operations	183 550	183 922
Operating loss before interest	(561 203)	(560 920)
Items not involving the flow of funds - Adjustments on acquisition of fixed assets	67 880	67 880
	(493 323)	(493 040)
Working capital increase	(123 331)	(122 959)
Decrease in accounts receivable	203 661	203 661
Decrease in accounts payable	(326 992)	(326 620)
Cash generated by operations	(616 654)	(615 999)
Net interest received	209 704	209 421
Cash available from operations	(406 950)	(406 578)
Extraordinary item - building reserve	590 500	590 500
External financing - loans raised	363 975	
Investment of funds	(567 217)	(288 883)
Land and buildings	(440 410)	375 000
Purchase of fixed assets	(67 880)	(67 880)
Increase in investments and loans	(58 927)	(596 003)
Net cash utilized	(19 692)	(104 961)
Cash resources at beginning of year	180 937	178 708
Cash resources at end of year	R 161 245	R 73 747

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1990

1. ACCOUNTING POLICIES

The Financial Statements are prepared on the historical cost basis.

1.1 Membership fees

Membership fees are brought to account on a cash received basis with allowance being made for the proportion due in respect of the following accounting period.

1.2 Donations

Donations are brought to account on a cash received basis, upon being banked to the account of the institute.

1.3 Special Funds

Funds specifically designated by donors may, at the discretion of the recipient activity, be retained and invested by the Institute pending disbursement.

Net income, after payment of administration and allocation of interest to the Institute, accruing to designated funds is appropriated to the fund concerned.

Bursary Funds and Special Research Projects

The Funds and Projects administered by the Institute are disclosed in these Financial Statements by way of note.

1.4 Fixed Assets

Land and Buildings are not depreciated. Other Fixed Assets are written off when purchased and are shown at nominal value.

1.5 Stock

Stock is valued at nominal value.

1.6 Branch Accounting

Material branch operating results and their assets and liabilities are incorporated in these Financial Statements.

2. NON-DISTRIBUTABLE RESERVES

2.1 Specific bequests, surplus on sale of investments and extraordinary donations of a non-recurring nature :

	<u>1990</u>	<u>1989</u>
Balance previous year	R 226 631	R 226 631
2.2 Building Fund		
Specific donations	440 500	-
Amount provided in prior year	150 000	-
	R 590 500	R -
	R 817 131	R 226 631

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
AND ITS SUBSIDIARY COMPANY
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1990
(Continued)

3. SPECIAL FUNDS

	Bursary Funds	Special Research Projects	Regional Bursary and Other Funds	1990 Total	1989
INCOME	6 932 712	232 974	793 499	7 959 185	7 016 214
Donations and Grants	6 574 230	197 093	677 357	7 448 680	6 828 163
Interest	170 555	35 881	96 980	303 416	143 904
Dividends	41 425	-	19 162	60 587	44 147
Profit on sale of shares	146 502	-	-	146 502	-
EXPENDITURE	5 770 038	299 234	785 139	6 854 411	6 898 189
Administration Costs and contribution to overheads	856 347	-	125 887	982 234	1 099 042
Audit fees	13 205	-	-	13 205	16 605
Bursaries and Grants	4 900 486	-	659 252	5 559 738	5 557 661
Project Costs	-	299 234	-	299 234	224 881
SURPLUS/(DEFICIT) FOR THE YEAR	1 162 674	(66 260)	8 360	1 104 774	118 025
ACCUMULATED FUNDS AT BEGINNING OF YEAR	1 287 305	669 268	35 135	1 991 708	1 873 683
	2 449 979	603 008	43 495	30 964 82	1 991 708
REGIONAL SPECIAL FUNDS	-	-	727 568	727 568	397 366
FUNDS AT END OF YEAR	2 449 979	603 008	771 063	3 824 050	2 389 074
DEFICIT BALANCES TRANS- FERRED TO DEBTORS	3 902	-	-	3 902	127 869
	R 2 453 881	R 603 008	R 771 063	R 3 827 952	R 2 516 943

A list of the balances of the Special Funds administered by the Institute appears in Note 4.

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1990 (Continued)

4. SPECIAL FUND BALANCES AT 31 MARCH 1990

4.1 <u>Bursary Funds</u>	<u>1990</u>	<u>1989</u>
	<u>Capital</u>	<u>Total</u>
	<u>Amounts held for Bursary Awards</u>	
Auerbach Trust	-	222
Australian Scholarship Fund	-	61 526
Alan Paton Fund	2 000	4 020
Andrew Hofmeyer Book Award	10 000	11 685
Bertha McKay	80 201	-
B and E Koch Bursary Fund	6 000	7 867
Ballinger Fund	-	682
Boxer Bursary Fund	5 000	6 150
Dorothy Glauber Bursary Fund	55 000	62 518
Ellen Hellmann Fund	8 000	8 217
Emily Hobhouse Bursary Fund	600	1 163
E Z E Scholarship Programme	-	-
First National Bursary	-	28 416
G M Robertson Bursary	-	6 708
German Academic Exchange Scholarship Programme	-	33 445
German Enrichment	-	29 657
Gert and Irmgard Brusseau Trust	45 990	50 967
Harvard S A Fellowship	-	14 727
Horace Coaker Fund	500	18 220
Isaacson Foundation Bursary Fund	226 090	77 628
Kellogg Foundation Bursary Fund	-	152 502
Lazarus Education Fund	100 000	108 262
Lomans Bursary Trust	-	34 722
Luthuli Memorial Foundation Trust Fund	107 883	111 147
MacFarlane Trust	-	6 340
Mampu Schools	1 000	1 538
Mobil Oil Scholarship Programme	-	8 763
National Education Trust	-	11 566
Netherlands Scholarship	-	46 087
Patel Bursary Fund	-	3 826
Reginald H Smith Bursary Fund	10 000	10 078
Robert Shapiro Trust	10 878	72 093
Senior Teachers Training Trust	50 000	56 862
Sir Robert Birley Trust	1 500	1 500
South African Institute of Race Relations Education Trust	-	150
South African Scholarship Programme (USA)	-	315 121
Swedish Church Mission Scholarship Programme	-	5 870
Carried forward	<u>720 642</u>	<u>1 370 245</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
AND ITS SUBSIDIARY COMPANY
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1990 (Continued)

4. SPECIAL FUND BALANCES AT 31 MARCH 1990

		<u>1990</u>		<u>1989</u>
4.1			<u>Amounts held for Bursary Awards</u>	
	<u>Bursary Funds (ctd)</u>	<u>Capital</u>		<u>Total</u>
	Brought forward	720 642	1 629 661	1 370 245
	Swiss Church Group	-	55 129	13 043
	Scholarship Programme	-	31 744	15 701
	World University Service of Canada	-	-	-
	Yvonne Rabbow Memorial	16 705	-	16 185
		<u>R 737 347</u>	<u>R 1 716 534</u>	<u>R 1 415 174</u>
	<u>Total Bursary Funds</u>	<u>R 2 453 881</u>		<u>R 1 415 174</u>
4.2	<u>Special Research Projects</u>		<u>1990</u>	<u>1989</u>
	Caterpillar		15 000	15 000
	Constitution		-	26 505
	Countdown		72 214	17 093
	Education		3 037	76 351
	Ford Foundation - Security		-	2 000
	ISU / LFO		330 514	354 838
	Mobil S A		-	15 617
	Mobil S A (Phase 3)		71 928	50 000
	Philadelphia		8 507	8 507
	Social Desegregation		-	47 663
	Social Economic Update		86 808	40 694
	Sterling Drug		15 000	15 000
	Total Special Research Projects		<u>R 603 008</u>	<u>R 669 268</u>
4.3	<u>Funds Administered by Regions</u>		<u>R 771 063</u>	<u>R 432 501</u>
	<u>TOTAL SPECIAL FUNDS</u>		<u>R 3 827 952</u>	<u>R 2 516 943</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

(INCORPORATED ASSOCIATION NOT FOR GAIN)

AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1990 (Continued)

5. LONG TERM LIABILITIES

Institute

Secured

Secured by a first mortgage bond over land and buildings in Cape Town, with a book value of R 30 928. There is no interest payable and no fixed terms of repayment at present.

	<u>R 14 900</u>	<u>R 14 900</u>
--	-----------------	-----------------

Consolidated

Secured

(a) First mortgage bond over land and buildings in Cape Town, with a book value of R30 928. There is no interest payable at present.

	14 900	14 900
--	--------	--------

(b) Mortgage bond registered over stands 2794 and 5088 Johannesburg, with a book value of R901 108. Interest is payable at 20,75%, and monthly instalments inclusive of interest are R6 748.

	<u>363 975</u>	<u>.-</u>
--	----------------	-----------

	<u>R 378 875</u>	<u>R 14 900</u>
--	------------------	-----------------

6. FIXED ASSETS

<u>Institute</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>1990 Book Value</u>	<u>1989 Book Value</u>
Land and buildings	30 922	-	30 922	405 922
Furniture and equipment	<u>465 392</u>	<u>465 388</u>	4	4
	<u>R 496 314</u>	<u>R 465 388</u>		
 Library - At Nominal Value			<u>2</u>	<u>2</u>
			<u>R 30 928</u>	<u>R 405 928</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

(INCORPORATED ASSOCIATION NOT FOR GAIN)

AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1990 (Continued)

6. FIXED ASSETS (Continued)

<u>Consolidated</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>1990 Book Value</u>	<u>1989 Book Value</u>
Land and Buildings	932 030	-	932 030	491 620
Furniture and Equipment	465 392	465 388	4	4
	<u>R 1 397 422</u>	<u>R 465 388</u>		
Library - At Nominal Value			<u>2</u>	<u>2</u>
			<u>R 932 036</u>	<u>R 491 626</u>
<u>Details of Land and Buildings</u>				
Freehold property, Erf 28701, situated at No 5 Long Street, Mowbray, Cape Town Purchased January 1975			27 723	27 723
Improvements during that year			3 199	3 199
			<u>R 30 922</u>	<u>R 30 922</u>
Municipal valuation			<u>R 29 240</u>	<u>R 29 240</u>
Freehold property stand no. 2794 situated at 68 De korte Street, Braam- fontein				
Purchased 1954			20 500	20 500
Building erected 1956			65 198	65 198
			<u>R 85 698</u>	<u>R 85 698</u>
Valuation by J H Isaacs - 1988			<u>R 640 000</u>	<u>R 640 000</u>
Freehold stand, lot 5088 Jhb Township situated at 70 De korte Street Braamfontein - purchased 1989			375 000	375 000
Improvement and alterations			440 410	-
			<u>R 815 410</u>	<u>R 375 000</u>

7. INVESTMENT IN WHOLLY OWNED SUBSIDIARY COMPANY

Shares at cost			6	6
Loan to subsidiary (net of provision for losses incurred)			624 677	87 601
			<u>R 624 683</u>	<u>R 87 607</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS
(INCORPORATED ASSOCIATION NOT FOR GAIN)
AND ITS SUBSIDIARY COMPANY
NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1990 (Continued)

8. INVESTMENTS

8.1 <u>SPECIAL FUNDS</u>	<u>1990</u>	<u>1989</u>
8.1.1 <u>Bursary Funds</u>		
Participation Mortgage Bonds	96 500	140 000
Fixed Deposits	107 590	107 590
Listed Investments (Market value R 790 673 1989 - R794 294)	95 093	8 485
1 000 Anglo American Coal	500	500
4 000 Anglo American Corp	400	700
2 000 Barlow Rand	13 283	137
81 Barlow Rand Pref. Shares	-	316
500 De Beers Con. Prefs	500	500
136 First National	-	746
9 600 Iscor	19 200	-
1 000 Remgro	16 346	-
1 000 Richmond	10 900	-
1 000 Sappi	33 524	-
2 000 Tiger Oats	200	200
500 Trans Natal Coal	-	5 146
240 Western Deep Levels	240	240
Local Registered Stock	156 926	76 926
9,625% Phalaborwa Water Board	7 000	7 000
9,5% Newcastle Town Council	9 926	9 926
9,25% Escom 1996	60 000	60 000
80 000 Sats 1990	80 000	-
Cash Deposits	352 853	305 067
Cash on Savings Accounts	66 075	44 981
Debtors	2 816 849	558 542
Cash Resources	512 519	558 656
	4 204 405	1 800 247
Less: Creditors	1 750 524	385 073
<u>Total Bursary Funds</u>	<u>R 2 453 881</u>	<u>R 1 415 174</u>
8.1.2 <u>Special Research Projects</u>		
Cash on Call	558 008	678 512
Debtors	45 000	2 569
	603 008	681 081
Less: Creditors	-	11 813
<u>Total Special Research Projects</u>	<u>R 603 008</u>	<u>669 268</u>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

(INCORPORATED ASSOCIATION NOT FOR GAIN)

AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1990(Continued)

8.1.3	<u>Funds Administered by Regional Office</u>	771 063	432 501
		<hr/>	<hr/>
	<u>TOTAL SPECIAL FUNDS INVESTED</u>	R 3 827 952	R 2 516 943
		<hr/>	<hr/>
8.2	<u>OTHER FUNDS</u>		
	Cash on Call and on Deposit	174 334	85 776
	Other Funds administered by Regional Office	39 999	69 630
		<hr/>	<hr/>
	Consolidated Investments	R 214 333	R 155 406
		<hr/>	<hr/>
	<u>TOTAL INVESTMENTS</u>	R 4 042 285	R 2 672 349
		<hr/>	<hr/>

THE SOUTH AFRICAN INSTITUTE OF RACE RELATIONS

(INCORPORATED ASSOCIATION NOT FOR GAIN)

AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 1990 (Continued)

9.	<u>STOCK</u>		<u>1990</u>	<u>1989</u>
	Stock Comprises -			
	Finished Goods, Books and Publications		R 2	R 2
			<hr/>	<hr/>
	Stock has been valued as stated in Note 1 on a basis consistent with that of the previous year.			
10.	<u>ACCOUNTS RECEIVABLE</u>	Company	Group	
		<u>1990</u>	<u>1989</u>	<u>1990</u>
		<u>1989</u>	<u>1989</u>	<u>1989</u>
	Amounts due from bursary funds	41 083	371 768	41 083
	Trade and other debtors -			371 768
	Head office	84 829	59 807	85 781
	Regional	161 146	59 144	161 146
		<hr/>	<hr/>	<hr/>
		R 287 058	R 490 719	R 288 010
		<hr/>	<hr/>	<hr/>
11.	<u>ACCOUNTS PAYABLE AND PROVISIONS</u>			
	Amount owing for purchase of property	-	375 000	-
	Provision for research	-	125 000	-
	Provision for renovations of property	-	150 000	-
	Membership fees in advance	230 000	204 000	230 000
	Amounts due to bursary funds	281 530	154 244	281 530
	Trade and other creditors -			154 244
	Head office	127 973	53 677	128 873
	Regional	12 920	17 122	12 920
		<hr/>	<hr/>	<hr/>
		R 652 423	R 1 079 043	R 653 323
		<hr/>	<hr/>	<hr/>
12.	<u>AUDITORS REMUNERATION</u>		<u>1990</u>	<u>1989</u>
	Fees for the Audit including management services			
	General		52 800	20 200
	Bursaries		13 205	13 305
	Special Research Projects		-	3 300
	De Korte Street Properties		900	750
			<hr/>	<hr/>
			R 66 905	R 37 555
			<hr/>	<hr/>

These fees which include amounts paid to Regional Auditors are allocated both to the expenses of the Institute and to Special Research Projects.

13. COMMITMENT

There is a commitment in respect of unexpired portion of lease agreements over office equipment amounting to R20 958, of which R7 667 is payable in the next financial year in instalments of R916 p m.

POSITION PAPER ON MULTI-PARTY DEMOCRACY

The Council of the South African Institute of Race Relations declares its commitment to multi-party democracy based on universal adult suffrage and dedicated to the improvement of living standards.

The Institute believes the multi-party system is the best known guarantee of genuine democracy and the surest way to establish the stability and vitality essential to a sound economy.

The Institute believes the multi-party system is the most efficient way of reconciling the sometimes conflicting goals of rapid economic growth and distributive justice. The best judges of the success or failure of economic policies are the people whom these policies affect. Regular elections and the secret ballot in a system of universal adult suffrage provide ordinary people with the only effective means of compelling governments to try to look after their economic and other needs in a fair and efficient manner.

Multi-party democracy does not automatically provide answers to problems. It provides the framework in which answers can be sought and tried out. It will not automatically ensure good government. Unlike one-party systems, it provides mechanisms by which bad or unpopular governments can be replaced in an orderly fashion. It therefore enables people to protect themselves.

Multi-party systems enable people who disagree with the ruling party to form other parties to protect their interests. It is not easy for poor people or minority groups to gather the resources they need for their own protection, but multi-party democracy allows citizens to pool their resources, and provides them with better defensive weapons than any other system does. In essence these weapons are:

- * freedom of expression and association, which enable citizens to voice their complaints, to collect funds, to form trade unions and political parties, to bargain and form alliances; and
- * regular secret ballot elections, which enable citizens to get rid of an unsatisfactory government and replace it with a different kind of government with a different set of ideas.

The most important feature of the multi-party system is that it allows choice between different political and economic systems. No one ideology or system has ever been able to provide a permanent solution to the fluctuating problems of human existence, and millions of lives have been lost and much misery caused as a result of efforts to establish utopian systems of government. Multi-party democracy puts ideologies in the proper place - as attempts at solutions, not final solutions. In a multi-party system an electorate that mistakenly chooses an unworkable system does not have to suffer it for too long. In practice in recent times, multi-party democracies have by and large been able to glean the best from the capitalist and socialist systems and reject the worst.

The secret ballot is a vital ingredient in the multi-party system. It guarantees freedom of choice where it counts most because mechanisms which enable the populace to get rid of its government are the only effective guarantee of accountability. This is the prime difference between a multi-party democracy and a one-party state. "Minister" is the Latin word for "servant". Ministers who can be voted out of office rarely forget that they are servants.

In a continent still torn by tribal and factional strife, the one-party state has often been seen as a road to peace through imposed unity. The resultant coup and counter-coup, violence and civil war speak for themselves. Multi-party democracy cannot of itself end violence, but it can and has provided the structures through which different groups or tribes or factions or ideologies can channel their differences into political competition rather than into violence. In a multi-party democracy, factionalism is not a danger. It is often the base for the formation of political parties that are to operate under the rule of law. Organised opposition under this rule of law is not the threat that it is perceived to be by the one-party state. It is the heart of the multi-party democracy and by its nature must be sound and responsible, rather than divisive, if it is to attract support.

The Institute thus believes that a multi-party democracy encourages initiative and open competition and true freedom. It fears that the one-party state could lead to the opposite - totalitarianism.

South Africa has as wide a multiplicity of political organisations and interest groups as anywhere in the world. These organisations and groups - political, trade union, religious, professional, business, tribal, cultural, charitable - should form the exciting basis of a healthy and unique pluralism. They will struggle and compete and coalesce and divide as is the nature of parties in the multi-party democracy. They and we, the Institute, must strive to avoid artificial and emotional mass mobilisation, encouraged by such trappings of totalitarianism as ideological intolerance and cultural and political censorship. South Africans, in common with people of other countries that have experienced de jure or de facto dictatorships, should clearly recognise these dangers.

It will be through its research and long-established activities that the South African Institute of Race Relations hopes to persuade all South Africans to opt for a system of multi-party democracy based on political, philosophical and ideological differences rather than on race and racial prejudice. This democracy will not be easy to establish because, as yet, the bulk of our population has little experience of it, and what it does know and believes to be "democracy" it has good reason to mistrust. There is, however, already much evidence that many of the existing groupings in South Africa are causing racial and ideological barriers to blur as they collaborate over concrete issues and develop new alliances. Hand-in-hand with this goes the development of the organisational strength and the political and philosophical independence which can provide the firm foundation for a multi-party democracy.
