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# Trevor Manuel cool on spending by government to boost economic growth in SA

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The poor would be hardest hit by inflation which would inevitably follow if the Government tried to spend its way into growth, Finance Minister Trevor Manuel

said in Cape Town.

In a special briefing to Independent Newspapers' parliamentary bureau yesterday, he said the need to cut the budget deficit and maintain price stability had been written into ANC policy documents since 1992 and was part of the Reconstruction and

Development Programme (RDP).

Those who called on the Government to scrap its plan of reducing the budget deficit were "in violation of the RDP", Mr Manuel said.

"In any case there is no instance in the world where inflation has benefited the working poor or the very

poor."

Discussing the question of how business could redress the wrongs done under apartheid, Mr Manuel said the Government would consider proposals.

The Afrikaanse Handelsinstituut (AHI) suggested earlier this month

that part of the R9 billion in funds held by the South African Special Risks Insurance Association (Sasria) should be used to compensate victims of apartheid. Sasria was set up to cushion insurance companies against riot damage claims.

"Sasria doesn't belong to the AHI

and it is not theirs to give," Mr Manuel said.

Nor could the Government introduce a wealth tax - a suggestion made by Stellenbosch economics professor Sampie Terreblanche - "on an ad hoc basis".

However, the Government recog-

nised the need to find ways to accommodate these ideas "in a way which allows us to build".

Business had expressed some regret, "however clumsy or garbled", for wrongs done under apartheid and methods must be found to accommodate this, Mr Manuel said.

TREFWOORDE

1 Manuel

2 Kaapstad

3 kommentaar

4 inflasie

5 inflasie

6 omrade

7 Bestuur

8 Regiering  
Eenhuis

9 grader

10 Chomani