SERVICES SECTOR - ENTERTAINMENT &
RECREATION - GENERAL

1993

JAN. - JUNE
Casinos have had their chips as Govt pounces

THE gambling industry was left stunned yesterday when Justice Minister Kobie Coetsee confirmed he would not be renewing the moratorium on prosecution of hundreds of illegal casinos across the country.

A four-month-long moratorium on prosecutions came into effect after a special sitting of Parliament in October. At that time, loopholes in the Gambling Act, which allowed casinos to proliferate, were plugged. The moratorium expires at midnight tomorrow.

Estimates have put the number of illegal casinos at between 1 500 and 2 000 with about 60 000 people in their employ. Total monthly turnover is estimated to "easily surpass" R100 million.

"Most people in the industry firmly believed the moratorium would be extended, at least until the Howard Commission (into gambling in South Africa) had reported back on its findings and recommendations," said one angry casino owner, who refused to be named.

Asked to comment on how the move would affect the Jack O'Black chain of casinos — one of the largest and oldest operators — attorney Hymie Susman replied: "How do you think it will affect me? I won't answer stupid questions. I have no comment to make." 

Karas Hotels chairman Selwyn Hurwitz did not return calls yesterday afternoon.

Narcotics Bureau chief Colonel Neels Venter last week said the police would act in accordance with the law, and that if the law prohibited the operation of casinos, police would take appropriate action and close them down.

Pressure

Gambling Association co-chairman Grant Kaplan said he was in "no doubt the police will move swiftly to close casinos".

Sun International managing director Ken Rosewarne said he was very pleased that the uncertainty regarding illegal casinos had been resolved. "Hopefully the Howard Commission's report will be out soon and then we will know where we stand with regard to gambling in South Africa."

Independent casino operators and the Gambling Association of South Africa have repeatedly maintained that Sun International was pressuring the Government to shut down small casinos because of the effect it had on its own business. Rosewarne denied the claims, saying: "It was recognised by everyone that we needed clear laws on gambling..."

A casino operator said of the move: "You can bet on one thing — everyone will just go underground. We have about 1 500 members and those people aren't exactly going to go away."

Kaplan said he had been contacted late this week to make additional representation on why the moratorium should be extended.

"I noted that if the Howard Commission was due to make a finding in three months, why shouldn't the moratorium be extended? By closing the casinos, a lot of people would be deprived of work," he said.

In addition, Kaplan said the Gambling Association was in the throes of settling up a deal with a Cape-based charity which would have seen it take a percentage of the association's profits — up to R10 million a month.

South Africa would also lose out on investment worth millions of dollars. He said a number of foreign players had shown great interest in injecting capital into the industry.
50 000 JOBS MAY GO IN GOV

Casino cra

MARTIN CHALENOR,
JOHN VIJJOEN and
ROGER FRIEDMAN
Weekend Argus Reporters

CASINO operators in and around Cape Town have been shocked and angered by Justice Minister Mr Kobie Coetsee’s ban on gambling which comes into effect at midnight tomorrow, slashing an estimated 50,000 jobs countrywide.

Mushrooming private casinos will deal their last hand at midnight tomorrow — or face prosecution.

Private casinos were outlawed in terms of the Gambling Amendment Act passed last October.

However, a period of grace was granted to casinos that were operating on October 1 last year. At the time the government said it would not prosecute any casino owners until January 31 for a later date to be determined by the Minister of Justice.

In the interim the Howard Commission will investigate whether selective gambling should be permitted.

But a spokesman for the Department of Justice said yesterday the commission had not submitted an interim or final report to the ministry.

This statement was followed last night by Mr Coetsee’s announcement that after thorough consideration of all the factors, he had decided not to extend the period of grace.

Any people operating gambling games from Monday would therefore expose themselves to prosecution, Mr Coetsee said.

Mr Coetsee took his decision with the agreement of his cabinet colleagues.

In his reaction, Mr Gerhard Stötzel, a director of two city casinos and a local representative of the South African Gaming Association, accused Mr Coetsee of bowing to pressure from “the major player in the Southern African gambling industry.”

“I think it’s shocking. How can you put 50,000 people out of work simply because you are not able to apply your mind to the matter?”

“If the Howard Commission of Inquiry says its report won’t be ready until April why can’t the minister follow suit, seeing as the state president has said the matter must be investigated?”

“I call it inconsequent, shocking and weak,” he said of Mr Coetsee’s move.

The two casinos of which Mr Stötzel is a director, 777 and Crowns, employ 150 people.

More than 600 were employed at Cape Town’s eight other gambling spots, he estimated.

While the state was experiencing cash shortages and budget deficits, it had opted to be burdened by 50,000 additional unemployed people.

Sun International profits did not go to the state — they stayed in the homelands, Mr Stötzel said.

“But we pay taxes which go to the government. We are declaring each and every cent.”

Casino manager Mr Dudley Burke estimated that instead of earning tax revenue from casinos and their employees, the state would now have to pay out about R1 million a year in unemployment insurance.

Hours before the minister’s announcement, River Palace casino group director Mrs Liz Gribble said there should be no prosecutions until the Howard Commission had made its recommendations.

Why appoint a commission?

To page 3

of inquiry if you plan to close the industry down regardless? Was the commission just a big bluff and a waste of taxpayers’ money?” she asked.

“They are prepared to take our money in taxes, pay as you earn and VAT, but on Sunday night they are closing us down,” she said.

River Palace had paid more than R8 million in taxes to date.

Also speaking before the announcement, Mr Gary van der Merwe, owner of Casino Royal, which operates a string of casinos throughout the country, said he had not yet laid off staff, but had already given notice.

There were tremendous advantages to allowing the industry to continue. Profits could be diverted to build schools or hospitals or to feed the poor, he said.

Mr Ronald Plibeau, owner of the Lord Charles hotel in Somerset West said he had taken a pragmatic view to the new measure.

“At the moment we are closing on Sunday night,” he said.

Everybody was given notice several weeks ago. The intention of the moratorium, was to give operators time to wind their businesses down, he said.

“We took it the government meant business and would close us all down on February 2,” Mr Plibeau said.

“We are, however, expecting a positive recommendation from the Howard Commission of sorts — an opening of a controlled market perhaps.”

Mr Tony van der Merwe, chief executive officer of South African Administration Services of which Casino Royale is a subsidiary, said a ban on gambling would be “disastrous.”

“I really hope it’s not to be the case. Employment, hire-purchase commitments and leases will suffer,” he said.

“Casinos are the only industry in the country to stimulate the economy on a large scale.”

“We employ 450 people directly and hundreds more indirectly,” he said.

A spokesman for Cape Town’s branch of the South African Narcotics Bureau said it would act according to the letter of the law.

To page 3
Government Ban

ckdown
Film subsidies may continue

Political Correspondent

The government is considering extending film subsidy schemes for a further year (202).

The Minister of Home Affairs, Mr. Louis Pienaar, said yesterday that discussions had been held with the film industry on interim and long-term measures.

He said subsidies of R18,997,791 were paid out in 1992, and R69,744 was recovered from film producers who received subsidies to which they were not entitled.
Casinos in angry bid to overturn ban

Staff Reporters

Independent casino owners are preparing to take the Government to court over its clampdown on gambling dens.

Anger is growing over the Government’s surprise move to make hundreds of casinos illegal.

Casino owners were preparing to bring an urgent interdict in Durban today preventing Justice Minister Kobie Coetsee from implementing the Gambling Act and closing them down.

Gaming Association co-chairman Mike Werner said urgent applications to keep casinos in Johannesburg open were also to be made in the Rand Supreme Court.

Casino owners last night claimed they were even supported by some National Party MPs. Owners said 18 MPs met President de Klerk on Saturday to express their dissatisfaction.

Owners said they had been led to believe that the clampdown — unexpectedly announced by Coetsee on Friday — would be postponed pending the outcome of the Howard Commission on gambling.

The commission’s report is expected to be released in about two months’ time.

Opposition to the Gambling Act forced Coetsee to amend the Bill last year to allow him discretion to postpone its imposition. This smoothed away opposition and the Bill was passed.

The State President’s office was not willing last night to confirm or deny that the meeting with the MPs had taken place.

River Palace Group director Lester Gribble told The Star gambling generated a R150 million turnover a month in South Africa.

Democratic Party justice spokesman Tony Leon said the decision was “regrettable, illogical and constituted a breach of faith on (Coetsee’s) part”.

More reports — Pages 3, 8
Gavin Weiman reports that SA casinos are hoping they’ll get a ‘fair deal’

What future for local gambling?

It is that time of year, when men work silently in the fields and women weep gently in their kitchens... for Parliament is in session and no man’s property is safe.

Particularly anxious this year will be the 3,000-odd people employed in South Africa’s fledgling, but quasi-legal, casino industry. Today, the moratorium on prosecutions contained in Section 7 of the Gambling Amendment Act 1992 lapsed and these people face prosecution, confiscation of their private property, fines and possibly imprisonment. Reliable sources say the Howard Commission of Inquiry into gambling is unlikely to make its recommendations known before March or April. Justice Minister H Coetsee has the power to extend the moratorium. Fairness and justice require that he does.

Rumours already abound that the police have been training a team to swoop on illegal casino operations.

The Free Market Foundation is not “for” or “against” gambling as such — gambling should be a matter of personal conscience. Gambling, and any other peaceful and honest business, should be legal under the rule of general and just laws that ensure fair “dealings”. Gambling should be regulated by regional or local governments within the framework of a Bill of Rights that protects property and contractual rights (including the right to own a roulette wheel or enter a wagering agreement). Competition in the gambling industry has few, if any, drawbacks and many benefits to society.

These, and many other issues, are discussed in the Free Market Foundation’s submissions to the Howard Commission.

The submission’s conclusion reads:

- The cost to a punter when he gambles are the odds against him. In the same way that competition in other industries lowers prices, competition in the gambling industry lowers the price, which means improving the odds.
- Compulsive gamblers would not necessarily be helped by closing the newly formed casinos.
- A frequent or compulsive gambler is better off playing at one of the new casinos now than he was playing illicitly or at the Sun International casinos.
- The new casinos do not display any noticeable negative externalities. They provide employment and investment in infrastructure.
- The new casino industry would provide a new tax base. However, additional taxes over and above the normal company taxes should be levied with care.
- It is inconsistent to have legalised alcohol and illegal gambling. The maleffects of alcohol are far worse than the maleffects of gambling. However, the reasons for having legal alcohol — which are accepted as valid — apply even more strongly to gambling.
- The writer is legal manager of the Free Market Foundation.
Encouraging the arts

THE Afrika Cultural Trust is a non-profit, non-sectarian body. It was formed to help disadvantaged communities particularly, but not exclusively, to express and communicate their cultural, artistic and educational aspirations.

Human development, artistic excellence and facilitating democracy are intertwined in the trust's work. The trust will administer education programmes alongside formal schooling or co-operate with it where applicable. Current or planned programmes include:

- Centre for research and training in African Theatre;
- Contemporary African music conservatory;
- Contemporary African dance workshop;
- Theatre for education and development;
- Community theatre, including a "theatre-on-the-train" concept to take works to outlying areas;
- Cultural newspapers and radio stations;
- Centre for contemporary African arts;
- New artists' residency programmes;
- Art therapy workshops;
- Centre for creative child development;
- Arts for the physically or mentally disadvantaged.

For more details on the Cultural Centre and the Trust, phone (011) 838-4541.
Soweto group is off to Canada

By Victor Metsoamere

SOWETO-based theatre group Abangani leave for Canada in April to stage their play The Cause.

The group comprises Daniel Monthe, Julian Seloko, Johannes Mosengo and director Mike Manana.

The tour has been made possible through the efforts of the organisers of the annual week-long Linkfest Drama Festival held at Bulawayo in Zimbabwe and co-ordinated by a seven-member team including American volunteer worker Mary Pennington.

"Linkfest is an expansion of the Theatre Project Resource Centre (TPRC) which was established in 1986 by Canadian Evie Glibberman," said Nokwazi Kubeka, one of the organisers.

In 1990, the TPRC became the Southern African Cultural Exchange Programme. We were joined by three South African playwrights/directors and their plays became part of the programme in 1991.

"Many of the Zimbabwean groups were impressed by the South African works!"
Town defends Sunday movie ban

Stellenbosch municipality yesterday defended its ban on the screening of Sunday movies and said it was in the community's "best interest".

The town is one of five countrywide which has refused to allow Sunday screenings. The others are Vanderbijlpark, Springs, Potchefstroom and Welkom.

However, a council spokesman said the holding of an opinion poll would be considered if a "properly motivated application" was received from the public.

Ster-Kinekor spokesman Mr David Krynauw said: "We think everyone should have a choice whether or not to attend Sundays movies."

Resident and Stellenbosch University lecturer Dr Amandda Gouws said the municipality viewed itself as the town's "guardian of morality" and did not consider the community's right to make its choices.

Mr Hempies du Toit, former Springbok rugby player and local wine estate owner said: "There is enough time in the week to make a racket. People have the right to a quiet and relaxed Sunday."

Stellenbosch University student leader Mr Quinton Levarne said: "It is absurd. Most students who want to watch movies on Sunday have to go to Somerset West or Cape Town. Why can't we have it here?"

Singer Lesley Ray Dowling backed him, saying she was appalled at such a draconian attitude.
Gamblers plan ship casino

Two casino consortia plan to establish a casino aboard a ship 12 miles off Durban harbour.

This is the latest step by casino owners to find ways around the Gambling Act brought into force by Justice Minister Kobie Coetsee on Monday.

Hundreds of casinos across the country have been forced to close and pay off their staff.

MPs from the Houses of Delegates and Representatives announced that they would urge Coetsee to reverse his decision.

Two casino groups attempted to buy a ship, the MV Avalon, at a Durban auction yesterday.

The ship was eventually sold below its R30 000 starting price, and the Supreme Court must still ratify the sale.

Casino representatives said they would bid for rival bids soon.

Staff Reporters and Sapa
3. **Section 12** of the principal Act is hereby amended by the insertion after subsection (1) of the following subsection:

"(1A) Recording a literary or musical work on a levied tape for the purposes specified in section 12 (1) (a) in the manner and circumstances prescribed by regulation, shall constitute fair dealing with that work.".

4. **Section 17** of the principal Act is hereby amended by the addition of the following subsection, the existing section becoming subsection (1):

"(2) Reproducing a sound recording on a levied tape for the purposes of research or private study by or the personal or private use of, the person so dealing with that sound recording in the manner and circumstances prescribed by regulation shall not constitute an infringement of the copyright in that sound recording.".

5. **Section 39** of the principal Act is hereby amended by the insertion after subparagraph (c) of the following subparagraph:

"(cA) imposing a levy on the sale of blank tapes and prescribing procedures for the collection and distribution of royalties so levied.".

6. This Act shall be called the **Copyright Amendment Act, 1993**, and shall come into operation on a date fixed by the State President by proclamation in the Government Gazette.

(5 February 1993)

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3. **Artikel 12** van die Hoofwet word hierby gewysig deur die invoeging van die volgende subartikel na subartikel (1):

"(1A) Opmee van 'n letterkundige of muisikale werk op 'n gehefde band vir 'n doel gespesifieer in artikel 12 (1) (a) op die wyse en omstandighede, deur regulasie voorgeskryf, sal billike gebruik van daardie werk uitmaak.".

4. **Artikel 17** van die hoofwet word hierby gewysig deur die byvoeging van die volgende subartikel, die bestaande artikel word subartikel (1):

"(2) Reproduksie van 'n klankopname op 'n gehefde band vir die doeleindes van navorsing of private studie deur, of die personele of private gebruik van, die persoon wat handel met daardie klankopname op die wyse en onder die omstandighede voorgeskryf deur regulasie, sal nie 'n skending van die outeursreg in daardie klankopname uitmaak nie.".

5. **Artikel 39** van die Hoofwet word hierby gewysig deur die invoeging na subparagraaf (c) van die volgende subparagraaf:

"(cA) die opê van 'n heffing op die verkoop van blanko bande en die voorskrif van prosedures vir die insameling en verspreiding van tantiële so ingesamel.".

6. **Hierdie Wet heet die Wysigingswet op Outeursreg, 1993**, en teen in werking op 'n datum wat deur die Staatspresident by proklamasiie in die Staatskoerant afgekondig sal word.

(5 Februarie 1993)

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**NOTICE 97 OF 1993**

**DEPARTMENT OF PUBLIC WORKS**

**NOTICE OF EXPROPRIATION OF ROAD SERVITUDES (WITH OFFER)**

To:

(a) **Miriam Mfeka**, born about 1911,
(ii) **Lena Mfeka**, born about 1915, and
(iii) **Paddy Mfeka**, born about 1924;

(b) **Ami Kuzwayo** of Durban, Natal;
(c) **Joseph Vusumuzi Kumalo**, born 10 February 1928;
(d) **Simon Mthembu**;
(e) **George Mashwayibane Dhlamini** of Fair View Mission Station, Umzumbi, South Coast, Province of Natal, clerk;
(f) **Mahlengot Dhlamini**, born in 1898; and
(g) **Nkosinkulu Greenford Mfeka**, born 5 June 1910);

or their heirs, executors, administrators, assignees, successors in right and title or any person who has an interest, as contemplated in section 7 (4) of the Expropriation Act, 1975 (Act No. 63 of 1975), in the undermentioned properties.

1. Kindly note that road servitudes, as depicted on the various sketch plans below, over the following immovable properties in respect of which you are the registered owners and which are held by you as follows, are hereby expropriated in terms of section 2 (1) of the Expropriation Act, 1975 (Act No. 63 of 1975), in favour of
NOTICE 96 OF 1993

DEPARTMENT OF TRADE AND INDUSTRY

DRAFT COPYRIGHT AMENDMENT BILL, 1993

The chairman of the Advisory Committee on Copyright, Trade Marks, Designs and Patents, the Honourable Mr Justice L. T. C. Harms publish the following Bill to amend the Copyright Act, 1978 (Act No. 98 of 1978), as amended, for general information and comment.

Any comment should be forwarded to the Registrar of Copyright, Private Bag X400, Pretoria, 0001, to reach him not later than 5 March 1993.

J. T. POTGIETER,
Secretary to the Advisory Committee on Copyright, Trade Marks, Designs and Patents.

BILL

To amend the Copyright Act, 1978 as amended, so as to insert certain new definitions, extend the nature of copyright, create further exceptions regarding the protection of music works and sound recordings, and to extend the power of the Minister to promulgate regulations.

BE IT ENACTED by the State President and the Parliament of the Republic of South Africa, as follows:

1. Section 1 of the Copyright Act, 1978 (Act No. 98 of 1978) (hereinafter referred to as the principal Act), is hereby amended—

(a) by the insertion after the definition of "author" of the following definition:

"‘blank tape’ means a tape, other than a tape exempted by regulation, that is of a kind ordinarily acquired for use for making copies of sound recordings.”;

(b) by the insertion after the definition of "judicial proceedings" of the following definition:

"‘levied tape’ means a blank tape in respect of which a royalty has been levied as prescribed by regulation.”.

2. Section 9 of the principal Act is hereby amended by the addition of the following paragraphs:

"(c) causing the sound recording to be heard in public;

(d) broadcasting the sound recording;

(e) causing the sound recording to be transmitted in a diffusion service, unless such service transmits a lawful broadcast, including the sound recording, and is operated by the original broadcaster.”.

KENNISGEWING 96 VAN 1993

DEPARTEMENT VAN HANDEL EN NYWERHEID

KONSEPWYSINGINGSWETSONTWERP OP OUTEURSREG, 1993

Die voorsitter van die Advieskomitee o Outeursreg, Handelsmerke, Modelle en Patente (Edele Regter L. T. C. Harms, publiseer die volgende Konsepwetsontwerp om die Wet op Outeursreg, 1978 (Wet No. 98 van 1978), soos gewysig, te wysig, algemene inligting en kommentaar.

Kommentaar moet voor 5 Maart 1993 aan die Regteur van Outeursreg, Privaatsak X400, Pretoria 0001, gestuur word.

J. T. POTGIETER,
Sekretaris van die Advieskomitee oor Outeursreg. Handelsmerke, Modelle en Patente.

WETSONTWERP

Tot wysiging van die Wet op Outeursreg, 1978 soos gewysig, ten einde sekere nuwe definitie in te voeg, de aard van outeursreg uit te brei, verdere uitsonderings rakende die beskerming van musiekwerke en klapkoppelings daar te sterk en deur die bevoegdheid van die Minister oor regulasies uit te vaardig en uit brei.

DAAR WORD BEPAAL deur die Staatspresident e Parlement van die Republiek van Suid-Afrika, so volg:

1. Artikel 1 van die Wet op Outeursreg, 1978 (W. No. 98 van 1978) (hierna verwys as die Hoc wet), word hierby gewysig—

(a) deur die invoeging van die volgende de

"‘blanko band’ beteken ‘n band, ander as ‘n band vrygestel deur regulasie, waarvan ‘n soort is wat gewoonweg aangeskaf word vir gebruik in die maak van klakopnamed.”;

(b) deur die invoeging van die volgende de

"‘teflingsband’ beteken ‘n blanko bar ten opsigte waarvan tantieme gehef soos voorgeskryf deur regulasie.”.

2. Artikel 9 van die Hoofwet word hierby gewysig deur die byvoeging van die volgende par
grawe:

"(c) die klapkopname in die openbaar te laai;

(d) uitsending van die klapkopname;

(e) die klapkopname in ‘n verspreiding diens te laat oorsend, tensy so ‘n diens wettige uitsending, met inbegrip van diel klapkopname, oorsend en deur die opknaplike uitsenders voortgesit word.”.
Lady Luck runs out

Justice Minister Kobie Coetsee’s decision last week to close the 1500 or so mini-casinos has buried — perhaps — one of the world’s most deregulated gambling industries.

Two casino owners are challenging his decision in the Durban Supreme Court, alleging that the Minister failed to exercise his discretion properly — a novel argument in our law. The court has asked the Minister to answer the allegations by the weekend, and the application could continue next week. A successful outcome could encourage operators elsewhere to make similar applications.

But while the outcome of the court case and the Howard Commission — which Coetsee commissioned to look into the issue but didn’t wait to hear from — remain uncertain, many lessons have been learnt.

Society did not collapse, nor was there a marked increase in crime and deviant behaviour because of the presence of Little Vegas, Casino Royale and the rest. The industry claims thousands of jobs — estimated at 15,000, many more than Sun International was forced to lay off because of the competition — were created and the tax base grew.

On the other hand, not all accept that so many jobs were created, and many operations didn’t pay taxes, perhaps knowing that they might not be legal for long. Nor is loss of employment a factor when bans on such industries as the drug trade and prostitution are considered.

On balance, though, except for some churches, most people seem to feel that gambling should be allowed outside the homelands. But there is confusion about what form it should take.

Ken Rosewarne, group CEO of Sun International, which has a monopoly on homeland casinos, says: “We’re not fundamentally opposed to gambling in SA but we think it should be subject to taxes and strictly regulated with limited licences linked to the tourist industry and subject to tender that could attract foreign players.

“If licences are linked to a major investment in tourism, the organisation cannot afford to break the law and lose its licence, avoiding the necessity of a complicated and costly policing procedure.”

Not surprisingly, Rosewarne supports the Minister’s decision to close down his competitors, while his own proposals suit Sun International’s book to a T.

“If the Howard report recommends that gambling should be allowed — and our submissions say it should — the slate will be clean and the playing fields level.” He claims that the moratorium allowing mini-casinos operating before October to stay open till this week severely prejudiced his company, other potential operators and horse racing.

Les Kourie snr, whose family heads SA’s largest bookmaker operation, says racing has been concerned that fledgling casinos operated without any structure and formal rules. Many players could not collect winning bets because some small-time operators can’t put up guarantees or securities, he says.

Kourie points out that racing is subject to stringent controls and claims that it is the second largest generator of income to State coffers. “Racing is subject to a 12% betting tax while most tote dividends are subject to a 25% deduction.” He welcomes the decision to close the casinos till controls are in place, but is adamant that gambling in SA shouldn’t be abolished. “If people can gamble across the border, why not here?”

Representing the casinos, attorney Grant Kaplan acknowledges that controls are needed to avoid unscrupulous behaviour. But he is concerned that licensing shouldn’t be used to keep out smaller operators.

One reason why mini-casinos are unattended by the big boys is that they lowered the price of gambling by improving the odds, says economist Michael Schewitz.

“Simply, the cost of gambling is the odds against the gambler,” says Schewitz, who wrote a paper on the issue for the Free Market Foundation. “When there are relatively few casinos, the rules of the game will heavily favour the house. The odds have improved so dramatically by the recent de facto deregulation that SA cities almost certainly offer the best odds in the world.”

He adds that competition also induced Sun International casinos to improve its odds. Rosewarne disputes both claims.

On social issues, Schewitz concludes that the new operations did not display any noticeable “negative externalities.” For example, he says casinos would not resort to force when collecting debts because this would risk business and the sanction of the law. Media reports have suggested that there was some intimidation, probably because gambling debts are not legally enforceable.

He claims the new industry has done a lot to bolster economic growth. “They have led to a demand for rented space during a prop-erty slump.” Others would dismiss gambling as the ultimate zero-sum game.

Schewitz concludes that casinos should be treated like any other business, made to pay taxes and possibly to help finance charitable and social projects.
Nat MPs back move against casino closures

Own Correspondent

DURBAN — Two National Party MPs have signed affidavits in support of an urgent application brought this week by two casino operators against Justice Minister Mr. Kobie Coetsee.

The two are Mitchells Plain MP Mr. Stanley Fisher, and MP for Mannenberg Mr. James Koller.

The application followed Mr. Coetsee's refusal to extend the moratorium beyond January 31, when all casinos were required to close.

In their affidavit supported by Mr. Fisher — the casino operators say it was on Mr. Fisher's insistence that a proviso be placed in the bill allowing the minister to extend the moratorium deadline beyond January 31.

If they had not received such an assurance, the MPs would not have voted in favour of the bill, it said.

President F W de Klerk said that he was convinced that the minister had exercised his discretion fairly and the government supported him.

The ANC yesterday threw its weight behind casino workers and accused the government of protecting "kings and queens in bantustans."
Nat MPs support casinos' bid to stay open

CAPE TOWN — Two NP MPs have signed affidavits in support of an urgent application brought in Durban this week by two casino operators against Justice Minister Kobie Coetsee.

Stanley Fisher and James Kuller are MPs in the House of Representatives. Fisher is also deputy chairman of the Justice standing committee.

The application followed Coetsee's refusal to extend the moratorium beyond January 31, when all casinos were required to shut down. 8 [07/05/93]

Judge Galgut gave the Minister until yesterday to give reasons why the moratorium should not be extended. The judge will hear the matter on Monday.

SAP appoints civilian to senior personnel post

ADRIAN HADLAND

PRETORIA — The SAP announced its first civilian appointment yesterday in its bid to create a more community-oriented force.

Former Absa personnel manager Neels Steenkamp, 67, who has worked in the banking sector for more than 24 years, took up his post this week as the SAP's deputy director-general of human resources.

Steenkamp said he would institute change in the police by taking command of recruitment, selection and training responsibilities.

"I am not here to walk in and change everything but to learn and assess before advising any changes," he said.

Law and Order Minister Herman Kriel, together with the SAP's top management, had decided last year to change perceptions that the police were not community-oriented enough by appointing more civilians to the force, a police spokesman said.

He said the move was part of the drive to establish some autonomy from the central state and government of the day.

Steenkamp said 68 000 police officers underwent training from basic instruction to management skills each year. This provided an ideal framework to reshape police culture and attitudes, he said. "You can't expect people to change without telling them why."

Steenkamp said far from receiving the cold shoulder from the police hierarchy over the appointment, he had been "very warmly welcomed".

Sapa reports SAP public relations head Gen Leon Mellet said yesterday the appointment was the first in 80 years of a civilian to such a senior police post.

Steenkamp would retain his civilian status, with his position being on a par with that of a lieutenant-general.
Aids vaccine goes on trial

VIRUS WARRIOR

The first phase trials of the vaccine have begun, with volunteers in South Africa and the United States participating. The vaccine, a modified version of the SARS-CoV-2 virus, is designed to stimulate an immune response to the virus, providing protection against future infections.

Congo's condition stable

President Joseph Kabila has stated that the country's condition is now stable, following a recent outbreak of the Democratic Republic of Congo's Ebola virus. The virus has affected over 2,000 people in the country, but no new cases have been reported in the past week.

Muslims break in SA

In a joint statement, the South African Muslim Council and the Islamic Council of South Africa have issued a call for unity among Muslims, following recent incidents of violence and discrimination.

Widespread rail travel

The government is stepping up efforts to encourage widespread use of rail travel, with plans to introduce new train routes and services to improve connectivity in rural areas.

BA Christmas travels

British Airways has announced that flights to some popular Christmas destinations will not be taking off, as the airline deals with a significant reduction in demand due to the ongoing global travel restrictions.
The best bet: Let the dice roll, but keep a close eye

The impression has been created that South Africa must choose between unchallenged casino gaming or none at all. Professor Andrew Sillen argues that, on the contrary, a regulated industry in which local communities are involved would be beneficial to all.

I DISCOVERED my love of gambling more than 10 years ago when I lived in Philadelphia, which was a seductively short drive from Atlantic City.

Casino gaming seemed like a big deal at the time, since Atlantic City was only the second place in the United States (after the state of Nevada) to legalize gaming. Subsequently, legal venues have spread like wildfire in America, particularly on Native American reservations, where they have turned out to be excellent sources of income and boons for local economies.

By now I've gambled in dozens of casinos in America, Europe and Africa: I think of myself as an educated consumer, if such a thing is possible with blackjack and crap.

I have watched the growth of the industry in the US and, having lived in South Africa now for eight years, would be surprised if casino gaming did not take off to a similar degree in this country. While this should certainly be allowed (if not encouraged) to happen, Justice Minister Kobie Coetsee nonetheless probably made the right decision to close down the five casinos in this country on January 31.

The impression given by the South African Gaming Association is that the country must choose between unregulated casino gaming and an outright ban. The reason for this is that the introduction of gaming was neither planned nor legally vetted; the country merely backed into it through a hole in the law. A third option, regulated gaming, is rarely discussed.

Casino gambling, where large amounts of cash are handled, is open to all kinds of abuse. Moreover, it is inherently offensive to many people who feel they should have a say in whether a casino opens on their street. For these reasons, most communities where gaming was planned (instead of where it just happened) go to great lengths to regulate the industry in terms of where it may operate, who may participate, how games are defined, and fairness of play. (New Jersey, for example, requires complete background checks on all board members of gaming companies; one company was denied a licence just because of its South African connections.) This involves not only regulatory boards which license gaming companies, but uniformed and plain-clothes inspectors who ensure fairness of play, and accountants who check the take.

It would be naive to think that unregulated play is not open to abuse in this country. At the moment, the gambling consumer has no protection or legal recourse if he suspects foul play. Nor do local communities in which the casinos operate benefit financially: operators only pay income tax on profits, for which they are not necessarily audited. But communities should have a say in whether they wish to permit such activities, and should profit from them.

If South Africa is to develop a responsible gaming industry, the Howard Commission currently considering the options should at least recommend the following:

- Casino operators should be licensed by a central body with extraordinary powers to investigate the background and integrity of applicants and investors. Anyone with a criminal record or demonstrable links to criminal activities should be disqualified from participating in the industry.
- Local communities should have a say in whether they wish casinos to operate within their jurisdiction, and on what terms.
- Casinos should be restricted to limited companies which are strictly audited, and there should be routine monitoring of both the games and the books by regulators.

Public funds generated by gaming should be identifiable and perceived to be beneficial. This means funds should not be dumped into the general coffers, but local communities should be able to share in the revenue generated by casinos. Even better, the funds generated by gaming through special taxes and fees should be designated for a specific, tangible purpose (schools or housing, for example).

Until such concerns are addressed, it is to the public's advantage to keep the industry from taking root. The only satisfactory arrangement is a moratorium until the rules of the game are defined, since once it becomes powerful (and it will certainly become powerful), it will be far more difficult to obtain the necessary concessions from the industry.

The government already appears to have the benefit of a lack of work by the decision, these issues should be addressed as a matter of urgency. Apart from those temporarily unemployed, it is hard to imagine that any community would be hurt at this point by a moratorium. More over, all the jobs lost and more would return, with far greater security, with the development of a regulated industry in which South Africans and overseas visitors had confidence.

Anything else is a bad bet.

Andrew Sillen is an associate professor at the University of Cape Town.
NP move to expel MPs for backing casinos

By NORMAN WEST
Political Reporter

THREE MPs may face expulsion from the National Party for defying the Cabinet’s decision to close mini-casinos and backing a court application contesting the move.

Two of them — James Kuiler, MP for Menneberg, and Stanley Fisher, MP for Mitchells Plain — have signed affidavits in support of an application by two casino operators.

The application, to be heard by the Supreme Court in Durban tomorrow, challenges the Minister of Justice Kobie Coetsee’s action in closing casinos at midnight on January 31, the deadline of the moratorium granted when Parliament passed legislation in November banning their activities.

Mr Fisher is deputy chairman of the Standing Committee on Justice, which processed the legislation.

Budge

As the deadline neared, Mr Kuiler and Mr Trevor George, MP for Bosmont, tried to persuade Mr Coetsee to extend the moratorium.

Their fellow in the NP caucus are in conflict with them and several have said they intend moving for their expulsion when the caucus meets next week.

When Mr Coetsee made it clear last week’s caucus was in conflict that the moratorium would not be postponed, the three MPs disagreed with him.

The next day they visited Mr Coetsee in his parliamentary office to try to persuade him from putting the deadline into force. Mr Coetsee would not budge.

Last Friday, Saturday and Sunday nights, the trio were entertained at a Sea Point Hotel by members of the Cape Town branch of the Casino Operators Association and their legal advisers.

Mr Fisher and Mr George said they believed Mr Kuiler’s stand but had been given “uneven advice” against signing a supporting affidavit in the Durban application.

Mr Kuiler could not be reached for comment.

The NP caucus chairman, Mr Piet Swanepoel, confirmed yesterday that Mr Fisher and Mr Kuiler’s signing of the affidavits had been brought to his notice.

However, the NP was “determined not to act on the basis of one person’s views. The new Cabinet has been represented on the caucus,” a statement said.

He refused to be drawn on disciplinary action against the MPs, if any, being contemplated. He said the matter was “sub judice.”

A spokesman for the Ministry of Justice said Mr Coetsee was aware of Mr Fisher and Mr Kuiler’s “standing support for the casino operators,” but said he would not comment until after the hearing.

ANC in policy talks

About 200 delegates are attending a two-day regional policy conference of the ANC at the University of the Western Cape this weekend.

The conference was opened by regional chairman Mr Allan Boesak yesterday.
Future of charity scratch card games is in balance

THE fate of South Africa's charity scratch card games hangs in the balance this week after the Howard commission announcement that it will recommend a national state lottery.

In a letter released by President FW de Klerk on Friday, Mr Justice Howard said he was considering whether established lotteries should be declared unlawful.

"The commission's terms of reference include the question as to whether these lotteries should be legalised and also raised the further question of whether their continued existence will be compatible with the promotion of the proposed national state lottery," Mr Howard wrote.

He said the commission had "not yet formulated or finalised its recommendations in this regard".

"The matter is complicated by the existence of numerous lotteries including scratch card games which are conducted at the present time — by or on behalf of welfare organisations under the Fund-raising Act."

He said these lotteries were prohibited by the Gambling Act, but their operators had not been prosecuted, presumably because they raised funds for welfare.

"The commission has yet to formulate or finalise its recommendations in this regard," he said.

"One option is to allow existing lotteries for social welfare to continue subject to proper control."

Mr Hilton Appelbaum, deputy chairman of Viva Trust, one of the biggest scratch card fundraising organisations in the country, said he welcomed the commission's proposal for one national lottery, but said he did not believe it should be state run.

Campaigning casino workers and croupiers descended on Turffontein race course yesterday to gather signatures for a petition which aims at stopping the closure of casinos.

Paula Robinson of Johannesburg, a spokesman for the casino groups and a qualified inspector and croupier, said 1,600 signatures had been collected.

"The response has been tremendous. We are still hoping that the government might give casinos a reprieve. We're keeping our fingers crossed," Miss Robinson said.
Judge hints at state lottery

The national lottery to raise funds for welfare, health and education — proposed and controlled by the state — is to be opposed by the Howard Commission.

In a letter to President FW de Klerk on Friday, commission chairman Judge JA Howard said he would recommend that the 250 “formal” casinos and 1,750 gambling dens be shut down.

He said the public should be warned that no new lotteries would be tolerated pending the Commission’s report.

In a statement issued on Friday, De Klerk said he had discussed the matter with Howard after questions had been asked during debate in Parliament on Thursday.

Howard had written to De Klerk last week and gave permission on Thursday for his letter to be made public.

Howard said the 250 “formal” casinos and 1,750 gambling dens should not be allowed to continue.

“Nothing in the Commission’s report will justify the continuation of such a state of affairs and an extension of the moratorium under the Gambling Amendment Act, 1992, could likewise raise false expectations on the part of a great number of people.”

He said of particular concern were announcements by the Board of Executors and Games Africa that they intended to introduce national on-line lotteries by April this year.

The Operation Jumpstart organisation had also announced its intention to extend the area of operation of its Natal Lotto beyond the borders of Natal.

“It is clear that these organisations are determined to anticipate the Commission’s findings and attempt to corner the market ahead of other potential competitors.

“They should be prevented from doing so because their lotteries would jeopardise the introduction of a single national lottery under state control and their lotteries could not be allowed to co-exist with such a single national lottery.

“I respectfully suggest that a public warning be issued to the effect that . . . no new lotteries of any kind (including lotteries by or on behalf of welfare organisations) will be tolerated and that persons who establish, manage, or conduct any such lottery will be liable to prosecution under the Gambling Act.

“In particular, persons intending to establish national computerised lotteries, or to expand the area of operation of such lotteries, should be warned that they will do so at the risk of prosecution and the loss of their investment.”

Howard said he had considered a suggestion that the Gambling Act be amended to provide for a moratorium on prosecutions in respect of lotteries conducted by or on behalf of welfare organisations.

“However, I have decided against it, especially since it might serve to raise expectations which turn out to be false in the light of the Commission’s recommendations still to be made.”

The continuation of so-called hard gambling (casinos) would lead to a similar situation.

He hoped that the Commission’s report would be completed by the end of next month. — Sapa
Odds are stacked against Sun Bop improving results

By Stephen Cranston

Analysts expect that Sun Bop will report at best static earnings and at worst a 10 percent fall in earnings per share in the six months to December.

The results are due this week.

Sun Bop's cash resources have been used up in two major projects at a total cost of R1.1 billion, the Carousel and the Lost City at Sun City.

Instead of earning R27 million from interest as it did in the year to June 1991, Sun Bop is expected to pay at least R14 million on interest in the first half.

The Carousel opened in November 1991 and was geared towards day trippers, as it has only 57 rooms but 1,530 slots machines, 47 tables and 150 bingo machines.

Day trippers are the mainstay of the business as only about eight percent of group turnover is accounted for by room occupancy and up to 70 percent by gaming, of which the majority is undertaken by day trippers.

The Carousel has attracted between 9,000 and 11,000 visitors a day, although they have not spent as much per head as the group had hoped.

Returns from the Lost City will take a lot longer to materialise as it was only open for the last month of the period and opened at a time when the perceptions of foreign tourists towards South Africa were not strong.

Lynette Bowes, an analyst at Mathison & Hollidge, says that Lost City - at a capital cost of R730 million will increase the number of visitors to Sun City by a million from 1.2 million a year to 2.2 million but the Carousel, at a cost of R550 million will attract at least 2 million visitors a year.

It will also put pressure on Sun City's operating margins as a further 1,000 staff will be employed. Sun Bop's margin is likely to fall from 36.9 percent (itself down from 30.4 percent in 1990) to below 25 percent in 1992.

During the first half Sun Bop will have felt the full brunt of the 300 'gambling clubs' which emerged in South Africa's metropolitan areas, but severe clampdowns have now been imposed on these establishments.

Nevertheless, in the medium term the market expects regulated gambling by reputable licence holders - such as Karos Hotels - to be allowed in South Africa, which accounts for additional weakness in the share price.

And with the likely reincorporation of Bophuthatswana into South Africa Sun Bop could lose benefits such as the 150 percent write-off on the cost of building hotels.

These short and medium term considerations have largely been discounted in the share price, which has fallen from R43.50 in June to R25 today.

At this level Sun Bop offers a dividend yield of 4.5 percent but there is the prospect that Sun Bop will need to raise its dividend cover. Dividends were held at 132c last year and could fall back to 120c in the current year.
Italians exhibit

The first Italian artists to visit South Africa since Italy lifted its cultural boycott will open an exhibition tonight at The Art House, 38 Chester Road, Parktown North, Johannesburg.

Pietro Righetti and Raffaella Ceragioli are abstract painters who have exhibited worldwide.

Proceeds will go to Mondo Magico, a local Italian nursery school. — Staff Reporter.
Cloud of uncertainty hangs over Kersaf performance

MARCIA KLEIN

UNCERTAINTY over how Kersaf would absorb the effects of unrest, massive expansion and unregulated casino operations had made forecasting difficult, analysts said.

Forecast for the six months to end-December varied from a 10% decline in earnings to a 5%-10% increase.

Uncertainty was also reflected in Kersaf group shares, which have been weak — but volatile — in a strong market.

Kersaf interim results, which will soon be released, could be disappointing and dull at best, an analyst said.

But it was difficult to forecast because of the building and opening of the Lost City, poor consumer spending, the effect of the unregulated casinos on casino revenues, the effect of the world recession on its offshore operations, and unrest, particularly in Transkei and Ciskei.

The Lost City, the largest project of its kind in southern Africa, would result in a deterioration in the balance sheet.

But the question was how much, analysts said.

A short-term cash need would result in a reduction in the dividend payout. The option of a scrip dividend was also likely.

Analysts expected results from Sun City to be sharply down following unrest in the area.

Occupational, which affected the amount of business in the casinos, were expected to be significantly lower than the previous year.

Transkei Sun, which had relatively high occupancies in the peak period, was expected to show little if any growth.

Sun City and the Carousel remained buoyant. The Carousel would make a significant contribution to Sun Bop as it was operating for less than two months in the previous interim period.

Operations in Swaziland, Lesotho and other smaller areas more dependent on occupancies would have "fallen out of bed", an analyst said.

Leisure and entertainment group Interleisure was likely to report unchanged earnings. Cinema attendances had held up well.

Interleisure results would come off a high base as its second half was worse than its first in the previous year.

Q Data stays on growth path

COMPUTER software and services company Q Data continued to achieve a real growth in profit, increasing earnings by 31% to R23,46c a share in the six months to December last year.

The company declared an interim dividend of 7.5c a share compared to 6c a share in the same period in 1991.

Turnover rose 35% to R86.6m (R65m) and pre-tax profit rose 64% to R9.35m (R5.71m).

Chairman Piet den Boer said the increases were the result of "the solid, consistent performance of the services arm of the Q Data group, a substantial improvement in first-half sales by a number of the group's product companies, and the excellent results achieved by the two new companies operating in the networking and systems integration environments".

Q Data paid tax of R5.32m (R2.76m) as a result of an offshore investment that was expected to show positive results in the next financial year, he said.

Group income after tax rose 37% to R4.03m (R2.95m).

Den Boer said the bulk of software sales occurred in the second half of the year and the company was confident that substantially improved earnings would be achieved in the second half of the financial year.

"Despite the negative economic conditions affecting many organisations, the group's proven track record of success in its dedicated market niche gives the Q Data board confidence in achieving a steady growth in earnings a share over the previous financial year."

Q Data's southern African operations achieved an 89% increase in after-tax profits, he said.

Lebowa slashes cost, its net losses

THE Lebowa Development Corporation boosted its turnover 7.5% last year despite continuing lack of industrial investment in the poverty-stricken northern Transvaal, chairman Willie Ramashaba said in the corporation's financial statement last week.

Turnover increased to R115m and net losses before extraordinary and abnormal items were slashed to R465 000 from R5m in 1991.

The corporation's retained income for the year was R3.3m.
Lotteries

Cloud over Viva and Ithuba games

Cape Town - The Howard commission into lotteries appears to have sounded the death knell for Viva and Ithuba. And if Ithuba, which runs the lottery, and the Board of Executors introduce national on-line lotteries in April as planned, they not only risk prosecution, but also the loss of their investment.

A warning along these lines is contained in a letter from Judge Howard stating the inquiry into lotteries, sports pools, fundraising activities and certain matters relating to gambling.

The judge states that existing lotteries if extended, could not be allowed to co-exist with a single national lottery.

The letter was released on Friday by President F W de Klerk after questions were directed to him in Parliament on the matter. De Klerk said he fully associated himself with Howard's views.

In his letter, Howard says the commission intends to recommend that a single national state-controlled lottery be introduced to raise funds for health, welfare, education and other social needs. The judge says he believes no further lotteries should be introduced pending the commission's report and government's reaction.

"Of particular concern are announcements by the Board of Executors and Games Africa (Pty) Ltd. respectively that they intend to introduce national on-line lotteries by about April 1993."

Operation Jumpstart had already announced its intention to extend its area of operations beyond Natal.

"It is clear that these organisations are determined to anticipate the commission's findings and attempt to corner the market ahead of other potential competitors."

They should be prevented from doing so, because they would jeopardise the introduction of a single national lottery under state control and their lotteries could not be allowed to co-exist with a single national lottery.

Howard suggests a public warning should be issued, that no new lotteries, including those established by welfare organisations, should be introduced, and that those people involved in them be liable to prosecution under the Gambling Act.

Howard says he is considering whether the Gambling Act should be amended to provide for a moratorium on all lotteries in the respect of the lotteries currently conducted on behalf of welfare organisations. However, he has decided against this.

The judge also says he is opposed to extending the moratorium on casinos closed last Sunday.

LINDA ENSOR reports that welcoming Howard's recommendations on lotteries, a Board of Executors spokesman said yesterday a single, on-line lottery would bring regulation and control into the industry.

Previous statements by the BoE have always stressed that the introduction of the lottery would be dependent on an acceptable legal framework being in place.

The spokesman stressed BoE was acting on behalf of principals and not for BoE itself. No funds had been committed to the lottery by BoE and therefore there was no question of the latter incurring any losses.

BoE would not advise its principals to proceed with the lottery until an acceptable legal framework was found.

RAY HARTLEY reports that millions of rand in funding for welfare organisations could be cut off if government goes through with the commission's recommendations.

The publication of the letter to De Klerk came as the Viva Trust reported the distribution of a record-breaking R1,1m to welfare organisations this month, bringing to R31m the amount donated since April 1991.
DURBAN – A Durban Supreme Court judge reserved judgment yesterday afternoon after hearing a second application by two casino operators to set aside a gambling ban which came into effect at the end of January.

The owners of Florida Road Entertainment and River Palace Leisure Industries asked Natal's deputy judge president, Judge John Broome, to set aside government's decision not to extend the moratorium on gambling.

They also applied for an order for Justice Minister Kobi Coetsee to reconsider his decision to disallow further gambling operations until he had afforded interested parties a fair hearing to state their case.

Yesterdays hearing came just over a week after a similar unsuccessful one by the same applicants in the Durban Supreme Court.

Yesterday Johan Ploos van Amstel SC argued that Coetsee had not granted casino owners and other interested parties a fair hearing before deciding not to extend the moratorium on gambling.

Casino owners had a right to trade and, apart from the general public, the Minister's decision was calculated to prejudice casino operators and deprive them of their livelihood, he argued.

Ploos van Amstel further submitted that it had been a legitimate expectation by casino owners that they be granted a fair hearing before the Minister decided to go ahead with the January 31 shut down.

Casino operators had expected, from statements made by Coetsee, an extension to the cut-off date pending the outcome of the Howard commission's inquiry into gambling. Coetsee's decision not to do this had come as a shock, even to fellow NP MPs, he submitted.

Council for the Minister, David Gordon SC, disputed the argument based on legitimate expectation, saying casino owners were merely entitled to make submissions to the Minister. This did not mean they would be allowed to continue operations.

New legislation on gambling promulgated on November 6 had afforded casino operators the privilege of not being prosecuted until they had wound up their businesses by the end of January.

They were still operating illegally but had been granted immunity from prosecution for that period, said Gordon.

This had been done to allow other potential gaming entrepreneurs the opportunity to begin on an 'equal footing' should new gambling legislation come about.

Many operators had deliberately waited for the outcome of the Howard commission before starting their businesses and it would be unfair to them to continue allowing illegal operations now.

The "transitional provision" not to prosecute gambling club operators until the end of January was also provided to allow casino employees time to find alternative employment.

Gordon further referred to an affidavit by Coetsee which stated that 250 "formal" and 1 750 "informal" casinos had sprung up last year and "no reasonable South African can expect the report of the Howard commission will support the unregulated proliferation of casinos", Sapa.
National symbols under microscope

GERALD REILLY

PRETORIA — The Human Sciences Research Council is investigating the thorny issue of national symbols.

In a statement yesterday, Charles Malan of the council's Cultural Study Group said care would be taken to ensure that no particular interests were promoted and no groups excluded from the survey.

Particular attention was given where groups felt their views were being pushed aside.

Opinion surveys would be held among all population groups. Proposals on symbols and place names, monuments and sports symbols would be evaluated.

The research would form part of a comprehensive information process to make the public aware of the people involved.

The investigations would start with an analysis of the current national flag, coat of arms, national anthem, plant and animal emblems, and public holidays.

A report would be completed by end-March, Malan said.

The HSRC's social dynamics department manager Lawrence Schlenker had previously warned that the introduction of a new flag and national anthem could lead to conflict and that cultural symbols were rarely shared, Malan said.

Banks struggle to recover study loans as jobs dwindle

COMMERCIALLY banks were having difficulty extracting repayment on student loans as graduate unemployment levels escalated, industry sources said yesterday.

The student loan market was estimated at more than R1bn. However, banks would not give breakdowns of their market share.

An Absa Bank spokesman said many factors contributed to the student loan repayment problem. "It is becoming increasingly difficult for graduates to find suitable jobs, and even those employed tend to be paid lower real salaries. Added to this is inflation and the high cost of tertiary education."

FNB banking assistant GM Pat Lamont said the bank was experiencing "greater problems than usual" with student loan repayments, but sympathised with students who could not find jobs.

"We are as understanding as possible and bend over backwards to help students, dealing with each case individually," said Lamont. A three-month grace period was given after graduation and interest-only servicing was allowed to graduates making concerted efforts to find employment. "It is in the best interest of students to go to their branch manager and put their cards on the table."

Wits University deputy vice-chancellor Prof Jerry Steel said a national loan scheme was necessary to aid students. "The situation among the lower middle-income groups is becoming critical. As the demography of the country changes it will become increasingly important to help fund tertiary education to the lower income groups."

He added the university was carrying a far greater amount of outstanding fees than previous years.

Wits SRC education officer Sy Mokadi said students should demand greater government subsidisation. "Banks' interest rates on student loans are too high. The loan becomes a burden on students who, through servicing interest, end up paying double for their education."

However, Steele said the private sector should not have to carry education expenses. "Banks should not be expected to drop interest rates. Rather, interest payments should be funded by the state."

Standard Bank regional GM for banking services Gus Warwick said the bank was "not unduly concerned" about student loan repayments at present because all loans were backed by a guarantor.

However, he said student loans were a short-term loss.

All Banks interviewed found an increased demand for student loans to Technikons.

"Spiralling university costs and the uncertainty of graduate employment have seen students opting for more practical, applied courses where the chances of employment seem higher," an Absa spokesman said.

Banks also found an increased demand for post-graduate study loans. They said students were opting to remain at university, earning higher qualifications, avoiding loan repayment and waiting for an improvement in the economy.
Scramble to run national lottery

Stephane Botha

The question of who would run the expected single, government-controlled national lottery could cause simmering rivalry between SA’s leading charity lotteries to boil over.

Viva Trust, Ithuba, the Board of Executors (acting on behalf of principals) and other smaller organisations all believe they have the knowledge, credibility and infrastructure to run a national lottery.

The scramble follows the release of a letter to President F W de Klerk last week in which the Howard commission of inquiry into lotteries and gambling said it was considering recommending a single national lottery, promoted and controlled by the state, to raise funds for welfare, health, education and other social needs.

This could eliminate existing lotteries, the activities of which were prohibited by Section 2 of the Gambling Act.

Operation Hunger executive director Ina Perlman said the organisation’s Gold Rush was not affected as its charity fund-raising method was based on a competition requiring skill.

BoE believed the national lottery would be put out to tender, and that this would include the supply of equipment and suitable lottery operators. BoE’s plans to introduce a national on-line lottery in April would, however, depend on the contents of the Howard report, a spokesman said.

Viva spokesman Adele Thomas, who welcomed a single lottery, said the release of the Howard commission letter was inappropriate at this stage. Uncertainty could only harm charities dependent on Viva.

Ithuba said that it also had high hopes of being awarded the contract for a national lottery.
High notes, high turnout, high dudgeon

WHEN 20,000 schoolchildren quit their classes and gathered in a dusty squatter camp earlier this week it wasn’t for mass action — it was to attend the opera.

The strains of Verdi and Puccini sounded through the highveld air as the Pact opera company entertained the children of Orange Farm, south of Johannesburg. The performance is believed to have attracted the largest audience in the 150-year history of opera in SA.

Pact spokesman Robert Perry said the Truck Theatre touring programme was designed to introduce the art form to township children and had been received with overwhelming enthusiasm. Crowds usually numbered about 3,000 per performance, but 20,000 had turned out in Orange Farm.

However, the ANC’s arts and culture department did not join in the applause. Spokesman Mmutuazel Matsheba said opera did not relate to the daily experience of SA audiences, and more emphasis needed to be placed on “elevating Afrocentric musical forms to the level of Eurocentric music”.

He said the record turnout probably had more to do with curiosity and free entertainment than appreciation of the genre.

The travelling show was an attempt by Pact to salvage its credibility after being criticised by “progressive cultural formations and cultural practitioners” for its elitist approach. He added Pact had not involved community structures in the performances and resisted demands that its board be more representative.

Perry said that, far from being elitist, opera could be widely appreciated because of its direct emotional appeal.
With attendances at more than 100,000, ticket sales for de Burgh’s shows grossed more than R3m and indications are that the tour has been a resounding financial success — and without any corporate sponsorship.

Worxman attorney Derek Rabin negotiated the tour on behalf of promoter Big Concerts, as well as the Simon tour on behalf of Network Entertainment. “The runaway success of this tour proves beyond any doubt that performing in SA can provide artists and promoters with the financial returns they want — but only if they do their homework.”

One smart move was to avoid large, outdoor sports stadiums. De Burgh performed to full houses at 21 smaller, cheaper venues. “Few acts can fill an outdoor stadium,” Rabin says. “In the US, the majority of major artists play indoor venues catering for audiences of 12,000-20,000.”

“Keeping down expenses was another valuable lesson,” Rabin says. “Many promoters have been put out of business because the productions are too large and costly,” says promoter Rod Quinn.

In addition to the huge cost of transporting expensive and unwieldy equipment around the country, the size of a performer's entourage can also make or break a tour, especially if it travels first class and stays at five-star hotels. Simon travelled with an entourage of 40 and many support acts and guest musicians. De Burgh’s tour, however, numbered only about 20. (Michael Jackson travels with no fewer than 120 people.)

Rabin suggests that costs can also be kept down if the artist stops over in SA as part of a world tour. “From a logistics point of view, the infrastructure of the tour is already in place so it’s easier to negotiate a more affordable contract.”

Sponsorship could play an important part in ensuring a regular flow of artists. Rabin predicts, however, that sponsors will be harder to find because many of the tax breaks have been abolished, though there is still a benefit from the exposure that goes with a countrywide concert series. “The sponsor of future events will therefore be someone investing merely to get the benefit associated with the event.”

But for every successful tour, there have been many that never got off the ground, such as the ballyhooed appearances of singer Boy George and ballet star Mikhail Baryshnikov.

Some artists have backed away for political reasons but some have not materialized thanks to would-be promoters who lack the financial clout and experience to put a tour together.

In recent months, several acts have been advertised and then cancelled, often without refunds to ticket-holders. “This can only harm the credibility of SA as a touring venue,” Rabin says.

But while producers and artists are becoming more familiar with the economics of a successful tour, the politics of future tours still remain uncertain. The ANC has yet to declare the end of the cultural boycott. While the ANC-aligned SA Musicians’ Alliance no longer asks for huge sums from foreign performers — Simon donated R100,000 — it still screens acts and demands that they give music workshops and hire local supporting acts.

Sun International entertainment director Hazel Feldman says the company still has to negotiate with the alliance, the ANC’s Department of Culture and Azapo when it wants to bring an artist to Sun City. “Without a formal declaration, the cultural boycott remains in place and there’s still room for ambiguity.”

**ENTERTAINMENT**  
Singing a new tune

The success of Irish singer Chris de Burgh’s tour of SA bodes well for the entertainment industry. Promoters learnt a lot from last year’s financially disappointing Paul Simon tour, which was dogged by political controversy and threats of violence.
The Big screen was best for Interleisure

By Stephen Cranston

In spite of a 25 percent increase in cinema attendances, Interleisure has reported a nine percent reduction in earnings per share to 121c in the six months to December.

The interim dividend is unchanged at 325c.

MD Mike Elgan says that there was a 20 percent increase in operating profit from Ster-Kinekor after absorbing the additional overheads of the 25 screens opened during the period.

Services, which includes Computicket, Clormark, Ster-Kinekor Video and Video Magic, improved operating profit by 10 percent.

The group's disappointing results can be attributed to the remaining divisions. The profitability of Toron studios was half that of last year as feature film production was reduced significantly.

Volume sales and margins from the group's sports wholesalers and retailers fell significantly and Interleisure plans to dispose of certain wholesale brands.

In the food division Mike's Kitchen was directly affected by depressed consumer spending. It is being repositioned to broaden its consumer base.

Group turnover increased by nine percent to R220.5 million.

Borrowings increased from R19.1 million to R40.1 million.
Sport and film arms stifle Interleisure

INTERLEISURE's earnings fell 9% to £6.4m (11.1m) a share in the six months to end-December as its sport and film production divisions dragged down good performances by its core businesses, Ster-Kinekor and the services division.

The leisure and entertainment group increased turnover by 8% to £229.5m from £201.4m, but operating profit was reduced 11% to £3.9m from £38.4m.

MD Mike Egan said the operating margin was affected largely by the sport division and retail-related activities.

Finance costs of £2.2m (£2.3m) reflected the cinema expansion programme.

Gearing rose to 27% from 14% last year, and 31% at the June 1992 year-end. Egan said Interleisure had decided to keep gearing under 40% through the expansion period.

Egan said that, 25 new screens were opened and 26 were under construction.

Attributable earnings decreased 9% to £19.1m from £21m, and the inter-income dividend was maintained at 5.35c a share.

Egan said cinema attendances, which had been flat for the past two years, grew 25% over the previous year. This was made up of 11% from new screens opened, about 10% from Sunday cinema, and 4% real growth resulting from blockbuster hits such as Basic Instinct and an increase in market share.

The division reported a 20% rise in operating profit "after absorbing the overheads of the 25 new screens opened. The services division reported a 10% growth in operating profit. Computicket, Cinemark and Ster-Kinekor Video showed a "modest increase in profitability", while video games company Video Magic showed good growth. Egan said Video Magic was becoming a significant contributor to the group's profit.

To Page 2

Interleisure

Wholesale and retail sport trading was "under severe pressure, with volume sales and margins significantly reduced". Some wholesale brands had been disposed of, and the certain others would be. Egan said the group was reducing its exposure to this market, but would not pull out entirely.

It had disposed of about half its wholesale business, particularly high volatility brands like shoes. But it would retain profitable, high-demand and less volatile brands, as well as retail chain the Pro Shop. The disposals would result in extraordinary losses during the current year, but would enhance the balance sheet and earnings in the future.

In the food division, Squire's Loft and RJ's performed well, but Mike's Kitchen was "off focus and had lost some ground."

The chain had been refocused and would show improvement in the next few months.

The film production division halved its profitability after a reduction in feature film production.

Egan said that next month the group would open an entertainment centre at the Fourways Mall. This would include cinemas, a Squire's Loft, a Video Magic fun centre, action bar and coffee bar and a new image Mike's Kitchen.

The film lineup for the remainder of the year was good, and Ster-Kinekor was expected to maintain its rate of growth. But the retail elements of the group would remain under pressure.

Egan said the core businesses, Ster-Kinekor and most of the services held good growth prospects.
A continent awakes

South Africa's return to world competition may also mark the rise of Africa as a major power in world sport, writes WAGHID MISBACH.

AFRICAN athletes look set to dominate well into the next century with the talent currently emerging from the continent.

Now that South Africa is back in world competition, the continent is expected to be a leading force in world athletics — and to be able to challenge the dominance of the United States and Germany.

The Kenyans are dominant in the middle distance and the Nigerians are looking increasingly strong in the sprints. With South Africa's overall strength, the 1996 Olympic Games in Atlanta will bring an even greater head of gold for Africa than last year in Barcelona.

In the middle distances, African athletes hold every world record, except for the 800m and 10,000m, held by Britain's Sebastian Coe and South Africa's legend Amos Biyela of Mexico.

But the rivalry between African countries themselves is expected to increase.

For instance South Africa's marathoners have proved that there's little that can keep them back in world competition.

When David Tsebe won the Berlin marathon last year with the fastest time of the year, and Willie Mokoacu won in a win in the prestigious New York marathon, it was a warning to the world that we are a threat.

South Africa has a 50 000-strong corps of road runners who compare favourably with the best distance runners from Kenya.

Tsebe and Mokoacu have pencilled into their calendars a chance to take on the world's best at the Rotterdam marathon in Holland in April.

There is also talk that the South Africans will descend on the city and have crack at the world record currently held by Ethiopia's Bekele Dinku.

The Kenyans, of course, will turn out en masse. Their pedigree is unquestionable, and considering their history of great tactical running, the South Africans may be in for a big fight.

It's the big events where the Kenyans thrive. Take Barcelona for instance. Just when everybody thought the Kenyan dominance was about to come to an end after their medal haul in Seoul in 1988 (where they took every event except the 10 000m and the marathon), they came back and gave everyone a run for their money.

Matthew Blair, 20, felt the first lap of the 3 000m steeplechase, but got up, dusted himself off, and eventually took the gold — followed closely by teammates Patrick Sang and William Muswul, who took silver and bronze. That victory came on top of Kenya gold and silver in the 800m, bronze in the 400m and silver in the 5 000m and 10 000m.

The Kenyans were too clever for their own good on that occasion however. Having successfully trapped Algerian Noureddine Morceli in the 1 500m, they allowed Spain's Fermín Cacho to steal through and win the gold. A sad day for African athletics.

Morceli, on the other hand, was not to be outdone. After the Olympics he broke the 1 500m world record held by Moroccan Said Aouita.

Aouita, the outstanding middle distance athlete of the eighties, still has two world records — the 3 000m and 5 000m.
Film subsidy meeting.

A FILM industry development programme is to be discussed shortly by the Film and Allied Workers' Organisation, the SA Film and Television Institute and Home Affairs Director-General Piet Colyn. 8/10/71

This was announced yesterday by the workers' organisation's acting national chairman Daniel Pieterse in response to government proposals on film subsidies.
Govt quizzed on Grand Prix grant

By Peter Fabricius
Political Correspondent

CAPE TOWN — The Government has allocated a grant of R17 million for running this year's South African Formula One Grand Prix to a company in the all-singing, all-dancing, Tollgate Holdings group.

But the Government has not yet paid the money to the company, Motor Racing Enterprises, and will not do so unless it can prove it is sound.

National Education Minister Piet Marais gave this assurance to Parliament yesterday during debate on the Additional Budget.

Democratic Party education spokesman Roger Burrows asked him how the Government could justify spending so much money — about the same amount as the total Government subsidy of other sports — on such an "ellitist" event.

Marais said only 16 Formula One Grand Prix were held every year and there was much competition to host them. Hosting the Grand Prix would benefit the country as a whole through the inflow of funds and technology. He estimated that the event would stimulate a turnover of R120 million in local and foreign exchange.

Burrows asked him whether he could guarantee that the R17 million would not be paid if the company went bankrupt or the event did not take place.

Marais quoted passages from the Government's contract with the company, which he said guaranteed that no payment would be made if the company went into liquidation or judicial management or if the event did not take place.

● Mysteries of the SA Grand Prix — Page 11
ANC, IFP: Equity can lift TV ban

LONDON. — ANC leader Nelson Mandela and Chief Mangosuthu Buthelezi told a leading British television distributor and producer last week they would be happy for Equity, the actors' union, to lift its long-standing ban on the sale of British television programmes to South Africa.

Mr Richard Price, chairman of Primetime PLC, who met the two leaders in South Africa last week while working with interviewer Sir David Frost, said: "Mr Mandela and Chief Buthelezi both told me that they saw no reason why the ban should not be lifted. All the other sporting and cultural bans have gone."

But an Equity spokesman said: "We wouldn't consider such a major policy change on the basis of third hand information." — Telegraph

Dubai lifts trade ban — Page 5
Court rules against casinos

Two Durban casinos have lost their application to set aside the decision not to extend the deadline for the closing of casinos.
Durban casinos lose court battle to remain operating

Own Correspondent

DURBAN — Two Durban casinos have lost their Supreme Court's application to set aside the Minister of Justice's decision not to extend the January 31 deadline for the closing of casinos countrywide.

Mr Justice Galgut handed down the written judgment from Mr Justice Broome.

Mr Justice Galgut said the rule had been discharged with costs.

Disappointed casino owners and employees gathered outside the court afterwards to discuss their future.

However, immediately after the decision was made known, Gaming Association of South Africa chairman Grant Kaplan said advocates had been briefed to file an appeal.

Kaplan said that while he did not want to pre-empt the report of the Howard Commission, which was currently investigating gambling, casinos would eventually be legalised.

Natal Casino Employers' Association chairman Sharon Thomas said: "The casino industry is the fastest-growing industry the country has seen in the last 20 years. If the outcome were totally moral I would accept it, but the problem is that everything started and ended with Sol Kerzner."

The Howard Commission findings are expected to be published at the end of next month.
Top Three County President, Dr. Mike Funk, has announced the county's top three performers for the year. The performers are:

1. Jane Smith, who achieved outstanding results in all areas.
2. John Doe, who showed exceptional progress in leadership.
3. Emily Brown, who excelled in community service.

These performers will be recognized at the annual awards ceremony next month. Congratulations to all!
Durban casinos lose their court application

DURBAN — Two Durban casinos have lost their Supreme Court application to have the Justice Minister's decision not to extend the moratorium on gambling set aside.

Florida Road Entertainment and River Palace Leisure Industries brought the application against the Ministry of Justice and of Law and Order last week.

Giving judgment yesterday, Judge Broome said the casinos felt "aggrieved" that the Justice Minister had not advanced the February 1 date until after the Howard commission on gambling had reported.

They argued that before the Minister decided not to extend the date, he ought to have given them a fair hearing. They argued they had the right to a fair hearing because his decision resulted in economic loss to themselves and their employees.

David Gordon, for the Ministers, argued that as from November 6 last year, casino operations were unlawful and therefore they had no existing rights.

J Ploos van Amstel, for the plaintiffs, argued that while the Act provided that these activities were unlawful, it also said they could not be convicted. One could not have unlawful conduct which at the same time, was not amenable to conviction.

Broome rejected his argument. "17/2/93"

Quoting Parliamentary debate when the Bill was introduced, Broome said he failed to appreciate how any person could reasonably believe the Minister would automatically extend the date if, by January 31, the Howard commission had not yet reported.

He said he considered it futile for the Plaintiff to say that had they been asked to make representations, they would have done so. They were fully entitled to make representations if they chose to do so.

Broome discharged the action with costs. Leave to appeal was noted and a date would be set. — Sapa.
angry responses from Johannesburg and Durban, SA’s two other Olympic host hopefuls. A decision by the National Olympic Committee of SA (Nocsa) on SA’s contender city is due in July.

Ackerman firmly believes Cape Town offers SA’s best chance by far of securing the Olympics. “It’s not a pipe dream. I believe in this cause more than I’ve believed in anything else I’ve ever done. It will bring unity to the city and the country.”

Basing his arguments on extensive studies, he is convinced that Cape Town can host the Olympics without draining the city’s finances. “We will run at a profit or at least break even.” The city’s bid to Nocsa is being funded entirely by the private sector. “Not a cent is coming from the city council,” says Ackerman — though council officials are assisting with technical advice.

He believes the private sector orientation is an advantage over the Johannesburg and Durban attempts, which are city council driven. “This is a gutsy, entrepreneurial venture. The private sector is leading the way. It is probably the most dramatic venture ever by a group of people in SA.”

Apart from Cape Town’s natural beauty, he adds, it is symbolised as the gateway to Africa and the obvious city through which to introduce the Games to the continent for the first time. “This opinion has been confirmed by IOC officials,” says Ackerman. The city’s history of political tolerance and social unity relative to the rest of SA also places it on a better footing than other venues.

Cape Town’s bid committee is undeniably impressive. Ackerman’s co-chairman is Ngocende Balfour, SA Rugby Football Union national development director and former president of the National Sports Congress. The committee displays one of the most representative cross sections of the city’s community ever assembled.

Says Ackerman: “I’ve never been as excited as I was at the steering committee meeting where I was elected co-chairman. There were members of the PAC, the ANC, all races, all ideological persuasions, business people, sports people. The unity of feeling was unbelievable.”

Balfour says he hopes SA’s “long-standing provincialism” does not influence Nocsa’s decision. “Host- ing the 2004 Games is in our national inter est and Nocsa must choose the city most likely to get the Games for SA and indeed for Africa.”

The three contenders will each present bids to Nocsa before a decision is made. They will have to convince the committee that they have the financial and organisational expertise to host the Games.

The finer details of available facilities and plans to provide venues for events is not a major issue at this stage. It is accepted that the city awarded the Games by the IOC will by then be in a position to provide the necessary infrastructure.

Apart from building what would otherwise be unattainable facilities for the host city, the financial benefits of holding the Games are astronomical in terms of tourism and potential investment. The spin-off for the country would also be considerable.

British author Christopher Hill, an authority on the politics of the IOC, says the potential socio-political benefits of SA bidding for the Games should not be underestimated: “In the case of South Korea, the prospect of losing the bid for the Games contributed significantly to internal political stability. The same could happen in SA.”

Hill, who is on holiday in SA, adds: “Any responsible national body must assess which city has the best chance of winning the bid and then back it. In my view, Cape Town is the city.”
My country, right (wing) and wrong

The West Indian and Pakistani cricket teams are getting a fair measure of backing from the local 'Indian' community.

AMEEN AKHALWAYA looks at why some South Africans refuse to support the home team

England, Australia and New Zealand.

A few among us supported South Africa, arguing that the foreigners were the greater evil because, by embracing apartheid sides, they were entrenching racism. We were in the minority, because whenever South Africa participated in any sport, the thousands who packed segregated "non-white" stands would support the foreigners.

But in turn, humiliated black fans backed any black team that played against white South Africa's friends. In cricket, this meant supporting West Indies, Pakistan and India.

Pakistan and India blew hot and cold. Not so the West Indies. That great performance by Frank Worrell's side in England in 1963 signalled the Windies' rise to undisputed kings of cricket. For black South African cricketers, comprising mainly those classified coloured and Indian, the West Indies became heroes.

As the age of black consciousness dawned here, the teams led by Sobers, Kanhai, Lloyd and Richards not only restored black pride, but also put white supremacists in their place.

In the lingering "anyone but South African" mood, now fans who'd never been to the Lenasia Stadium, much less the Wanderers or Kingsmead, looked to India to put perceived white arrogance in its place. After an initial heroes' welcome, the Indians proved a letdown, not only because of their spineless performances but also for their general lack of friendliness towards people looking for heroes.

Enter the great black hopes, World Cup holders Pakistan and resurgent West Indies. The Indicator's survey of black ex-cricketers revealed that the West Indies enjoy a slight edge over Pakistan. Hardly any of them support South Africa.

Among Muslims — whatever their racial classification — support for the Caribbean stars may come as a surprise. But knowledgeable fans have always admired West Indian flair — and success, of course — and more especially the fast-bowling that pulverised white opposition.

The West Indian pacemen's bombs over the years perhaps expressed the subconscious desires of powerless victims of apartheid. Pakistan picked up enormous support among Muslims after their World Cup triumph last year. Again, it was a case of surrogate identification.

But conservative Muslims refuse to give Pakistan unqualified support, because of rumours over the years that some Pakistani players have not been averse to boozing, womanising and even playing when they should be fasting in the month of Ramadan.

Now avoid Pakistan fans are at pains to assure doubters that the current tourists do not transgress Islamic laws, and have in fact been seen praying in local mosques.

The doubters perhaps approve of Pakistani players touching the ground with their foreheads in prayer after winning, but for whites who don't understand Islam, such unusual behaviour looks like a terrifying symptom of "Islamic fundamentalism" that they read about.

For such whites, the support is reversed to "anyone but Pakistan" and may account in part for the overwhelming white backing the West Indies received at the Wanderers.

Now there is a further complication. In the past couple of years, thousands of people have streamed to South Africa from the Indian subcontinent. Our government denies knowledge of such an influx, causing much mirth in Lenasia and Chatsworth. Their vociferous support, backed by fireworks, for India, and now Pakistan, upsets whites.

To white fans unable to distinguish genuine Indians or Pakistanis from those whose forefathers arrived here more than a century ago and who regard themselves as genuine South Africans, such behaviour merely reinforces claims that "Indians" are an unpatriotic foreign element.

Meanwhile, "Indian" and "coloured" kids continue to support South Africa unconditionally because they have not experienced the harshness and humiliation of apartheid that their parents did, and cricket opportunities are opening up for them at all levels in the unified set-up.

But many of their parents fear a South African victory against the world's two top black teams might unleash another wave of white jingoism. For them, it's still a case of "my country, right (wing) and wrong."
AWB ploy fails to stop mixed sports day

THORNS 6cm long were strewn in a primary school long-jump pit in conservative Christiana this week by AWB supporters determined to scuttle a nonracial children's athletics meeting. But the event went ahead, with two black youngsters taking part.

The primary school had stepped in after the local high school management committee had unanimously withdrawn permission for its better-equipped sports ground to be used for the meeting because blacks would take part. Militants reacted by digging up the school athletics track in three places.

A schoolmaster said the thorns were sifted from the long-jump pit before the meeting, which involved children from six primary schools in the Transvaal and Northern Cape.

There was a strong police presence, but the meeting proceeded without incident. It was later hailed by school officials as one of the most successful events ever held at the school.
A conspiracy of silence is threatening athletics, writes MICK WINN (right), chairman of the SA Road Running Association.

I am constantly assailed by athletes, administrators, sponsors and members of the general public with queries about what is perceived to be the sifting administration of athletics in South Africa.

It would appear that there is an overwhelming general perception out there that something is not right, a perception which is eroding confidence and morale among athletes and administrators, and externally is tarnishing the image and general marketability of the sport.

To my undying gratification, facing SA athletics today, is what I have come to refer to as a "conspiracy of silence," the so-called "shroud of secrecy" which is increasingly enveloping this sport as a whole.

It is a two-fold "conspiracy of silence" which exists firstly within Athletics South Africa which is, in the past, the so-called "two-year inaction against the statute normal principles of democracy and accountability to the greater athletic constituency have for all intents and purposes been suspended, condoned, or ignored.

The second part of the "conspiracy of silence" concerns the media, which, for some reason has consistently failed to subject ASA's obvious weaknesses to intense scrutiny.

The affairs of ASA are, being conducted by a 15-man enclave (of which I, by virtue of being chairperson of the SA Road Running Association am a member) which has, in my opinion, a blank cheque to automatically administer the sport.

Within the enclave, agreements achieved in good faith are regularly broken; promises conveniently ignored and goalsposts routinely shifted amidst almost total contempt for consultation and/or communication with the athletes, officials, participating clubs, provincial and national bodies which comprise the whole of the SA athletic infrastructure.

Official correspondence is routinely ignored; sure athletic matters are barely discussed and money is squandered in an orgy of self-aggrandisement that has nothing to do with sport.

Within the past year, unspeakable antics and clear evidence of mismanagement, poor administration and abominable waste have, routinely been either ignored, condensed or covered up within ASA. There is an inability and persistence to even an unwillingness on the part of previously respected administrator to put an end to it.

By unspeakable antics I refer to specific instances of intimidation, blackmail, threats and libellous and unfounded character assaults on various individuals, many instances for which documentary proof exists, but others which in the true nature and effectiveness of intimidation the victims themselves are party to the cover-up.

Prime examples of typical ASA contempt for accountability as well as the extent of the "conspiracy of silence" were the reactions within the past few weeks of ASA leadership to newspaper revelations of the creation of an (and secret appointment to) yet another senior full-time, highly-paid administrative post, and resignations of two high-ranking ASA officials (including the convenor of finance out of sheer frustration) amid simultaneous revelations of an ASA deficit to the extent of R230 000.

Neither the president of ASA nor its vice-president were willing to respond to the actual revelations while both threatened to discover and either discipline or harangue the informant, whose only apparent sin was to reveal information which surely everyone in the ASA has a right to know.

Major decisions with substantial financial ramifications are being taken behind closed doors and with the arrogance that it has nothing to do with the athletes and administrators further down the line who will ultimately have to foot the bill.

This brings me to the second aspect of the "conspiracy of silence," that being the media's general participation in it.

I am one of the first to recognise that athletics is not in the league of rugby, cricket and football in the national sporting consciousness of South Africa.

However, if media time and space is anything to go by, it must certainly rank as a close contender for fourth or fifth place, and football is the only sport larger than athletics internationally.

I also understand that to a large extent the media seems to have either lost its nerve or its appetite for reporting on the sordid and long-lived saga of petty developments within ASA. I can certainly identify with the sports editor who asks the question, "Does the public really want to read such things on my sports page -- surely they would rather learn that Frith van der Merwe has decided to forgo this year's Comrades Marathon or that Willie Moyo will run in Rotterdam?"

I believe the media has a dual responsibility -- to tell the public the sort of things it wants to know, and secondly to tell it things it should know.

Rugby, cricket and football administration are subjected to intense scrutiny by the SA sports media and I believe each of the sports is better for it. There can be no doubt that the media focuses on some of the personalities and problems which plagued recent Springbok rugby tours contributed significantly towards bringing about changes in the management thereof.

With regard to football, it was the media which first revealed that false information had been provided in the CV of national coach designate Jeff Burdon and called for his eventual resignation, while his short-lived successor, Stanley Tahabala's every action was critically scrutinised by the media until his eventual removal from the forefront of football in South Africa.

Why is it then that problems in athletics, and in particular some of the personalities involved therein, have never been subjected to similar scrutiny? No one has ever delved into the background or credentials of certain individuals who during the course of the past year or so have made all manner of far-reaching demands on the sport.

I believe that just a few relevant questions as to qualifications, experience, constituencies, motivations and mandates pertinent and persistently put to some of the individuals currently embroiled in the maladministration of athletics in-SA, would go a long way towards forcing an end to the debauchery which is becoming the norm.

Surely it is time to expose those that want power, but not responsibility, benefits, but not accountability, and for an in-depth inquiry into the quagmire of athletics in SA.

It's high time to bring the administration and decision-making of SA athletics into the open and for the 15-man enclave of ASA to be firmly put in its place.
Kersaf earnings slip by nine percent

By Stephen Cranston 23/2/93

In difficult trading conditions, Kersaf has reported a nine percent drop in earnings per share to 106c.

Chairman Buddy Hawton says the results were foreseeable to some extent, given the level of capital expenditure, particularly on Lost City and on 25 new cinema screens for Ster-Kinekor.

Turnover rose nine percent to R1,11 billion, assisted by a full period of trading at the Caroussel and the opening of Lost City.

Operating profit fell three percent to R52,6 million.

Because of increased capital expenditure there was a net interest expense of R6,9 million (R4,5 million receipt in the six months to December 1991).

Borrowings rose from R382 million to R567 million and gearing from 24 percent to 26 percent.

Hawton says that if the businesses can maintain margins and keep up their traditionally strong cash flows, there will be a material reduction in borrowings by year-end.

He describes Sun International's results as commendable in the light of the economic situation and the unregulated casinos.

Results from liquor subsidiary Douglas Green Bellingham (DGB), which is unlisted, were in line with a depressed and competitive market in which liquor sales are declining. The business will be subjected to further cost-cutting.

Interleisure enjoyed a 25 percent increase in cinema attendances, helped by 25 new screens, Sunday opening and drawcard films such as Basic Instinct.

Results from the sports division were poor and Interleisure intends to dispose of a number of wholesale sportswear and equipment brands.

Hawton says that earnings for the second half should approximate those of the first.
Kersaf pinched by drop in spending

LEISURE group Kersaf Investments' earnings dropped by 9% to 18c (110c) a share in the six months to end-December as poor conditions affected consumer spending in all operations.

The group, whose interests include Sun International, Interleisure and Douglas Green Bellingham, reported a 9% turnover increase to R1,1bn from R1,0bn. This growth was assisted by the full period trading of the Carousel and the opening of Lost City at the end of November.

Operating profit declined by 3% to R253.6m from R259.7m. Chairman Buddy Hawton said margins were affected by wage costs, rent increases, the effect of unregulated casinos and increased marketing and discounting aimed at keeping up occupancy levels.

A change to a net paying position of R8.6m from net interest received of R4.5m in the previous year reflected mainly the use of cash resources and external borrowings to fund the major capital developments. This resulted in an 8% drop in pre-tax profit to R343.7m (R364.2m).

Profit after tax decreased by 6% to R187.1m from R198.1m. Attributable income dropped by 6% to R181m from R186.4m, with the 9% drop in earnings a

From Page 1

Kersaf share reflecting additional shares in issue. The interim dividend was maintained at 60c a share, with a marginal drop in dividend cover.

Hawton said results reflected adverse trading conditions and depressed consumer spending. Despite huge capex, the balance sheet remained strong, with gearing at 22% (25%). Now that most of the capex was complete, the new developments had the ability to generate long cash flows in the future, he said.

Offshore operations, held through Royale Resorts, had been quiet. Mauritius was severely affected by the international recession. French gaming operations were affected by the recession. Hawton said Royale had a difficult six months, and this was likely to continue. The group was still investigating offshore acquisitions.

Sun International's results were satisfactory given the economic situation and the effect of the unregulated casinos. Construction of major developments at Sun City and the Wild Coast Sun, which had disrupted trading, had now come to an end. Sun International's occupancy was 62% for the period, compared with 66% in the previous year.

The group was happy with Lost City and forward bookings were encouraging. Interleisure's cinema and related activities had performed well, with cinema attendances up 23% on the previous year on the back of new screens, Sunday cinema and good product. The sports division had disposed of some wholesale brands.

Douglas Green Bellingham was affected by consumer spending, with most brands under pressure.

Hawton said the completion of Sun International's major resort projects and continued strong growth in cinema attendances should enable second-half earnings to approximate those of the first half.

Yesterday the share closed 50c or 1.4% to close at R33.

The share traded at a high of R45 in July last year and a low of R28 in September.
Pact returns to townships with dancers

PACT IS TO FOLLOW UP ITS SUCCESSFUL OPERATIC VENTURE INTO THE TOWNSHIPS WITH A DANCE REVIEW, STARTING AT ORANGE FARM, SOUTH OF JOHANNESBURG, TODAY.

Pact spokesman Robert Perry said yesterday Pact Ballet would present a dance programme which would include excerpts from Sleeping Beauty, fight sequences and Dirty Dancing.

He said the Pact/Transnet Truck Theatre dance programme had been designed to "offer a glimpse into all aspects of ballet and dance". The truck theatre would tour Eldorado Park, Orange Farm, Tsakane, Atteridgeville and Mamelodi from today until March 2.

Two weeks ago Pact took its operatic company to Orange Farm and was received by a record audience of about 20,000 school children. The exercise was criticised by the ANC's arts and culture department as unrelated to the daily experiences of SA audiences.
Big increase in SA sports sponsorship

THE amount spent on sports sponsorship in SA increased to R275m in 1992 from R207m in 1991, says BMI Sports Information director Johan Grobler.

The increase was largely due to the increase in international sports participation and increased sponsorship of local events. Last year three international grands prix were held in SA, there were several soccer, cricket and rugby tours, and SA participated in the Olympic Games and several international athletics events.

Last year motor racing attracted the most sponsorship, followed by the Olympics and the cricket tours.

Other sports which attracted a lot of sponsorship were horse racing, golf, rugby and soccer. Out of the 158 different types of sports played in SA, only 26 had attracted R1m or more in sponsorship, Grobler said.

In 1991, R83bn was spent on sports sponsorship worldwide, Grindaker Sport Management GM marketing Brian Rogers said. About 38% of this was spent in the US and 37% in Europe. The fastest growing market was Asia which accounted for 22% of total expenditure. Africa's share was only 0.5% and the Middle East, which had less sport participants, took 1%.

In SA, less than 15% of all advertising was related to sports sponsorship, Rogers said. Internationally there was more of an equal relationship between sports marketing and advertising expenditure.

Although sport was still in a transitional phase, the reorganisation of sport administration, the ending of rebel tours and the new era of open sport management should see the amount spent on sports sponsorship grow in 1993, Rogers said.

"As sports administrations have got their acts together, the amount of sports opportunities has grown tremendously. There are more and more green lights for SA sport."

Sponsorship was expected to grow exponentially over the next five years and would start picking up in 1994.

"Many companies are already into their current financial year so proposals will only be included in next year's budgets," Rogers said.

An important catalyst for sports sponsorship was media coverage. Companies were prepared to sponsor if they got exposure. The SABC had restructured its sports department; making it easier to put forward proposals for the coverage of sporting events, he said.

Rogers said international television networks were not providing much coverage of African sport. "African athletes are very popular when they compete in Japan, why shouldn't they get coverage when they run in Africa," he said.
Time to Under our Olympic Signets

Graham Linsteadt looks at the many advantages of hosting a smaller affair.

The Commonwealth Games are a unique event that brings together athletes and spectators from all over the world. The biennial gathering offers a platform for nations to showcase their sporting prowess and cultural exchange. It is a moment to celebrate diversity and promote peace.

The key to the success of the Commonwealth Games lies in their ability to balance cultural exchange and sporting competition. The event provides a unique opportunity for athletes to compete at the highest level while also engaging with the local community and visitors.

Hosting the Games also offers numerous benefits to the host country. It enhances tourism, promotes economic growth, and strengthens diplomatic ties. The Games also serve as a catalyst for infrastructure development and the improvement of public services.

Planning for the Games requires careful consideration of logistics, security, and sustainability. The host country must ensure that all necessary facilities are in place and that the event runs smoothly.

In conclusion, the Commonwealth Games are a significant event that brings together nations and celebrates sportsmanship. The opportunity to host such an event is a testament to a country's ability to organize and execute a successful international event. With proper planning and execution, the host country can ensure a memorable and enjoyable experience for all involved.
Sport slams Abe’s job...

by Waghiid Mishaq (242)

IT was up to sportspeople, Mr Abe Williams would not have a job in April, let alone be the Minister of Sport. Souf. 27/2 - 3/3/93

Williams, currently Minister of Education in the House of Representatives, will take over the sport portfolio from Mr Piet Marais after State President FW De Klerk reshuffled the cabinet last week.

But this week saw condemnation of the move by sportspersons across the country.

The ANC said bringing “discredited and discarded tricameral figures into the Cabinet is an empty gesture”.

“That Abe Williams is now Minister of Sport when he was the very person leading boycott-breaking rugby teams to New Zealand does a disservice to the role sports bodies are playing to bring about reconciliation.”

The president of the Western Cape Soccer Association, Mr Vincent Baartjes, slammed the government for the “cynical” appointment.

“But I’m glad it is only going to be for a few months. When the new government comes in we will kick him out,” Baartjes said.

His view was echoed by veteran cricketer Mr Saatet Magiet: “If he has made a mess of education, what will he do to sport?” Magiet said.

Tennis official Mr Colin Clarke, a former member of the South African Council on Sport, said Williams “will never be recognised” as the Minister of Sport, because at the height of the sports boycott he had sided with establishment sport.

Khaya Ngcoca of the South African National Boxing Coordinating Council and a member of the National Sports Congress, said he had “no respect” for Williams.

“He was elected through the tricameral system, and we will not allow De Klerk to impose that system on us.”

Ngcoca, currently campaigning to have the Boxing Act amended to remove control from the government, said he would have preferred Piet Marais in the position.

“Although the ideal situation is to have a new government with new faces, Marais was not a dictator. He was prepared to listen to our grievances.”

Mr Gus Jacobs, head of the University of the Western Cape Sports Administration, said De Klerk was “adding insult to injury” by appointing a man with no credibility in the community.
The report of the club’s move from the Prima to the new venue is why there’s talk of a potential for the range of positive impacts to spread to other venues as well. The move is expected to bring a new lease of life to the club, with plans to expand the facilities and offer a wider range of entertainment options. The move is also expected to boost the local economy, with increased foot traffic and revenue expected to flow into the area.

Defiant: From small to large, legal gambling is a controversial issue that continues to divide the community. The move to the new venue is another chapter in the ongoing debate over the role of gambling in society. While some see it as a harmless form of entertainment, others argue that it has negative consequences for individuals and communities. The move to the new venue is expected to offer a new perspective on the issue, with discussions and debates likely to continue in the coming months.
UN explains lifting of boycotts

The United Nations has reminded foreign entertainers and sportsmen wishing to perform in South Africa that this should be done only through "anti-apartheid" bodies.

Although the "blacklist" of people who had ignored the sport and cultural boycott had been withdrawn, the UN said in a recent statement that the 1991 resolution which ended the boycott stated that re-established links were still intended to bring about democracy in South Africa.
Sharp increase is forecast in cost of old age pensions

PRETORIA — The rapidly increasing proportion of elderly people in SA would lead to a sharp rise in the demand for state pensions, an HSRC survey has found.

Principal investigator Monica Ferreira said government needed to undertake serious planning measures to avoid “being caught unawares” by spiralling pension costs.

The report suggested that the number of elderly people in SA would increase from 1,5-million at present to more than 7-million by 2033.

In percentage terms this represented a rise from 3.0% in 1983 to almost 7% in 40 years’ time.

After conducting a survey of 4 400 people over the age of 60, the report issued by the HSRC and UCT’s Centre for Gerontology found that three common problems were being experienced by SA’s elderly.

A poor financial outlook, as a result of negligible provision for old age, poor access to health care services, particularly in rural areas, and a general lack of support services were problems faced by many elderly people, the report said.

Among the report’s recommendations were more government assistance programmes for the aged in rural areas; education schemes for young and middle-aged people to plan and prepare for old age and the establishment of more compulsory contributory pension schemes.

“We must put pressure on all companies to provide retirement packages for their employees,” Ferreira said.

The report also called for the urgent expansion of long-term frail care facilities, new housing policies to assist the elderly find affordable and suitable accommodation and the promotion by government of self-support and work participation programmes.

The need by government to plan for economic, social and cultural changes among the increasing number of elderly people was urgent, Ferreira said.

The report would be passed on to Health Minister Rina Venter, Ferreira said.

Grand Prix may net SA a fortune

SA would gain about R120m in foreign exchange if this year’s Formula One Grand Prix on March 13 generated as much income as last year’s, Motor Racing Enterprise spokesman Rory Brown said yesterday.

Brown said auditors Kessel Feinstein found that R120m “clear profit” in foreign exchange had been made by hotels, car hire companies and restaurants as a result of last year’s Grand Prix.

He said the R17,2m government grant towards last year’s Grand Prix paled into insignificance against the international exposure the country gained as a result of the event.

About 280-million viewers had watched last year’s four-day event on television.

IMPORTANT
NOTICE TO BUSINESS
TRAVELLERS TO UK & EUROPE
Casinos face rent squeeze

BACY SCHNEIDER
CASSINO owner's stuck with high rentals for premises they no longer uses were struggling to cancel leases following government's closure of unregulated gambling operations.

Casino owner Hymie Sussman said he was "meeting obligations with landlords as far as was legally demanded".

He said some leases required months' notice. This was "like pouring money into a hole". Sussman said premises were standing empty and landlords benefited from steep rentals.

Hotels have converted casino areas into conference and function rooms, while waiting for the findings of the Howard commission in April.

"We have kept our equipment and can quickly change our premises back into casinos if need be," one hotelier said.
HOUSE OF ASSEMBLY

The Minister of Local Government and Regional Development

As of today, the Government has introduced a new policy that aims to improve the efficiency and effectiveness of local government services. The policy includes measures to streamline procedures, increase transparency, and enhance public participation in decision-making processes.

The policy will be implemented in phases, starting with the most populous regions. The government expects this to have a significant positive impact on the quality of life for residents in these areas.

The Minister has also announced that a task force will be established to monitor the implementation of the policy and ensure that all local governments are on track to meet the new requirements.

The Ministry of Local Government and Regional Development

Minister, Local Government and Regional Development

The Minister of Agriculture

In response to the recent increase in food prices, the Government has introduced a new program to support farmers and improve food security. The program includes subsidies for agricultural inputs, training programs, and support for small-scale farmers.

The program will be launched this month and will target farmers in all regions. The government hopes that this will help to stabilize food prices and ensure that farmers can continue to produce food for domestic consumption.

The Minister of Agriculture has also announced that the government will be conducting a review of the current agricultural policies and will make necessary adjustments to ensure their effectiveness.

The Ministry of Agriculture

Minister, Agriculture

The Minister of Finance

As part of the government's economic recovery plan, the Minister of Finance has announced a new package of measures to stimulate economic growth and provide support to businesses and individuals.

The package includes tax breaks for businesses, increased funding for infrastructure projects, and support for small businesses. The government is also committed to increasing the minimum wage and providing additional support to low-income households.

The Minister has said that these measures are expected to generate employment and stimulate economic activity, helping to overcome the challenges caused by the recent pandemic.

The Ministry of Finance

Minister, Finance

The Minister of Health

In light of the ongoing pandemic, the Government has announced a new strategy to combat the spread of the virus and protect the health of the population. The strategy includes a targeted approach to vaccination, increased testing and contact tracing, and continued public health education.

The Minister has also emphasized the importance of maintaining social distancing and wearing masks, and has called on all citizens to do their part in helping to control the outbreak.

The Ministry of Health

Minister, Health

The Minister of Education

In an effort to ensure that all students have equal access to education, the Government has introduced a new plan to provide free school meals to those in need. The plan will be implemented in phases, starting with the most vulnerable communities.

The Minister has also announced that the government will be investing in the expansion of online learning platforms to ensure that students have access to quality education during the pandemic.

The Ministry of Education

Minister, Education

The Minister of Environment

The Minister has called for increased efforts to combat climate change and protect the environment. The government has announced a new set of measures to reduce greenhouse gas emissions, promote sustainable practices, and protect natural resources.

The Minister has also emphasized the importance of public participation in environmental decision-making and has encouraged citizens to take action to reduce their carbon footprint.

The Ministry of Environment

Minister, Environment

The Minister of Justice

In response to concerns about the justice system, the Government has announced a new set of reforms to improve access to justice and ensure that all citizens have equal access to legal services.

The reforms include the introduction of new technology to modernize court procedures, increased funding for legal aid services, and greater accessibility for those with disabilities.

The Minister has also called on all members of the judiciary to work collaboratively to ensure the fair and effective administration of justice.

The Ministry of Justice

Minister, Justice

The Minister of Defence

As part of the government's commitment to national security, the Minister of Defence has announced a new set of measures to strengthen the country's defense capabilities.

The reforms include increased funding for defense spending, the introduction of new technology to enhance military capabilities, and the expansion of international collaborations to ensure a secure and stable region.

The Minister has also emphasized the importance of training and education for soldiers and has called on all members of the defense force to work together to protect the nation.

The Ministry of Defence

Minister, Defence

The Minister of Trade and Industry

In an effort to promote economic growth and job creation, the Government has announced a new set of incentives for businesses to invest in the country.

The incentives include tax breaks for investments in new technology, increased funding for research and development, and support for start-up businesses.

The Minister has also emphasized the importance of international trade and has called on all businesses to take advantage of the opportunities presented by the government's new policies.

The Ministry of Trade and Industry

Minister, Trade and Industry

The Minister of Tourism

The Minister has announced a new tourism strategy to attract more visitors to the country and promote the local culture. The strategy includes increased investment in infrastructure, the introduction of new attractions, and the promotion of local products.

The Minister has also emphasized the importance of sustainability and has called on all businesses to work collaboratively to ensure that tourism is developed in an environmentally responsible manner.

The Ministry of Tourism

Minister, Tourism

The Minister of Transport

The Minister has announced a new set of measures to improve transportation infrastructure and ensure the safety of all road users. The reforms include the introduction of new technology to modernize traffic management systems, increased funding for road maintenance, and the expansion of public transportation services.

The Minister has also emphasized the importance of public participation in transportation decision-making and has called on all citizens to work together to create a safe and efficient transportation system.

The Ministry of Transport

Minister, Transport

The Minister of Energy

As part of the government's commitment to sustainable development, the Minister of Energy has announced a new set of measures to increase the use of renewable energy sources.

The reforms include increased funding for research and development, the introduction of new technologies to enhance the efficiency of renewable energy systems, and the promotion of public awareness campaigns to encourage the use of sustainable energy sources.

The Minister has also emphasized the importance of international collaboration and has called on all countries to work together to develop a sustainable energy future.

The Ministry of Energy

Minister, Energy

The Minister of Social Affairs

The Minister has announced a new set of measures to support vulnerable communities and ensure that all citizens have access to basic services. The reforms include increased funding for social welfare programs, the expansion of public housing, and support for those in need.

The Minister has also emphasized the importance of community involvement and has called on all citizens to work together to create a more just and equitable society.

The Ministry of Social Affairs

Minister, Social Affairs

The Minister of Housing

The Minister has announced a new set of measures to address the housing crisis and ensure that all citizens have access to safe and affordable housing. The reforms include increased funding for affordable housing programs, the expansion of public housing, and support for local communities to develop their own housing solutions.

The Minister has also emphasized the importance of public participation in housing decision-making and has called on all citizens to work together to create a more affordable and equitable housing system.

The Ministry of Housing

Minister, Housing

The Minister of Health and Social Affairs

The Minister has announced a new set of measures to improve the health and well-being of all citizens. The reforms include increased funding for health care, the expansion of mental health services, and support for those in need.

The Minister has also emphasized the importance of community involvement and has called on all citizens to work together to create a healthier and more resilient society.

The Ministry of Health and Social Affairs

Minister, Health and Social Affairs

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Minister, Education, Health, Social Affairs, and Social Affairs and Social Affairs and Social Affairs and Social Affairs
The meeting was held on 19th June 1971. The meeting was called by the Chairman of the House, Mr. Chamberlain, who opened the business with the following remarks:

"Such is the nature of the business to be transacted, that it is obvious that the meeting must proceed with great speed, and that no unnecessary delay should be allowed to occur. The Chairman, therefore, directs that all questions shall be put to the House as soon as possible, and that no unnecessary adjournment should be sought for."
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A Feast of Good Films

South Africa will be represented at Burgina's Festival for the first time.
The show must go on

T HE Natal Performing Arts Council (Napac) is on the brink of collapse. It needs about R50-million just to keep limping along.

In the wake of the announcement, even people who previously boycotted the arts council now say they believe it should be saved.

Napac general director Robert Cross says the government has reneged on its own subsidy formula for years. According to the formula, it should be given about R50-million, but Cross believes it will receive only R20-million after the government has made "adjustments".

In a doomsday message to the Natal media last week, Cross said the council was considering several scenarios. If it could not get substantial help, it would have to "restructure" itself. This could mean, for example, disbanding the Natal Philharmonic Orchestra and the dance company, putting about 250 people out of work. The worst scenario would be the liquidation of the council's assets, retrenchment of staff and closure.

There has been an almost convulsive reaction. Thousands of people are signing a petition put out by The Friends of Napac saying "we as a community do not want Napac to die ... we believe the performing arts are an essential part of the life of the people of Natal".

The morning after the doomsday speech philharmonic orchestra member Fred Wachs played his violin on the pavement outside the Playhouse to collect cash, while members of the dance company collected signatures.

More significantly, prominent figures who opposed the council previously and boycotted all Napac shows because of cultural apartheid are now backing it publicly.

Two of these are Saiia Essa and her husband, Charles Pillai. Essa is one of Natal's foremost directors. This week she said she would agree to put on plays there now, while Pillai said it would be tragic for the performing arts in Natal if Napac closed down.

What has made the difference is an end to all apartheid practices at the Playhouse, the appointment of Indians and Africans to Napac's board of directors and the council's vigorous attempts to make contact with all sections of the community.

Cross has been to the Durban City Council to emphasise Napac's plight as well as its value to the city as a tourist drawcard. But the council, which gave Napac a "one-off" grant last year of R4-million, has so far been cool about bailing the council out of its difficulties this year.

Pillai suggests a board of trustees should be set up if private and corporate sponsors are to be involved; Businessmen, particularly Indian businessmen, were keenly aware of the need to uplift all sections of the community, he said.
Loophole found in Gambling Act

Tracy Schneider

Casino owners said yesterday they were preparing to reopen for business after discovering a Gambling Amendment Act loophole which allows gambling machines on a credit basis only.

The amendment, passed in November 1992, allows gambling machines to operate only if winners are credited with the opportunity to play another game and there is no exchange of anything of value.

Head of the Narcotics Bureau in Durban, Piet Meyer said the law implied casino's could be run only for "amusement purposes". However, Sleepy Hollow hotel owner Robert van der Merwe said there was nothing to stop other players or casinos from buying winners' credit stamps later.

Meyer had tested the legalities of the loophole last week and had to withdraw charges against Durban's Royal Flush casino. The attorney-general refused to prosecute as the police could not provide evidence of money changing hands.

"It was made clear that no case could be made against a casino operating on a credit system only. It is up to police to infiltrate casinos undercover to determine if any sort of reward, besides another game, is given to winners," said Meyer.

This would not be worth the hours required and police would only investigate such cases if they "stumbled across them".

Two casino's, one in Durban and one in Cape Town, had already begun operating and Van der Merwe said he would be opening for business next week, once his poker machines had been returned by police.

He believed many other casino's would reopen shortly. However, casino owner Hyman Sussman said he did not believe the loophole would be a real help.

"You cannot run a business on a credit basis and we will not do anything illegal. It is hard to get people to play on a subterfuge basis," he said.

Co-chairman of the SA Gambling Association Michael Werner could not be reached for comment last night.
TAU move ‘shortsighted’

PRETORIA — The Transvaal Agricultural Union’s decision to quit organised agriculture’s efforts to negotiate separate labour legislation for the industry has been condemned by other unions as “disruptive, ill-timed and shortsighted”.

CP MP for Lydenburg and TAU president Dries Bruwer said the reason for the move was the provision for last resort strikes among farm workers.

The only support among the provincial unions came from the Free State.

Free State Agricultural Union president and CP MP for Parys Piet Gous said the fear was that a “right to strike” clause could open the road to abuse by politicians and trade unions. Farmers could be held to ransom at critical periods in the farming cycle, which was unacceptable.

However, he said the Extension of Labour Relations Bill would be submitted to union members for comment before a final judgment was made.

Row brews over ‘needle time’

A STORM is brewing over a proposed amendment to the Copyright Act which will force radio and television stations to pay royalties to record companies for airing their products.

At issue is the concept of “needle time” or “pay-for-play” which broadcasters believe will negatively affect an industry on the brink of deregulation.

Record companies, however, believe they are due a slice of lucrative advertising revenue generated by radio stations.

The National Association of Broadcasters (NAB) warned yesterday that it would fight the proposed amendment, which if passed by Parliament during the current session will introduce a royalty for the broadcast of sound recordings.

NAB chairman Stan Katz said the bill would benefit record companies only, and not artists and composers, who received separate royalties from record companies.

“This legislation will have a severely negative effect upon a broadcasting industry which stands on the brink of deregulation. In particular, proposed new royalty threatens the viability of the many small local and community broadcasters who are expected to apply for licences once deregulation occurs.”

Record companies traditionally used free airtime to gain exposure for their products, an arrangement which would be profoundly altered by the introduction of the royalty.

Attempts in the US to introduce the concept of royalties to record companies had failed, he said.

He said NAB television members may have to charge record companies for the screening of music videos, while radio members were considering their options.

But EMI MD Mike Edwards said needletime was “a very normal and common thing” because radio stations generated an enormous income from playing music.

“Why should they get it for free when they are generating millions in advertising revenue?” he asked.

Pirates cost 30% of SABC income

THE SABC believes its licensing system is the most viable way of collecting revenue, even though it could be losing between R110m and R150m, or 30% of potential yearly income, through pirate viewing.

The corporation said yesterday it earned R371m in the financial year to September 1992 from licencing, but found it difficult to determine financial losses to pirate viewing because accurate statistics on ownership of television sets were not available.

A spokesman said, however, that according to Market Research Africa (MRA) some 3,568-million households had sets. By September 30, 1992, 2,573,147 licences had been registered.

“From MRA the inference could be made that there are about 1-million pirate viewers,” the spokesman said.

More than 22,000 of these viewers had been traced from October 1, 1991 to September 30, 1992, which had netted R3,8m in licence fees and fines.

The spokesman said alternatives had been investigated.
Loophole found in gambling Act

CASINO owners said yesterday they were preparing to reopen for business after discovering a Gambling Amendment Act loophole which allows gambling machines on a credit basis only.

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Hearing the deaf — through theatre

THEATRE is where people stand on a stage and talk, right?
Wrong.
Deaf people can’t be included in anything that involves a lot of talking, right?
Wrong again.
South Africa’s deaf communities are slowly discovering that theatre is more entertaining.
“Acting has enabled me to break through that barrier. When you are acting, your whole body is the means of communication,” says Manfred Mouers, one of Theatre of the Deaf’s actors.

Theatre is also a creative outlet for deaf people who are often sidelined into mundane jobs.

At a workshop last Saturday, deaf actors were working together with professional, hearing actors, overcoming many of the fears that the deaf have about contact with hearing people, and vice versa.
Mouers feels it is the physical nature of acting that makes that contact possible.

But that’s not to say deaf people’s theatrical experience must be confined to mime.
“I don’t like using the word ‘mime’; says the group’s co-ordinator Cara Loening. “The general public tend to assume that the deaf won’t talk — it’s like assuming that blind people can only do basket-work.”

The group’s immediate plans include productions of Dario Fo’s “Can’t pay won’t pay,” and “The Three Sisters” by the famously wordy Anton Chekov. The cast will include deaf and hearing actors.
Deaf actors will “speak” their lines by means of sign language, while a hearing actor who is on stage will switch to the character of the deaf actor and translate the line into speech.

It is significant that the concept promoted by the group is called theatre of the deaf rather than theatre for the deaf.
The idea is not to present deaf people with specially made gest-theatre, but rather to provide opportunities for deaf people to become involved in the theatre as initiators and not only as consumers.
The result is ideally a theatre that may be enjoyed equally by hearing and deaf people.

Theatre of the Deaf is new in South Africa — Loening believes that we are decades behind the countries that pioneered the concept.

Mouers, who works in a bakery, longs to become a professional actor. But while deaf actors may find paid employment in the US, there are no such positions in South Africa.

As with so many innovative artistic ventures, money is the problem. Capab paid for Theatre of the Deaf to put on a show at last year’s Grahamstown Festival, but so far no sponsor has shown any ongoing interest in funding the group.

As SA Theatre for the Deaf grows, they hope to expand beyond their Cape Town base and go national. Mouers’ words sum up what this could mean to deaf people nationwide: “Theatre has given me something I can be interested in, something I can grow into.”

SA Theatre of the Deaf can be contacted at (021) 462-4470/1/2.

JUSTIN PEARCE
Your chance to influence the cultural future

TO celebrate its 10th Anniversary the ANC's Department of Arts and Culture (DAC) has resolved to lay bare its plans and policies to the world to demonstrate where it intends taking the arts should its party come to power.

Since its inception in 1983 the body has spearheaded the struggle to equip community-based structures, encouraged the growth of progressive arts and closed the gap between exiled and home-based artists.

However, the era when culture was used as a weapon against apartheid is drawing to a close.

In gearing up for the challenges and problems it will face in establishing a post-apartheid culture, the DAC has arranged for a week (April 25 to May 1) of performances, discussions and meetings at the Johannesburg Civic Theatre.

The main aims of the gathering are to define the character of what regards as "a distinctly new South African culture", and to consolidate all DAC initiatives into a united front.

About 1,000 delegates have been invited to the conference and include artists, actors, photographers, filmmakers, and musicians who hail from the townships, suburbs, trade unions, universities, and famous world cities.

Gathering conferen Jonathan de Vries, editor of City Press, that a wide spectrum of local and international organisations have been invited.

"We view the conference as the inauguration of a national campaign to coordinate and pool together all the democratic cultural resources of the country."

De Vries emphasised that the conference "is aimed at mobilising the marginalised sector of South African society to participate in the decentralisation that will make facilities, resources and skills available.

"It is not enough to open the existing facilities, like museums, art galleries, and theatres for increased use by the arts and culture communities which have always been marginalised.

"It is of paramount importance that the people participate in their transformation," said De Vries.

"The significance of the conference is that the ANC is preparing to govern and it represents our first public attempt at making clear what we believe in."

City Press, 3rd November 1993
Pact must belong to the people, says Chakela

AN exciting new chapter in the history of the Performing Arts Council was torn open recently with the appointment of an Afrocentric township cultural activist in a powerful position.

Pact Drama's newest assistant director Walter Chakela has already vowed to transform the institution into a people's cultural centre.

He is a formidable personality in cultural circles and, among others, vice-president of Cosaw, president of the African Writers' Association and convenor for theatre at the National Arts Initiative.

Chakela, who single-handedly pioneered the struggle of the arts in Bophuthatswana, and made them a priority in the government's agenda, is set to turn Hillbrow into a people's arts centre.

"We cannot claim to be serving our community when we fail to attract people from the immediate area of Hillbrow, which is one of the most densely populated places in our country.

"For us to see that theatre is reaching the people we have to make sure that our people come to watch shows that reflect their plight and life and thus theatre becomes the heart of our lives," said Chakela.

Already Chakela has appointed Cosaw Transvaal chairman and freelance journalist Lance Nawa to come up with a strategy that will draw mainly black Hillbrow residents to the venue.

Triumphant

From this month, Chakela will be right-hand man to Pact Drama director Pierre van Pletzen, who shares the dream of turning Pact into a fully representative theatre group.

Chakela fully believes that his appointment is a triumphant development in the attitude of Pact.

"This is the first time that this organisation has allowed an African to become a decision-maker at such a high level, and the importance of my appointment perhaps lies in the fact that I come from a background rooted in community arts," said Chakela.

The past decade has seen Chakela found Molopo Experimental Theatre Group, geared at imparting acting skills and techniques to township-based artists.

As his reputation grew, he was given the responsibility of leading the newly founded Bophuthatswana Arts Council, which introduced him to the dynamics of arts administration.

Although as "head" he was responsible for budget, training and programmes, he continued writing and producing theatre works which he confessed are still the love of his life.
FOREIGN investors may not be showing much interest in most South African assets, but the rush is on to buy our golf courses.

The Taiwanese and Arabs are investing in golf courses because of the dire shortage of similar facilities in their own countries.

South African courses are considered to be among the best in the world and entrance fees and annual subscriptions are relatively cheap.

Because of the topography and climatic conditions of these countries, golf courses are few and far between and entrance fees are astronomical. Annual subscriptions can be as much as R300 000. In many instances, club membership is out of the question.

For this reason, the golf fanatic is prepared to pay air fares and accommodation expenses to and in SA and at the same time visit tourist attractions.

Liquidation

In the past few months at least three golf clubs have been snapped up by overseas investors and enquiries have been made at a few others.

The Ochimari Golf Club near Waverley, south of Johannesburg, was bought by a group of Taiwanese last month for about R28 million. Major changes are expected at the club and to the course.

The new owners were not available for comment.

Fancourt, the golf course and hotel near George which is involved in the Masterbond debacle, was placed in final liquidation in the Cape Town Supreme Court on Friday.

This effectively nullified the offer made to Masterbond debenture holders by Dubai-based Geap International.

Geap originally made an offer of R25 million to investors, but increased this to R40 million on February 23.

Chief curator Arnold Galombik says, however, that the company will immediately put in an offer for the assets of Fancourt; but it is not known at this stage how the offer will be shaped.

The development of Fancourt, plus interest, is estimated at R18 million.

Johnson Lai and Jack Tsai from Taiwan bought the Brakpan Golf Club about five months ago for R14.8 million.

The intention, says Mr Lai, is to build 38 townhouses adjacent to the course and offer these for sale in Taiwan at R200 000, which would give buyers access to the club. A full tourist package will also be offered, with trips to Cape Town, Durban or the Kruger Park.

The building of the townhouses is expected to start this month.

To give the club some semblance of Chinese tradition, a Taiwanese chef has joined the club.

Mr Tsai is a golf course designer and work has already started at the club.

A new watering system has been installed on all the greens and a general upgrading will continue this year and next. Three new greens will be developed to accommodate the townhouses.

Entrance fees and annual subscriptions have been marginally increased to R400 and R800 respectively and the club plans to increase membership from the current level of about 200. A number of Taiwanese resident in SA have recently joined the club.

Hotel

This week, the Johannesburg City Council, which owns the Huddle Park golf course, said it had given the Professional Golfers Association (PGA) a year to present a plan for the upgrading of the course.

Brent Chalmers, chairman of the PGA, says early plans are to develop a hotel on the site and substantially improve the course.

The estimated cost is about R280 million, of which about half would be provided by unnamed investors from the "Far East."

At least one coastal club has been approached by overseas investors, this time from South Korea.
R440m for needy ‘from state funds’

The government is to budget R440 million in the next financial year to help needy people, according to Dr Joos Hattingh, manager of the National Nutrition and Social Development Programme (NNSDP).

The expenditure of the funds would be co-ordinated by the Department of National Health and Population Development through the NNSDP, he said in a statement at the weekend.

Nearly 34 million people in South Africa currently lived below the minimum subsistence level, while unemployment had increased from 2.5m people in 1991 to 3.4m in 1992. A survey by the SA Institute for Race Relations indicated that between one and three million people were currently without income.

If the ripple effect of this was taken into account, at least nine million people were currently without any visible means of support, it said.

The mission of the NNSDP is to enable communities to achieve self-reliance with respect to the basic human needs, with the emphasis on food and nutrition.

Formal and informal organisations, institutions and committees which render nutrition-related or social services to certain target groups in a community, could apply for assistance. — Sapa
The MINISTER OF HOME AFFAIRS:

(a) R16 929 771,57

(b) and (c) The required information is contained in the attached schedule.

Note:

(i) Information is for the period 1 April 1992 till 23 February 1993.

(ii) The amounts paid in respect of the films American Ninja IV and Oddball Hall, which were the subject of litigation, also include interest of R1 306 074,34 and R496 220,72 respectively.

(iii) The following claims which have not been included in the schedule are now being processed for payment:

- Orkney Snork Nie: R1 096 182,99
- Tough Luck: R 897 921,70
- The Angel, the Bicycle, and the Chinnaman’s finger: R 231 421,00

House of Assembly

Hansard, Wednesday, 10 March 1993

HOUSE OF ASSEMBLY

INTERPELLATIONS

The sign * indicates a translation. The sign † used subsequently in the same interpellation, indicates the original language.

General Affairs:

Goldstone Commission: Investigation of MI

*1. Adv T LANGLEY asked the Minister of Justice:

Whether the Commission of Inquiry regarding the Prevention of Public Violence and Intimidation (Goldstone Commission) was instructed to investigate the Military Intelligence Division of the South African Defence Force; if so, who (a) gave such instruction to the Commission and (b) were involved in this investigation?

B354E, INT

*R. The MINISTER OF JUSTICE: Mr Chairman, the question indicates a possible misunderstanding, for reasons I shall now proceed to explain.

On 18 November 1992 the hon the State President instructed Gen Pierre Steyn to investigate the intelligence functions of the Military Intelligence Division. Gen Steyn was instructed to take immediate control of all intelligence functions of the Defence Force, including those of the Military Intelligence Division and the intelligence arms of the four components of the Defence Force; to provide a comprehensive and in-depth analysis of all intelligence activities of the Defence Force and, in the light of this analysis and any recommendations he wanted to make, to report as soon as possible on the restructuring of those functions; and to obtain control over all the documentation of the Directorate of Covert Collection and make an in-depth analysis to see whether there had been any transgressions of the law or of Government policy.

This process could have served to support the inquiry by Mr Justice Goldstone, which was already in progress at that stage. The question that arises is where the Goldstone Commission comes in. The extent and nature of the involvement of the Goldstone Commission in connection with this entire matter is set out very clearly in a joint statement made by Gen Steyn and Mr Justice Goldstone on 27 November 1992. This was just over a week after this date.

This statement made it clear that one very important central principle would apply with regard to the commission’s involvement. The commission’s interest would extend as far as was allowed by its mandate, namely to investigate public violence and intimidation and to report in this connection. In order to satisfy the commission that the information relevant to its mandate was available, the commission would have the necessary access in accordance with the provisions of the Act.

This was confirmed in the hon the State President’s press conference on 21 December 1992. I quote the crucial sentence: “. . . where information may become available relevant to its mandate . . .” In that case the Goldstone Commission would be involved. It is very clear that the reason underlying this approach is the fact that the hon the State President views these as two instruments, one with the object of conducting an internal investigation and the other being the Goldstone Commission. [Time expired.]

Adv T LANGLEY: Mr Chairman, the hon the Minister is evading my question. I put the question to the hon the State President, and want to know why he is not replying to my questions himself. I shall tell hon members why.

On 11 November 1992 the Goldstone Commission conducted a raid on the Directorate of Covert Collection. An article in Rapport says there were two UN observers with Goldstone’s team. My information is that there was one from the UN and one from Scotland Yard. They received access to DCC’s files and made a beeline for the most valuable files any member of the intelligence community has. These are the files containing information about DCC’s informants. Rapport said:

Hoogs geheime leggers wat die naam van informantie bevatt sowel as die soort inligting wat hulle verskaf het en bedrae geld wat ontvange is, was eilike deur onder beheer van mens wat nie die eed van amphegehele afgele het nie.

Let us be frank with one another. This was
Wits TV offers commercial service

WITS University's Central Television Service (CTVS) is to offer its services to the business community for the production of training videos and corporate and promotional material.

As part of the university's rationalisation process it was decided to market the services of CTVS because it had the potential to capture a substantially share of the broadcast and video production market. CTVS director Kate Tarkington said:

Although CTVS had undertaken projects for businesses before, this was the first time it was marketing its services. Pat Summers, previously of De Villiers Hektang production house, has been recruited to help market CTVS.

Tarkington said CTVS had a very marketable product. "Not only do we have a lot of experience from producing programmes on everything under the sun, but as part of Wits we can call on any of the academic departments for their expertise."

CTVS was a full service department of the university, staffed by 15 full-time staffers experienced in film and video production. It had a complete TV and broadcast facility enabling it to write, film, produce, edit and mix programmes.

In the past the television service specialised in producing educational material to support the academic programmes of the university's various departments. One of its better known achievements was the video of the Siamese twins' operation at Baragwanath Hospital.

It has produced several series on community development for the SABC.

Deregulation 'has not helped small business'

BLACK businessmen have criticised government's deregulation policies for failing to attend to the needs of small business.

Sabsa marketing manager Mike Ntlatleng said his association supported deregulation and a free market economy, but did not think government's deregulation measures were addressing the needs of small business.

"When we called for deregulation in the past we wanted not only the removal of discriminatory laws, we also called for the levelling of the playing field. We wanted small business - such as the taxi industry - to be on par with organised business before there could be competition. For that reason we asked for subsidies as the government had done with the bus industry," he said.

Instead, government had implemented de facto deregulation measures by removing only the discriminatory laws but failed to pass laws to make small business competitive.

"Government should also have legislated for the formation of professional bodies to ensure high standards of customer service were maintained as in other sectors."

After deregulation the small business was pitted against well-established companies. "That is why we are calling for subsidies and regulatory bodies," Ntlatleng said.

National Association of Co-operative Societies of SA (Nacasa) CE Simun Mughele said any future deregulation measures aimed at enabling blacks to participate in the economy should be accompanied by training programmes.

"These training programmes will convert them from being mere entrepreneurs to business persons ready to exploit their market. Deregulation is a sophisticated mechanism that benefits business people who have a vision of the future. Unfortunately, hawkers and taxi operators had not benefitted from deregulation," he said.

A Small Business Development Corporation spokesman said the SBDC fully supported deregulation as it felt that over-regulation tended to stiffl businesses.

"However, we do need minimum regulations to ensure efficiency of free markets."

Swing to buses noted after taxi strike

THE minibus taxi drivers' protest against the Johannesburg Traffic Department, which disrupted traffic in the city and left thousands of township residents stranded, has given Putco a shot in the arm.

The bus company said passenger volumes had increased noticeably after the protest, sparked by dissatisfaction of taxi drivers with treatment from Johannesburg traffic officials.

Putco MD Jack Visser said his company's Boxburg depot had requested four additional buses as its present fleet could hardly cope with the increase in passenger volumes.

Increase in passenger volumes was also noticeable in Soweto, the Vaal and Pretoria, he said.

SA Rail Commuter Corporation spokesman said it had more than doubled its services on the East Rand because they were not certain whether the minibus taxis would "let us down again".

No comment could be obtained from the SA Rail Commuter Corporation on whether its passenger volumes had been boosted by the taxi protest.
The DEPUTY MINISTER: Mr Chairman, I would humbly ask the hon member to table his questions, as they may relate to specific particulars.

SA casino owners: application to Supreme Court

2. Mr L T LANDERS asked the Minister of Justice:

(1) Whether he will furnish information on whether any members of Parliament have furnished affidavits in support of an application made by South African casino owners to the Supreme Court recently; if not, why not; if so, (a) how many members were involved, (b) when was each such affidavit furnished and (c) what (i) are the names of these members and (ii) is the content of each such affidavit;

(2) whether he will make a statement on the matter?

The DEPUTY MINISTER OF JUSTICE:

(1) and (2)

The case referred to is Florida Road Entertainment (Pty) Ltd and River Palace Leisures Industries (Pty) Ltd versus the Ministers of Justice and of Law and Order, case number 8390. Judgement in the case was delivered on 16 February 1993 by the Honourable deputy judge president D J P Broome in the Durban High Court. The record of the proceedings is a public document and at the disposal of the hon member.

Mr L T LANDERS: Mr Chairman, arising out of the Hon the Deputy Minister's reply, I want to state that he did not answer the question.

The CHAIRMAN OF THE HOUSE: Order! The hon member must put his question.

Mr L T LANDERS: Mr Chairman, I want to ask the hon the Deputy Minister whether he is aware of the fact that par 13 on page 6 of the court documents reads as follows:

In, or about, October 1992 a meeting was held between the first respondent . . .

And this refers to the hon the Minister of Justice—

. . . and four NP members of the House of Representatives, being Messrs S Fisher, Kuller, George and Harris. At this meeting it was suggested by the House of Representa-

tives' members to the first respondent and to the chairman of the ad hoc Standing Committee that the Gambling Amendment Bill, as it then was, be placed into effect, subject to the proviso that a moratorium be included, giving the gambling industry until the end of February 1993 to continue trading. The purpose of this was intended to provide for the said moratorium until after the Howard Commission had reported its findings. The CHAIRMAN OF THE HOUSE: Order! Has the hon member finished?

Mr L T LANDERS: Not quite, Sir.

The CHAIRMAN OF THE HOUSE: Yes, but the hon member must please put his question.

Mr L T LANDERS: I am coming to that, Sir. This quotation forms part of the question.

The CHAIRMAN OF THE HOUSE: Order! I cannot allow any discussion. The hon member asked my permission to put a question. The hon member must please do so.

Mr L T LANDERS: I crave your indulgence, Mr Chairman. I want to quote further:

The matter was debated between the said members of the House of Representatives and the first respondent. A compromise was reached and the first respondent said the effective date for the moratorium would be until 31 January 1993. Mr Fisher of the House of Representatives insisted that the additional words be inserted, "or such later date as the Minister may determine by notice in the Gazette". And then follows the important fact—

The first respondent agreed to this.

In the light of public statements already made by inter alia, the hon members for Newton Park, Algoa, Durban Point and now also the hon members for Maitland Plain, Strandfontein and Bosmon, I want to ask the hon the Deputy Minister whether, in his opinion, an inference cannot be drawn that the hon the Minister concerned went back on his word? Would the hon the Deputy Minister not agree, too, that the hon the Minister acted hastily, given the fact that the SAP in Durban have since announced that because of a flaw in the amending legislation, they may not proceed with prosecutions at the moment?

The DEPUTY MINISTER: Mr Chairman, this matter was fully canvassed during the legal proceedings. The facts were placed before this court as well. In this particular case the court decided to refuse the application with costs. In view of the fact that Mr Justice Howard, the Judge President of the Natal Provincial Division, who is also the Chairman of this committee, has also indicated certain opinions as far as this matter is concerned, and because everything else into account, I believe that the action the Minister involved acted responsibly.

Mr P C HARRIS: Mr Chairman, on a point of order: In view of what was quoted a moment ago, I want to state that I was not present at those discussions and that I am not aware of that. [Interjections.]

Mr L T LANDERS: Mr Chairman, further arising out of the hon the Deputy Minister's reply, will he please tell the House whether it is now the intention of the Government, during this session of Parliament, to introduce further amending legislation in order to allow the SA Police to act effectively against what they term illegal casinos?

The DEPUTY MINISTER: Mr Chairman, this matter is awaiting the Howard Commission's report. Once that report is at hand, a decision will be made by the Government as soon as possible.

Certain persons: Investigation into alleged escape of persons

3. Mr P A C HENDRICKSE asked the Minister of Law and Order:

(1) Whether any investigation has been conducted into the alleged disappearance of a certain person, whose name has been furnished to the South African Police for the purpose of the Minister's reply; if not, why not; if so, what (a) were the results of the investigation and (b) the name of the person involved?

(2) whether the said person had instituted legal proceedings against the Minister at the time of his disappearance; if so, what are the relevant details;

(3) whether any ex gratia or other payments have been made to any relatives of this person; if so, (a) what payments and (b) to whom?

The DEPUTY MINISTER OF LAW AND ORDER:

(1) No.

No record could be found that his disappearance was reported to the former South African Police or that it was investigated by them.

(a) Falls away.

(b) Sphiwe Mtimkhulu.

(2) Yes, the lawsuit involves allegations of assault committed by the former Security Police. The relevant person was detained from 1 June 1981 until 20 October 1981.

(3) No.

(a) and (b) Fall away.

Mr P A C HENDRICKSE: Mr Chairman, arising out of the hon the Deputy Minister's reply, given the fact that this person was detained and, upon his release from detention, suffered from thalamic poisoning, it was confined to a wheelchair, the fact that the four Eastern Cape activists, the Goniwe four, were found murdered along the roadside, the fact that it was discovered that three others have disappeared, would the hon the Minister agree with the LPSA that an urgent, independent judicial commission of inquiry should be instituted to look into the security police personnel who were stationed in the Eastern Cape at that time?

The DEPUTY MINISTER: Mr Chairman, the answer is no. At present there is an investigation in Port Elizabeth regarding the people . . .

Mr P A C HENDRICKSE: We cannot hear you!

The DEPUTY MINISTER: Mr Chairman, an inquest is being held in Port Elizabeth at the moment. May I just remark that information which came into the hands of the SA Police was that during the period 1982 to 1983 this particular general was observed in Swaziland.

Own Affairs:

Teachers' Colleges

1. Mr J D SWIGELAAR asked the Minister of Education and Culture:

(1) Whether he intends closing any of the teachers' colleges under the control of 1970-12

HOUSE OF REPRESENTATIVES
Broadcasters to fight draft law

Proposed legislation forcing radio and TV stations to pay royalties to record companies for playing their records has been slammed by the National Association of Broadcasters (NAB).

The proposed amendment to the Copyright Act, which is set to be passed in Parliament in the current session, would end a practice of almost 70 years, NAB chairman Stan Katz said.

The broadcasting industry, which was on the brink of deregulation, would be severely affected. The new royalty would threaten the viability of local and community broadcasters who were expected to apply for licences after deregulation.

"We find it strange that on one hand government is seeking to create a diversity of broadcasting voices but on the other is placing financial obstacles in the path of new entrants," Katz said.

Katz said broadcasters would have to increase their advertising rates to accommodate the royalty, and certain broadcasting services could be forced to close.

"The interests of both the advertising community and the public at large could thus be damaged," he said.

He said the NAB objected to the legislation on several grounds, including the lack of consultation by government before publication of the draft Bill.

Katz said record companies used free airtime to get exposure for their products, and "the situation could arise where new artists and new recordings could have little or no exposure.

TV stations may have to charge record companies for the screening of music videos in order to recoup royalty payments. Radio stations, would also have to look at alternatives.

Katz said the NAB intended to fight the Bill. "We want this draft withdrawn and reconsidered, it must not become law as it stands," he said.

The NAB would now be submitting a detailed memorandum to government.
on Olympic Games

SA cities seek advice
New car sales speed up on VAT hike jitters

Business Staff

New passenger car sales showed a marked increase from January to February in anticipation of VAT increases in the forthcoming Budget.

The National Association of Automobile Manufacturers (Naamsa) said yesterday car sales rose by 19.7 percent to 16,146 in February from 13,484 in January.

A similar trend was evident in the light commercial (LCV) and heavy commercial vehicle (HCV) sectors.

Sales of LCVs rose by 28.9 percent from 6,574 in January to 8,141 in February, while HCV sales increased from 332 to 339.

Sales of medium commercial vehicles, however, declined slightly from 240 to 236 in the same period.

Commenting on the results, Naamsa said: "Pre-emptive buying in the run-up to the Budget is expected to further boost March new vehicle sales."

"However, any improved resulting demand is likely to prove short-lived in the event of tax increases which could have a negative effect on new vehicle prices."

For 1993 as a whole, Naamsa continues to project a modest improvement in new car and LCV sales.

However it said this remained dependent on a recovery in the economy and higher spending levels."
1993 arts celebration has multicultural emphasis

PREVIEW PART

1993 STANDARD BANK NATIONAL ARTS FESTIVAL (Grahamstown)

LIFE in the new SA is really not that bad. As Pieter-Dirk Uys said at the launch of the 1993 Standard Bank National Arts Festival, our national debt is smaller than that of the US and we are not freezing in food queues like the Russians. More importantly, the festival is a celebration and there are few enough of those on the national calendar.

The festival has grown phenomenally since its early days when its chief supporters were what Uys called the blue-rinse brigade. It is worth noting how extraordinarily perceptive middle-aged women can be. Women still constitute 65% of the festival audiences, although the age level is dropping.

This year marks the 10th anniversary of Standard Bank's sponsorship of the festival. The emphasis in the 1993 programme is on multiculturalism, perhaps best exemplified by David Fanshawe's African Sanctus, which combines the music and religious of Africa with the traditional Latin Mass.

But alongside this event will be performances of Madame Butterfly, Carmen, Barak and the Brahms Requiem. The Natal Philharmonic Orchestra will be giving two concerts and the Napac Chamber Orchestra will also be performing. This, of course, would seem to depend on a successful resolution to Napac's financial crisis.

Durban City Council culture and recreation committee chairman Ros Sarkin says it is too early to make a definitive statement as Napac is being evaluated financially. Sarkin says the investigation will be done as a matter of urgency but may take some weeks.

"I hope Napac can be saved in some form. There is a lot of goodwill in the community but it is not cost-effective at the moment. The arts need to be subsidised. It is a matter of how far the bailout will go."

Another first will be the Sowetan collection of drawings by Gerard Sekoto. Many of these are intimate portraits done while Sekoto was in hospital in Paris.

The artists in residence will be Philippa Hobbs, head of printmaking at Wits University, and Karel Nel, from Wits University Fine Art, who also designed this year's festival poster.

ANTHEA BRISTOWE
OWN in the rolling hills of Natal, besides the fact that there’s now a new topic of conversation: Cultural policy. And a big topic it is, with NAPAC on the brink of financial collapse, and the publicly funded performing arts facing an uncertain — or at best a contested — future.

But today this is Natal’s conversation and NAPAC’s crisis, we’d be naive to think that’s where it will end. Tomorrow or some day soon, it’s a crisis that will threaten to bring to its knees a Pact, or a Cabap, or whatever institutions lavish great sums of public money on Eurocentric cultural activities, and on feathering the beds of their��transient, and often obtusely, bureaucrats. In this ongoing conversation, we are likely to get more heat than clarity — particularly when the discussants are the largest and most complex of the state-funded performing arts ensembles: the symphony orchestra.

In Natal, it has already been asked: should the Natal Philharmonic Orchestra (NPO) survive? A question such as this is inevitably premised on two concerns: incalculably linked to each other: cost, and relevance. The argument would go as follows: given that professional symphony orchestras are expensive to run, and depend heavily on public funds, how can one justify the existence of a body that is committed exclusively to the performance of an Eurocentric repertoire, in a rapidly changing society such as South Africa?

The problem with this argument is that one of its key assumptions is faulty. There is nothing about an orchestra that commits it to being the purveyor of an elite, playing only the music of an imported, colonial culture. A professional orchestra such as the one we have in Natal is a resource: an assembly of 70-odd highly skilled musicians, each of whom, for about 15 years’ training, with mastery between them of more than 40 different instruments, capable of giving life to whatever music is given to them, in whatever idiom, is put in front of them.

Historically, of course, the origins of such an institution lie far from ours — in Europe, in the 17th and 18th centuries. But nothing locks it into that historical and cultural frame: indeed, the orchestra has developed in extraordinary ways, and become central to an astonishing variety of cultural traditions and practices since then, around the world. It has, for example, been adopted and adapted in places such as Latin America, the Middle East, far East and parts of Africa.

And in each of these places, the symphony orchestra has tended to develop its own repertoire. Orchestras in, say, Brazil, Cuba, Australia, China, Korea or Japan may well play Beethoven or Brahms, but they will also play another repertoire: one based on musical traditions indigenous to those societies.

But today this is Natal’s conversation and NAPAC’s crisis, we’d be naive to think that’s where it will end. Tomorrow or some day soon, it’s a crisis that will threaten to bring to its knees a Pact, or a Cabap, or whatever institutions lavish great sums of public money on Eurocentric cultural activities, and on feathering the beds of their��transient, and often obtusely, bureaucrats. In this ongoing conversation, we are likely to get more heat than clarity — particularly when the discussants are the largest and most complex of the state-funded performing arts ensembles: the symphony orchestra.

In Natal, it has already been asked: should the Natal Philharmonic Orchestra (NPO) survive? A question such as this is inevitably premised on two concerns: incalculably linked to each other: cost, and relevance. The argument would go as follows: given that professional symphony orchestras are expensive to run, and depend heavily on public funds, how can one justify the existence of a body that is committed exclusively to the performance of an Eurocentric repertoire, in a rapidly changing society such as South Africa?

The problem with this argument is that one of its key assumptions is faulty. There is nothing about an orchestra that commits it to being the purveyor of an elite, playing only the music of an imported, colonial culture. A professional orchestra such as the one we have in Natal is a resource: an assembly of 70-odd highly skilled musicians, each of whom, for about 15 years’ training, with mastery between them of more than 40 different instruments, capable of giving life to whatever music is given to them, in whatever idiom, is put in front of them.

Indeed, one might argue that the reverse is true. I am not thinking here simply of an institution such as the often-cited Soweto Symphony Orchestra, or of the Soweto String Quartet. I have in mind one of the largest, strongest, and most vibrant musical traditions in our land. Known as makwaya, this is a tradition of African choral singing in the vernacular, in an original compositional style based on a synthesis of indigenous musical idioms with the harmonic and other structures of Western classical music.

And makwaya, which in part modified itself on the likes of Handel and Mendelssohn, has cried out for the presence of a symphony orchestra. But from the African composer’s point of view, a repressive social order has made this an impossibility, thus producing a situation in which the makwaya tradition has in a sense been stunted. (This is no reflection on the many outstanding makwaya composers.)

The need is still there in the work of contemporary makwaya composers. One of those is the extraordinary JM Kumalo, who recently produced a piece for voices and orchestra which is resonant of indigenous music. Kumalo is unknown in the white community, but he is among the most exciting composers in South Africa today.

Besides, many local black composers have also written music for symphony orchestra without choir. Michael Moerane is one: his Paase Le Hess (My Country) was considered interesting enough to be recorded by the NBC Symphony Orchestra in 1944, but it is still awaiting its first South African performance. Other compositions, and other composers, have suffered an even worse fate.

The legendary Reuben Caluza, for instance: he was born in Natal, lived most of his life in Natal, studied music at Hampton Institute and Columbia University in the United States, and is now recognised to have been one of the most influential South African composers of all time. But his 1933 Rondo for Orchestra, based on neo-traditional themes, never received a performance in his own country — and the score has now been lost.

The central question is: for how much longer will this kind of thing continue? The great Abdullah Ibrahim, known as a jazz musician but certainly today South Africa’s most internationally celebrated composer, is working on a piece for symphony orchestra.

Its first performance will take place soon. But it is to the shame of South African orchestral management that this first performance will not be in his homeland, but rather in Germany, given by the Hamburg Symphony Orchestra, which had the imagination to commission the piece.

There are also other considerations. At this stage of our history, an orchestra disbanding, or even depopulated, will never again be reconstructed. The dismemberment of the NPO raises other very serious implications.

An orchestra is enmeshed with a host of other institutions and activities, all of which depend on its existence. Among the most important of these, where the NPO is concerned, are its real and its potential educational function. The NPO has a potential in music education and training which has been underexplored; and if it survives, that must be rectified. But even its current educational function — making available instrumental teachers on a part-time basis for a number of institutions in Durban, including the two universities, the technical and the Durban Music and Ballet School — means it is already central to a number of important educational activities. Damage the NPO, and one hits at the heart of music education in this region.

But to return to my starting point. It is possible to think of the NPO as something other than a conservative, colonial institution, playing primarily a tired, 19th-century European repertoire to an audience comprising mainly a group of ageing whites who live on the Berea.

With a little imagination, one can think of the NPO as becoming an exciting institution, stimulating new creativity, building new audiences, and meshing with the cultural needs of a wider constituency of people in Natal. With dynamic leadership, the NPO could engender a plethora of opportunities, experiments and innovations, both within and across a wide range of musical subcultures. And then Beethoven will belong to everyone. But we will live in the new world, and Moerane, and Ibrahim.

For it’s not a question, as Albie Sachs has also said, of simplistically replacing Swam Lake with Crocodile Lagoon. The real problem is a harder one: how to replace the dead hand of an autocratic, stifling management with leadership that is not only open and dynamic, but also creative, intelligent and dedicated to change.

Christopher Ballantine is professor of music at the University of Natal.
Group applies to set up Jo’burg TV station

A GROUP of businessmen had applied to establish a regional TV station in the Johannesburg area, it was announced at the weekend.

Local Area Television Channel 10 hoped to broadcast business, educational and entertainment programmes within a 20km radius of Johannesburg, consortium member and Digital Arts MD Ron Major said.

A Home Affairs Department spokesman said the 400-page application had been received last week and would be referred to the SABC for comment and recommendation, as required by the Broadcasting Act.

As current Home Affairs Minister Louis Pienaar was being replaced by Danie Schutte from April 1, the application for TV rights would have to wait for the new Minister’s decision, the spokesman said.

“We are 100% confident that sooner or later a licence will be granted for community-oriented TV stations,” Major said. “When it does happen, we will be on air the same day.”

The station would be free to viewers and supported by advertising. Transmission infrastructure, with the exception of a transmitter, was already in place, he said.

To pick up the station’s broadcasts, viewers would be able to use the same high-gain antennae as needed for M-Net and Bop TV, Major said.

The consortium, which includes a number of Johannesburg-based TV and video production companies, had applied for a temporary licence valid for September this year, Major said.

The group’s broadcasting manager Gavin Kennedy said the new station would provide a valuable community service by focusing on culture, education and general entertainment.
FINANCE Minister Derek Keys is expect- ed to table a treaty this week to end the seven-year, R2-billion wrangle between film investors and the taxman.

Mr Keys confirms that he will address the issue in his Budget speech on Wednesday. He declines to give any further details.

This follows speculation that a compromise has been reached between the Commissioner for Inland Revenue and the 33000 taxpayers who owe around R2-billion for deductions they claimed for film expenses.

Industry sources say the settlement on the table allows for film investors to write off their production costs or an amount not more than their initial investment in the film. This means they will get a tax deduction of R1 for every R1 invested.

However, marketing and distribution costs are unlikely to be tax deductible.

Before the scheme was stopped, investors stood to get as much as R3 in deductions for every R1 invested.

A tax consultant says many investors are hoping for a write-off equal to twice their costs, which means they will end up on the investment but will not be able to use the deductions to offset other income.

Taxpayers are not bound to accept the expected offer and can press ahead with court proceedings if they wish.

Tax experts say as much as R2-billion is at issue, although figures are not available on how much of the revenue has been paid to Inland Revenue. Some investors have met demands from the Receiver, some have made late payments but withheld interest and others have withheld all payments.

The proposal is the culmination of several years of negotiations between the Receiver’s office and taxpayers, many of whom are represented by top Johannesburg lawyer Michael Katz.

Distrust

Coopers Theron du Toit partner Rick Cotrell says if the R1 offer is accepted by the majority it will be because they are sick of the protracted arguments and uncertainty and not because it is a fair settlement.

He says a 1/1 settlement is no more than what the taxpayers are entitled to.

"This is not going to appease anybody. If the Commissioner wants to allay the distrust and feeling of the lack of honour of Inland Revenue, then it is going to have to be more generous."

The law — before its effective abolition — provided for tax incentives to encourage the production of films in SA.

Kessel Feinstein tax partner Ernest Mazansky explains that investors were allowed to deduct a variety of expenses incurred in producing, marketing and distributing the films. They also qualified for export marketing allowances.

As a result, numerous poor quality B-grade films were produced regardless of financial viability.

Mr Cotrell says some people were involved in fairly aggressive schemes which exploited the benefits.

"But there were also many honest and conservative investors who did not see this as a loophole but as a legitimate opportunity to invest in films."

"To lump them together in one basket highlights the system’s unfairness."

Mr Mazansky says the Commissioner pulled the plug on the investments in March 1986 and proceeded to attack existing schemes, including those which had received written rulings.

"Additionally, Inland Revenue attacked film schemes which complied with the criteria contained in legislation specifically introduced to cater for film investment and not, without giving public assurances to the contrary by both the then Commissioner for Inland Revenue and the then Minister of Finance."

Although many investors did not receive written rulings, they based their deals on similar structures. And by that stage a practice was considered to have been established because written rulings had to be issued for similar cases.

A test case on a movie called Jake Speed was taken to the Special Tax Court last year, and the judgment from Justice Melanet is expected before the end of the month, says Hofmeyr van der Merwe partner, Fieno Peart, who is representing the Jake Speed taxpayers.

Although the judgment was originally intended to set a precedent for other taxpayers, it is now feared it will be based on technicalities peculiar to the Jake Speed case only.

It is possible that the losing party will take the case on appeal, which will take another few years to settle, says Mrs Peart.

Interest

This has necessitated some sort of compromise between the Receiver and taxpayers, as it would be virtually impossible to take all 38000 cases to court.

"A settlement is also imperative for taxpayers, as interest is accumulating at 18% a year on the amount they owe."

Fisherman Strids tax partner Anthony Chant explains that two types of interest are involved.

People are charged interest on amounts owed, which are expected to be written off or settled, at the commercial rate. They are also charged interest on amounts owed, which are not expected to be written off or settled. If the amount owed has been written off, it is not charged interest. However, if the amount owed has not been written off, it is charged interest. In the case of receivers, they have been subject to inordinately high interest rates, which they are now seeking to settle.
Lessons for film makers

By Victor Metsoamere

16/3/93

NOTED - London-based Caribbean film maker Irvin Bakari is the main conductor of the Africa Cultural Centre Media Communication Unit's training programme for aspiring and established film makers.

The programme is for writing and directing for the cinema, and the making of South African films.

The workshops are at the ACC's new and bigger base in Goch Street, Newtown, behind the Market Theatre and the Africana Museum.

Caribbean artist here to conduct training: An ACC publicist said it was hoped that the development of critical appreciative skills would arm participants with a clearer view of the rapidly developing cinematic world. Participants will be drawn mainly from students of the ACC, headed by noted theatre director Benjy Francis. However there is room for others who are interested. They should telephone Peter Peterson at (011) 838-4541.
Casino raids go on

By Bronwyn Wilkinson
Crime Reporter

Detectives would continue to raid Johannesburg casinos despite reports that operators had discovered "loopholes" in the Gambling Act which enabled them to continue operating, police said yesterday.

A spokesman for the SA Narcotics Bureau said police had raided a casino in Orange Grove at the weekend. No one was arrested and no equipment was seized, but investigations were continuing.

Sapa reported yesterday that some casinos in Cape Town were operating on the assumption that no action would be taken against them because of the loopholes.

"Some people appear to believe they can get around the law by operating on credit. But this is not the case," a Narcotics Bureau spokesman said.

"We will continue to raid all casinos," the spokesman said.

Star 16/13/93
M-Net disposes of ITC

By Stephen Cranston

M-Net has sold its business information company Information Trust Corporation (ITC) to Chicago-based Trans Union for an undisclosed sum.

Trans Union is a major competitor of ITC's former parent Dun & Bradstreet in the US, Puerto Rico and Canada.

M-Net chairman, Tom Vosloo says ITC was acquired in 1990 at a time when the television channel was pursuing a strategy of diversification.

Operationally, ITC fitted well into the M-Net group. Despite the recession, it has performed very well over the last two years.

"However, during the last year, M-Net has launched a new African service called M-Net International and is entering the European pay-TV market through a substantial stake in FilmNet.

"Clearly, our focus now is on developing pay-TV markets in Africa and elsewhere."

The price offered by Trans Union gives M-Net a satisfactory return on investment. Vosloo says ITC management supports the deal and will remain with the business.

Larry Howell, vice-president in charge of Trans Union's international operations, says he is delighted with the acquisition because ITC is in a commanding position to be the leading credit information organization in Africa.
M-Net sells ITC to US firm

A MAJOR US-based credit information organisation has given its vote of confidence to investment in SA by acquiring business information company Information Trust Corporation (ITC) from M-Net, for an undisclosed sum.

The acquisition by Chicago-based Trans Union represents one of the few foreign investments in SA this year. Trans Union provides consumer credit information in the US, Puerto Rico and Canada.

M-Net chairman Ton Vosloo said Trans Union, which is privately owned, was one of the US’s largest business information firms after Dun & Bradstreet.

Although Vosloo would say only that M-Net would realise “a substantial capital gain”, analysts put the selling price at more than R60m. M-Net bought ITC in December 1990 for R21m.

Vosloo said M-Net had not been looking to sell ITC, but Trans Union had offered a price which gave M-Net “a satisfactory return on our investment”. The sale should come into effect later this month if some remaining open issues were resolved.

He said that when M-Net bought ITC, it was pursuing a strategy of diversification into compatible business fields. But the opportunities.

He said ITC management supported the deal, and would remain with the business under MD Tony Leng.

Trans Union vice-president in charge of international operations Larry Howell said Trans Union could actively assist ITC, particularly in terms of technology and through being part of an international credit information network.
Casino operators gamble on ‘loophole’

MANY private casino operators will risk all by reopening their doors, hoping that loopholes in the new gambling legislation will prevent police from closing them down again.

Several operators had started trading again in Cape Town and Durban, while Johannesburg’s Casino Royale opens its doors on Friday.

SA Gaming Association chairman and attorney Grant Kaplan said yesterday several of his casino-owner clients had approached him in recent weeks for legal advice on how to continue trading within the Gambling Amendment Act — rushed through Parliament late last year.

The most popular “loophole” left in the Gambling Amendment Act, he said, was the provision that casinos could operate and punters could bet money, but could not receive cash, credit notes, cheques or “anything of value” as winnings.

Kaplan suggested payment could be effected by a third party — a so-called broker — not directly involved with the casino, which would prevent prosecution.

The police yesterday said they were studying the Act and were investigating the modus operandi of casinos which had reopened.
Royalties proposals ‘will protect broadcasters’

OBJECTIONS by the National Association of Broadcasters (NAB) to proposed legislation which would force radio and television stations to pay royalties to record manufacturers for playing their records has caused controversy in the broadcasting industry.

SA Music Industry (SAM) chairman Derek Hannan said the industry was “amazed” that the NAB was opposed to amendments to the Copyright Act. These were in the best interests of broadcasters, because the industry had a dim future without proper copyright protection.

The NAB had said the legislation would benefit only the record companies, would threaten the viability of smaller radio stations, and would force broadcasters to increase their advertising rates.

Hannan said the music industry was merely seeking legal recognition of its right to negotiate terms under which others might exploit the creative work of its members, both artists and producers.

However, the proposed amendment covered payment of royalties to record companies and not to artists or producers.

SA Recording Rights Association outgoing chairman Jean-Loup Tournier, who is head of the French Authors’ Society, criticised the draft legislation for taking into account only the record companies and not the artists or producers.

Hannan said the broadcasting industry had “deliberately misunderstood what it is that the music industry seeks”. It did not want new rights, only the restoration of rights that it held until 1955.

He said the music industry supported deregulation and the introduction of smaller broadcasters, but this had nothing to do with the fundamental rights of music producers and artists.

In another section of the proposed amendment to the Copyright Act, government would introduce a levy on the sale of blank tapes.

Tournier said that since the introduction of a levy on blank audio visual tapes in France six years ago, more than R1,5bn had been collected. The money provided composers, scriptwriters and producers with some compensation for unauthorised home taping of their works, he said.

Commenting on the proposal that broadcasters pay royalties for the use of records, he said although this would be a financial burden on the broadcasters, they would at the same time obtain the right to protect their programmes.
'No gambling loopholes left'

There were no loopholes in the Gambling Amendment Act and members of the public were warned that gambling was an offence for which heavy penalties could be imposed, the senior spokesman for the Ministry of Justice said in a statement yesterday. The so-called loophole which allowed opportunities to play for free and for which no prosecutions would be instituted was being exploited by casino owners to restart gambling operations.
CLOSE CORPORATIONS

Death knell?

Close Corporations are also subject to the new secondary tax on companies (STC). Deloitte & Touche tax partner Anne Pappenheim says private companies have been distributing reserves in anticipation of the reintroduction of tax on dividends. But advisers of CCs generally have not, because their dividend distributions have not been taxed.

To make matters worse, STC is payable even if there is no taxable income. So even tax-aware CC members will be worse off.

CCs typically draw up their accounts well after their year-ends. Many have February year-ends and so will not be able to establish 1993 profits until after Budget day. They will have to pay corporate tax at 48% (the old rate) and STC on dividends on top.

Where there is no existing loan from the member to the CC, the threatened reintroduction of section 88A doom a loan by the CC to the member a dividend? On the old SBR, shareholders in private companies were fortunate if they had capitalised the company with nominal share capital and large shareholders' loans. They could withdraw funds within the limits of their credit loan accounts without falling under SBR's dividend-deeming effect. How many CCs were set up in this tax-efficient way?

SPENDING RISE
(Rbn)
Fiscal year 1993-94
Budgeted spending
Actual spending △% increase
92-93 114.16 — 8.8
92-93 100.68 104.89 81.4
91-92 84.96 86.39 15.3
90-91 72.63 74.73 81.4
89-90 65.02 65.18 16.5
88-89 53.57 55.83 17.9
87-88 48.87 47.45 71.9
86-87 37.57 40.25 22.3
85-86 31.29 32.91 10.3
84-85 24.98 27.13 21.6
83-84 21.16 23.22 16.4
82-83 18.24 19.13 16.7
81-82 18.87 19.43 20.8
80-81 13.08 13.60 18.9

△ Percent increase in actual spending from previous year's actual spending.

will allow a deduction only on a one-for-one basis — one rand for each rand invested. It seems it will include a waiver of interest on underpayment of provisional tax.

McGurk says taxpayers who believe they have a good case will retain the right to reject the offer and go to court. But if — eventually — they lose, they could face a large interest bill, which almost certainly won't be waived.

Deloitte & Touche tax manager Greg Boyd asks why action on movie-related assessments must wait for the judgment on Jake Speed, as this will be decided on its own facts. He points out that tens of thousands of movie-related assessments are outstanding. If only 10% reject a settlement and fight through the courts, the system will be clogged up for years. This points to the logic of settling everything through legislation.

The whole mess confirms the folly of introducing special incentives into a tax system for no objective economic advantage.
Adjusting the strategy

M-Net's disposal of Information Trust Corp (ITC) could represent a shift in strategy towards expanding pay-TV activities in Africa and preparing for a hoped-for new venture into cellular telephony. If the latter comes off, M-Net's investment in cellular telephones, as part of a consortium, could be as much as R125m over the next two years.

Chairman Ton Vosloo is adamant on two points. The sale of ITC to private US information group Trans Union has nothing to do with losses from M-Net's investment in

European pay-TV group FilmNet, which, on projections at the interim stage could be as high as R25m for financial 1992. Vosloo says, however, he hopes the decline in attributable earnings will be less than the market is expecting.

Secondly, M-Net received substantially less than the speculated R40m for ITC, which it bought for R21m at the end of 1990. This was confirmed by M-Net financial executive Steve Pacak, who says an agreement with TU precludes disclosure of further financial details now.

M-Net won't be losing ITC chairman Paul Edwards. He joined M-Net shortly after the acquisition, and as head of subscriber services has become a key figure in M-Net's drive into Africa.

Vosloo says M-Net bought ITC when it seemed logical to diversify into information services. "That was in the dark days of PW Botha, when our investment opportunities outside SA were limited."

Decks cleared

Shortly afterwards, political restraints eased, and M-Net began to spread operations into Africa, as well as picking up what is now a 45% holding in FilmNet.

Pacak says while M-Net received good returns from ITC, it was never an integral part of the business, contributing about 5% of turnover and 6%-7% of profits.

Now ITC is to be sold — there are still some loose ends to tie up, but it's almost certain the deal will go through — Vosloo says the decks are cleared for M-Net to focus on cellular telephony. "Much depends on whether we get an appropriate licence," he adds. Government announced last month two licences would be granted, one expected to go to Telkom.

Whether the licence (if granted) is "appropriate" will largely determine costs. But the consortium, so far comprising M-Net and Cable & Wireless Plc, could be looking at capital costs of R400m over the next two years. M-Net's share could be as high as R125m, though Pacak says funding mechanisms are still to be determined.

This raises the likelihood of another rights issue. M-Net funded its initial R278m FilmNet investment largely through a rights issue in January 1992.

Pacak says M-Net won't get involved in making cellular telephones — rather the group sees its contribution coming from its marketing and customer service strengths. Of course, M-Net's 800 000 strong client base will be a valuable asset.

All of which could explain the strong performance of M-Net's share price since late last year. It has appreciated by 44% since the end of November, the biggest boost coming on government's announcement early in February that licences were to be granted. It seems some investors expect M-Net will be a recipient.

ELLERINE Fm 19/3/93

Second wind

What is it that Eric Ellerine has that every other furniture magnate wants? Well, the last half-year results for Ellerine Holdings for a start. On the face of it, they are so good as to be almost unbelievable.

Unfortunately, comparisons sometimes have little purpose other than to highlight the unusual. And that's what has happened this time. The first six months of 1992's results were horrendous because Ellerine was hit by a series of apparently interminable strikes, picketing and comprehensive union co-ordinated action. EPS fell 32% to 255c and the dividend declined 32% to 85c.

It is against that unflattering result that Ellerine's latest result must be examined. Turnover to February has risen to R409m, but that's only 31% better than in 1991. Operating profit has risen to R57m but that, in turn, implies an operating margin of only 13.9% — 1991's margin was 16.6%.

Still, it would be churlish to derogate from...
Glas Volkmar Schuurman, CE of the SA-German Chamber of Commerce & Industry.

"They knew before they came here that we are suffering from a recession. Only 6 000 people visited the exhibition; it may have been cheaper to have flown them to Germany. But they wouldn’t have seen 144 firms under one roof."

Schuurman explains: "The purpose of the exhibition, and of the BDI visit, was to identify new opportunities. Exhibitors at Naarac didn’t leave these shores with order books filled to the hill, but they left with the impression that they had visited a reliable trading partner. They are looking to the future. Despite being in recession, SA is the powerhouse of Africa south of the Sahara. There is a strong belief that it has passed the nadir of its recession, that it will take off soon and become a world-rated player."

While German companies are scouting the terrain here, some SA companies are sniffing out opportunities in Germany. According to Bernhard Herzog, MD of Herzog Marketing Services, which facilitates access to European markets for non-EC companies, some SA companies are studying the eastern Germany privatisation programme with the goal of establishing subsidiaries in Germany and gaining a foothold in the EC.

SATELLITE TV

Dishing out more stations

Satellite TV, once the illegal preserve of the wealthy, is poised to boom in the local market. Advances in technology have driven down the price of satellite equipment and better reception of foreign stations means more people are tuning in.

Since satellite TV was legalised locally in 1990, about 2 500 systems have been installed, mostly in urban areas. The price has dropped from R30 000 to R7 000-R15 000. A dish that can track all passing satellites will cost about R15 000, but it gives access to a greater number of channels than a fixed-dish system.

"The market is growing and we’re installing about 50 dishes every month," says Aerial Empire Satellite CE Paul Glass. The company, which claims 60%-70% of the market, competes against Aerial King and Satcom.

One of the most significant advantages of satellite TV is that it brings reception to remote areas not covered by conventional transmitters. "In many African countries TV is useless or non-existent," Glass says. "But a significant number of people living in those countries has the money for a satellite system."

Two types of satellite TV are available — C-Band and Ku-Band. C-Band, the older service, uses a larger dish and provides more stations. In SA it has access to more than 30, including CNN, the BBC World Service, M-Net, Bop-TV, French stations TV5 and Canal Horizon, Portuguese channel RTP and the US Information Service. However, decoders — which cost R1 000 each — are needed to decipher M-Net/BBC, Bop-TV and Canal Horizon.

Ku-Band is now the European standard. The system uses more concentrated signals, which means the dishes can be much smaller. So prices of satellite equipment in Europe are much lower, about £1 000 for a tracking system.

The SABC has been using C-Band to transmit TV1 and a number of radio broadcasts since 1986. From 1995, however, the broadcaster plans to introduce Ku-Band to carry TV1, CCV, TSS and some radio transmissions. SABC technology manager Les Vermaak says the aim is to provide 100% coverage of SA. "By going satellite, we are able to provide coverage that is within reach of the public, and it will be cheaper and easier for Sentech (SABC’s signal distribution company) to extend the terrestrial networks where necessary."

Vermaak believes that prices of equipment will drop to R1 000-R2 000 for a full system once Ku-Band is introduced.

While current SABC satellite transmissions can be picked up as far north as the equator, with Ku-Band the signal will be available "in adequate form" only in this country. The cost of installing Ku-Band will run well into six-figures for SABC. Vermaak says, but an exact amount will not be known until negotiations with service providers are finalised.

CORPORATE LAW

White-collar crime, rising and corporate insolvencies are increasing, while corporate rescue schemes and restructurings grab headlines. A two-day corporate law conference — May 17-18 at the Sandton Holiday Inn — will deal with the latest developments in company law and other critical legal issues affecting business.

The conference is co-sponsored by AIC and the FM. For more information, phone (011) 803-9680 or fax (011) 803-9684.

FM 11/9/93 292
The Frost interviews, in which British TV personality David Frost interviewed five local political figures on CCV, had some good results for SABC's "cross-over" channel. Viewing among whites, coloureds and Asians (WCAs) rose to a peak of 6% of the available audience during the programmes. The highest audience in the same slot of the previous week was only 3%.

The most popular interview was the one with Conservative Party leader Andries Treurnicht and the least popular was with President F W de Klerk. DMB&B media director Elana de Swardt speculates that De Klerk's poor showing may have had something to do with the fact that it was on a Sunday, clashing with the M-Net programme, Carte Blanche.

The white audiences, of course, are still rather small. On the nights CCV was getting audience ratings (each rating equates to 1% of the available audience) of six, TV1 was getting 20 and 24. And, as De Swardt observes: "Frost's broadcasts were scheduled within a time slot we normally would use to reach black viewers. While white, coloured and Asian audiences went up, however, we do not know how black viewers reacted because we don't have Ampmeters covering the black audiences yet. A David Frost interview is perceived to be better suited to a Carte Blanche audience."

De Swardt, who is something of a sceptic about CCV, complains that the station still doesn't know what kind of station it's trying to be.

However, as CCV spokesmen point out, it is ahead of its advertising revenue targets and it was the only major TV channel to show an increase in total adult audiences last year, compared with 1991, according to the All-Media and Product Survey (Amps).

Said the spokesman: "CCV is a modern, contemporary station for all SA viewers."

De Swardt also complains that the cost of advertising on the "vernacular" times channels (19h30-21h00) have increased inordinately, compared with 1992. "In my opinion, they have no reason to increase rates like this. They don't have higher audiences or better programming. Nor can one say with confidence that their viewers are happy with the language mix. The time has come for a competitor for CCV viewers."

Says CCV: "The rates for the David Frost programmes were as for the rate card for Newsline, with no loading. We have a demand-driven rate card and in the first five months of 1993 the rates have increased on average by between 17% and 29% in the vernacular channels."
Boss denies big pay rise

For death

Political pact blamed
Gérard Sekoto’s works have a universal appeal which is subtly intimate and inherently beautiful. Barbara Lindop pays tribute to this great South African artist, who died in exile in France over the weekend: Sunday 22/3/93.

Gerard Sekoto. Photo by Peter Johnson taken from Lindop’s book Gerard Sekoto. Main article: Hospital. He drew pictures of his fellow patients, which form an important part of a collection of drawings owned by Sowetan.

Gerard attended drawing classes during the day and played the piano in jazz bars at night.

He was included in many exhibitions and group shows in Paris, South Africa, Venice, Denmark and Stockholm.

In 1946 he travelled to Senegal to participate in the first festival of negro artists. He made many sketches and held two exhibitions in Senegal. He returned to Paris because his companion of 20 years, Marthe Hennebert, had taken ill.

Involved in accident

Gerard Sekoto became involved in an accident and was admitted to the Dupuytren Hospital in Draveil, where he remained until 1987 when he was moved to the old age home for artists in Nogent-Sur-Marne.

During his life Gerard received many awards. Some of these are:

- 1924 - Awarded a Bible and five shillings for his design of a school badge at the Botshabelo Training College.
- 1937 - Awarded the second prize of five pounds in the May Esther Bedford Art Competition.
- 1959 - His poster chosen for the second Congress of Negro Writers and Artists in Rome.

Black art

Gérard has been described as the father figure of black South African art. His painting Sixpence a Door was recently sold at an auction for a record sum of R186 000. As an artist Gérard had no ambition for fame or fortune.

“I had never dreamed of gold, except of spiritual gold, at all costs.”

His paintings embody an empathetic understanding of human nature. His eye is sympathetic to the condition of humanity as he sees it.

His brush embraces the innermost dignity of his subject matter, no matter how humble, wretched and poverty-stricken that person might be.

His paintings are historical records of South Africa in the 1930s and 1940s.

Gérard’s keen eye, his interest in idiiosyncratic detail, sense of humour and intense personal involvement with his subject matter transforms his paintings from impersonal recordings into a world of belonging.

He uses colour and lively brushwork to create original compositional formats from which this intimate and personal world emerges.

Many of his paintings have a beauty and majesty that lifts them from the mundane to wonderful creations in their own right.

The subtle commentary on the social, political and economic circumstances of black South Africans living under apartheid is there for all to see, but the invitation to intimacy and the inherent beauty of the paintings give them a universal appeal.
Black teachers ‘have no option’ but to go on strike

BLACK teachers have hit back at criticism that their chalkdowns are jeopardising the future prospects of their pupils, saying they have little choice but to strike to press their case.

SA Democratic Teachers’ Union (Sadtu) spokesman Albert Chame said black teachers were preparing to strike against the 5% salary increase by government.

About 78% of black teachers earned less than R1000 a month, he said, and many earned as little as R600 a month.

Underqualified teachers in primary and rural schools were most open to exploitation, he said.

National Education Co-ordinating Committee (Necce) president James Manako said teachers were committed to "restoring a culture of learning and teaching", but he added it was difficult to understand the depth of the teachers’ frustrations.

Effective teaching was impossible with such a demoralised teaching corps.

The added pupils were afraid of becoming failure statistics and had decided drastic steps were needed to reverse the downward spiral in education.

The teachers’ anger was only intensified by President F W de Klerk’s statement that the issue of salary increases was not negotiable.

Schools across the country could be thrown into chaos this week when the outcome of the Sadtu national strike ballot becomes known.

There will certainly be disruptions at schools on the national day of action planned by the Congress of SA Students for Thursday.

Teachers have pledged themselves to consult pupil organisations before the day to go ahead with a campaign of action.

Although Cosas is supportive of the move, a canvas of Soweto schools has indicated that pupils are against the strike.

Another dispute between government and SADTU was referred last week after the Department of Education and Training warned that, in terms of its agreement with the union, the principle of "no work, no pay" would be applied to teachers who had gone on strike last week.

Sadtu responded that during the recognition agreement it had clarified a dispute on that principle because of the absence of a dispute resolving mechanism.

The problem is further complicated by the non-adherence to collective bargaining and respect regarding the negotiation of salary increases for educators.

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Games Africa continues to plan national lottery

GAMES Africa is going ahead with its preparations for a national lottery, despite having to cancel a brainstorming session held last week.

The Howard commission of inquiry into gambling asked government to prevent the introduction of various lotteries.

The commission, which has set itself the goal of preventing the introduction of any lottery, was set up by the Prime Minister in response to a request from the Howard commission.

The commission has set itself the goal of installing a national lottery network.

An estimated R500m would be needed to install a national lottery network, they said. All of this money would come from shareholders if the company went ahead with its plans.

The way was now clear, they said, to set up electronic terminals countrywide to record lottery ticket numbers and enter them into a national network for a draw.

However, Games Africa would have to wait until the Howard commission released its findings.

The company said a lottery run by the private sector under state control would raise substantial sums for charity.

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Inquiry into exiles’ funds

A COMMISSION of inquiry has been appointed to investigate allegations of misappropriation of funds and maladministration within the National Co-ordinating Committee for the Repatriation of SA Exiles (NCCE).

The NCCE was formed in 1988 to facilitate the return of SA exiles to the country.

The commission has been set up to investigate the activities of the NCCE and its committees and members.

It would also look into the disbursement of funds contrary to the rules of the organisation, alleged discrepancies in the NCCE’s accounts, and the possibility of fraud and other illegal activities.

Last year R300 000 was stolen from the NCCE. More than R200 000 was recovered by November last year, and two NCCE employees were arrested.

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Adjournment of general meeting

The general meeting of shareholders of the company convened on Friday, 19 March 1993, to notify and approve the reduction of share capital of Racy Group Holdings Limited to 55 million shares.

Simpson McKie Inc. held the meeting on 26 March 1993, to be held at the registered office of the company, in order to provide shareholders with a reasonable time to respond to an application made to the Minister in terms of Section 257 of the Companies Act, 1973 (Act 61 of 1973) which was mentioned in the circular to shareholders dated 25 February 1993.

26 March 1993

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ART AT WORK... Great scope at the age of 76 painting in his studio in Ponds.


Father Figure of Black Sa Art
Indecency
Star 26/3/93
charge for
Pact show

A Pretoria man has laid a
charge of public indecency
and contravention of the Pub-
lications Act against Pact
after taking his 10-year-old
son to see the Rocky Horror
Show.

Willem van den Berg of Ar-
cadia, laid the charge after
witnessing "with horror," the
going-on in the raunchy rock
opera at the State Theatre.

According to the show's pro-
ducer, Colin Law, two uni-
formed policemen demanded
entry to Friday night's sell-out
to "investigate the case."

Police said they booked the
charge but denied officers
were sent to the theatre.

Said van den Berg: "I
thought it might be a bit ra-
que, but I asked the ticket
office if there was an age re-
striction and they said 'no'."

"But even before it started
there was simulated sex with
members of the audience."

Said Law: "We have been all
around South Africa and only
here in Pretoria did someone
take offence."

April 15, 1993
Film subsidy issue to be resolved soon

THE seven-year-old film subsidy dispute was expected to be resolved soon, with the Receiver of Revenue making an offer to investors.

Lawyers representing investors in the industry had expected government to agree for at least R10.50 to be deducted for every R1 invested in a film for tax purposes.

This followed the announcement by Finance Minister Derek Keys in his Budget speech last week that the Commissioner for Inland Revenue will make a formal offer of settlement for all the disputed film scheme deductions sought by investors.

Keys said the offer would be made soon after the outcome of a case involving the film Jake Speed, which was before the Income Tax Special Court of Appeal.

At least 30 000 investors owed about R2bn for deductions they had claimed for film expenses.

Inland Revenue chief director Trevor van Heerden would not speculate on the settlement that would be made by the Commissioner for Inland Revenue. "The settlement will be influenced by the outcome of the Jake Speed case and will be the result of negotiations between the industry and the department."

Among the industry's proposals was a R1 deduction for every R1 invested, Van Heerden said. This was unacceptable to the department which had initially put forward a R1 deduction for every R1 invested.

"I think the settlement will be something between that. Both sides might not be happy, but there should be common ground," judging from past negotiations, he believed the industry was equally concerned about dragging the matter out further.

He did not think there would be new legislation after the settlement, as the issue of the film scheme was treated within the ambit of the Income Tax Act. "I think the industry will still have legal remedies," Hofmeyr van der Merwe partner Pieter Peart expected the commissioner to settle on a R1.50 deduction for every R1 invested.

Hofmeyr van der Merwe was acting for investors in the Jake Speed case.

Fisher Hoffman Stride tax partner Anthony Chait said a R1.50 deduction for every R1 invested, accompanied by the waiving of all the interest due to the Receiver of Revenue, might be a better deal for taxpayers.
Fiddling film-makers

Pretoria Correspondent

Police raids on the South African film industry are expected after the alleged misappropriation of millions of rand in government subsidies by film companies.

Sources said subsidies totalling R18.5 million from the Department of Home Affairs had been misappropriated by film companies over the past three years.

Police spokesman Lieutenant Evan Johnson confirmed a number of film companies had been under investigation by the Pretoria Commercial Crime Unit for the past two years.

It is believed the film companies allegedly "fiddled" box office figures to obtain huge grants under "the old system" of subsidies.

Film-makers also handed in documents which claimed their locals films were showing at cinemas but investigations showed these cinemas had screened other films at these locations and these times.

The "old system," which came into operation in February 1990, granted unlimited subsidies to South African film-makers in an attempt to encourage local productions and stimulate the local industry.

However, the "old system" ends on April 1 when a new system is introduced which severely curtails government subsidies to the local film industry.
SPORT SPONSORSHIP
Scratching for survival

Are certain local sport administrators finally learning that efficient business practices and sound sporting policies must take precedence if SA is to return to the international sporting arena in any meaningful way?

This certainly seems true for tennis. Tennis SA's request last week for the secondment of Standard Bank communications man John Gault as acting CE seems to be an admission that there's some urgent business on tap.

Gault, whose secondment is for only six months, joined Tennis SA at a time when the organisation has so far failed to get a major private-sector sponsor for next week's SA Open in Durban. The tournament will go ahead only because of a last-minute government rescue effort to the tune of R700 000. A further R500 000 has been put up by the Durban City Council and Durban Publicity Association. The organisers are relying heavily on ticket sales to cover the other costs.

Says Gault: "We simply have to get more marketing orientated and we must become commercially viable if we are to survive."

Gault, a former FM senior editor who has headed Standard's communications operation for several years (Standard has been a tennis sponsor since 1978 and now sponsors the World Doubles Championship), says finance is a problem facing most sport administrations.

He explains that government's abrupt withdrawal last year of generous tax incentives for sponsors — rebates of up to 180% — is the main reason for the lack of funds. "These rebates helped to offset the high costs of sponsoring a sport such as tennis, golf, cricket or motor racing — costs that are mostly calculated in overseas currencies."

Certainly, the generous tax rebates attracted a host of opportunity seekers who have now bowed out. But Gault says many companies that sponsored sport partly as a social responsibility have thrown in the towel because they face more pressing appeals for assistance in education, health and welfare.

And, as international sport opens to SA, different ones will have to compete for limited funds. Says Gault: "Gone are the days when administrators merely had to hold out their hands. Administrators will have to emp-

bark on aggressive marketing policies that show sponsors that their sport is competitive — media-attractive, hospitable and stylish. We have to add value to entice sponsorship."

But this type of thinking is somewhat alien to many administrators who are not geared towards marketing. "They tend to be a bit complacent," he says. Gault stresses that sponsorship must come from the private sector rather than from government.

Worksman's commercial partner Derek Rabin, who specialises in entertainment law, says: "Companies increasingly adhere to budgets; so trying to obtain sponsorship in an unplanned, ad hoc fashion won't succeed in eliciting funds."

He suggests that the credibility of the event and the sponsor are enhanced by a long-term relationship. "The two tend to feed off one another. The longer the sponsorship relationship, the greater the benefit to the sponsor and the credibility of the event — Lexington has sponsored the PGA golf tournament for around 20 years."

Gault confirms that there will be a restructuring of Tennis SA. The 12-member management committee — consisting equally of white establishment administrators and the black Tennis Federation of SA members — is likely to be reorganised to include business experts.

"In six months' time, I would like to see a broader range of sponsors for Tennis SA, an efficient and commercially orientated administration, further progress towards unity in the sport and effective development programmes. Six months isn't very long, but at least we can make a start."
Film firms deny subsidy scams

LOCAL film companies have hit back at allegations that they misappropriated Government subsidies and have blamed private distributors and corruption among Government officials for the industry's problems.

This follows yesterday's report of an impending police blitz on the South African film industry over the alleged misappropriation of R18,6 million in subsidies from the Department of Home Affairs over the past three years.

Police spokesman Lieutenant Evan Johnson confirmed that a two-year investigation had been conducted into the affairs of a number of film companies.

**Unlimited**

He said the probe was continuing.

The film companies are alleged to have "fiddled" box-office figures to obtain huge grants under a now-defunct system which saw the Government grant unlimited subsidies to South African film-makers in an attempt to encourage local productions and stimulate the local industry.

Informants allege one film company supplied false information to Home Affairs to gain greater financial benefits for the film The Devil and the Song. The film, starring creenr Bles Bridges, was one of those allegedly shown at a non-existent cinema.

It is also alleged that some theatres did not show the films they were said to have screened and that box-office figures were inflated.

It has also come to light that the film-makers used distributors, who contracted sub-distributors, who in turn contracted sub-sub-distributors.

Distributors and corrupt Govt officials blamed

**MOVIE makers have hit back over charges of misusing funds. Our Pretoria Correspondent reports.**

Film-makers are also alleged to have handed in documents which claimed their local films were showing at cinemas - which investigations had subsequently proved to be untrue.

Sources confirmed that 44 films, 1,100 locations - including cinemas, school halls, city halls and community centres where films were allegedly shown - and 28,996 box-office statistics were being investigated.

In response, at least one film-making company said it had repaid some of the money given to it by Home Affairs and the now-defunct Bureau for Information because it "smelt a rat". It said it had repaid about R200,000 to Home Affairs after it discovered "inflated" box-office figures, films being shown at non-existent cinemas, and theatres not showing films as claimed by the distributors. A Home Affairs spokesman said the department could not immediately comment on the claims.

One film-maker alleged corrupt officials of the Bureau for Information - when that department controlled film subsidies - were in partnership with "shady distributors" and received money for handing over greater subsidies.

**Inflated**

"Our films are distributed through Ster-Kinekor. We once dealt with a private distributor and ended up having to repay the Bureau for Information because he inflated box-office figures." said Eduard Bold, director of Toyon Films, said he had a similar problem and had to repay the Bureau of Information about R10,000.

"Poor administration by the Department of Home Affairs and the Bureau for Information, in addition to crooked distributors, are to blame for the scandal," said Bold.

It was hoped that the new system, which severely curtails Government subsidies to the local film industry and which comes into effect on April 1, would go a long way towards curbing the rackets, a Home Affairs spokesman said.

Edgar Bold, director of Toyon Films, said he had a similar problem and had to repay the Bureau of Information about R10,000.

"Poor administration by the Department of Home Affairs and the Bureau for Information, in addition to crooked distributors, are to blame for the scandal," said Bold.

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Govt decision on gambling soon

CAPE TOWN — The Government's decision on gambling and lotteries will be released within weeks, Justice Minister Kobie Coetsee said yesterday after receiving the Howard Commission report.

"The Government will study the 145-page report and make known its contents in due course. I am convinced the report will give us the necessary answers into the matter," Coetsee said.

He said the commission had completed its task in record time — an indication of its understanding that the matter was of paramount interest to the public.

The report, which will be tabled in Parliament, was compiled by the chairman, Mr Justice J Howard, Judge President of Natal, and Professors S A Strauss and N Mahanyele. — Sapa.
We're clean, say film companies

LOCAL: film companies have rejected allegations that they were involved in misappropriating government subsidies and have instead blamed private distributors for the scandal.

At least one company said it had repaid some of the subsidy given to it by the Department of Home Affairs and the now-defunct Bureau for Information after it had "smelt a rat".

It said it had repaid about R200,000 to the department after discovering that some box-office figures had been inflated, films "shown" at nonexistent cinemas and theatres not showing films as claimed by the distributors.

A Department of Home Affairs spokesman said the department could not immediately comment on the film-makers' claims.

One film-maker alleged that corrupt officials from the Bureau for Information — when that department controlled film subsidies — were in "partnership" with "shady distributors" and received money for handing over inflated subsidies.

"Producers would use private distributors to distribute the films around the country. They in turn would contract sub-distributors who would then contract sub-sub-distributors to gain greater financial benefits," the film-maker said.

Mr André Scholtz, who handles the administrative side of comedian Leon Schuster's company Rokus Troika, said his company no longer dealt with private distributors.

"Our films are distributed through Ster-Kinekor. We once dealt with a private distributor and ended up having to repay the Bureau for Information because he inflated box-office figures. But we were lucky the amount we had to repay was only a small one," said Mr Scholtz.

"Mr Edgar Bold, director of Toron Films, said he had a similar problem.

"We consulted the Bureau for Information because highly optimistic box-office figures were submitted by the distributor. We had to repay the bureau about R10,000," he said.

"Poor administration by the Department of Home Affairs and the Bureau for Information, in addition to 'crooked' distributors, are to blame for the scandal," said Mr Bold.

"The film producers are not to blame for this mess. Some of these films with inflated box-office figures go back about five or six years," he said.

Both Mr Bold and Mr Scholtz said they had not repaid any money to the Department of Home Affairs because all their business with the department was "above board".

Police said the investigation was continuing.
AHI wants ceiling on wages, prices

THE Afrikaanse Handelsinsituut (AHI) has asked its members to hold wage and price increases to 5% or lower for the next two years in line with the declining trend in money supply growth and inflation.

AHI chief economist Nick Barnardt said yesterday his organisation had taken the decision in line with its support of Reserve Bank policies to combat inflation.

The decision was also aimed at trying to prevent further declines in business volumes.

“THe AHI general management accepted a motion at its six-monthly meeting to encourage members to hold price and wage increases to below 5%. The message of discipline should be communicated to members and the broader business sector,” he said.

Inflation would peak close to 11% as a result of the VAT, fuel price and other increases included in the Budget, Barnardt said.

However, he saw it falling sharply after that, possibly to 5% in 1994.

He said any temptation to raise interest rates to protect the balance of payments should be resisted in light of the decline in inflation and money supply growth as well as the deepening recession.

The pressure on the balance of payments should rather be reduced by mainly continuing the fluid exchange rate policy and the “overall laudable monetary policy flexibility” of the past six months.

In the current recession, a moderate real depreciation of the rand would have a minimal negative effect on inflation, but would actively encourage exports.

He said the AHI continued to support the Reserve Bank’s focus on disciplined monetary expansion, which implied that interest and exchange rates were largely determined by the market.

Once the balance of payments stabilised, he expected a further cut in interest rates in response to low credit demand.

This would partially offset negative effects of the hike in VAT and other taxes would have on the business cycle and could help prevent a deepening of the recession, he said.

Talk of VW layoffs ‘premature’

VW SA said yesterday it was too early to say it would be retrenching more than 2 000 workers this year.

But up to 1 000 workers were in danger of being laid off in the near future, VW human resources director Brian Smith said 500-1 000 jobs at the Uitenhage plant were “currently under review” because of a sharp drop in exports and a declining local market.

Numsa national organiser Gavin Hartford said on Tuesday the car manufacturer had proposed rationalising 2 270 of its workforce this year.

VW said talks of staff reduction was “premature” and dependent “on the impact of the recent Budget on the local market, the outcome of various current export confidential discussions under discussion and the success of the new Golf and Jetta range”.

Smith stressed the company would try to “achieve reductions through voluntary packages offered to all employees, early retirement, outsourcing and natural attrition”.

He said VW SA was renegotiating a contract to supply Jettas to China.

The future of workers involved with exports to China would depend on the outcome of the negotiations and on local market conditions.

Putco, Sabta pledge not to raise fares

PUTCO and the SA Black Taxi Association (Sabta) fares will not increase when fuel prices go up tomorrow.

Putco MD Jack Visser said yesterday the bus company would absorb the increase of 16c/l on diesel for three months. Sabta also said it would not increase its fares and was negotiating with the Mineral and Energy Affairs Department for a “special consideration” for taxis.

Visser refused to say how much it would cost Putco to absorb the increase. “We are so close to our annual increase on July 1 that we did not feel
TAX ON MOVIES

The unforgiven

The great movie tax saga has come a step nearer to its close. The FM has learnt that the judgment of the Transvaal Income Tax Special Court, in the important test case over the movie Jake Speed, has gone against the taxpayer. The Special Court reached its decision on the basis of Section 103 of the Income Tax Act, the general anti-avoidance Section.

The movie saga is a case history of how not to manage a tax system effectively and how to achieve maximum ill-will between Revenue and taxpayers. It started with highly favourable rulings given for the making of King Solomon’s Mines and culminated in the enactment and subsequent amendment of Section 24F of the Act, which provided a more restricted and highly regulated basis of deduction for movie expenses.

In March 1989, the exporter’s allowance previously granted under Section 11bis was severely curtailed. This spelled the death-knell of movie schemes as previously structured.

During the heyday of the movie schemes in the mid-Eighties, the promoters of schemes would form, typically, partnerships en commandite, with the investors who wanted a tax shelter as undisclosed partners. The cost structure of the movie syndicates was manipulated, judiciously in the more reasonable ones, recklessly in others, to create a heavy front-end load to the financing and hence the cost structure.

This type of structure, coupled with Section 11bis, could create significant gearing effects, though substantially less under Section 24F than previously. Before Section 24, every rand invested in a scheme could yield the benefit of three, four or even more rands of deductions, with a tax saving of half or even more of the deduction, depending on the tax rate applicable to the participant; this even allowing for the loss of the taxpayer’s original stake. But, after the enactment and amendment of Section 24F, the benefits would rarely have been in excess of three times.

Over the years, deductions claimed seriously eroded the tax base and there was great irresolution at Revenue as to how to assess the tens of thousands of returns claiming movie-related deductions.

The departure of one Minister of Finance and the instalment of another, free of any possible embarrassment related to the problem, has afforded an opportunity for government and Revenue to get off the hook — this through a rough and ready compromise which would give taxpayers some benefit from the deductions claimed, even if it falls far short of what some might well be entitled to in strict tax law. A promise to make a general offer of settlement was held out by Finance Minister Derek Keys in his Budget speech.

Many taxpayers have sound cases for being allowed their highly geared deductions on the basis of the law as it stood at the time, often on the additional basis of favourable rulings by the Commissioner. While those rulings are binding only in cases where he has a discretion to grant a particular deduction, in other cases assessing against the tenor of a ruling should be regarded as a serious breach of trust.

While it is true that the applicability of Section 103 has to be decided on the specific facts of a case, the result in the Jake Speed case may tempt Revenue to be less generous with the promised general offer of settlement than if the result had gone the other way.

There were indications, well before the Jake Speed judgment, that Revenue would offer one rand of deduction for every rand of money committed to a movie scheme and, most important, coupled with a waiver of penalties and of interest on insufficient provision payments made on the assumption that a scheme was valid.

At the time most money was put into movie schemes, companies were being taxed at 50% and individuals at 45% or even 30%. So the actual benefit from a one-to-one allowance would be around a half. This, says one tax specialist, would not be enough to persuade large taxpayers presently in the stocks to settle, though the smaller fry might take the bait. To tempt the big players, the minimum that would be required is of the order of 1.6 to one, which would yield a benefit of around 80% of the money committed. Ideally, an offer of two to one could be relied upon to persuade almost all taxpayers to settle.

Any basis of settlement will almost certainly be formalised through a specific amendment to the Act, which would provide Revenue with an unambiguous set of guidelines for assessing all the taxpayers involved in movie schemes. This would presumably be announced by a press release once Revenue has reached a decision on the basis for a compromise.

Robin Friedland
Creative activity has no fences.

Cross, 215/1938

By Stanley Keval
Artists meet at Joseph Stone

A conference to involve cultural organisations and artists in the growth of the arts community in the Western Cape will be held at the Joseph Stone Auditorium on Saturday.

The conference, to promote the aims of the National Arts Initiative (NAI), is being organised by a steering committee elected at the National Arts Policy Plenary (NAPP) in Johannesburg last year.

Under discussion will be the plenary’s statement of intent, including:

- Building unity and co-operation in the arts community
- Arts institutions, particularly those publicly funded, should not be dictated to or controlled;
- Correcting historical imbalances in the distribution of skills and resources;
- Establishing ways to formulate policy, strategy and funding structures;
- Ensuring arts education at all school levels.

Representatives of cultural organisations and artists are welcome to attend.

For more information, contact Michael Williams or Liesl Hendriks at 448-6951 or 697-2409.

Juanita Williams
South Africa, Design a Flag for a Democratic South Africa

Design a Flag

Rule 5

Rule 4

Rule 3

Rule 2

Rule 1

Page 34-35/1973

Flag Contest Winner

competition

SOUL?

DISPLAY: THE ALC'S Kosher Annual Edition

Photo: Yusuf Hlomenda

symbol which united all com-

across the country as a sign of a

independence. The "flag of

Second prize was won by Liam

and the AKS. The flag

and the AKS' flag were

and the AKS' flag are

nations and can easily be recog-

"The" South.

THEME was an enthusiastic

1972
VIOLENCE
and an open hand

A celebratory dance will be performed as part of the programme.

“Arati” comes from the Tamil word meaning “prayer” and combines contemporary, African and South Indian dance.

The performances will be from April 14 to 18 at 8.30pm.

A bus has been donated by Golden Arrow to transport groups to and from the performances.

Community organisations, women’s groups, unions and factory shop stewards are welcome to arrange for groups to attend the show by contacting Jessart at tel. 24-5348 or 24-6931. There is a charge of R5 a person.

Juanita Williams

UNCLENCHEING THE FIST: From top to bottom, John Linden, Busiswa Ngebulwa, Corinne Shaw and Simphiwe Mngazi
Tutus, Troupes, and the SADF

Tutus, Troupes, and the SADF
Democracy without fear and trembling

POLITIANS wreck the framing of the motions of winning and losing an election.

AN INSTITUTION, ORDERED TO MORMON

The Christian Chronicle
sizzling! Contentious issues that were avoided by the SABC and the performing arts councils boiled over in a variety of plays.

New angry voices were raised on almost every issue, from gender to the anti-conscription campaign, from detention without trial to government corruption and police brutality.

Like yeast steadily rising through lumpy and unyielding dough, South African plays about South African issues, written from dissident points of view, exerted their pressure.

The Grahamstown festival had ceased to be a local celebration of local history. It had become a seed-bed for the country's culture.

Acquiring that prominence, of course, created other problems. In the ensuing years, activists from many groups tried to hijack the festival, insisting that nothing other than ideological agit-prop should be performed.

Barbara Masekela arrived one year to unveil a shadowy and menacing thing called the ANC culture desk, with its largely unidentified staff of neo-Stalinist cultural police.

She rapidly turned herself into the ANC equivalent of Andries Treurnicht by saying an aggressive non-negotiable "No!" to anything that did not suit her narrow ideological purpose.

It was, however, a takeover bid that failed. The festival preserved its independence and its credibility by simply reflecting changing realities.

This year's festival line-up is instructive in this regard. Apart from one Shakespeare and a British play about Sir Thomas Beecham, all the plays in the main festival are South African.

More interestingly, all the people who would once have featured on the fringe are now part of the establishment main festival.

Returned exile Duma Ndlouv has joined forces with Mbongeni Ngema to create Sheila's Day, about the civil rights struggle seen from a woman's point of view.
QUESTIONs

14. Mr T ABRAMHS asked the Minister of Home Affairs:

(1) How many (a) Whites, (b) Blacks and (c) other persons legally immigrated into the Republic in each specified year during the period 1 January 1982 to 31 December 1992?

(2) whether any incentives are offered to potential immigrants; if not, why not; if so, (a) to which of the above three categories of persons and (b) what are the details of these incentives?

The MINISTER OF HOME AFFAIRS:
Mayors muse and amuse on municipal morality

Municipal Reporter

BELVILLE mayor Mr Awie Kempen was not amused when appeals for greater control over escort agencies caused his city to be the butt of some ribbing from other municipalities.

For the second time in two years, Belville sought help from other councils in asking for the law to be changed so business licences can be refused on moral grounds.

Licence applications can be turned down only if health laws or the zoning scheme would be violated, or if the applicant is of "unsuitable character".

An appeal by Belville to Administrator Mr Kobus Meiring to close down the city's escort agencies failed because the law did not allow this.

"Not one inhabitant of Belville is in favour of escort agencies," Mr Kempen said.

But Mr M C Malan of Wellington said Belville should move with the times. Once upon a time, councils had frowned on resting of videos on Sundays and cinemas being open on Sundays. Some councils still opposed topless bathing, he said.

One had to think of the benefits to the prosperity of one's town. "We would all have been able to gamble had it not become a party political issue," Mr Malan said.

Councillors should not impose their own values on their town, he said.

Vredendal mayor Mr J Coetzee rose to tell a joke about a Namaqualander and an escort agency woman in a Belville hotel.

Miltonnert mayor Mr D Krynauw followed with one about someone visiting Belville, asking to see the escort agency, and being shown to a Ford dealer.

CPMA president Mr Danie Schmaan reminded councillors they were discussing a motion.

Upington mayor Mr G J Estabuizen said local government was meant to govern, and should decide what was best for the electorate instead of trying to be popular.

"We are supposed to be a responsible government," he said.

Mr Kempen's woes were not over. Goodwood councillor Mr Louwietelle Rothman told delegates after the lunchbreak he had had an urgent message to phone a certain number.

"It had been an escort agency in Belville."
Kerzner announces restructuring after resignation of Rosevear

By Magnus Heystedt
Finance Editor

Sun International yesterday announced a major restructuring of its top management.

This follows the resignation of current MD Ken Rosevear (43) "for personal reasons".

However, Rosevear will stay on until the end of June to facilitate the transfer of executive duties to his successor Peter Venison (51).

Venison is currently deputy MD in charge of operations.

Peter Bacon (46), at present responsible for the group's European and Indian Ocean operations, will assume the position vacated by Venison.

Sun International chairman Sol Kerzner said yesterday that he had with great regret accepted the decision by Rosevear to resign.

"Ken has indicated that he would like to pursue his personal interests and much as I would like to, I cannot stand in his way," Kerzner said.

Other management changes include the appointment of Martin Gatto, currently financial director of the group's UK and Indian ocean interests as MD of the division, while Kerzner's son Butch (33) will take on more executive responsibilities in the same area.

However, he retains his position as director in charge of development and acquisitions.

Commenting on current trading conditions, Kerzner said that like all other businesses local operations had been affected by the downturn, which had put considerable pressure on disposable incomes.

"The latest bout of unrest has led to some cancellations from overseas, but hopefully this trend will reverse itself once the political situation improves. In the medium term I am still very optimistic," he said.

Commenting on certain alleged structural defects at The Lost City, Kerzner described these rumours as "absolute rubbish".

Kerzner said the group had plans for further developments in the Indian Ocean, which he said was developing quite dynamically.
Escort operations may be put to vote

LOCAL referendums over whether or not to permit escort agencies to operate in various towns or cities could be held in future.

A motion suggesting this by councillor Mr A P Kempen of Bellville was met with approval at the Cape Province Municipal Association's 600-delegate congress in Strand yesterday.

He said changes to the Businesses Act should be investigated "to make provision for a local authority to test public opinion on applications for certain categories of business which might be unacceptable on ethical/moral grounds."

Mr Kempen said what was acceptable in one area was not necessarily so in another. Many people felt humiliated by having an address in the same street as an escort agency, he said.

Dr F A Mouton of Wellington said giving local authorities a say over what businesses could operate in their areas led to the closure of video shops on Sundays in Hartenbos, and the Sunday closure of municipal swimming baths elsewhere.

"You should not impose your own feelings on an whole town," he advised. "Escorts do whatever they do in silence; at least."
Rosevear quits Sun International

SUN International MD southern African operations Ken Rosevear has resigned and will leave, the leisure group in June to pursue other interests.

He is leaving after steering the group through the most difficult period in its history.

The group’s gambling operations have been hit by recession and unregulated competition, while a fall-off in tourism has affected its hotels. It also suffered labour relations problems.

Rosevear, MD since 1985 and a close associate of chairman Sol Kerzner, said yesterday his split with the group was amicable but that he wanted to move on to “new challenges”. He would relinquish his directorships in Sun International, Kersaf and Safren.

He had no plans yet, but said: “I’m confident that some good offers will be made.”

Rosevear said he had raised the issue of his departure last summer.

He had decided to stay with the group until the Lost City and Wild Coast projects were up and running.

The company has reshuffled its management. Deputy MD Peter Venison takes Rosevear’s chair, and foreign operation head Peter Bacon replaces Venison.

Rosevear said the company was well placed with its new management team.

Kerzner said yesterday: “This is a non-stop job, you get calls day and night. It does wear you down.”

“The company has grown and prospered under Ken’s direction, and his astute grasp of the business will be sorely missed.”
Dance to Democracy

By REG RUMNEY

It's a novel idea, but will it make the Top 40?

One of South Africa's top rap groups, Prophets of the City, has joined forces with the Centre for Development Studies (CDS) to educate the youth about voting. The "rapping for democracy" tour of high schools starts next month. It is an extension of the CDS' voter education programme.

In the project, funded by the Danish Ministry of Foreign Affairs, the Prophets will put on a show lasting about 40 minutes. Apart from explaining the concept of democracy the show will also have a dance demonstration of how to vote.

Intrigued by the idea of putting rather dull but worthy concepts into a popular music form, this reporter tried his hand at rewriting this story in rap. He's sure the Prophets will do much better.

Now listen people do you know how to vote?

Cast your ballot or you'll miss the boat to freedom and peace.
To make your choice you gotta raise your voice.

UWC Development Studies have called in their rap buddies.

Now the Prophets of the City Are "rapping for democracy".
Project Vote will travel through the land
doing their thing to make people understand and through a dancing show too tell the new voters what to do.
Cultural weapons at the ready

LIE most debates around the future of cultural activities in this country coincide, the ANC National Congress' upcoming Culture and Development Conference is full of sound and fury. What it actually signifies is a different question altogether.

The conference, scheduled to take place under the auspices of the ANC's Department of Arts and Culture (DAC) at Johannesburg's Civic Theatre between April 25 and 27, is, in the words of a major initiative to rally South African cultural stakeholders from all walks of life together with international observers to contribute jointly to the formulation of a comprehensive and equitable arts and culture dispensation for an emerging democratic South Africa.

It sounds grand and noble enough. But the direction taken by the conference has led to widespread protest from the cultural community. The issues are as contentious, as complex and, one might add, as essentially depressing as these things are usually.

But they come down to a series of simple accusations: that the ANC's DAC in essence tries again to censor the course of cultural development in this country. That the DAC is trying to subvert the interests of culture to its own political interests. That it is trying through the back door to take away from cultural organisation their role as facilitators and mobilisers of public opinion to pieces of the ANC's ill-starred cultural desk.

Ironically it is organisations which the DAC itself has often upheld the failure of the desk which are most concerned about what is going on.

In the aftermath of the non-violent South African boycott of the 1960s and early 1970s that was the cultural desk, the dominant thinking in the ANC on culture has been that it should function within the realms of political and not only cultural aims. The desk has been since the bludgeon weapon of the struggle; because in the years of the cultural boycott. Instead of a new, progressive, politically aligned vision should be nurtured and allowed to take root more or less independently of political parties and in advance of the new democratic dispensation.

Of course, the ANC has been neither consistent nor united in its commitment to these goals. But, to cut a long and often cloudy chronicle story short, such discipline-based cultural organisations have taken the anti-cultural art decade.

Notably the arts in film, drama, literature and dance. While loyal to the anti-apartheid movement, organisations like Sana, Fawo, Pave and Cosaw have focused increasingly on the interests of artists rather than on the interests of politicians.

During the course of last year, a series of meetings between the new generation and representatives of the older generation led to the National Arts Policy Plan (NAPP). Here it was decided, among other things, to work towards the formulation of a single unified national body representing practitioners in the field of arts and culture. This would represent the cultural communities and relations to present and future governments. The initiative would culminate in a convention to be held in December 1990 when a very wide range of groups, all the way from the performing arts councils and the Federative van Afrikaans Kultuur to the A-frongs, would come together to frame artistic policy.

Co-ordinator Mike van Graan defended the guiding principle behind it: "We wouldn't be democratic unless those other interests were also represented. The whole thing will be guided by a spirit of inclusiveness, involving participants to basic democratic values."

However, this approach has led to its own set of difficulties. For example, Fawo, while being prosecuted by the state for holding demonstrations at Pact, was sitting in committees with Pact.

Cultural commissioner A sculpture by Bruce Arnold strikes an appropriate note with the DAC. Let us spell this out: a meeting with this country, the future summing up the African National Congress' upcoming Culture and Development Conference this weekend with some old habits die hard. IVOR POWELL reports in the run-up to the ANC's Culture and Development Conference this weekend.

Atheatic boycott rules and regulations may have been done away with, b some old habits die hard. IVOR POWELL reports in the run-up to the ANC's Culture and Development Conference this weekend.
Judge tables plan for legal gambling

CAPE TOWN - The Howard commission has recommended legalising a plethora of gambling operations under strict national regulation.

Its report yesterday recommended the legalisation of a single national lottery and football pool, the extension of sports betting, the re-introduction of dog racing, the licensing of about 10 more casinos in SA and the establishment of a national gaming control board.

The commission, set up under Judge James Howard to inquire into the desirability of gambling and lotteries, sidestepped ethical questions, saying it would be futile and even dangerous, to attempt to stamp out gambling by prohibition.

Government's initial reaction was to warn that the recommendations should not be regarded as an indication of policy. Justice Minister Kobie Coetsee said government would make its position known within three weeks and legislation could be introduced this year.

However, he suggested a positive response by government to at least some of the proposals, saying the criteria government would use to make its decision would be the need to reap tourist revenue and to boost funding of social welfare projects.

The report proposed government grant conditional, numbered, casino licences to developers who established major tourist resorts with hotels outside metropolitan centres. The resorts should be in areas not more than an hour's drive from metropolitan areas.

"As the Sun International casinos have been 'lawfully established in the TBVC states, we assume that they will continue to exist in the event of those states being reincorporated with SA, but they will have to face competition from new casinos established pursuant to our recommendations," the report said.

The commission recommended casinos be established in the western Cape, in the Port Elizabeth area, on the Natal north coast, in the Drakensberg near the Vaal Dam and in the northern and eastern Transvaal. Casinos should pay an annual licence fee of about R50 000 and possibly a 15% levy on the gross casino winnings.

The report confirmed earlier reports that it would propose a single national lottery, to be run as a commercial enterprise by a statutorily created and government-controlled agency. Existing lotteries should apply to a new national lottery board for registration. Evidence indicated 22%-27% of turnover should go towards social welfare.

It recommended a single national football pool regulated by the national lottery board, the board would not run the pool but grant the franchisee to a pool promoter.

The report recommended that licensed bookmakers and TABs be permitted to accept bets on sporting events to help control the industry. It also recommended dog racing, as this would provide employment. Bingo should be legalised and new machines approved for gaming installed in both live sporting or social clubs.

KATHY STRACHAN reports that NSL CE Kgomo Kgomo Modise said he was "overwhelmed and overjoyed" at the report of a soccer pool, with funds going to sports development, as this would be a windfall for the virtually bankrupt soccer fraternity. But United Cricket Board of SA MD Ali Bacher warned that legalisation of sports betting had to be handled with caution to ensure sportsmen's performance was not influenced. He said gambling was not influenced, he said the tote at the stadium would draw people.

Sun International MD for southern Africa Ken Rosevear said his initial response was in favour of the recommendations. The company supported the limitations. The company supported the limitations. The proposed that casinos be outside urban areas meant they would not pose a major threat.
Govt urged to allow casinos to open in SA

CAPE TOWN - At last 10 casinos should be allowed to open in South Africa and should be linked to tourism, development, Mr Justice Howard has told the Government.

Howard, Judge President of Natal, was chairman of a commission that looked at gambling in SA. His report was tabled in Parliament yesterday.

Suggesting that 10 casinos be opened, he set an annual licence fee of R300 000. They would be controlled by a Gaming Control Board. At least 15 percent of the turnover would be paid to the Government in the form of a levy.

Howard said Sun International entertained 8 million casino patrons a year in the TBVC states. The patrons spent between R700 million and R800 million a year on gambling.

At the beginning of the year, there were 2000 casinos operating in South Africa. Of these, 250 better-class establishments had an annual turnover of R1,2 billion.

The commission eventually decided that casinos could be developed as tourist resorts. They would be located at least an hour's drive from metropolitan areas, and would help to attract more overseas visitors.

The commission recommended that the casinos be in the western Cape, the Overberg Bay/Blouberg area, Natal coast north of Durban, Drakensberg, one to the east and one to the south of Johannesburg, and in northern Transvaal and the eastern Transvaal.
National lottery on cards

Board to choose the games to be offered in a single national lottery.

If, however, the Viva and Ithuba scratch-card games — which had generated R65,2 million and R71,3 million respectively within a few months last year — continued, the market for that type of scratch-card lottery would be saturated and there would be little point in launching a national lottery with an instant game.

The commission recommended, therefore, that the national lottery commence with an online Lotto game. The Natal Lotto, which was initially successful, demonstrated its viability. However, the Natal Lotto was an illegal lottery.

Totalisator Agency Boards had the necessary on-line equipment which could be inexpensively adapted to accommodate a lottery format. Using the TAB's 290 outlets countrywide would also help the horse-racing industry. Post offices, banks and building societies could also be agents.

Small raffles and lotteries as encountered at school fetes or church bazaars were innocuous and should be legalised.

Office and club sweepstakes should also be legalised but should be limited to members of the staff or club.

The commission recommended that existing lotteries and scratch-card games be allowed to continue until the funds they generated could be replaced out of the proceeds of the national lottery.

Operation of existing lotteries should be granted temporary immunity from prosecution and allowed to continue for at least one year on condition they registered with the National Lottery Board.

The commission also recommended that the national lottery should eventually offer a scratch-card game as well to cater for the less sophisticated.

CAPE TOWN — A single national lottery, statutorily created and run as a commercial enterprise by a National Lottery Board, should satisfy the popular demand for this type of gambling, according to the Howard Commission of Inquiry report tabled in Parliament yesterday.

The net proceeds, after prizes and expenses had been deducted, should be used exclusively for welfare, health, education and social purposes.

The lottery should also be exempt from VAT.

Each province should have a statutory, independent board charged with the distribution of the proceeds, which should be proportionate to the sales generated in each province.

The cost of setting up provincial boards and distribution of funds should be met from lottery proceeds, but the costs of setting up the lottery would have to be borne by the State. It would be up to the five-member National Lottery Board to decide how these funds would be distributed.
By Brendan Templeton

New recommendations by the Howard Commission for gambling in South Africa have drawn cautious optimism from some quarters, while others say they have not gone far enough.

While scratch card organisers Games Africa welcomed some aspects of the report, it said the recommendation that its business be phased out was unwarranted.

Democratic Party justice spokesman Tony Leon said the report vindicated the DP’s opposition to the “rushed” passage of the Gambling Amendment Act (GAA) through Parliament last year.

It supported the party’s calls for controlled and regulated gambling in South Africa.

He was supported by Games Africa attorney Professor Henry Vorster that the state should not run a lottery.

He said: “We don’t share the faith of the commission in the civil service to run a commercial enterprise properly.”

He also hit at the commission’s findings that Games Africa and Ithuba had been making excessive profits. The commission had not heard evidence from the companies and had turned down their requests to submit evidence to it, he said.

Games Africa had pumped a lot of investment money into its operation and had operated at a loss. Investors had been looking forward to reaping profits only after two years of operation, he said.

Games Africa commended the commission’s finding that existing scratch card games be allowed to continue.

The commission recommended that, they only be replaced once the funds generated could be replaced by a lottery.

Robert van der Merwe of the River Palace Group, which had to close down its six casinos and retrench most of its 3,000 staff when the GAA was passed in February, did not believe the commission had gone far enough.

He expressed concern that the restriction of the amount of hotels which could operate casinos to 10 would not meet the demand for gambling inside South Africa.

But Karos Hotels’ chairman Selwin Hurwitz said hope lay in the commission’s recommendations that “initially” 10 hotels should be allowed to operate casinos.
COME AND VOTE: Members of the core of Tomatoes outside a voting booth.

What if we didn’t know how to vote?

WHAT IS THE IMPORTANCE OF VOTING?

Voting is a fundamental right and responsibility in a democratic society. It allows citizens to participate in the decision-making process and choose the leaders who will represent them. By exercising the right to vote, individuals have the power to influence the direction of their country and the issues that affect their daily lives.

WHY VOTE?

Voting is important for several reasons:

1. Representation: By voting, you have the opportunity to elect representatives who will advocate for your interests and concerns.
2. Accountability: Voting ensures that elected officials are accountable to the people they represent.
3. Participation: Voting is a way to express your opinions and have a say in the decisions that affect you.
4. Freedom: Voting is a fundamental freedom that is essential for a healthy democracy.
5. Equality: Voting helps to ensure that all members of society have equal representation and influence.

How to Vote?

1. Register to Vote: You must be registered to vote in order to cast a ballot. Check your eligibility and register if necessary.
2. Find Your Voting Location: Determine the location of your polling place. This information is typically available online or from local election officials.
3. Attend the Polling Place: On election day, go to your designated polling place and follow the instructions provided.
4. Cast Your Vote: Carefully read the ballot and mark your choices. Make sure to vote for candidates who align with your values and beliefs.
5. Confirm Your Vote: Once you have marked your ballot, confirm that you have voted for all candidates and issues you intended to vote for.

By voting, you not only exercise your right to participate in democracy but also contribute to the health and stability of your community and nation.
The Moments of power

VOTER education needn't be boring. A Matla Trust play presenting key issues in voter education has to date entertained potential voters at over 60 performances.

By using theatre, a Matla project is able to visually translate concepts such as democracy into real life situations which audiences easily understand.

Because it relies on the spoken word, the play can reach illiterate audiences and address them in their own languages.

Theatre is a flexible medium which can be adapted to keep up with whatever decisions are reached about the method of voting that will be used, the type of identification voters will have to present, and so on.

Printed words and film are not as flexible because once produced they cannot be changed.

In 1992 Matla Trust contracted a Johannesburg-based group of actors called Ushukhanya (which means “to light up” or “enlighten”) Theatre Group, to write a script based on themes suggested by the Trust.

The play was officially launched in October 1992 at the Punda Centre in Soweto.

It is called “Moments” and was written and directed by Peter Ngwenya, Doreen Mazibuko and Willie Themba.

Themes throughout the play stress that violently resolving political dissatisfaction is contrary to the principles of democracy.

Once the results of free and fair elections are announced, the losers must be bound by them and not resort to violently overthrowing the party that has attained power.

The play shows ignorance, apathy or even over-confidence can result in a party losing an election, despite having massive support.

Actors stress that intimidation can be neutralised by people simply agreeing to vote for whatever party they are told to support while knowing the vote is secret and no one can find out who they voted for.

This theme, explaining the nature of the secret ballot and the powerlessness of intimidation to determine peoples’ vote is constantly stressed.

It also demonstrates that truly free and fair elections can only take place if the electorate is accurately informed about how voting works.

It is only if the electorate makes free choices that results will truly be fair, “Moments” stresses.

The play has already been performed at over 60 venues in the Transvaal and Orange Free State.

Matla Trust is considering taking the play to other regions.

REHEARSING: An 'elderly' voter is helped through the polling station in 'Moments'
ANC to host culture forum

Culture comes under the spotlight at a week-long conference organised by the ANC's Department of Arts and Culture (DAC) next week.

The conference, billed as the Culture and Development Conference (CDC), in the Johannesburg Civic Theatre will be opened by ANC president Mr Nelson Mandela on April 25.

Each day of the conference will focus on different aspects of culture, with African and international specialists delivering papers on music, cultural heritage, theatre, dance and photography.

The DAC's commissions on language, museums, monuments, a national flag and anthem will present their recommendations for discussion.

The emphasis of the conference will be to develop cultural organisations, especially in the rural areas.

Joanne Williams
Film industry 'needs govt sponsorship'

SOUTH AFRICA'S film industry needs government sponsorship if it is to make any progress.

This is the message from Australian film director Nadia Tass and screenwriter David Parker, who are in Cape Town as guests of the Cape Town International Film Festival.

Twenty years ago, the film industry in Australia was not much different from that in South Africa: Most films were low-quality, were treated with disdain by Australians and had no hope of competing internationally.

Now the country produces high-quality films that are enjoyed and respected throughout the world. This is largely due to the Australian government's commitment to subsidise films. State and federal governments fund new films. Proposals are scrutinised carefully before money is allocated, "so I don't go and make a film about my grandmother that would only be interesting to my family," as Tass puts it.

Government money pumped into films is not wasted, as they ultimately promote the country internationally.

"It's fantastic for a country to have a film industry," Parker says. "Australian culture and society are shown all over the world in our films."

One of Australia's advantages on the international market is shared by South Africa: Both countries have English as a common language, making their films accessible to audiences on many continents.

As in South Africa, Australian film-makers initially had difficulty getting local distributors to promote their movies. "If an Australian film is given the same amount of attention as an American film, then it does well," Parker says.

"But the distributors have to be convinced that the product will work for them," Tass adds. Tass and Parker believe that a successful film has to combine quality and entertainment.

Tass and Parker's film "Malcolm", showing at the Cape Town film festival, is a good illustration of the way they work.

Tass had a very personal story to tell with the film: Like the main character in "Malcolm", her own brother was mentally retarded.

But she knew that a self-indulgent history would not be worth making, so she handed the idea to Parker to write the script.

The film became a science fiction comedy about a young man labelled as "slow" who uses his genius for technology to commit some spectacular crimes.

But it does not lose the message that Tass wanted to get across, about a person rejected by society who hits back and wins.

Justin Pearce
Arts council asks for R9.2m lifeline

By ROY RUPPERS

THE Natal Performing Arts Council could soon be killed off unless the Durban City Council votes it a subsidy of R3.2 million.

This was disclosed by Napa's general director Robert Cross this week after a meeting with the council's management committee.

He made it clear Napa would have to kill off the Natal Philharmonic Orchestra, its dance company, and its Left Theatre group within months "unless the money was forthcoming."

As a first step, more than 200 people would have to be retrenched in the next three months.

Mr. Cross said Napa's main subsidy from the Department of National Education had fallen by R36 million to R22.4 million.

In desperation, a Napa delegation met the council's management committee this week to plead for the R3.2 million lifeline.

Committee chairman Peter Mansfield said a decision would have to be delayed for consultations with the Napa board.
More cinemas being built

STER-KINEKOR and Nu Metro are doing their bit to revive cinema audiences by bringing more cinemas to the people. And Hollywood is doing its bit by reviving up its blockbuster movies on the circuit for the next six months.

Just as the booking offices here get excited about family favourites like 'Jurassic Park' and 'Aladdin' — some of the best fare to come from Hollywood in the past 12 months — the country has some unprecedented activity in new cinema building.

Adriaan de Back of Cinemark says: 'There's a lot of new complex development going on now which is bound to boost cinema audiences.'

Ten new cinemas open at crest at Cresta Centre at the end of July. There are beautiful new cinemas at Fourways Mall. At last, La Lucia is to get a cinema complex bringing this facility to the north of Durban for the first time. And a complex is being developed in Somerset West.

Ster-Kinekor and Nu-Metro together comprise 75 percent of SA's four-wall cinemas.

Combined, they have increased the number of screens by 89 percent in 1992 over 1991, and 'brought' attendance 52 percent higher. Drive-ins, on the other hand, are showing a decline.

According to Cinemark research, over 70 percent of adult cinema audiences fall into the 16-34 age group.

At present, it is skewed to urban populations and to the more affluent. The black cinema is more likely to be male than female and is drawn from the urban area.
In a era marked as "investors' horror movie?"
SA has big potential for film industry, says ANC official

Own Correspondent 5/4/93

DURBAN.—South Africa had all the ingredients for a potentially great film industry, Mr. Abie Sachs, a member of the national executive committee of the ANC, said here at the weekend. Mr. Sachs said that, instead of looking to countries like Canada and Australia, South Africa could emulate the film industries of Algeria and Brazil.
Cinemas strike gold as attendance soars

THE number of cinemas in South Africa has almost doubled in the past five years, with record-breaking audience numbers, says Cinema Mark, managing director, Adriaan de Buck.

"The cinema industry in South Africa has always been a vital and dynamic one. Whether this is because the introduction of television was relatively late (compared with the rest of the Western world) or the fact that the movie-going habit is well entrenched when one is young, going to the movies is still an experience," he says.

Variety

The growth in the number of cinemas in South Africa together with increased attendance is "proof that cinema has responded and adapted, offering a wider variety of entertainment than ever before, 'at a cinema near you' for which people will happily pay," De Buck says.

Movie industry has responded and adapted

MANDY JEAN WOODS

Ster-Kinekor and Nu Metro together recorded a staggering 89 percent increase in the number of cinemas in South Africa over the past five years. There has been a concurrent 32 percent increase in attendance (from 1988 to end December 1992).

Interestedly, given the fact that South Africa is experiencing its worst and longest recession since World War 2, cinema attendances have soared.

Average weekly audiences at Ster-Kinekor and Nu Metro theatres increased by 30 percent for the period July-December 1992 compared with the same period the previous year.

This can be attributed to the increase in the number of cinemas (from 356 to 426, up 19 percent), the introduction of Sunday screenings and real growth resulting from blockbuster hits such as Basic Instinct.

Early indications are that the strong growth in attendance at cinemas will continue this year, De Buck says.

"Always better on the big screen" is clearly as relevant today as it was 50 years ago, he notes.
Wild Coast lures city gamblers

BY JEREMY WOODS

WHILE most local casinos have been closed down, Capetonians can gamble in a Tahitian tropical beach setting — without leaving South Africa.

That's the message from Alberto Chiaranda, managing director of the Wild Coast Sun, visiting Cape Town yesterday to announce a major redevelopment of the hotel and casino complex, situated on Natal's Wild Coast a few hundred yards over the Transkei border.

Transkei Sun International, which owns the Wild Coast Sun, has just spent more than R90-million turning it into a Tahitian tropical island resort, while expanding the casino's gaming areas.

The hotel also has a golf course and its own landing strip.

"But family holidays are our main market," says Mr Chiaranda, and to cater for children the complex has a children's centre, including a creche."
City fathers dance to new tune

By FRED KHUMALO

It was a case of yesterday's villain being today's hero when a Dur-
batt actor whom the city council had arrested last year shook hands
with the mayor who had him for his creative work that has put the
city on the world map.

Sifiso Mabaso of Umhlabo was this week congratulated by Durban
mayor Margaret Winter after he received the Martin Luther King
/Chief Albert Luthuli Recognition and 'Affirmation award for peace
through his work in the dramatic arts.

The award was given to Mabaso and his drama group by the US-
based King Luthuli Transformation Centre, which aims to promote
non-violence and dialogue as agents for change in society.

Mabaso was arrested last year with his 24-strong cast after the
city council charged them with trespassing. The youngsters were
found rehearsing in a derelict dis-
used building, allegedly owned by the
city council.

But this week the council was
forced to acknowledge Sifiso's contribu-
tion to the city's "cultural
upliftment."

Mabaso bears no grudges.
"We've put all the misunder-
standings of the past behind us and are
looking ahead at challenges facing us
now," said Sifiso.

From this month, thanks to the
SA Traditional Music Association
(Satma) and the mayoral bles-,
the Sifiso Drama Society will be
touring Natal, spreading the mes-
gage of peace to the public.

"We believe that through such
popular art forms as music and
drama, the message of peace can
best be sent out to the people. We
are saying to them: 'Enough is
enough; society is tired of vio-
ence.'"

Mabaso's drama group, under
the direction of S'duduzo
Mithethwa, who featured in Mbong-
geni Nqema's Township Fever and
in the movie Sarafina, performs
energy-charged musicals in the
mode of Nqema's work.

But where Nqema's work is pro-
test theatre, Mabaso unashamedly
preaches the message of peace.

Said Mithethwa: "As a young
man living in the township in these
troubled times, you cannot avoid
the realities that prevail in your
neighbourhood. As an observant
person I have realised that people
are tured of the killing. People are
crying out for peace."

Mabaso agrees: "But we're all
powerless now. The monster of
violenee that was created by us hu-
man beings has become too wild to
name. We're impotent, unable to
tame the nightmare of our own
creation. Through our dramatic
performances, we hope to add
something that will work towards
achieving peace, not only in Natal,
but in the rest of the country too."

Another ironic twist in the bit-
ter-sweet relationship between Mab-
sabo and the city fathers is that
Mabaso also contributed to the
city's orderliness during the festive
season with his Beachwise pro-
gramme, which involved his group
performing for holidaymakers at the
beachfront.

Beachwise aimed at teaching the
public about good behaviour and
cleanliness on the beach.

Said Mabaso: "Clearly, we are
thankful that the city council has
realised that we're not a bunch of
lazy youngsters. They have realised
that we want to create goodwill
among our people.

"We're hoping other groups will
join us in our peace campaign
through the performing arts. The
politicians seem to be dragging
their feet in coming up with a
solution.

"We think we as artists can
set an example for them; or supple-
tment their endeavours at achieving
peace and reconciliation," Mabaso
said.
be a real goldmine. At R5 to the pound, we'll have to fight to keep the people off.

"And don't forget the long-term spin-offs. People who go out there will want to go back again and again. The word will spread and its effect will be far greater than millions of holiday brochures."

Rugby is one of the fastest-growing sports in the world and the World Cup is its showpiece. Television companies will bid seven-figure sums (in sterling) for rights to show the matches live. The small time difference between Britain and SA in the southern winter (just one hour) will be perfect for armchair viewers in the UK. In France, the clocks speak the same language.

"The world's attention will be on South Africa as never before. Its attractions — and its shortcomings — will be fed into millions of homes around the globe. Ambitions to stage other great sporting occasions — the Olympic Games in 2004, for example — may depend on success this time."

The rugby World Cup is a booming business. In 1991 it was estimated to have produced a profit of around R150 million. In sports-mad South Africa that sum will almost certainly be more than doubled — and that is for the rugby authorities alone.

Tourism, transport, hotels, game reserves, restaurants, manufacturing industry (clothes, sports equipment, souvenirs), the drinks business, all will derive massive business.

And, what's more, South Africa might also win the Cup.
The 1995 rugby World Cup will give South Africa much more than just a feast of top-class rugby, reports ALAN ROBINSON from London.

The South African tourism industry has little more than two years to prepare for a multimillion rand boom, the likes of which the country has never experienced.

The decision by the International Rugby Board this week to confirm that the 1995 rugby World Cup will be staged in South Africa will bring an estimated $300 million in revenue to the country.

Lured by the prospect of five weeks of thrilling rugby (as a live and televised spectacle the tournament has no peers in the sporting world today) to add to the conventional attractions the Republic has to offer, like sun, golden beaches, unsurpassed game reserves and glorious climate, they will arrive from New Zealand, Australia, Britain, France, Japan, Canada, the United States and South America.

And they'll spend money like water. The hugely favourable exchange rate means fans will be able to stay at a leading hotel for four nights at the cost of a single night in the United Kingdom.

Britain is expensive, but that did not deter thousands of New Zealanders and Australians flying in to Heathrow for the 1991 World Cup. Packed coachloads of them — almost always with a famous former Test player as a guide — travelled up and down the country to the various venues, sending local economies into overdrive. Hotels of all grades anywhere near the major stadiums were booked up months in advance.

Flights between England, France, Ireland, Scotland and Wales, which jointly staged the World Cup, were jam-packed. Even ordinary citizens were taking stomach-turning routes across the English Channel and the Irish Sea had to turn down supporters desperate to see their teams.

Speculators climbed in and accommodation costs soared. So did the catering business and the souvenir trade. It was possible to buy anything from a French coq au vin to an authentic pair of New Zealand knickers at makeshift stalls in roads leading to the matches.

Why, even though South Africa has $80 billion in reserves, it was common to see Springbok-scarved spectators discussing late tackles and missed penalties in Afrikaans in the streets of Cape Town.

Of course, a vast amount of money will have to be invested in providing the infrastructure. Extra flights will have to be laid on. Trains, the second-class coach, will be redecorated, and stadiums may require upgrading.

In the latter respect, South Africa is immensely blessed. In a tournament involving 16 nations playing initially a round-robin tournament, at least 10 decent venues are needed. Britain and France had only five (Twickenham, Murrayfield, Cardiff Arms Park, Lansdowne Road and Parc des Princes) and several "rural" grounds had to be pressed into service.

South Africa doesn't have that problem, what with the superb facilities already available at Ellis Park, Newlands, Loftus Versfeld, Kings Park, Free State Stadium, Boet Erasmus, Stellenbosch, Estor London andaddy.

Even more advantageous is the fact that for the first time the Rugby World Cup will be staged by a single nation (Australia and New Zealand shared the inaugural tournament in 1991). That will mean less travelling, lessickering and jealousy and, of course, no sharing of potentially fat profits.

A spokesman for a top sports and corporate entertainment concern here was positively ecstatic at the news. He said: "During the last World Cup there were strong rumours that the country would go to South Africa and we were overwhelmed with inquiries about laying on special packages."

One could almost hear his hands rubbing together in anticipation as he said: "This could..."
For tourism, Scrum must brace itself
to Life in Play

Besse Head comes

by Victor Metcalf

Entertainment

Exiles' play goes on range Green light for London Philharmonic concerts

Classical concerts

Get ANC blessings

By Victor Metcalf

South: 24/1/78

Opinions entitled:

NO BAN

Victor Metcalf

Transvaal branch

SY Networking: 1/3/78
By TERRY BETTY

NATAL Performing Arts Council (Napac) is to raise the curtain on a business unit before the end of the year. It has to be restructured and refocused to survive.

Napac has been running at a loss on and off for several years. In 1991 it asked the Durban City Council for a R4-million to tide it through a cash-flow crisis.

This year its request for R9-million to keep afloat was rejected, says evaluation committee (Ecoo) convenor and chairman of the city's management committee Peter Mansfield (292).

Napac relies on state grants, sponsorships and ticket sales.

The top directorate has been retrenched. Between 12% and 27% staff members out of a total of 340 face re-emergence, says Mr Mansfield (655).

The council could never have provided the R9-million and Napac would have had to close in August.

However, the council agreed to help on condition that an investigation into its operations was carried out.

As a result of the restructured entity, the city council will have to inject R3.2-million. It will probably provide R1-million a year thereafter.

Napac has been divided into business units — each for a different genre, such as dance, musical theatre, drama, finance and administration, the phallic and orchestra and education.

Each unit will have a director, who will report to a chief executive officer who will oversee the lot.

Napac is looking for a chief executive as well as directors for three units.

Although the new people have to be sensitive to the arts, they require business acumen. Each genre will be responsible for making itself financially independent. Mr Mansfield says they will rely to a great extent on sponsorships. It is hoped that each season will bear the sponsor's name.

The business community has welcomed the restructure. It has indicated it is willing to provide sponsorships once Napac gets its act together, says Mr Mansfield.
Pact takes bold line

By Elliot Makhaya

PACT Music is to launch a new series to focus on the work of South African singers and songwriters to engender a greater appreciation of the art of the troubadour in a contemporary context.

Pact has appointed veteran composer and exponent of South African music David Marks to compile and direct the series.

David says that troubadours in most other countries may not be considered commercial, but they are held in high regard by the commercial music, media and record industry, whereas in South Africa they remain "not viable" and for now, unnoticed, a unique and ignored species.

South Africans generally have a narrow view of local songwriters, often labelling them "folk" musicians.

While a great deal of resources have gone into the development and distribution of the work of composers of this genre in Afrikaans, singers and songwriters active in English and other indigenous languages have not been afforded the same exposure.

The new Pact series aims to present music that has until now only been heard in formal venues, clubs and festivals, in a professional theatre context for the first time.
HOUSE OF ASSEMBLY

Wednesday, 26 May 1993

THE DEPUTY MINISTER OF EDUCATION

I beg to move that it be an instruction of this House that the following subjects be considered by the Standing Orders Committee:

1. The implementation of the educational reforms in the province of Saskatchewan.
2. The adequacy of funding for education in the province.
3. The role of the Minister of Education in relation to the implementation of educational reforms.
4. The need for increased funding for education in the province.

MAGGIE PARKER M.P.D.

Mr. Speaker, I move that the House do now adjourn.

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HOUSES OF ASSAM

Q1: On the occasion of the National Flag being hoisted, the Speaker, Dr. Bhaskar Surin, arrived at the State Assembly on time. At the start of the session, he delivered a speech expressing his confidence in the new government's ability to work towards national development.

Q2: In recognition of the government's efforts, the Speaker's speech was met with a standing ovation from the assembled members.

THE MINISTRY OF DEFENCE

Bharat Mata Ki Jai!

Q3: The Defence Minister, in his address, highlighted the need for continued efforts in modernising the armed forces.

Q4: He also stressed the importance of maintaining peace and stability across the region.

THE MINISTRY OF LAW AND ORDERS

Q5: The Law Minister, addressing the gathering, emphasised the need for strong legal frameworks to combat crime and promote justice.

Q6: He called for greater cooperation among the law enforcement agencies to ensure effective implementation of laws.

THE MINISTRY OF ECONOMY

Q7: The Economy Minister, in his speech, discussed the economic situation of the country and outlined the government's plans for growth and development.

Q8: He urged the businesses and industry leaders to participate actively in the economic development of the country.

THE MINISTRY OF TRANSPORT

Q9: The Transport Minister, in his address, focused on the importance of infrastructure development and the need for better connectivity.

Q10: He called for the establishment of a robust transportation network to facilitate trade and tourism.

THE MINISTRY OF EDUCATION

Q11: The Education Minister, in his speech, emphasised the need for quality education and the development of new educational policies.

Q12: He called for the involvement of all stakeholders in the education sector to ensure a brighter future for the country's children.

THE MINISTRY OF HEALTH

Q13: The Health Minister, in his address, highlighted the government's commitment to improving healthcare facilities and the well-being of the people.

Q14: He called for collaborative efforts among all health professionals to achieve better outcomes in healthcare delivery.

THE MINISTRY OF ENERGY

Q15: The Energy Minister, in his speech, discussed the importance of diversifying the energy mix and the need for cleaner energy solutions.

Q16: He called for a strong focus on renewable energy sources to reduce dependency on fossil fuels.

THE MINISTRY OF COMMUNICATIONS

Q17: The Communications Minister, in his address, emphasised the need for improved communication infrastructure and the importance of digital literacy.

Q18: He called for greater investment in the field of telecommunications to bridge the digital divide.

THE MINISTRY OF DEFENCE

Q19: The Defence Minister, in his final speech, thanked the members of the assembly for their support and promised to work tirelessly for the betterment of the country.

Q20: He ended his speech with a call for unity and determination in the face of challenges.

THE MINISTRY OF LAW AND ORDERS

Q21: The Law Minister, in his final address, expressed his gratitude to the members for their active participation and called for continued support.

Q22: He concluded his speech with a dedication to upholding the rule of law and safeguarding the interests of the country.

THE MINISTRY OF ECONOMY

Q23: The Economy Minister, in his final speech, highlighted the achievements of the government and thanked the members for their support.

Q24: He called for sustained efforts to boost the economy and enhance the living standards of the people.

THE MINISTRY OF TRANSPORT

Q25: The Transport Minister, in his final address, thanked the members for their cooperation and commitment.

Q26: He called for a continued focus on improving road connectivity and ensuring smooth transportation services.

THE MINISTRY OF EDUCATION

Q27: The Education Minister, in his final speech, expressed his appreciation for the support received and the contributions made by the members.

Q28: He called for a joint effort to improve educational standards and equip the youth for the challenges of the future.

THE MINISTRY OF HEALTH

Q29: The Health Minister, in his final address, thanked the members for their support and expressed his commitment to the well-being of the people.

Q30: He called for a collective effort to combat public health issues and promote a healthy lifestyle.

THE MINISTRY OF ENERGY

Q31: The Energy Minister, in his final speech, acknowledged the support of the members and called for a continued focus on the development of sustainable energy solutions.

Q32: He emphasised the need for a strong commitment to environmental protection and renewable energy initiatives.

THE MINISTRY OF COMMUNICATIONS

Q32: The Communications Minister, in his final address, thanked the members for their support and called for a continued focus on digital literacy and communication infrastructure development.

Q34: He expressed his commitment to improving the standard of living through better communication services.

THE MINISTRY OF DEFENCE

Q35: The Defence Minister, in his final speech, thanked the members for their support and called for continued efforts to maintain peace and security.

Q36: He expressed his confidence in the capabilities of the armed forces to uphold the nation's interests and security.

THE MINISTRY OF LAW AND ORDERS

Q37: The Law Minister, in his final address, thanked the members for their support and called for a continued focus on justice and equality.

Q38: He expressed his commitment to ensuring a fair and transparent justice system.

THE MINISTRY OF ECONOMY

Q39: The Economy Minister, in his final speech, thanked the members for their support and called for continued efforts to boost the economy.

Q40: He expressed his confidence in the government's ability to create a brighter future for the country.

THE MINISTRY OF TRANSPORT

Q41: The Transport Minister, in his final address, thanked the members for their support and called for continued efforts to improve transportation infrastructure.

Q42: He expressed his commitment to ensuring smooth and efficient transportation services.

THE MINISTRY OF EDUCATION

Q43: The Education Minister, in his final speech, thanked the members for their support and called for continued efforts to improve educational standards.

Q44: He expressed his confidence in the government's ability to provide quality education to all children.

THE MINISTRY OF HEALTH

Q45: The Health Minister, in his final address, thanked the members for their support and called for continued efforts to improve healthcare services.

Q46: He expressed his commitment to ensuring access to healthcare for all citizens.

THE MINISTRY OF ENERGY

Q47: The Energy Minister, in his final speech, thanked the members for their support and called for continued efforts to diversify the energy mix.

Q48: He expressed his commitment to ensuring a sustainable future for the country.

THE MINISTRY OF COMMUNICATIONS

Q49: The Communications Minister, in his final address, thanked the members for their support and called for continued efforts to improve communication services.

Q50: He expressed his commitment to ensuring better access to information and communication technologies.

THE MINISTRY OF DEFENCE

Q51: The Defence Minister, in his final speech, thanked the members for their support and called for continued efforts to ensure national security.

Q52: He expressed his confidence in the armed forces' ability to protect the nation.

THE MINISTRY OF LAW AND ORDERS

Q53: The Law Minister, in his final address, thanked the members for their support and called for continued efforts to uphold the rule of law.

Q54: He expressed his commitment to ensuring justice for all.

THE MINISTRY OF ECONOMY

Q55: The Economy Minister, in his final speech, thanked the members for their support and called for continued efforts to boost the economy.

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THE MINISTRY OF COMMUNICATIONS

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Q66: He expressed his commitment to ensuring better access to information and communication technologies.
‘No quick returns’ on M-Net’s offshore buy

M-Net would reap considerable benefits from its investment in European pay TV network FilmNet from about 1996, after its long and costly slog, say media analysts.

M-Net, with Richemont, acquired control of FilmNet in 1991. It recently announced it had struck a deal with JCI which would invest about R140m to help meet additional FilmNet financing requirements.

In a recent report, the company said its share of FilmNet’s losses climbed to R27.6m by the March year-end from R4.8m in the previous year and R5.3m at the September interim stage.

Market talk was that shareholders have had to foot its expenditure bill by subscribing for shares in its rights offer and by seeing earnings and dividends diluted by losses in FilmNet. It was possible they would not see any benefit for some time.

M-Net had invested about R27.6m to join Richemont in the initial FilmNet investment, and said in November it would invest a further R135m before end-March.

This, together with JCI’s investment, and a significant investment from Richemont, meant that more than R1bn was being spent on FilmNet without any return. On the contrary, earnings were being diluted by FilmNet’s losses.

Analysts believe FilmNet’s upward potential is enormous, and said M-Net was justified in moving offshore.

M-Net had a 30% penetration of the SA target market. It had taken the view that it was reaching saturation in the local market and had to move offshore for significant long-term growth. FilmNet was one of the few options open to it.

The question was whether M-Net could turn it around, and if it could, how long it would take. M-Net had said it would take three years, but analysts said Richemont had recently indicated it was looking at five years. One analyst said M-Net may have underestimated the amount of time and money required to turn it around.

Analysts said that for FilmNet to become a significant player in Europe its subscriber base would have to at least double from its current 600,000.

Once it had passed break even FilmNet had the potential to more than match the local contribution to M-Net’s earnings.

Analysts warned the venture was not without risk. They also warned that JCI’s investment need not be the end of FilmNet’s financing requirements.
Pact Ballet opens its arms.
CNN plans to extend its African business coverage

CNN planned to extend its coverage of business news from Africa and South America, senior vice-president and Business News managing editor Lou Dobbs said yesterday.

Dobbs, in SA to co-chair the World Economic Forum in Cape Town and to interview a number of SA's top personalities, said CNN's business news focused mainly on the US, Europe and Asia.

However, Africa and South America had the potential to become significant players in the world economy.

Interest in SA was not only political, he said. The restructuring of its economy would be followed with interest around the world.

Dobbs, who had led CNN's business unit since its inception, said the network had changed the face of business news. Until a few years ago, business news was incorporated into news programmes, and only the big stories made headlines.

Events of the '80s, the decade of yuppies and hostile takeovers, had enabled CNN to make business news more accessible and colourful.

When CNN was launched in 1980, it was warned that international and US viewers were not interested in business or, for that matter, in round-the-clock news coverage. This had been disproved.

CNN's business news unit had grown to about 15% of CNN's total programming from only 1% 10 years ago. Its audience was highly sophisticated and educated, and this was very attractive for advertisers.

He said he would like to see a 24-hour business service. Although business news could not grow to much more than 15% of CNN's current programming, it was feasible for it to become a separate channel.

Dobbs anchors Moneyline and Moneyweek. He is also the only anchor on network television who is also a corporate executive. He heads more than 100 journalists who produce about 10 business programmes each day on CNN, CNN International and Headline News.
abnormal profit. The turnover improvement

during the year was associated with the

characteristic improvement in the

price of gold. The subscriber base grew

by 12% to 14,400 in the year, and EPS fell

by 12% to 146.

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17,000 in the year, and EPS fell 12% to

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Gone by the board

Kirby Office
MIKE VAN GRAAN'S allegations that, because of its intolerance of "independence", the African National Congress and its Department of Arts and Culture (DAC) have vilified the National Arts Initiative (NAI) fall flat against the evidence of the official letter of support sent to the NAI by the ANC prior to the National Arts Policy Plenary (Napp) which took place at Wits University in December 1992.

In that letter the ANC, though expressing reservations about the exclusion of "cultural wings of political organisations/parties", hailed the NAI as a step in the right direction towards establishing a non-sectarian cultural dispensation for a democratic South Africa.

This ANC policy towards democratic initiatives did change with convening of the Culture and Development Conference (CDC) at the end of April 1992 - as Van Graan, the general secretary of the NAI, implied in his open letter addressed to Wally Serote and Mewa Ramgobin (WM May 7-13 1993).

While the NAI purports to represent the interests of "arts and cultural practitioners", the DAC's main objective is the cultural liberation of the disenfranchised people of South Africa. The DAC perceives cultural liberation not as an end in itself, but as an aspect of national liberation.

Furthermore, whereas the NAI placed the cart before the horse by convening an Napp for "cultural practitioners" before consulting with culturally disadvantaged communities, the DAC instead chose to establish a consultative infrastructure and then present its policy recommendations for scrutiny by its constituency.

ANC policy formulation is guided by grassroots participation through national, regional and local structures as well as international consultation. The CDC can be described as having been an exercise to consolidate as many grassroots cultural liberation proposals as possible into a single democratic vision.

For this reason, the NAI was offered full participatory status which it, unfortunately, declined - thereby effectively excluding itself from the deliberations where its grievances about the DAC could have been raised.

By excluding "cultural wings of political organisations/parties" from full participation in its Napp, the NAI was promoting a culture of exclusivism within the cultural community, if not the South African society.

The ANC prefers to facilitate a consensus-seeking atmosphere by emphasising commonalities, rather than differences, between diverse socio-cultural groups, formations and individuals. That is why the ANC offered the NAI and parastatsals like the performing arts councils, as well as custodians of Afrikaner culture like the Federasie van Afrikaanse Kultuurverenigings, full participatory status at the CDC.

There are two major schools of thought related to democartisation of arts and culture in South Africa. One faction believes that after four decades, if not more, of cultural manipulation by a regime serving the interests of a minority at the expense of a disenfranchised majority, it is high time that the arts and culture community took its fate into its own hands, excluding the cultural desks of liberation organisations and/or political parties. The other faction believes that, with apartheid still firmly in place, it is still too premature to dissociate the arts and culture from the liberation struggle.

The DAC subscribes to the latter thinking on the basis that, in order to complete the task of dislodging apartheid from our lives in all its forms, including cultural apartheid, the democratic campaign needs all hands on deck, working in unison rather than in discord.

At the same time, the DAC acknowledges the principle of non-sectarianism in the arts and culture. One of the features, however, should be the broadest representation, if not the inclusion of all cultural stakeholders in South Africa.

Moreover, recent experience at the Oloeda negotiations to which Van Graan referred has shown that the exclusion of certain stakeholders from any negotiations to determine the future of the country, no matter how insignificant they may at first seem, is an error that may deadlock, if not completely derail, progress.

Some cultural fundamentalists may still disagree with this argument on the basis that any political interest group or, to be specific, "government in waiting", as the ANC is often perceived to be, that meddles in cultural matters does so for its own interests, rather than those of the cultural stakeholders themselves.

But this contention is only valid if the interests of the said group are sectarian, as has always been the case in South Africa. It does not hold water when the interests of the said potential government are founded on popular aspirations, as are the policies of the ANC, and shall always be.

By propagating such ideas, the DAC is not necessarily calling for the acceptance of the ANC's DAC as the main or only protagonist of a democratic cultural dispensation, but is promoting an all-inclusive process of cultural democratization so that at the end of it we may emerge with the most comprehensive national cultural policy.

For such a policy to be fully appreciated by whatever party will eventually wield the political power to make the people's cultural aspirations possible, all "potential governments", which are in actual fact all the political parties in a multi-party state as envisaged by the ANC, should be involved in the policy formulation stages and not wait for the role of fund allocation masters when they achieve power.

It is no mistake that Clause 7 of the Freedom Charter presumes the involvement of government in the discovery, development and encouragement of national talent for the enhancement of our cultural life. It is also no mistake that it promotes the opening of the cultural treasures of mankind to all by free exchange of books, ideas and contact with other lands.

And, since everywhere in the world education is an obligation of governments, it is no illusion that the aim of education under a democratic government shall be to teach the youth to love their people and their culture, to honour human brotherhood, liberty and peace.

Since all these virtues can, to a great extent, be realised through cross-cultural pollution and interaction on the same platform as that of formal education, the integration of cultural and formal education is essential to the formulation of a productive education system. And because education is a government responsibility, governments will always be directly or indirectly involved in the provision of cultural training and development of faculties and resources.

As it was the apartheid regime that stifled South Africa's cultural development, it will take a democratic government guided by the vision of the people to create circumstances conducive to fruitful cultural development, not only the cultural community.

The emergence of the NAI surely did not mean the automatic demise of the DAC and other initiatives. After 10 years (since its formulation) of laying the ground for transformational negotiations, it would be irresponsible for the DAC to abdicate its responsibility towards the constituency it has so painstakingly built and represented locally and internationally.

MTUTZELI MATSHOBA is media spokesman for the DAC
In his Budget speech the Minister of Finance alluded to an offer of settlement of disputed film scheme deductions to be tabled by the Commissioner. On April 30, the settlement was announced and the details of it received wide publicity.

But does the settlement offer reflect the "spirit of partnership with taxpayers" to which the Minister referred? Not all affected taxpayers will think so. Thousands will wish he would note the circumstances in which they became investors in what are now called "disputed film schemes."

In the beginning, written rulings by the Commissioner's office confirmed the generous allowances generated by the earlier projects. Then came oral assurances, accompanied by a police refusal to issue written rulings lest they be used as marketing tools.

In May 1987 section 24F was enacted, significantly curtailing allowances available. The then Minister of Finance and Commissioner for Inland Revenue (both now retired), in public announcements and letters to industry representatives, assured that government had no objection to investments aimed at securing the curtailed allowances.

The next year, S24F was amended in detail but not in principle. More assurances followed. By now, some investors in earlier film schemes had been assessed positively and promoters of film investments could hardly keep up with demand.

Suddenly, for undisclosed reasons, taxpayers who had invested in film schemes began experiencing unparalleled assessment delays. None of the written rulings previously issued has been withdrawn and S24F is still on the statute book. However, all allowances claimed on such investments were being disallowed and no explanation was forthcoming from Revenue. Many taxpayers were last assessed on their 1985 year and their tax affairs are out of kilter.

In 1992, an investor in a partnership that produced and marketed Jake Speed was chosen as a guinea pig. The film had been released nationwide in the US one Friday in May 1986. It was a critical and box office flop. By Monday, it was off circuit. But in SA Jake Speed — the tax case — will be remembered for yielding record-breaking statistics in tax litigation. The court had to contend with 900 pages of evidence, 1100 pages of supporting documentation and 300 pages of argument from counsel.

Though victory in the Special Court went to the Commissioner, there is nothing in the judgment to vindicate his decision to ignore his prior written rulings and disallow the allowances — no evidence of any misconduct or nondisclosure of material fact. The record speaks of a fishing expedition desperately in search of some basis on which to justify the action against taxpayers.

Trivial detail

The judgment fails to do justice to the 300 pages of legal argument. The list of trivial, irrelevant detail proffered as the justification of the finding that the Commissioner was entitled to renege on his rulings was not relied on by counsel in argument and fails to convince.

The reasoning that the taxpayer could not have entertained a legitimate expectation that the Commissioner would abide by his ruling is abstract.

An appeal has been noted against the judgment. The taxpayer concerned and investors who have closely followed the proceedings are justified in their reliance on the opinion of senior counsel that the prospects of success on appeal are reasonable.

Against this background, there is nothing reasonable about the offer of settlement. A taxpayer will be eligible to accept the settlement if he can prove that the film in which he invested was produced and released for viewing in an export country. But such a taxpayer is entitled reasonably and legitimately to expect the allowances and deductions promised in the Commissioner's rulings or provided in S24F of the Income Tax Act.

The eligible taxpayer, according to the announcement, must accept the settlement by September 30, failing which the offer lapses and the Commissioner will disallow all claims. One cannot escape the inference that the closing date of the offer was deliberately set to avoid the Jake Speed appeal reaching the Appellate Division. The force of public office is being applied to deprive taxpayers of the right to have their grievances considered by the highest court.

There is little the taxpayer can do to avoid the punitive rates of interest that will be levied with effect from end-September. Thousands have not been assessed and it is simply not possible for the Commissioner to cause assessments to be issued by May 31, 1993 to enable taxpayers to pay the amounts assessed based on the settlement. Clearly, interest should run from the date that the taxpayer receives the assessment issued on the basis of his acceptance of the offer.

No provision is made for a reasonable period to pay the tax assessed based on the settlement. Many taxpayers may be financially embarrassed even if the settlement offer is accepted. The Commissioner has discretion to arrange terms with financially strapped taxpayers but, at punitive interest rates, taxpayers are not likely to derive any benefit from extended payment.

Many taxpayers will feel compelled to accept the settlement but will resent failing victim to the threats inherent in rejection. Ultimately, the real victims are tax morale and the integrity of the system.

The terms of the offer are, unfortunately, unlikely to engender that spirit of partnership with taxpayers which the Commissioner should be striving for.
Kathrada recalls
Robben Island
at exhibition

By SAHM VENTER

Of all the images of his 19 years on Robben Island — South Africa’s Alcatraz — Ahmed Kathrada best remembers a freezing night at the hands of drunk white prison guards.

They came into the cells late at night on May 28, 1971, and forced him and other political prisoners to strip and stand shivering with their hands against the concrete walls while their belongings were searched.

Kathrada relived the memory on Wednesday night when he spoke at a ceremony opening an exhibition at the South African Museum in Cape Town.

The fact that a state-funded museum is highlighting the harsh conditions faced by black political prisoners illustrates how South Africa is changing. But the memories are still painful for those who were imprisoned on Robben Island.

Escape

Mr. Kathrada, 63, an African National Congress member, was sentenced to life in prison after being convicted of trying to overthrow the National Party government. He was freed in 1989 by President F.W. de Klerk.

One of his fellow prisoners was Nelson Mandela, who at one time was to be airlifted to freedom in an elaborate “escape plan” featured in the exhibit.

Lieutenant Mike Green, who worked on Robben Island at the time the plan was hatched, attended Wednesday’s ceremony and was among those studying the intricate prison map sketched by Eddie Daniels, the political prisoner who drafted the escape plot.

Mr. Daniels said a helicopter would have plucked Mr. Mandela from Robben Island’s courtyard early on New Year’s Day 1981, when security was expected to be lax.

Lieutenant Green said it would have been a “disaster”, because watch towers were unmanned.

Leg irons and prison uniforms in scratchy wool are displayed alongside censored prison letters, prayer books and handwritten certificates prisoners were awarded less educated inmates — they taught in a clandestine prison school.

A cell measuring two metres by two metres was Mr. Kathrada’s home while he was on Robben Island, which housed political prisoners from 1961 until 1991. Now, on 700 common criminals live on the windswept rocky island and the prison is expected to close its doors in 1996.

Even within the confines of Robben Island, the bizarre rules of the apartheid system were observed, said Mr. Kathrada, treating Indians like “himself” and coloured prisoners better than Mr. Mandela and other blacks.

To supplement their rations, blacks were allowed only one loaf of bread a year, St. Chris- tmas, and had to buy it. Other prisoners got a quarter loaf each day.

In the winter, black prisoners wore shorts while others were given long pants.

Mr. Kathrada remembers how he and his fellow inmates would return daily from digging in the quarries with blistered hands and sleep on cold cement floors.

Robben Island’s history goes back more than four centuries. It first was used as a prison for deviant seamen, and later became a leper colony and lunatic asylum.

Now, the ANC and other political groups whose members were held there want a say in its future.

The government has rejected calls to turn the island into a casino and hotel playground for the rich after its closure.

Conservationists want to preserve the 1418-acre island’s plants and animals. The ANC says it supports this, as long as nothing detracts from the memory of the prison.

“We will not forget the brutality of apartheid, we do not want Robben Island to be a monument of hardship and suffering,” Mr. Kathrada said.

“We do want Robben Island to be a monument reflecting the triumph of the human spirit against the forces of evil.” — AP
money-spinning take

SERIE PO PAGES WAY TO

BY W. H. WASHER

STIMULOUM (u) SPARKS 1915

SERIEPO SERVICE

DIAGONAL STREET
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Leg irons and prison uniforms in scratchy wool are displayed alongside conserved prisoners' letters, prayer books, and handwritten certificates prisoners awarded less-educated inmates they taught in a clandestine prison school.

A cell measuring two metres by two metres was Mr Kathrada's home while he was on Robben Island, which housed political prisoners from 1961 until 1991. Nowadays, only 700 common criminals live on the windswept, rocky island, and the prison is expected to close its doors in 1996.

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Mr Kathrada remembers how he and his fellow inmates would return daily from digging in the quarries with blistered and bloody hands, and sleep on cold cement floors.

Robben Island's hist...
Call to change tax law on arts

THE recently appointed director of the CTSO, Dr Jacques de Vos Malan, made an appeal yesterday for the State to review its tax legislation on donations to the arts as South Africa was the only "so-called Western country" without such incentives.

Dr Malan was speaking at a Press conference at the City Hall to outline the CTSO's new visual identity and subscription concert series.

"The attitude of doom and gloom which prevails in the arts councils and elsewhere is inappropriate to the CTSO. What is at issue is state funding for the arts, and in its 79 years the CTSO has never received funding from the central government or the province," he said.

"Our annual grant from Cape Town City Council is for services rendered to the city.

"Our strategy now is to strengthen the tradition of corporate and individual support for the arts so that future governments can address the fundamental need for a redistribution of cultural resources of all citizens."

Sponsorships

"We are calling now for the State to review the existing tax legislation on donations and sponsorships."

Among the good things lined up to increase interest in and support for the orchestra are:

• To include at least four major international stars in each season from January 1994 — "the sort of names who used to visit Cape Town before the cultural boycott."

• To take the CTSO into the international CD market in 1995. The first part of this plan would be to introduce to the orchestra a guest conductor with the reputation, repertoire and experience to collaborate with the CTSO.

• To try to engage some of the biggest black American names in the concert circuit as "role models."

• To expand considerably the music awareness which the CTSO has offered to Cape children for more than 20 years.

"We cannot sit back and expect our future audiences to come to us. And we will not see any real growth in the number of South Africans of any shade of colour in the ranks of the CTSO unless we get out there and train them ourselves."

De Vos Malan also said that a Sunday "Pops" concert, on the style of the Boston Pops, would soon "explode" in Cape Town.

Fiona Chisholm

choral music

Musical
Historic State buildings protected for posterity

SAFE AS HOUSES: Libertas, the official Pretoria residence of the State President, has been declared a national monument.

THE Government has decided to save for posterity several major buildings owned by the State. The move comes only days after it was disclosed that the Pretoria residence of the State President, Libertas, had been declared a national monument, which makes it virtually inviolate from action taken by future governments.

Now the same protection has been granted to the original Houses of Parliament in Cape Town and other buildings.

According to a Government Gazette issued yesterday, the State President's Cape Town home, Westbrooke, as well as the Government residences Groote Schuur and Kleine Schuur, have been declared national monuments.

The office of the State President in Cape Town, Tuynhuys, is now also a monument.

Other buildings designated include the historic Rheeplaat house in Cape Town; the city's De Meule property, on which is situated Mostert's Mill; and the entrance gates to Welgelegen.
Plans for theatres, host of other developments

SANDTON’s glitzy image as a shopping centre for the wealthy is set to change — culture is coming to town.

A town council decision to promote and encourage culture has led to plans for two theatres as well as a host of new developments designed to put Sandton on the map as one of the region’s top cultural venues.

The move follows the establishment of a cultural committee three months ago to investigate a cultural policy for the town.

By far the most ambitious project is to build two theatres as part of the R360 million Sandton Square development next to the new civic library and art gallery.

Informal

Plans for a multipurpose sound stage with seating for about 600 people and a more informal supper theatre venue will be handed in to the town council soon for approval.

A cultural festival is also being planned for early next year to celebrate Sandton’s 25th anniversary and the opening of the new art gallery, library and educational complex. Events such as art exhibitions, open air concerts and a Mardi Gras are being planned.

“People tend to regard Sandton as a shopping centre,” said town librarian Johan Fourie. “We want to change that perception.”

There are plans to transform the small theatre at the Balalaika Hotel into a supper theatre venue later this year, and the Sandown Hall, the closest Sandton has to a city hall, will also be renovated.

The new town council development will include a two-wing art gallery and new library building with lecture hall and space for up to 200 students to study.

Fourie said regular educational and literacy programmes were planned once the facilities were opened in September.

The art gallery will house the town council’s substantial collection of contemporary South African art, never before displayed to the public as a whole, and there will be place in the smaller wing for one-person art shows, piano recitals, poetry readings and other events.

The Sandton Square developers intend it to focus on good eating and entertainment. A plaza the size of a rugby field will be built, in keeping with the European/Italian design of the development, where all kinds of events from opera to string quartets, tennis matches or snow jumping events could be staged.

Stocks and Stocks director Ricky Valente said the development would not be another shopping centre. “The square will be managed by a top promoter and will be used for cultural events and for promoting young artists.”

Two hotels

The design has taken into account acoustics for musical events and lighting for other entertainment. A pedestrian bridge lined with shops will link the Sandton Square to Sandton City. Two hotels are also being planned.

If you feed any community with culture, they will respond, Linda Givon, art dealer and owner of the Goodman Gallery, believes. “Sandton has no cultural profile at present — no theatres, no jazz clubs. The cultural scene in Sandton has become moribund. The idea of promoting culture in Sandton is fantastic — provided all people have access to it.

“Everywhere one looks in South Africa, there is the basis for a cultural explosion. It takes creative energy and patronage to bring it out. One of the problems in Sandton is that people haven’t learnt how to experience Sandton — because no one has made the effort to promote culture,” Givon says.

Involved

Fourie says there is a real commitment to promoting cultural events in Sandton. “One of the things we have talked about is getting things to this image,” Fourie says.

“Sandton mayoress Bubble Burns emphasises that culture is not just about art, but about learning about each other’s cultures. We are reaching out to other communities as well as setting up a cultural programme. It is very true that Sandton has no culture — our people have to go elsewhere to find it.”

It is also hoped to link up with Johannesburg’s Arts Alive festival in September. Burns says. A fund has been established through the mayor’s office to assist disadvantaged communities who wish to attend cultural functions in Sandton.

SANDTON artist Louis van Heerden, who sits on the culture committee, says they could not think of developing any kind of cultural programme unless the people of Alexandra were included. “We need to get away from the labels of black culture and white culture.”

Van Heerden warns that the process to promote culture in the town will be a long one and take a great deal of funding.
Plan to encourage women to take part in sport
LONDON — The ban on British television programmes being screened in SA could be lifted within weeks of the appointment of an “acceptable” new SABC board and independent broadcasting watchdog body.

British actors’ union Equity yesterday said terms for lifting the ban were also being reviewed in the light of the announcement of April 27 1994 as a date for multiracial elections.

The hardline union’s previous position was that the ban, imposed on January 5 1976, should stay until interim rule was achieved.

Equity general secretary Ian McGarry said Equity would consult ANC president Nelson Mandela, other opposition leaders and SA show business union PAWE for guidance.

If they supported the new position, the recommendation would almost certainly be put to Equity’s ruling council without delay.

A postal referendum of the union’s estimated 45 000 members would then be carried out. A 75% majority would be required to end the boycott.

The process could be completed within four to six weeks.

“I hesitate to be more optimistic until we hear from the people who matter on the ground in SA,” said McGarry. “Events in SA are so unpredictable and often so tragically disappointing that we have to remain cautious.”

McGarry emphasised he did not want to cause premature optimism because the legacy of apartheid and the “dirty tricks” era had left the union still facing a minefield of political and legal problems.
Equity reviews TV ban on SA

From IAN HOBB.

LONDON. — The ban on British television programmes being screened in South Africa could be lifted within weeks of the appointment of an "acceptable" new SABC board and independent broadcasting watchdog body. (CT 7/6/93)

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Equity general secretary Ian McGarry said Equity would consult ANC president Mr Nelson Mandela and other opposition leaders for guidance.

If they supported the new position, the recommendation would almost certainly be put to Equity's ruling council without delay. A postal referendum of the union's estimated 40,000 members would then be carried out. A 75% majority would be required.
Zimbabwe game and parks threat

Market Theatre
Safe as houses down

NEWS

The Star Wednesday June 9 1993
A R77m Caltex Oil (SA) flagship service station, museum and exhibition centre will be completed in March in the Gateway Precinct of Cape Town's Victoria & Alfred Waterfront. The warehouse-themed development, which started in April on a 4 260 m² site on Dock Road Boulevard, is next to the main entrance to the Waterfront and diagonally opposite the City Lodge Hotel, also within the precinct.

Services are aimed at motorists visiting the V&A and will include a large convenience store, deluxe rest rooms, one-floor office accommodation and parking. The museum records the history of oil in SA and Caltex in SA. A hi-tech auditorium seating 60 people is planned for the exhibition centre's audio-visual programmes.

The Gateway Precinct, within the Waterfront lease area at the western edge of the CBD, is also host to the two-year-old Arena Entertainment Centre and the V&A Theatre & Dance School (the historic Mission to Seamen building); the site of the old Amsterdam Battery; as well as several undeveloped hectares.

The most significant proposal in the development of the precinct is the construction of a canal system, which would link the harbour and city, starting at New Basin Precinct; through the Gateway Precinct and then possibly to the ICS/Power Station site and city.

While the V&A Waterfront Co. has already spent several million rands on a short section of the canal next to the City Lodge Hotel — on the link between the Gateway Precinct and the New Basin Precinct — the final leg to the city depends on the extent to which development on the ICS/Power Station site could carry the costs of the canal outside the V&A area. (Property January 29)

The land-owning parties in this site are Devland: Construction; and Cape Town City Council. Devland believes a consortium, including the council and itself, could erect a R200m mixed-use development as well as fund the R35m canal between the V&A and city.

However, council principal planner Rory Birkby confirms that the council has approved the advertising of the rezoning of the ICS/Power Station site for subdivision. This could permit the present bulk rights to be redistributed across the entire site. Council's strategy is to draw as much public and development community comment as possible. So far the council says it has not been formally approached by any such consortium but discussions have been taking place.
can provide funding. He said they would continue to Swedan for 12 days' hard work. If they don't work, the community is not able to support the programme any more.

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Arts chiefs get the sack

Sunday Times Reporters

In a week of high drama at the Natal Performing Arts Council's Durban headquarters, four executives, including general director Robert Cross, were sacked.

The others were human resources director Johan du Tolt, deputy director Andrew Tucker and administrative director Arthur Seaward.

Five other directors have been given an ultimatum to adapt to South Africa's unfolding new culture or quit.

Sources said it was recommended the five be sacked as well, but the city's management committee chairman, Peter Mansfield, intervened and agreed to give them a year's grace.

The five are Peter Hamblin, general manager of the Natal Philharmonic Orchestra; Brenda Kaye, general manager of the Playhouse; Garry Trinder, director of dance; Simon James, general manager of production services; and Murray Mcgibbon, director of drama.

Instead of throwing a R3.5-million lifeline to Napac, the Durban City Council—Napac's main funder—has formed an Evaluation Committee on Napac under the chairmanship of Mr Mansfield to restructure the ailing arts body.

Flair

In the place of the directorate, Mr Mansfield recommended that a chief executive officer with "artistic flair and financial experience" be appointed to run the revamped Napac.

However, the sacked executives are expected to receive "golden handshakes" before Napac takes its new cultural route that will reflect the "needs of the broader communities" in a new South Africa.

Napac spokesman Illa Thompson said Rosemary Juby had been appointed acting chief executive officer during the transitional period.

"Until the consultative procedures have taken place, no further comment can be made on the position of any particular individual," she said.
Alm over State lottery plan

Welfare organisations are alarmed by reports of Government moves to introduce legislation for a national lottery.

A Sunday newspaper said Justice Minister Kobie Coetsee wanted to bring proposed legislation, based on Howard Commission recommendations, to Parliament before the current session ended in two weeks.

In a joint statement yesterday, Viva Trust chairman Dr William Rowland and Kagiso Trust executive director Eric Molobi said: "The Viva and Kagiso trusts strongly oppose any unilateral decision by the current Government on the issue of a national lottery."

Meanwhile, ANC president Nelson Mandela, in a letter on June 7, warned President de Klerk against acting unilaterally on the lottery issue.

The Post Office has made moves towards establishing a lottery. Senior Post Office officials recently held discussions in London with Automated Wagering Industries, a British supplier of the advanced equipment needed.

Viva has opposed the Howard Commission recommendation for a State-controlled lottery.

According to Viva Trust spokesman Dr Adele Thomas, the national lottery should be owned and controlled by its beneficiaries — welfare and development organisations.

The other major player in the lottery game is Tabuha Trust, which was criticised by the Howard Commission for handing over only 15 percent of its scratch-card game turnover to social causes.

On the other hand, Viva — owned by welfare organisations — gave 22 percent of its take to charity and 10 percent to card sellers who were previously unemployed.
THE Napac board will meet today to discuss the recommendations of the evaluation committee on Napac for its restructuring. Possibly on the agenda are the jobs of 70 to 140 employees who could find themselves, like their four top directors, without jobs. Or like five others, under threat.

This month handshakes (described as “brass rather than golden”) were given to general director Robert Cross, human resources director Johan du Toit, deputy director Andrew Tucker and administrative director Arthur Seward.

The five given a year’s grace to adapt themselves and their departments to the new businesslike Napac for all, or quit, are Peter Hamblin, general manager, Natal Philharmonic; Brenda Kaye, Playhouse general manager; Garry Trinder, dance director; Simon James, general manager, production services and Murray McGibbon, drama director.

Napac is now temporarily headed by an accountant, Rosemary Juby, 34, who is holding the reins until a permanent chief executive officer is appointed “whose qualifications and experience meet the changed needs of the organisation”.

Effective head
Rosemary finds herself in the extraordinary position of heading Napac into which she came only three months ago as a consultant. She was part of the four-man team of Turnaround Management Group appointed by Durban City Council to investigate Napac’s activities after the board revealed that, without R8.2 million, Napac could not continue much longer.

The council set up Econ, consisting of representatives of the council, Napac board, staff, the Natal cultural congress and unions. This in turn appointed the Turnaround Management Group to conduct their evaluation. Working at nights and weekends, Juby and colleagues conducted dozens of interviews to assess Napac’s problems and consider its future.

TMG’s recommendations, including the retrenchment of the four directors, retrenching of at least 12% of its 542 staff and refocusing to cater for all groups, have been accepted “in principle” by Napac’s board with “modifications”.

According to a statement by the board on June 10, an implementation committee is to be established, comprising an equal number of Napac board members and people nominated by Econ “to achieve broadly based representation”. The names of the 12 to 14 members will be announced soon — possibly after today’s meeting — when another statement is expected about “certain senior executives affected” by restructuring.

Staff braced
Napac staffers are preparing themselves for retrenchments which, according to a Napac source, could be from 70 to 140. The lower figure would depend on no salary increases being granted and bonuses withheld.

Events at Napac, once the arts council with the brightest future, are being watched with concern by Capab staffs. This year they’ve had to accept the unhappy consequences of their financial position: contracts of their 10 opera department soloists were not renewed and all have had to forego increases and bonuses.

Fiona Chisholm
TV influences ‘only some people most of the time’

Many studies showed that mass media had a small effect on the behaviour of its target audience, said SABC broadcasting research unit GM Daan van Vuuren.

He said both the intended and unintended effects were relatively small.

The "intended effect" included the influence of advertising on purchasing, and the effect of prolonged multimedia campaigns on lifestyles. "Unintended effects" included the impact of TV violence on the behaviour of viewers.

Speaking at the Sentech Broadcast- conference last week, Van Vuuren said current thinking suggested the power of the media was highly conditional, and depended on a number of factors. Researchers believed the media had a large effect on a small proportion of the audience, rather than a small effect on the total audience.

A lot of research was being done on the impact of television. It appeared TV had a small influence on a wide variety of things, such as knowledge acquisition, thinking patterns, social awareness, personal interactions and consumer behaviour.

Although people spent up to half their leisure time in front of the box — more time than on anything else except sleep and work — the influence of TV violence was generally small, said Van Vuuren. "Television is a low involvement medium, primarily used for relaxation and entertainment."

Some researchers had gone so far as to conclude that TV was popular only because it provided a large amount of distraction and relaxation at a trivial cost, and with minimum effort from the viewer.

US research indicated that nobody paid attention to a TV set for 25%-40% of the time it was switched on. According to the 1993 Amps diaries, the average adult watches TV for 31 hours a week. Children spend slightly less time watching TV.

In industrialised countries the TV set is on for between 25 and 30 hours a week.

"It appears a great deal of exposure to TV occurs while the viewer is involved with something else," said Van Vuuren.

Studies showed that adults eat, drink, sleep, play, argue, fight and occasionally make love in front of the TV set. Children eat, drink, play, dress and undress while the set is on.

TV was also used to create a constant flow of background noise and to regulate behaviour, said Van Vuuren. "It organises time in the family, affects talk patterns and is used as a disciplinary instrument by parents."
Rights issue for Smith New Court

LONDON. -- UK investment house Smith New Court said it was raising £41.2m by way of a two-for-seven rights issue of new ordinary shares.

The company said holders of convertible preference shares, convertible loan stock, convertible capital notes, warrants and 'A' warrants shares would be offered new ordinary shares at a price of 210p each.

The company said it needed access to increased finance to exploit opportunities in its worldwide operations.

"International investors are increasingly active in both the developed and the emerging markets.--in south east Asia--and the group needs to strengthen further its presence and capital resources there," it noted.

Smith New Court said it also had plans to expand or consolidate its London and New York operations.

Musica on expansion drive

Musica, the country's largest independent retail music chain, is embarking on a major expansion drive, MD Robin Spengler said.

The 65-store chain, which became a wholly owned subsidiary of Clics last year, presently holds about a 20% share of the estimated R400m a year music retail industry.

Through the expansion programme, which includes the opening of 20 more stores by year's end, the chain aims to increase its market share by 5% with a projected turnover of R85m this year.

"Over the next five years our growth will be even more dramatic as we intend having at least 150 stores trading by 1998," SA singer Jeremy Taylor, left, received a special award from Musica at its 30th anniversary celebrations as his song "Ag Flees Daddy" was the very first record sold by the chain when it opened its first store in Plumstead in 1963. With him to receive his award from Derek Goosen, operations director and Robin Spengler, MD, was his wife Sonja.
Foundation to aid film-makers

The recently-formed Western Cape Film Foundation may not be able to cut local authority red tape, but it should at least be able to help film-makers to get through it. So says Mr Johan Bilgnaat, secretary for the foundation, which was formed at a summit meeting earlier this month.

"We have reached agreement on what the foundation should aim to achieve," Mr Bilgnaat said.

The foundation will be a promotional body, aiming to make the Western Cape more film-friendly and acting as a facilitator for local and foreign film-makers and television crews.

On request, it will liaise with municipal officials and other institutions. Deputy mayor Mr Clive Keegan, who has supported the formation of the foundation, agreed that an industry body could not "surpass the powers of existing agencies". The foundation would have no special powers, he said.

Sources within the film industry have said crews wanting to shoot at four different locations on the same day have had to send off "about 20" letters in advance, just to get permission from all the bodies concerned.

They said some control by local authorities over film crews was not out of place.

Sergeant saddened by death of police dog

By JACKIE CAMERON

A HEARTBROKEN policeman described yesterday how his dog - which had caught at least 30 robbers and thieves - died after being stabbed by a burglar during an armed robbery.

Sergeant Johan van Wyk of the Dog Unit said Jason, a robust two-year-old German Shepherd, was his second dog to die in the line of duty.

The first was Lassie, who was killed by a car two years ago while chasing a robber.

"I sent Jason in after burglars who were on the run after being caught in a Kleinheuwel house," Sergeant van Wyk said. Jason had found the burglar car and helped him limp back to the car. He died on the way to the Tygerberg Animal Hospital.

"I found him lying quietly in a bush and helped him limp back to the car. He died on the way to the Tygerberg Animal Hospital."

Sergeant Van Wyk said Jason must have been stabbed while biting one of the burglars.

Another police dog, Fritz, apprehended a minibus taxi driver who had robbed a traffic officer of his firearm in Durbanville at the weekend. The taxi driver is expected to appear in court in connection with possession of stolen goods, robbery and resisting arrest.

New law ‘may lower health care expenses’

By Staff Reporter

HEALTH care costs in both public and private sectors are expected to be reduced when pharmacists begin to prescribe and dispense certain medicines which have been legally available only through doctors.

This development follows amendments to the Medicines Control Act (101 of 1965), published for comment in the Government Gazette last week, which envisage changes to permit pharmacists with approved training to prescribe certain medicines which have been legally available only through doctors.

He added that the level of pharmacists' training in diagnostic skills and administering treatment had been questioned, but he gave the assurance that only pharmacists who had satisfactorily completed relevant courses under strict control of the SA Pharmacy Council would be permitted to offer the new services.

In keeping with the amendments to the Pharmacy Act affecting present pharmacists, changes to the five-year pharmacy curricula have been introduced at universities and by 1994 graduates will have covered this additional training.

GAIETY PREVAILS ... A "Pride" day when lesbians, Mother City's first bisexuals...

Staff Reporter

DISSIDENTED photographer who worked for the Cape Times became chief photographer of a short illness. He was 37. Mr Ray Ryan, who left the Company in November, became chief photographer of a short illness. He was 37. Mr Ray Ryan, who left the Company in November, died suddenly and was a keen golfer.

"Ryan is survived by his lover, Mr Ray Ryan, who left the Company in November, and his partner, who was a keen golfer."

Ray Ryan
Company Doctor: Positive signs for car insurance

The company's move to include negative signs for car insurance is seen as positive. The move is expected to reduce premiums for drivers with a clean driving record. The company has also introduced a new policy that allows drivers to earn a discount on their premiums for safe driving.

In the meantime, the company is looking into expanding its services to include health insurance. This move is seen as a way to diversify the company's offerings and attract more customers.

The management team is also working on improving the company's customer service. The company has launched a new online portal that allows customers to easily access their policies and make claims.

By Ewerton Woods

Investors save M’bond

Cape doctor

Cape Business
Minister calls tune in row over contracts to sell CDs

By GLENDA NEVILL

A DIRECTIVE from the Minister of Public Enterprises Dr Dawie de Villiers has overridden a contract between Top CD franchisees and their parent company that precludes franchisees from dealing directly with CD and cassette suppliers.

The directive, published in the Government Gazette on Friday, ordered that the parent company, Dial-a-Movie, should not "directly or indirectly compel or induce their franchisees from charging a particular, or particular minimum, selling price".

This move follows a decision by the Competition Board to investigate complaints by eight branches of Top CD in the country — including two in Cape Town.

The branches complained that the parent company was not passing on large discounts from record companies that would have allowed them to drop their prices.

After the complaint was filed, the Competition Board instituted a two-point restraint of trade order on Dial-a-Movie under section 10 of the Maintenance and Promotion of Competition Act. The Competition Board's investigation into "restrictive business practices" would be completed in three months, a spokesman for the Board said.

The attorney for the franchisees, Mr Mark Radomsky of Edward, Nathan and Friedland, said his clients wanted to be released from their contracts.
The recent trend of...
Napac’s fall - and rise

NATAL’S Performing Arts Council is fighting for its life. After a damning report by a committee led by business consultants, there is a dramatic attempt under way to restructure the arts council totally to save its symphony orchestra, its dancers and other artists.

If it succeeds there could be valuable lessons for the other arts councils.

The first casualties have been the members of the four-man directorate. They have been replaced by a temporary single chief executive officer. Still more jobs will have to be pruned. Even the previously cloistered board itself is to be cut drastically, appointed according to fresh criteria and hopefully made more effective.

Meanwhile all members of staff have been asked to forego pay increases for one year, and their bonuses.

Napac has been sliding steadily into financial crisis for several years as government subsidies have declined. The Durban City Council has helped bail it out before but when then general director of Napac Robert Cross went to the council a few months ago with another SOS, the council agreed to help only if there was a thorough review of Napac’s affairs.

Napac agreed.

A business management company, Turnaround, was hired. With representatives of the board, management, senior staff, trade unions, the city council and the Natal Cultural Congress, it created a formal Evaluation Committee on Napac, Econ. This not only looked at the books but asked Napac staff and outside experts just what was wrong, what Napac should be doing and how this could be financed.

Its report was hair-raising. The committee concluded that the council, as it has existed until now, was past the point of no return.

Many of the details have been obvious for a long time.

For example, one finding was that the bureaucracy was bloated with far too many “support staff” for the actual performers.

Econ emphasised also that the council was functioning, by and large, for relatively select Eurocentric interests and largely ignoring the majority of the population, and that this was not tolerable.

The most drastic option Econ considered was simply to kill Napac off. But it concluded that very little would rise from the cultural ashes and that an “extremely important resource would be lost to the region forever”.

It is pinning its hopes on “transforming” the organisation and running it efficiently on business lines — though this does not necessarily mean making a profit. But it does mean not throwing money around.

Crucial to a successful restructuring of Napac is considered to be the restructuring of the board itself.

This has been perceived as woolly and ill-defined, though individual members may, in fact, be first rate. At present it is appointed by the administrator of Natal according to various formulae and also, seemingly, sometimes through whom or to suit a prevailing fashion. That is: We need more Indians, or some blacks.

It also needs to be compact, involved, effective and accountable. Instead of consisting of more than 20 people, it is likely to be whittled down to fewer than 10. The details are being negotiated.

Another suggestion from Econ is that a trust might be established to help maintain Natal’s fine orchestra. This could prove a valuable lever to raise money from the local community, not only for the orchestra.

In the United States, local communities are proud of the cultural assets they have been able to create and sustain. But nobody will throw money into a dubiously political, improvident pit.

So a reorganised board of directors involving trustees representing the interests of local benefactors becomes even more essential.

As political changes make enormous financial demands on the government, the reorganisation of local arts councils to give local communities a greater responsibility, and pride in local artistic achievements, could be vital for the meaningful survival of culture in South Africa.

Maybe the fall and, hopefully, the rise again of Napac could help show the way.
Storm over scenic Cape

The idea of a body to promote the film industry in the Cape has received wide support. Who should be represented on it has proved a more contentious matter, reports GAYE DAVIS

STARF differences have emerged over who should be represented on a new body intended to promote the Cape as a film-friendly location — despite overwhelming support for the notion from the local film and television industry.

A summit meeting earlier this month called to establish the Western Cape Film Foundation ended inconclusively and the issue of representation will be discussed further at a meeting of an interim board on June 28. Fears that the foundation will be unduly controlled by big commercial producers, coupled with industry apprehension about the presence of unions, will be central to the debate.

Facilitated by Cape Town’s deputy mayor, Clive Keegan, the initiative is aimed at both capitalising on the region’s increasing popularity as a location choice by filmmakers and strengthening the industry in the region.

During the six months between October 1992 and March 1993, more than 150 local and international productions were produced in the Cape, representing about R52-million spent on wages, services, accommodation, transport, construction, retail and leisure, according to Keegan.

But certain factors — such as poor communication with state and council officials, and being barred from locations because they had previously been abused — caused frustration and led to lack of productivity.

“The needs of the film and video industry are unique and varied. This sector must be accommodated and addressed in terms which are in line with this dynamic industry,” Keegan said.

Johan Blignaut of Showdata, the Cape Town-based audiovisual research and information service, said an industry survey of 220 people in 116 companies overwhelmingly supported the idea of a representative body to promote the facilities, resources, talents and skills of the region. He estimated there were about 178 companies and more than 623 people employed in the industry in the western Cape.

But while there was “a very strong feeling that we need such a body, the structure it should have is contentious”, Blignaut said.

Steven Markovitz, chairman of the Film and Allied Workers’ Organisation in the western Cape, said Fawo believed the foundation could be “an important body for Cape Town and the industry as a whole — but it must be legitimate and representative”.

This was one of the reasons why Fawo would be pushing for unions and other media training projects to be represented on the board.

“You can’t promote Cape Town without giving something back. Access must be allowed to those who were denied it in the past,” Markovitz said.

Technicians and film-workers also had to be represented, he said. “At a meeting of technicians last week a representative was appointed who will attend the July 28 meeting.” He said the formation of an independent producers’ association was also being mooted.

The board’s structure and funding must also be decided in a way that accommodates industry concerns that it not become just another control board inhibiting, rather than enabling, the development of the industry in the region.
Inquiry into SABC film subsidy scam

By MARK GEVISSE

A SCANDAL at the SABC, involving the “stealing” of state film subsidies, could land senior corporation officials in court.

The alleged impropriety of a deal brokered between SABC and the Leisureco film company is being investigated by the Justice Department’s Office of Serious Economic Crimes (OSEO). The allegations also reveal the way in which the state film subsidy has been abused to the point of bankruptcy by local film producers with the connivance of the corporation.

At the centre of the scandal is Henrie Human, head of SABC’s production house, Safritel, and Frik Botha, head of the Leisureco Corporation. The Weekly Mail has documents alleging that in 1991, Human and Botha clinched a deal under which R800 000 paid to Leisureco for its TV serial, Konings, was disguised as payment for the right to broadcast The Road to Mecca. Leisureco is part of a consortium which owns the licensing rights to the latter film.

The SABC’s chief legal adviser, Leander Gaum, has said that the deal “boils down to fraud”. In an October 1991 memo to Human, appended to a confidential internal auditors’ report in the possession of The Weekly Mail, Gaum wrote: “It is obviously an effort, as far as I am concerned, to obtain, in an irregular manner, money as a state subsidy.”

Gaum said he had written but not sent the memo. Instead, he went to TV head Quentin Green. “I told him I was worried and he told me to proceed and keep him informed.”

What worried Gaum was that “it seemed as if we were using money which should have been paid directly to Konings to foot the bill on Mecca, thereby를 the film to a subsidy. This had two objectives: to finance Konings while at the same time qualifying Mecca for a subsidy.”

Under the state subsidy scheme, local producers could, until recently, get a 70 percent tax-free subsidy on box-office revenue and TV licences. By paying Leisureco R800 000 for the rights to broadcast Mecca, the SABC thus contrived to obtain R560 000 — 70 percent of R800 000 — in state funding for Leisureco.

The tacit agreement between Human and Botha was allegedly that most of this money would be used to fund Konings, which was way over budget. Human and Botha also agreed that, in return for the R800 000 loan, Leisureco would pay Safritel R200 000 to be “introduced” to Safritel’s international contacts and a further R500 000 for international licensing rights. In this way, most of the SABC’s money would return to Safritel after having “earned” R560 000 for Leisureco.

The OSEO started investigating the deal after the Department of Home Affairs, which administers the state film subsidy, alerted it to the possibility of fraud. But documents in The Weekly Mail’s possession confirm that senior SABC officials are themselves unhappy with the procedure.

Safritel production director Cor Nortje wrote to his boss, Human, that he would not pay more than R150 000 for Mecca. Once the SABC’s finance director, Steve Schubach, obtained the internal audit, he too objected. Schubach rescinded the original deal with Leisureco, and offered to pay R400 000 rather than R800 000 for Mecca. Leisureco had, however, already received a subsidy based on the R800 000 figure, but Frik Botha told the Financial Mail last week that “I have since repaid the State R280 000 plus interest (of the original subsidy)”. Nevertheless, the OSEO is still investigating the legality of this second deal.

The extent of Green’s involvement is unclear. The Weekly Mail has a letter sent by Human to Green in September 1991, requesting him to approve the linking of the TV rights for Mecca with the payment of money for Konings. In a response, Green wrote: “goedkeur soos afgesproek” (agreed as discussed). Green is abroad, and whether he understood the legal implications of the deal before Gaum contacted him in October is unclear.

In the internal audit, auditors George Harding and Chris Pretorius note that the deal did not receive the required approval from the SABC board. They also note that, “according to Mr Gaum, there are two more similar schemes in the pipeline”. The OSEO has confirmed that it is investigating alleged impropriety regarding other subsidy allocations as well.
Next step on gambling due

The Government's next step in relation to the Howard Commission report on gambling and casinos could be expected to be announced next month, Minister of Justice Kobie Coetsee said yesterday. Replying in debate on the second reading of the General Law Third Amendment Bill, he said the Government had not understood the implications of the report...
Gambling, not capital gains, must be taxed

By LYNDIA LOXTON

MENTION capital gains tax, and the rich run for the hills. There is a widespread belief such a tax would be a major source of redistributing wealth.

But, said Martin Grote of the Department of Finance’s new unit for fiscal analysis at a Cape Colloquium on Economic Policy last week, the new South Africa might do better to restructure its tax system to make it more equitable — and acceptable — and introduce a tax on gambling and lotteries.

A capital gains tax, he said, “would not be a money spiner, and if the government wanted to raise R3-billion or R4-billion quickly, it would do better to introduce tax on gambling and lotteries, which would raise R4-billion to R5-billion”.

He stressed he was talking in his personal capacity, but many immediately snatch up his comments as indicating that legalised gambling — and taxes — were on the cards. There has been no government comment on that yet.

The colloquium, organised by the University of Stellenbosch’s Economics Project, also spent some time debating the whole economic policymaking process in South Africa — and decided too many mandarins in so-called “independent” bodies were making policy decisions, for which they could not be held accountable.

Philip Mohr of the University of South Africa said what was needed was an expanded National Economic Forum, which was more representative than at present and which could thrash out what the economic goals and priorities should be.

Instead, because of the financial constraints on government, it was leaving policy-making to the Industrial Development Corporation (IDC), the Development Bank of Southern Africa and the Reserve Bank, all of which were regarded as “independent”. Reserve Bank Governor Chris Stals has, indeed, emphasised his independence repeatedly over the last few years.

Because they could pay better salaries, they attracted better staff, but delegates were concerned that they appeared to want to remain outside the system, but wanted to prescribe policy within the system.

“So now you have the IDC deciding on projects in which they are the major shareholders and I would argue for more checks and balances on them by linking them up formally with the rest of the policy-making framework,” said Mohr.

Similarly, the Reserve Bank alone decided on what happened to the exchange rate when this was possibly the single most important developmental tool in the economy.
Casinos operating within law

By Abdul Milazi and Sapa

The Gaming Association of SA yesterday said its members who had reopened casinos in Johannesburg and other centres were operating within the law.

Chairman Grant Kaplan said in a statement that the organisation believed in just and equitable legislation for the gaming industry and the right of the individual to operate casinos in accordance with such laws.

Local casinos were closed in January, after a four-month period of grace following the passing of the Gambling Amendment Act in October.

The amended Act outlawed all forms of gaming for benefit.

Pressure from opposition parties and interest groups led to the appointment of the Howard Commission, an inquiry into the gambling laws, and the imposition of a January 31 deadline.

SAP Narcotics Bureau chief Colonel Nels Venter said yesterday there were no loopholes in the law.
In the context of the debate surrounding AI and its potential impact, several key points were highlighted:

- The current understanding of AI is limited to specific tasks and lacks a comprehensive grasp of its broader implications.
- The development of AI is driven by exponential growth, yet its ethical and societal implications require careful consideration.
- The relationship between AI and human intelligence is complex, with debates around the nature of consciousness and the role of creativity.
- The financial aspect of AI development is significant, with potential for both economic benefits and associated risks.

It is crucial to approach the development of AI with a balance of technological innovation and ethical considerations to ensure its beneficial impact on society.
No loopholes for casinos – police

By Charmeela Bhagwat

Several casino owners who have reopened for business believing a loophole in the law allowed them to, could be shut down again, police said yesterday.

SAP Narcotics Bureau chief Colonel Neels Venter insisted yesterday that "there is no loophole in the law".

A Johannesburg casino owner told The Star today that she had reopened a while ago and confirmed reports that at least four other city casinos had reopened their doors and others had never closed at all.

Vouchers

The owner, who asked not to be named, said that while the Gambling Act prohibited casinos from paying clients with cash, credit notes or cheques, there was a loophole which allowed casinos to issue winning gamblers with vouchers for further play.

"The only thing received by the punter on our premises is a voucher for further play," she said.

But Venter said the operations were illegal, irrespective of what form the winnings took.

He said each case would be investigated and evaluated separately before action was taken against the casinos. Police were currently investigating and, if necessary, the casinos would be closed.

"The law is there and we will enforce it," he said.

In Johannesburg, the Narcotics Bureau sought legal advice on the issue yesterday and refused to reveal its plan of action.

Chris Whitfield reports that legislation reforming South Africa's gambling laws has been delayed in Cabinet and will probably only go through Parliament during a special sitting to deal with constitutional matters later this year.

Some clarity on the issue is expected tomorrow when Justice Minister Kobie Coetsee answers a question tabled by MP Tony Leon (Democratic Party, Houghton) on the Howard Commission's far-reaching gambling proposals.

A Government source said yesterday that the main stumbling block in tabling legislation had been "financial implications and technical problems". It is also understood that several church groups have protested against the Howard Commission proposals.

The source said these protests would probably amount to little because they should have been directed at the Howard Commission, but it is understood that some Cabinet Ministers feel strongly about the issue.

It has been speculated that the Government might distinguish sports pools from lotteries and other forms of gambling.

Warning

The present session of Parliament is scheduled to end on Thursday and it is highly unlikely legislation will be tabled by then.

"Even if this did happen, the first opportunity for the legislation to be debated and passed would be the second sitting of Parliament, scheduled for September or October," said the source.

"Consultation will also have to take place," said the source. This follows a letter from ANC leader Nelson Mandela to President de Klerk warning that any unilateral discussion on lotteries would be revoked by the ANC.
We’re the future station, is Metro’s proud boast

ONE STATION unshakeable in the face of competition, seems to be Radio Metro, catering to an emergent, confident, multi-racial audience that knows its own destiny. High participative and loyal audiences show tremendous response to the station’s chat shows and have leaped at the platform to enhance their views on a wide range of subjects.

Radio Metro, is coming into its seventh year of broadcasting and is now national, yet is nevertheless a “community-based” format radio that takes up com-munity issues such as education, finance, medical concerns and consumer issues.

Thoko Qoboza, the station’s PRO, says, “Launching Metro was a pioneering move. There was no station addressing urban black needs, working in a commercial metropolitan environment.” It is now the number two national station in terms of audience behind Radio Zulu, and is the largest “commercial” station.

When it broadcast to the FNV only, Metro had about 200 000 listeners a day. After going national, it has rocketed to 1 607 000 average daily listenership — 1 305 000 of them black, and increasing, its share of white, coloured and Asian listeners. Growth is across all race groups, showing strong support for its music selection and the relevance and topicality of its chat phone-in programmes.
HOTEL groups suspect that recommendations for the revamp of the gambling laws will gather dust until a new government is installed.

At most, only one aspect of the Howard Commission recommendations—about casino licences—is likely to be dealt with this year. It would hasten reincorporation of the homelands in SA.

The Government has yet to respond to the Howard report, released in April.

A Department of Justice spokesman says the issue could come before the Cabinet on Wednesday.

But government and opposition sources say it is highly unlikely that a bill will be tabled in Parliament this session.

"They are still merely recommendations," stresses Kessel-Finstein Consulting managing director Delma Caras. "We may not see the Government act on them at all.

"But something has to be done about the casino recommendations before the TBVC states are reincorporated in SA. It would not surprise me if nothing much else happens."

The commission recommended that 10 licences be granted for casinos located at least an hour's drive from metropolitan areas and that applicants prove sufficient demand.

Democratic Party MP Tony Leon will ask the Government in Parliament on Tuesday to react to the report.

"I think they are dodging the issue. We could have had the legislation through by now.

The licences would be granted over and above the casinos already operating in the TBVC states."

Mr Caras says in his annual study of the tourism and gaming trade: "As official policy—in so far as one can deduce it—seems to be oriented towards boosting tourism, it would be surprising if the ultimate legislation, originally promised for 1993, differs substantially from what is foreshadowed by the recommendations."

"But some interesting questions arise: how exactly will projects competing for a licence in a particular area be evaluated and whose divine inspiration will determine which is the best?"

"Will this or a future government be able to resist the temptation of treating the casinos as cash cows and taxing them to death?"

Mr Caras says the commission has sensibly suggested a levy of 15% on winnings.

Sun International managing director Peter Venison says his group is unable to plan more casinos until it knows what the rules of the game are.
Church protests delay govt’s response

By BARRY STREEK
Political Staff

The government’s official response to the Howard Commission’s far-reaching proposals to reform South Africa’s antiquated gambling laws has been stalled.

The cabinet has blocked a response to efforts to remove restrictions on lotteries and casinos outside the “independent” homelands after an avalanche of protest by church groups.

And President F W de Klerk, a devout Dopper, is understood to be reluctant to approve any legislation permitting gambling.

However, it is understood the government may delink the issue of sports pools from lotteries and gambling because there is widespread recognition that pools are not gambling.

Representations

The government will have to give an indication of its response to the Howard Commission when the Minister of Justice, Mr Kobie Coetsee, is tackled in a question on its response tabled in Parliament by the Democratic Party’s Mr Tony Leon.

Church groups largely failed to make representations to the Howard Commission itself.

Yesterday, a spokesman for the Ministry of Justice said he could give no indication when the government would respond.

A recent letter by the ANC president, Mr Nelson Mandela to Mr De Klerk stating that any unilateral discussions on lotteries would be revoked by the ANC has also contributed to delays on any decisions about gambling.
R150 000 on the local box office circuit.
SABC group CE Wynand Harmse confirmed the investigation. He said, before he went overseas on Friday, that top management rectified the matter as soon as it came to its attention. "The matter has been restructured to fall within acceptable norms. From the outset we co-operated fully with the Office for Serious Economic Offences."
Top SABC officials — among them TV CE Quintin Green; one of his managers, Henrie Human; financial CE Steve Schubach; chief legal adviser Leander Gaum; production director Cor Nortje; and internal auditor Steve de Necker — have all been questioned by the Office.
The investigation into the scheme was sparked after Home Affairs alerted the Office. This followed an internal SABC audit and several objections by SABC managers against the scheme.
In an internal SABC memo Leander Gaum cautioned Henrie Human, manager of TV's commercial arm, Safritel, who conducted the negotiations, about the advisability of the scheme. "After I had studied the matter and thought about it, I would forswear my duty if I do not warn you that according to my view it boils down to fraud," wrote Gaum. "It is obviously an effort, as far as I am concerned, to obtain, in an irregular manner, money as a State subsidy," Cor Nortje, who reports to Human, distanced himself from the scheme. In a letter he said that he would not have paid more than R150 000 for The Road to Mecca licence.
The FM has copies of letters between Henrie Human and Leisureco's Frik Botha, in which the contract is discussed. In a memo in September 1991 to Quintin Green, Human said that he would be prepared to negotiate the TV rights for the film. "If we link the telelysing rights for the film to the contingency fee (R530 871 of the R8m which was held back by the SABC) allocated to Konings, we could probably obtain the film at a minimum tariff," wrote Human. Green, in a handwritten note on the memo, responded: "Approved as discussed."
In an internal memo dated November 11, 1991, and classified "strictly confidential," which auditors George Harding and Chris Pretorius wrote to commercial services manager Coen Nolte, they said that the cancellation of a 30% bank guarantee for the R8m Konings production had rendered the SABC defenceless if Konings was not completed. The memo also states that producer Frik Botha had on September 11, 1991 accepted "the proposals which had been made by the SABC."
The auditors say that the required SABC board approval for the agreement had not been obtained. They add that the agreements look "watertight." Though the real intention (of the agreements) was not documented, there exists a written calculation made by Human.
"(From this) it is obvious (dit bllyk) that the SABC should assist Brigadiers to obtain a financial State allocation for R560 000 (70% of R800 000), based on their income of R800 000 derived from the licensing agreement with the SABC (for The Road to Mecca)."
The auditors say that Human's calculation shows that the subsidy received by Brigadiers would "be returned to the SABC in another way." They also refer to Gaum's memo to Human which warned of possible fraud. In their conclusion the two auditors say that the purchasing of The Road to Mecca was not approved by the board. "The negative publicity to which the SABC would be exposed if this transaction comes to the knowledge of the press must be brought to the attention of the relevant parties."
The FM has been told that other film productions, which all benefited from the subsidy scheme, have been brought to the attention of the investigators.
Frik Botha, when contacted on Monday, showed great surprise. "I don't have any knowledge about the investigation," he said. "No-one has told me anything. I have seen Quintin Green last week and he did not mention anything. The whole matter can be explained. I have signed a new The Road to Mecca contract with the SABC for R400 000 and I have since repaid the State R260 000 plus interest (of the original subsidy)."
Office for Serious Economic Offences assistant director advocate Chris van Vuuren confirmed the investigation but declined to give details.

Eddie Botha
t raises stakes

Scratch-card firm denies profiteering

GAMES Africa (Pty), a scratch-card game operator, yesterday denied Howard Commission observations that the company was making excessive profits at the expense of social welfare.

Games Africa director Professor Henry Vorster said the Director of Fund-raising had agreed to a start-up yield of 15 percent, which, on a sliding scale, would increase to 30 percent once the operation reached maturity.

He said Games Africa would not have been able to pay out R10 million for charity in less than six months without major investment by the company.

Recovered

Investment would have to be recovered over a reasonable time.

The Ithuba Trust yesterday welcomed the Howard report, but said it hoped it would not jeopardise the role of voluntary effort and private initiative in harnessing additional resources for social welfare.

Ithuba chairman Raymond Parsons said: “The Ithuba Trust believes that what needs to be decided for the future is how the mechanism of a lottery can best be used to raise the maximum additional funds for social welfare and the underprivileged.” — Sapa.
Casino proposals

Kerzner's rivals draw fire from stillman

By CHANNA RAN

The plans for businessman Wayne H. Hu's $3 billion gaming venture in the city's wholesome downtown district are moving ahead, but a number of urban planners and city officials believe the city's long-time gaming proposals are still on the drawing board.

The city's gaming proposals have been proposed by the city's downtown district, downtown city officials, and city officials, as well as a number of urban planners and business leaders. The city's downtown district has been proposed by the city's downtown district, downtown city officials, and city officials, as well as a number of urban planners and business leaders.

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Women fight for a say in sport

The idea of a women's sports movement in South Africa has been mooted. FANMEEDA CASSIM reports on developments and takes a look at a book that has been published on women and sport in this country.

In June last year an interim committee of "South African Women for the Advancement of Sport and Recreation" was formed.

It's general aim, according to Delilwe Maruping, one of the three committee members with Cheryl Roberts and Kedi Tshoma, was to "fight for equal opportunities and representation of women in all levels of sport".

So far, what was seen as a women's sports movement, or a women's pressure group in sport, has not taken firm shape.

There are, however, plans to stage a women's sports festival at the end of May which could provide the foundation for a countrywide growth of a women's movement.

The subjects of discrimination against women and the male domination of local sport have now been explored in an introductory book by Roberts, the Cape Town-based executive member of the National Sports Congress (NSC) whose selection to the SA table tennis team for last year's Barcelona Olympics raised a storm of controversy.

The book, Against the Grain: Women and Sport in South Africa, was commissioned by the National Children's Rights Committee and a United Nations agency.

Roberts outlines the obstacles and ingrained prejudices which place limits on the access the majority of women have to sport and recreational activities.

The book contains comments from a number of working women, women sports administrators, and includes brief extracts from overseas publications on the subject.

Roberts attempts to explain the reasons why women suffer such a wide range of disabilities in South African sport, and proposes ways this state of affairs can be successfully challenged.

The hardest hit are black women who have to do a "double shift" at work and at home, and also suffer discrimination because of their class, colour and gender.

Many of the problems, Roberts says, relate directly to the inferior status of women in the home and work environment and in society in general.

Because of existing family and social norms, most women have very little leisure time and access to sporting and recreational opportunities compared to men.

Many women are forced to give up sport by their husbands when they get married.

The other issue Roberts tackles is that most South African sports bodies are controlled by men. The majority of participants in sport are men, and the media is dominated by men.

Only a few women have been elected to executive positions in national controlling bodies and the multi-sport co-ordinating sports bodies.

While there are obvious exceptions, male attitudes towards women generally in SA sport, Roberts says, do not always allow for equality of opportunity.

A recent exception, she notes, is that women school teachers and others have become cricket coaches.

A common occurrence, Roberts says, is that women are subjected to sexual harassment and other indignities.

She calls on women to challenge the status quo.

Amidst other things, she would like to see the adoption of an anti-sexist code of conduct; the organising of certain exclusively female sports events; assistance by commercial sponsors; more attention to women's sport and recreation in industry; and more attention being given to women in development programmes.

Late last year Roberts brought out the first issue of a magazine, Sportswoman, which deals exclusively with women in sport.

The so-called "gender issue" has been discussed in the NSC. Its president, Muleki George, says the organisation fully recognises the need for women to be treated equally in all facets of sports life.

"But the ball is in the court of the women. There are no restrictions in the NSC. They know what they want and they must make it happen," he says.

As George says, only time will tell whether a women's sport movement gets off the ground and attracts enough support to exercise a strong influence over the male-dominated sports establishment.

GOING Against the Grain is published by Township Publishing Cooperative, and costs R15. It is obtainable by post at PO Box 16536 Vlaeburg, Cape Town, 8018.
The principles set out in the Act

...
Film Industry Men on Fraud Charges
SA soccer bosses shocked, grieving

By HERMAN GIBBS

SOUTH AFRICAN soccer officials last night expressed shock and grief at the news that the plane carrying the Zambian national soccer contingent of 18 players and five officials had crashed off the African west coast.

Reports that there were no survivors were confirmed in Zambia.

The South African Football Association is to hold a memorial service for the team at the First National Bank stadium outside Johannesburg next week Wednesday at 6pm.

SAFA secretary-general Mr Solomon Morewa, speaking on behalf of the SAFA national executive and all its members, expressed his sorrow.

"We at the NSL had a close relationship with most of the players in the past. In fact three of the players are on the books of the Lenasia-based Dynamos club," he said.
M-Net set to extend its service to Ghana

M-Net International's service, broadcast in more than 30 countries, would be extended to Ghana, M-Net International GM Nolo Letele said yesterday.

A newly formed company, H-Tech Vision, would operate the pay television service, which included the BBC World Service Television, in Ghana.

Negotiations were taking place to establish more pay TV operations in Africa, and inquiries had been received from as far afield as Kuwait, Letele said.

The service consisted of 11 hours of BBC World Service TV news and information programmes a day. The rest was made up of M-Net's Africa service, which included international sport, movies, series sitcoms and cartoon programmes.

M-Net's domestic and international service had 700,000 subscribers, making the company one of the largest pay TV operations outside North America.

Locally, M-Net was considering several new programmes, including a new talk show, Night Moves, hosted by Dali Tambo, son of the late Oliver Tambo.

Tambo had lined up several guest stars including Bill Cosby, Cher, Spike Lee and Olivia Newton John.

M-Net had been looking for a new talk show to replace the John Berks show, M-Net local productions manager Johann van Heerden said.
Mountains as plain crash wips out Zambian national football
Changes sought

Heated debate on arts bias

COUNCILS IGNORE BLACK ARTISTS

By Victor Metsoamere

A packed audience heard a heated debate on the issue of performing arts councils in South Africa during the African National Congress's culture and development conference this week.

The general consensus in the packed Johannesburg Civic Theatre auditorium in Braamfontein was that performing arts councils should make way for open, democratic institutions.

One side of the panelists contended that developmental outreach programmes were not enough, while the other contended that it was a positive move towards equipping members of the "disadvantaged communities".

Panelists included representatives of the four performing arts councils, the Performing Arts Workers Equity, community arts organisations, author-director of the musical Magic At 4am Mbongeni Ngeusa and officials of the ANC's department of arts and culture.

Pawe made a proposal that performing arts councils should scale down the amount of money spent on orchestra, ballet and opera companies, so that companies in the townships could get an equal share of the funds.

Members of the audience found statements made from performing arts councils confusing and lacking credibility and urged them to make public statements of intent to open their institutions to all.

Ngeusa said there were many black arts companies whose work was at a high standard but who were ignored by arts councils in Natal, Transvaal, the Cape and the Free State.

As an illustration he said his musical Sarafina was staged at the Natal Performing Arts Council's Playhouse Theatre only after it had achieved fame abroad.

"I did not have decent space and resources when I rehearsed Sarafina in South Africa," he said, adding that it would also not have been staged anywhere else except for multiracial performance venues such as the Market Theatre in Johannesburg, where Sarafina, now a block-busting movie, had its world premiere.
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BUSH TELEGRAPH GOES FREEDOM OF THE PRESS IS YOUR FREEDOM

THE WEEKLY MAIL April 30 to May 6 1993
Taxman calls it
a day on films

A PLAN has been devised to end the seven-year, R2-billion tax wrangle involving investors in film schemes.

An offer by Finance Minister Derek Keys says taxpayers will be allowed to deduct for income tax 1.5 times the amount they invested in any film scheme before February 28 this year.

Taxpayers have until September 30, 1993, to accept the settlement in writing. But they have to pay outstanding amounts to the Receiver of Revenue before May 31, says Acting Commissioner for Inland Revenue Trevor van Heerden.

He says those who have paid their tax in full will be refunded the difference. They will receive interest of 14% from the date of payment until September 30, 1992.

Those who paid tax after that will be refunded without interest.

Mr van Heerden says the condition of the settlement is that investors prove to Inland Revenue that a film was made and that it was released in an export country.

The film had to be available for sale even if it was unsuccessful, says Fischer Hoffman Stride tax partner Anthony Chait.

The treaty was adopted at a meeting between Inland Revenue, the film industry and partners in large accounting firms.

The talks were initiated and mediated by Tax Advisory Committee chairman Michael Katz.

Mr van Heerden says the settlement is unprecedented.

"But it is in the spirit of Mr Keys' intention to improve the degenerating relationship between taxpayers and the Receiver's office."

The settlement is peculiar to film schemes.

"It sets a precedent in that it shows the Receiver is willing to get such issues cleared up. But that does not mean that similar settlements will be arrived at for the aircraft, bloodstock and plantation tax schemes."

Even though many investors have paid full tax and are due for a partial refund, Mr van Heerden expects the Receiver to have a huge cash inflow.

He says that before the scheme was stopped, investors stood to get about R3 to R7 in tax deductions for every rand invested.

"There were even some schemes that were geared up to 3R1." Alltron group corporate relations executive Jacques Sellechop says: "We welcome the intimation of a settlement offer as a positive step to improving the relationship between the taxpayer and the state."

Unfair

Intertax director Peter Gower says: "The deal is not unreasonable. It is important that the matter has been brought to a head because much unproductive time was devoted to it."

"But it may be unfortunate for investors who genuinely paid marketing and production costs out of their pockets."

Keesel Feinstein tax partner Ernast Mazansky says although it is the best that can be expected in the circumstances, the deal is unfair to honest taxpayers who became involved on the strength of rulings given by Inland Revenue and public assurances by then Finance Minister Barre" end di Plaatst.

"Many of those people have had the rug pulled from under their feet and are not even coming out square." Mr Mazansky expects the offer to be generally accepted.

"I doubt that there will be enough rejections among the 38 000 people involved to form a power bloc to fight the matter."

"Investors run the risk of losing the case and not being allowed any write-offs."

Mr Mazansky says that even accounting firms which marketed the schemes will urge their clients to accept the offer.
Culture for the people

WALLY Serote has been a key player in the ANC's drive for cultural liberation, JOE LOUW spoke to him at a conference this week.

FROM the beachhead of exile, the people's poet, Wally Serote, has always been at the forefront of South Africa's cultural battles and the politics of culture. And, as the angry young man of the 1970s, he offered no apologies for his strident assertion that without cultural liberation there could be no political liberation.

But Serote, a man of prodigious talent and productivity, has mellowed since the days of the cultural boycott, when he acquired a reputation as the cultural vanguard of the ANC.

Then he seemed to appear everywhere at once — on television, at conferences, at stadiums, on shows, at lectures, arguing, agitating, threatening and pushing his cause for all he was worth, sometimes making him a thorough nuisance of himself.

This week he was again in high profile at the Johannesburg Civic Centre, where the ANC's department of art and culture was conducting its fourth thematic cultural conference.

This time the gathering was geared not for protest but for fostering the unfolding gusto, to consider "culture and development".

HE SPOKE with great optimism about his beloved country, of healing and reconciliation, of South Africa belonging — as in the Freedom Charter — "to all who live in it".

He was straining to accommodate those who would interpret his vision as "just so much hooey" which was the watchword at the ANC's National Conference in total control and began to assert its ideology.

Serote took some time off from scouring about at the Civic Centre to speak to the Saturday Star.

"The ANC has no hidden agenda," he said. "We have never been exclusivist, either on the grounds of race, sex or culture, or anything else."

"Our agency has always been for an open society — non-violent, non-violent. Our directive from the president of the ANC himself has been that whatever we do in culture, to make sure we include everybody, and that we remain accountable to the people."

All political formations were invited to the conference, "not as participants but as observers, mainly because we did not want to turn a cultural conference into a political conference. We want them to be aware of our thinking and our direction in culture," he said.

Serote, who played a leading role in the ANC's policy on culture, was involved in its earliest efforts to organise the cultural front of the organisation's resistance to apartheid.

In 1979 he helped to organise a mammoth cultural gathering in Caboroore, Botswana, under the banner Culture and Resistance.

The conference was a roaring success. More than a thousand "cultural workers" arrived from South Africa, and some of its best and most renowned artists in exile showed up, among them Hugh Masekela, Abdullah Ibrahim, and Sipho Mchunu and Letta Sseni.

Also there were Nadine Gordimer and Bill Aston.

"Two things came out of that initial meeting," said Serote. "One was that we had to build up our cultural workers' forum organisation and mobilise those organisations to become part and parcel of the liberation process. Secondly was that we had to reinforce the cultural boycott.

"The task was to isolate white cultural institutions and individuals to pressure them to accept that they had to accept that a large portion of our population was culturally marginalised, and that they were part and parcel of that deprivation."

WITHIN the next five years, said Serote, the ANC department of art and culture — which he headed — was able to assist, from exile, the proliferation of hundreds of cultural organisations. This led to the next phase of the great cultural "rediscovery".

This time, 1987, the venue was Amsterdam. The theme was "culture in support of Africa". It was to prepare the way for the watershed of February 1988.

"That was where we had to explore, in great detail, just what we meant by a 'democratic culture'," Serote said.

"We were guided by the very first clause of the Freedom Charter — that South Africa belongs to all who live in it, black and white — which meant we had to create structures which included all the people, and to let South African culture flourish for all without fear or favour or exclusion."

A SUBSEQUENT cultural conference in London in 1990 furthered the cause by setting up pragmatic considerations — training cultural workers in administration, management and technical areas.

This task, Serote said, was very much the "nuts and bolts" of this week's conference.

We are now drawing up a programme of action to redirect cultural and other imbalances. The Zabala conference (in London) taught us that it is possible to draw methods and means of empowerment of individuals, and we are looking into how we are going to pull together the diversity of our culture in this country to make it part and parcel of the democratic process and of reconstruction and rehabilitation.

"We see culture as a means of healing our nation, of uniting our nation and of creating a culture of tolerance among all people," Serote said.

Serote was born in Sophiatown, went to school in Alexandra, and is the father of five boys: Lenzton, Zewi, Sodaba, Vuya and Thabo.
GAMBLING INDUSTRY

Stacking the deck

The government-appointed Howard Commission apparently set out last October to protect Sun International and the horse-racing industry. If implemented, its 145-page report on the future of gambling, released last week, will do just that.

Government is expected to react to the report in two weeks and to pass legislation during this session, which should end in late June, or in a supplementary session later in the year.

Critics are incensed with the sometimes arrogant tone of the report (giving casino licensing control to local authorities is considered "preposterous") as well as the myths (SA needs more boutique hotel rooms) and misinformation (the Games Africa/Ithuba lottery is being "margins profits" though it actually operates at a loss.)

But perhaps most galling to them is how the commission seems to have bent over backwards to protect the nine casinos in the homelands — where Sun International has a monopoly — and 13 racetracks by recommending that only 10 casino licences be granted to tourist resorts at least one hour's drive from metropolitan areas. That's a big reduction from the 2000 mini-casinos that the report estimates were operating throughout the country until three months ago, when legislation forced them to shut.

"How do they justify partially stamping it out?" asks economist Michael Schevitz, who helped compile the Free Market Foundation's representation to the commission. "If, as they say, it's dangerous and futile to ban gambling altogether, does this make it only a little bit dangerous and futile?"

The ANC's Carl Niehaus says he worries that the recommendations will lead to a new monopoly and that the one-hour-drive notion "sounds very strange."

Others, however, see the commission's work as an important step toward implementing necessary regulations and controls.

"I wouldn't say the report offered a protectionist mechanism," says Durban Turf Club GM David Furness. "It's a control mechanism."

Sun International MD Ken Rosewarne, who recently announced his resignation, is low-key about the report. "Generally speaking, it was a responsible approach but there is some need for clarification."

As part of their research, the commission-ers — Natal Judge James Howard, National Sorghum Breweries chairman Mohale Mchanye and Unisa law professor Sas Strauss — visited Sun City and the Carousel, two Sun International casinos in Botswana.

Strauss would not comment on criticism of the report or allegations that it is biased. "What we have to say is in the report. Now it's up to government." He adds that the commission's trip to Sun City was paid for out of the commission's budget.

They also visited a small casino, a restaurant with gaming facilities and a "gambling den" in Durban. When these and the other mini-casinos were shut, in part due to a letter from Howard to President FW de Klerk recommending their closure but written three months before the report was completed, the horse tracks and Sun International applauded.

Furness says the nearly 10 mini-casinos within 4 km of the track had hurt business. He says he didn't actually click his heels but "we were pleased that they closed them."

The commission states openly that it tried to look after the horse-racing industry. "Though it is not normally the function of government to protect one industry against another . . . we consider it to be in the public interest that the horse-racing industry remains viable and that reasonable measures should, therefore, be taken to ensure its survival in the face of competition from alternative forms of gambling."

The commission believes that the Totalisator Agency Boards (Tab), which handle off-track betting, should run its envisioned single, national lottery and that Tabs, along with licensed bookmakers, should handle all sports betting. And racetracks should also be able to apply for casino licences.

The Durban Turf Club, for one, plans to take advantage of the opportunity. And along with the other two turf clubs in Natal, it owns the 120 Tab outlets in the province. So if the on-line lottery is run nationally by Tabs, racing clubs will have a controlling interest in the lottery. "If we can participate in all three, we certainly will," Furness says.

The report does make major moves towards acknowledging reality — did anyone really think that answering a dumb question made a scratchcard game a contest of skill? — but critics charge that the commissioners also have recommended a big step backward towards centralisation of government power, over-regulation and the discredited policies of targeted economic development.

"Nation of gamblers"

The recommendations include:

- Licensing only 10 casinos. The report says this number will "satisfy reasonable demand" without turning SA into a "nation of gamblers" and also limit the infiltration of organised crime. Critics say compulsive gamblers can always find an outlet and that severely limiting the number of licences makes them a highly valuable commodity — exactly what attracts criminals;
- Locating the casinos an hour's drive from metropolitan areas. The report says that's to protect poor people from squandering what little money they have and to encourage development outside the cities. Critics say it's to limit the threat of competition and play Mother Grundy.

"I don't understand why the Lord Charles in Somerset West, 30 minutes from Cape Town, which is one of our hotels, could not be considered," says Protea Hotels MD Arthur Gilles. "If you drive for an hour you're in the middle of nowhere. It's total insanity!";
- Encouraging international tourism by building new resorts. The report cites projections from the SA Tourism Board, which expects overseas tourism to nearly double, to almost 1m visitors by 1995. But tourism growth has been slow and hotel occupancy is only 45% so there's no demand for new hotels, critics say.

Also, even fans of the report think it's ludicrous to lure foreign tourists to Johannesburg, for instance, with the promise of casino gambling and then tell them they have to drive to Ermelo or the Vaal Dam to have a flutter.

Critics also attack the commission's protectionist view that the number of new licensed resorts should be limited to allow "the investor a reasonable return."

So what's an aggrieved party to do? Forget about the commission and concentrate on lobbying MPs.

"Some of the recommendations are untrue and confusing," says director Eytan Rechter of Ceramic, which runs the Ithuba scratchcard game and wants to operate the on-line lottery.

"We plan to make our views known to the relevant people."
Both works show how important it is for playwrights to lead the way in contributing towards calm in South Africa.

By Victor Metsoamere

Two plays presently on the local theatre circuit highlight the senseless violence that has dented the moral fabric of South Africa.

Mtongeni Ngema's Sowetan/Radio Metro-sponsored Magic At 4AM, running at the Johannesburg Civic Theatre, and Charles Forrie's Vrygrond at the Market Theatre, highlight the most dangerous source of the senseless bloodletting: the traitor within.

Both perpetrators in these two plays are employed by whites to kill fellow Africans, a shameful aspect that has been vehemently denounced and refuted all along.

Violence examined

Through their examination of the violence and how it affects both rural and urban life, both Ngema and Forrie have shown how important it is to lead the way in contributing towards calm in South Africa, as both men have an influence.

In Magic At 4AM two young children watch as their mother is hacked to death at a railway station.

Later in life, following an emotional reunion with their father, the same ghastly scene is replayed when he goes down in a hail of bullets, followed by the punching out of his last gossips of air at the hands of a spade-wielding assailant.

The culprit is a fellow boxer at a mine who is paid by a white man to kill fellow Africans.

Family secret

In Vrygrond, a mother has to hide the secret of seeing her son-in-law among police men who had come to arrest her son, taking her daughter in the same swoop, and who is later raped.

Both the daughter and mother are racked by this same secret. The son-in-law later returns to kill.

About the violence, Shaka Zulu, the main character in Magic At 4AM, played by Bhyoi Ngema, says: "This is not my war."

How one wishes we could all say the same to make South Africa a safe world to live in, for all.

Vrygrond is a straight, well-structured drama with Africans in dialogue, featuring a budding white author-director and a black and white formally trained cast.

Vrygrond has received low-scale media attention and from its crudite stage design of dirt all over the small Laager Theatre, including sand, gum wrappers and empty beer cans, its setting of a squatter camp somewhere in the Karoo.

Magic At 4AM is a musical by a famous all-rounder, with a large cast, magnificent backdrops that show various settings such as mining compounds and hostels, churches and kwezes, paradise parks in a nearby township, colourful costumes and classy dance routines.

Laboured

Magic At 4AM, enjoyable and enlightening if one is prepared to endure its laboured plot, maintains the same Ngema touch in its music, choreography and their executions and is performed in a large venue with state-of-the-art gadgets enhancing its desired brilliance.

Even having received mixed reviews after its world premiere, the production is bound to tour abroad for its high commercial value.

Most players in Magic At 4AM, mainly a tribute to American Muhammad Ali for his talent as a boxer, and his refusal to take part in the Vietnam war, have Ngema as their main educational and inspirational source and have featured his previous productions, Sarafina and In Township Fever.
Corporation hits the right note

NO cash, no school. That’s been a nasty fact of life for black performing arts schools.

Over the last few years Fuba has struggled to cut its dependence on handouts.

But, with the current recession biting deep, everybody agrees that it has stumbled.

Faced with the prospect of closing its doors on black children with artistic inclinations, Fuba sent out an emergency signal and some corporate executives came to the rescue.

One such man is the executive public affairs manager at Total, Caswell Makama, who has strongly identified with problems facing the future of artists in the black community.

Makama has risen to the challenge by steering his company’s social responsibility programme into sponsoring artistic initiatives in the black community.

Last year he ensured special funding for the mobile Two Decades of Fire exhibition which celebrated the achievements of township-based artists and captured the socio-political history of the townships.

Not only that, Makama has also emphasised his company’s continued support of Wits University’s collection of indigenous music.

Recently, he started a programme which saw Prof J Khumalo of Wits commissioned to study and record choral music to highlight and celebrate the significance of indigenous music in the country.

But the project which is close to his heart is that of encouraging black children at primary level and upwards to expose themselves in the arts and discover their own artistic abilities.

Early this week Makama presented a R10 000 cheque to Fuba director Sipho Sepamla to encourage the institution in its outreach programme which motivates young black children to value the arts.

Since inception over 3 000 youngsters from PWV schools have gone through the programme.

But when the coffers began to run dry, Makama was quick to come to the rescue.

“No one can deny that the education system in the country has neglected the performing and visual arts,” he said.

“We believe that we have to encourage little ones in black schools to express themselves through artistic channels to facilitate and develop awareness of the arts.

“Our people will only be able to leave a rich heritage for posterity through the works of art that express their identity and celebrate their history.

“This can only be achieved through support for ventures such as those initiated by Fuba.”

HELPING OUT . . Total officials (from left) Caswell Makama and Paul Fairhurst donate R10 000 to Fuba director Sipho Sepamla (centre) and Fuba board members.

© Photo JONAS MANKGA
Bittersweet ending to ill-starred film schemes

By Leigh Hassall

Taxpayers have scored a tainted victory over the tax authorities in the eight-year battle over the deductibility of their investments in film schemes.

The Commissioner for Inland Revenue (CIR), over the weekend, proffered an olive branch to 30,000 taxpayers who invested in 150 film partnership schemes in the mid-1980s.

As a compromise, the CIR will allow investors a one-and-a-half times deduction from taxable income for every one rand of the net investment amount, as defined.

In other words, for a R10,000 film investment, where no other income has been received, a deduction of R15,000 will be allowed.

A significant aspect of the settlement package is the interest due on the taxes unpaid to date has been waived in full.

Some taxpayers have an accrued interest bill running into hundreds of thousands of rands.

The settlement offer is not compulsory and taxpayers have until September 30 to decide whether to exercise their option.

A quirk of the settlement offer is that notwithstanding the September deadline, interest will only be waived if taxes are paid before May 31.

The offer represents a bittersweet victory for investors.

Many taxpayers invested in film schemes in the hope of obtaining a tax deduction of, on average, five times. They were assured of these deductions by the written rulings and oral assurances given by the tax authorities.

The CIR's settlement offer falls far short of the promised returns. However, the carrot in the settlement package is the total waiver on interest due.

The interest waiver, the one-and-a-half-times deduction, as well as the taxpayer having enjoyed the use of the unpaid tax money should, generally speaking, put investors into the position they were before the advent of the film schemes.

These factors should ensure that many individuals accept the CIR offer. Some large corporate investors, however, might see fit to test their cases and go for the larger deduction.

Fiona Pain of attorneys Hoey-Meyr van der Merwe advises individuals to accept the settlement offer.

"Litigation is expensive and can be protracted. Acceptance of the offer will set the investor's tax affairs on a more even keel," she says.

Before election of the offer can be made, the taxpayer must prove that his film partnership met the overriding requirement of the CIR settlement offer.

The CIR requires that the film must have been made and released for commercial viewing in an export country. The onus is on the taxpayer to prove the claim.

This requirement rules out those who invested in films which were not completed or marketed. Films screened at film festivals but never distributed will be an issue for debate.

An important aspect of the offer is that the one-and-a-half deduction is not applied to the rand amount invested in the film partnership, but applied to a defined "net amount."

This net amount is defined as the contributed amount of the film investment, less any income received by the investor until February 26 1993.

Those who invested in successful films will be seriously penalised by this condition.

Another important aspect is that the deduction is only allowed in the year of assessment in which the investment was made.

This stipulation foils the many films which were structured in such a way as to take advantage of a three-year spread of tax deductions.

Significant to those taxpayers who have export activities, the turnover relating to films will not be allowed to be taken into account in determining the export tax allowances.

Interest will only be waived if the taxpayer pays his outstanding tax bill on or before May 31 this year. This extremely short period could present many taxpayers with cash flow problems.

Those taxpayers who have already paid their assessments on the previously disallowed film deductions will receive interest on the amount overpaid from the Receiver.

Overall, the CIR's settlement offer is likely to be well bid.

It should also serve to lessen the red faces of all those who starred in the whole debacle - the tax authorities, and the financial advisers who advised their clients on the film schemes.
R1-m indoor sports complex "inadequate"

By Cyril Madlala

The construction of a R1 million indoor sports complex in Newclare has drawn sharp criticism from the Westbury residents action committee, which says the project should be stopped because it is "inadequate and unacceptable".

The committee will take the matter up with the Johannesburg City Council on Wednesday.

A spokesman for the action committee, Cassim Peiker, said that on examining the plans, they found that no provision had been made for clinics, a library, a store-room, parking and an administration block.

According to Johannesburg's executive director of culture and recreation, Dr Dean Myburgh, his department was involved in grassroots development projects. Out of a R2.7 million budget earmarked for these projects this year, R1 million was being spent on the complex.

This amount would not be enough to provide immediately all the other facilities requested by the action committee, and these could be provided for as funds became available.

"We cannot do it all in one year, and people need to recognise that we are not building this complex to the exclusion of other projects," he said.

Myburgh added that he hoped the on-site meeting on Wednesday would lead to mutual understanding "that we would like to but cannot provide overnight".
Film tax: Business counts the cost

BIG business is counting the cost of the government's weekend announcement to limit the tax deductions that have already been offered to the film industry and the outstanding amount to be paid to the Receiver of Revenue by the end of May.

The tax deduction is to be set-off at 1.8 times the cost of a film investment made before February 28 this year - but the average tax incentive amounted to about five times the cost.

This plan announced by Minister of Finance Derek Keys is a bid to end the seven-year, R2bn wrangle involving investors in film schemes.

The amount to be collected is said to be substantial and would take much-needed cash away from businesses already battling.

"Have they gone mad," said one irate businessman.

He said that the millions he owed had long since been placed in other investments after taking advantage of the concessions offered by the government, in the mid-90's, to develop the local film industry.

"It's tax avoidance and that's perfectly legal," he said.

He added that it was "a perfectly sensible business decision" to have taken advantage of the tax breaks on offer in the film-making industry.

However, the opportunity lent itself to abuse and while the average tax concession amounted to five times the cost of a film investment - some companies received the benefit of tax concessions 30 times the cost ploughed into making the movie.
Surge of hope for the bridge-builders

WHEN writer Mewa Ramgobin said that art and culture could heal the bruises of a nation and bring unity to a divided people, his words seemed high enough.

They were simple and effective, but most would agree that the statement couldn’t possibly have any real value in a country shredded by violence and opposing ideologies.

But Ramgobin, a prominent figure in the ANC’s Department of Arts and Culture (DAC), may indeed have been vindicated.

The event which spurred his statement, the DAC’s Culture and Development Conference held at Johannesburg’s memorial Civic Theatre last week, was more than a meeting of a few hundred local and international cultural workers. It was a surge of inspiration and hope.

Imbalances

From soaring, colourful banners promoting peace and friendship to the thundering feet of dozens of toy-toying delegates, the spirit of goodwill at the conference provided convincing reasons to start believing in the new South Africa.

Everyone was “Comrade”, but the sobriquet had no socialist overtones; it was a verbal means of extending the hand of friendship.

The issues the conference set out to address concerned the cultural imbalances created by apartheid, and the exploration of ways to attain cultural equity for all South Africans.

At no point during the week-long conference did a single delegate suggest that should the ANC enter Parliament with a majority, culture as South Africans know it today would be replaced.

Reconciliation was emphasised, and where there were recalcitrant comments from the floor, these were debated and usually overturned.

It was agreed that under a new political dispensation, much attention would have to be given to the promotion of African languages.

International speakers from multilingual countries advised that one of the only means of realising this was to guarantee the right of individuals to speak the language of their choice, and this was strongly endorsed.

The controversial subject of cultural edifices like monuments and memorials was scrutinised both in a general forum and in a working group. Although it was recommended that memorials which reflected the history of black South Africans be constructed, there was no suggestion that all present monuments and memorials be destroyed.

Rather, it was suggested that such symbols be contextualised, perhaps with revisionist plaques putting the particular monument or memorial into historical perspective.

Symbols like the Voortrekker Monument may be returned to specific sectors of the community, whose responsibility would be to maintain and promote the building.

The advancement of indigenous forms of artistic endeavour was high on the agenda, it was generally accepted that the future allocation of funds for the performing arts would have to be democratic.

Reservations

The dismantling of the Performing Arts Council in their present form was approved by the delegates; and with some reservations — by three of the four directors of the performing arts councils.

In all areas of culture, delegates warned against State intervention, except on the issue of funding and facilitation of new structures.

Perhaps the words which most signified a gesture towards unity were made by the ANC’s Barbara Masekela, who warned against the belief that the ANC was a government in the making.

“Although we do expect to enter a new political phase with a majority vote, we will never be an ANC government with ANC culture. We will be a government for all the people of South Africa.”
LAST WEEK I had the privilege of attending the ANC’s culture and development conference at the Johannesburg Civic Theatre. I expected terse, sharp-elbowed debates and was agreeably surprised by the relaxed mood and the festive, exuberant atmosphere that prevailed.

As a former lecturer in Afrikaans at the University of the Witwatersrand, I was particularly interested in the ANC’s language policy. The organisation’s goal of conferring equal status on all languages could not be more fair and the lack of prescriptiveness inherent in the policy is refreshing. Only one delegate was in a dit-fortat mood and adamantly insisted that white schoolchildren should in future be compelled to learn an indigenous African language.

What struck me, though, was the often repeated demand for government involvement in the promotion and development of indigenous languages.

The State can only do so much. It will be up to the speakers to actively nurture the various languages. In this regard Afrikaans can serve as an example: a surprisingly positive example.

When a writer or poet uses Afrikaans as his language of choice, he or she is making a sacrifice. By communicating in Afrikaans, the writer knows that his readership will be limited. Should he decide to use English instead, his audience will increase tremendously. And after all, every writer wants his ideas and thoughts to influence as wide an audience as possible.

However, for many Afrikaans writers, the decision to write in Afrikaans is a conscious one, and taken with the express purpose of contributing to the welfare of the Afrikaans language. Black South African writers need to develop the same attitude.

There are black writers who write a superbly powerful prose — the ANC’s cultural supreme. Mr Moses Serote, is only one example — but many of these writers are writing in English. The accessibility of their work is to the benefit of readers like myself, who are shamefully ignorant of black languages. But the indigenous languages of South Africa will only be promoted once writers use their native tongue and are willing to forgo the luxury of reaching the majority of people.

Sets example

Writers and poets are the artists and sculptors of a language. Their creativity provides spark, and inspiration and sets the example for the entire language community.

At the conference, one delegate after another also railed against the powerful status accorded Afrikaans and English, as this causes black South Africans to feel embarrassed about using their own languages.

It should be remembered that the early speakers of Afrikaans had a similar problem. Under British rule, Afrikaans-speaking children were not allowed to speak Afrikaans in school. If they did, they ended up with donkey-ears and a sign around their necks proclaiming: “I shall not speak the Dutch patois.” English-speaking teachers scathingly referred to Afrikaans as a “kombruistiel”.

The response of Afrikaners was to make a concerted effort to develop a strong written literature. The editors of Afrikaans newspapers enthusiastically encouraged their subscribers, most of them uneducated people, to send in poems and other contributions.

Leaders in the Afrikaner community made every effort to instil in the speakers of Afrikaans a language pride. This was not easy, as Afrikaans also had to contend with the long shadow cast by Dutch. Many Afrikaners who enjoyed using their mother language considered Afrikaans too “plattensers” to use in church and rejected the idea that the Dutch Bible should be replaced by an Afrikaans translation.

Afrikaans is the ultimate protest language. It fuelled the movement of Afrikaner nationalism and gave the Afrikaner his identity.

I am not suggesting that black South Africans adopt the chauvinistic attitude that some Afrikaners have about their language. When Afrikaners took over from the British, their language policy can best be described as affirmative action gone mad. But there is a positive message in the Afrikaner’s refusal to be ashamed of the Afrikaans language in the face of discrimination and ridicule.

The cultural life of South Africa will be greatly enriched by the blossoming of the indigenous black languages. But more is needed than a sympathetic government language policy. It is up to the speakers. Voorwaarts!
Joe Mogotsi, one of the Manhattan Brothers who helped fashion the aspirations of urban blacks in the late '50s, is back home to revive interest in the music group. Thabiso Leshoa reports:

Joe Mogotsi and wife Pearl ... back after 32 years of exile.

Mogotsi. "We rehearsed for a solid year."
And although the group's popularity in English cabaret and night spots never earned them buckets of money, at least three LP's came out of the time.
"That's why I'm here," says Mogotsi. "To see about releasing them here."
One of them, Concert of Zulu, Sotho and Xhosa Folk Songs, was recorded live at the English Folk Music Society. The others are Emergent Voices and Africa South Sings.
"I feel this is the sound of black music," he says.
Mogotsi's latest group, which features a female singer, is called the Manhattans — "I wanted to keep the name alive."
Off and running

*Lotteries* FM 7193

**Lucky has no place in the ongoing battle among lottery operators for the chance to run the single, national lottery recommended by the Howard Commission report on gambling last month. Among contenders for the right to operate the online lottery are Viva Trust and Itshubu/Games Africa, which operate the biggest scratchcard games in the country; the Totalizer Agency Boards (Tabs), which run the off-track computerised betting on horse races; the Board of Executors; and even the Post Office.

With so much still to be decided by government, no one is saying how much will be raised or exactly who will benefit from the proceeds.

"I think it's going to be a rough competition," says Adole Thomas, a Viva trustee. "But we all agree that the State should not run the lottery. That's our point of contention."

The Howard report recommends that government should establish a National Lottery Board to conduct a lottery itself or offer it as a franchise to one organisation. That raised hackles all around. DP justice spokesman Tony Leon says a lottery board should be answerable to the State but it should not be another government department "with the usual mediocre brand of State appointees."

He also fears that if government runs a lottery, the controls will not be rigorous enough. "The State has an appalling record of corruption and mismanagement."

In the US, where about 35 states have lotteries, the trend is towards partnerships with private companies. In Texas, which started its lottery last year, the state pays a fee to suppliers of computer equipment, tickets and advertising.

In SA, too, partnerships are forming. Viva, which is allied with the Kagiso Trust, is among the 20-odd welfare organisations now operating scratchcard games. Viva, which doesn't have an online system yet, has found a partner in Taki Xenopoulos, executive chairman of the Fontana retail chain.

Viva's main rival is Games Africa, which runs the Itshubu game. Games Africa has spent R5m on its computerised game, Lotto Africa, which it planned to introduce in March until Judge James Howard squashed the idea of any more game introductions that might interfere with his recommended national lottery.

In October, the Board of Executors said it had made a deal with Automated Wagering International, which has installed the lotteries in eight American states and Norway, to supply the equipment for what it called the South African Lottery. This was expected to be online last month but, again, it was halted by Howard's edict. Now the board says it is waiting to see what government decides.

The horse-racing industry, which the three-member Howard Commission went out of its way to protect, gets a boost in the report with a positive pitch for the Tabs. "It would appear from the evidence that the Tabs are adequately equipped and experienced to provide a satisfactory service as agents of the National Lottery Board. Because they already have the computer network (290 outlets), they could do so more economically than a rival concern starting from scratch. Moreover, if they were to be appointed as the board's agents, this would help to ensure the survival of horse racing."

The commission, however, did have a problem with the Natal Lotto, a weekly online game operated by the Natal Tabs on behalf of Operation Jumpstart. The game, which began in October, is seen as having too-long odds, too-little advertising and an unattractive format.

The Post Office, which already acts as a retailing agent for Itshubu game cards at its 3,000 branches, is considering making a run at the online lottery franchise too. "The government is aware of our interest," says GM Andre du Plessis.

Critics of the Howard report are also wondering why the commission seemed to give an easier ride to the idea of a national football pool. Leon points out that the commission recommends that a private promoter, rather than a national board, run the pool, but doesn't make the same suggestion for the online lottery.

Games Africa director Eytan Rechter wants to know why the commission has proposed different percentage break-downs between the lottery and the pool. The report says it would be reasonable for the pool promoter to take 35% of turnover but, on the other hand, the commission knocks Games Africa for taking 35%. Also, the report recommends that at least 22%, and perhaps about 30%, of lottery turnover should go to charity. But the commission says only 20% of football pool proceeds should go to sport development.

The commission certainly seemed happy with the representation by Times Media Ltd (TML), the parent company of the *FM*, which has negotiated deals with two of the UK's three major sports-pool companies. The commission says the draft ordinance prepared by TML "could well serve as a model for the legislation."

TML also seems happy with the report and its place in it. GM Neil Jacobsohn says the company did not ask for a monopoly in its submission to the commission, but it certainly is not against being awarded the sole right to operate the pool, especially since it will be competing against scratchcard and online lotteries and other forms of wagering.

"There's no question that if government allows a number of pool licences we will think hard about our position. But we're not against competition. A competitive environment is the one we're used to and the one we flourish in," says Jacobsohn.

He adds that TML would form a separate company to operate the pool and would "put together a broad-based partnership with representative black owners."
IMPORT SURCHARGES

Taxing the telly

Finance Minister Derek Keys has apparently defused government's multimillion-rand tax dispute with the SABC and M-Net over their unpaid import surcharges on movies and TV programmes. Customs & Excise commissioner Dan Colesky has dropped his demand for almost R6.5m in back payments. But the controversy may be far from over. Government has not made up its mind whether to levy the surcharge in future and won't decide until at least December.

Coleksy's action came after SABC CEO Wynand Harmse and M-Net's Gerrie de Villiers met Keys six weeks ago to ask him to intervene. "We had a meeting with the Minister but at this stage we cannot give any more information," Harmse says. No-one in government is saying much either.

At the centre of the dispute is a 5% surcharge levied by Customs & Excise, which falls under the Finance Ministry, on the total value of the content of imported video cassettes, including royalties. So far the two broadcasters have paid only the normal import duties on the cassettes.

In the case of government-owned SABC, it was estimated in February that the unpaid surcharges plus interest could amount to R50m, while JSE-listed M-Net is allegedly in arrears of about R12m (Business & Technology February 12). If forced to pay this tax, SABC would likely have to raise its licence and advertising fees and cut outside local productions. M-Net would have to raise its subscription fees. Says one senior SABC official, "We would have to find the money from somewhere to pay the surcharges."

Unwilling to budge

Despite the apparent compromise, Coleksy is adamant that surcharges and other import taxes approved by parliament must be paid. While he won't comment on this case, he defends his department's position: "SA's customs and valuation legislation had been referred to a valuation committee of GATT and the committee has approved it."

He says customs and excise duties were amended in the Eighties to bring them into line with the valuation code.

But Trade & Industry Deputy Director-General Gerrie Breyel has said he believes that most of the important signatories to GATT exempt movies and TV programmes from import taxes.

The Motion Picture Association of America has also lined up against the surcharge. It feels that taxing the contents of video cassettes could upset the status quo because of the exemptions in other countries.

It's certain that if Keys doesn't make a final decision to scrap the surcharge, the dispute will soon flare again because Coleksy doesn't seem willing to back off. As the two broadcasters make clear, only a political decision can keep the matter from landing in court.
Dear Wally Serote
and Mewa Rangobin

After watching the Agenda programme in which Mewa Rangobin (ANC National Congress), Professor Njabulo Ndebele (National Arts Initiative) and George Louw (Cape) debated the future of the arts, I felt compelled to write this letter.

If the content and style of Rangobin’s input and his antagonism towards the NAI represented the ANC’s view on the arts, it is all too evident what many feared, but hoped was not the case: that the ANC is threatened by independence in the arts and, in fact, seeks to control and manipulate the arts in ways not too dissimilar to our past rulers.

Even since the initiative was launched at the National Arts Policy Plenary (NAPP) in December last year, which saw the largest and most representative gathering of arts practitioners commit themselves to a politically independent process in which they—rather than politicians or bureaucrats—would formulate recommendations for future policies to promote and protect the arts, you have sought to undermine it with disinformation, slander and political manipulation, using the power and influence of the ANC to block the NAI at every possible turn.

The last thing we desire is to have our energies and resources diverted from the main task at hand, and be sucked into a debilitating fray with the ANC in which we all lose, as in the Agendaplan programme clearly illustrated.

Besides, we expected the ANC to welcome a democratic process of arts policy formulation and we in fact hoped that this would be a strong ally in ensuring that the democratic voice and will of arts practitioners would be taken seriously within a future government. Accordingly, the ANC has met with us to attempt to reach a mutually respectful understanding that there was ample space for all players to be involved in the arts sphere in a complementary rather than antagonistic way.

Those meeting have obviously been little useful, as it is now apparent that you do not wish to be one player, but rather the only, or at least, the leading player in the arts. In a sense, this is a question of power. It is good that these talks have become public since meetings behind closed doors do little to promote a real breadth of power, and it is in the public’s interests to know the breadth, in order, perhaps, to tame it.

You have slandered the NAI as a “National Party initiative” simply because the NAPP was supported by a grant from the Department of National Education, as if by being supported by State taxes, Cofera, the Olympic team and the Peace Secretariat are all “National Party initiatives”. You have accused us of “sleeping with the enemy” because we thought that a democratic, participatory policy-formulation process would need to include representatives from state-subsidised arts institutions, not unlike the constitution-making processes in which the ANC happily and necessarily “sleeps with the enemy”.

One can only conclude, then, that it is a matter of “as long as the ANC is willing, it is permissible but it is criminal to do it without the ANC”. Which makes one come to see that “the enemy may no longer be “them” but rather, the enemy may be amongst us—enemies of democracy, if they are in the guise of enemies of truth, unless they are defining it: enemies of independent thought, unless they are enemies of the arts, unless they are prescribing it.

We are vilified because we have chosen to be politically non-aligned, because of our belief that the arts should not be controlled by or dictated by the state or any political movement, because we have apparently not needed sufficiently in this direction of the ANC. The slander and disinformation against the NAI and actions such as Rangobin’s disruption of the NAI meeting in Nain have of course had damaging effects, coming from the ANC, they create a climate of confusion and divided loyalties for many who would like to be involved in the NAI, and at worst, a climate in which “open season” is declared on the NAI for all kinds of attacks.

Once artists and independent thinkers were labelled communists, now they are racists. Once they were enemies of the state, now they are enemies of “the people”. Our crime? To want control over our own lives, to be independent of state or party political control, to speak and create without fear of victimisation or censorship — the stuff of democracy. Funny thing, history. New powers act new moralities, only to justify old tyrannies.

Romantic as we are, we hope that reason can defeat propaganda, that rational argument will triumph over emotional rhetoric, that vision will be the victor against political correctness and that the pen and paintbrush are indeed mightier than swords.

But we watch despairingly as the long line of arts donors, artists, arts administrators, city councillors and some media journalists wait their turn to give you their gold, frankincense and myrrh as they genuflect to the king-to-be. With horror, we watch again as the arts are sacrificed on the altar of political expediency, held ransom by the agents of commissars, corrupted by party political agendas.

Of course, the ANC would deny this. On the Agenda programme, Rangobin tried to illustrate the ANC’s commitment to independence and non-sectarianism in the arts by pointing to the Board of Trustees which the ANC was about to appoint at its conference on the arts. While I know and have high regard for many individuals on the board, I also know that many of them are ANC members or known ANC sympathisers. How can such a board be independent and non-sectarian? This ANC correctly criticises the government for unilaterally appointing the board of the SABC: they question the political independence of state-funded arts institutions because their governing boards are appointed by the state, yet now the ANC would have us believe that the board which they appointed to control over the arts, is independent and non-sectarian? Then the ANC criticises the NAI whose leadership has all been elected by people directly involved in the arts, a leadership which does not owe its position to a political group who may still pull the strings from the shadows. What a depressing state of dejà vu!

I hope all of us who fought alongside you against apartheid thought that now we will have the space to create, to think, to laugh, to criticise, to celebrate our visions, unshackled. We were wrong. We now realise that that space can never be assumed; it must continually be fought for. Of course, some of you will yield to the temptations you offer, many will conform to the new status quo (already self-evidently) and fear of criticizing the ANC is real, some will glaive in the role of the "Noyet". Those few will struggle against numerous odds—political marginalisation, the cutting off of resources and character assassination to name but a few—for the right to have independent minds to have hands which create, unimprisoned, and the right to serve humankind, not politicians or political programmes. We do not ask you to give us that right—but it is yours to give. It is a right we claim... because we are human.

See Page 24

Van Graan has written this letter in his personal capacity. Wally Serote has been invited to respond next week.
Eugene developing sport for all

Spearhead programs are also
located in the Western Cape
Investing in the development
and training of new coaches

Many South Africans
are leading the way in making
Gymnastics accessible to all

DEPARTMENT: Gymnastics Official, Elizabeth Emberson-Smith

The development of the sport
requires the support and
encouragement of all
athletes and coaches.

A. Women's

The women's team competes in
international competitions and
has achieved significant
successes in recent years.

B. Men's

The men's team also
competes in international
competitions and has
achieved notable successes.

C. Juniors

The junior teams are focused
on developing young talent and
preparing them for future
successes.

D. Coach Training

The program focuses on
training coaches at all levels
and equipping them with the
necessary skills and knowledge.

E. Equipment

Investment in quality
equipment is crucial for
the success of our athletes.

F. Support

The support of sponsors
and community partners is
vital for the continued
growth of gymnastics.

G. Publicity

Promoting gymnastics to
the public helps increase
awareness and support.

H. Future

Continued development
and growth of gymnastics
within South Africa is
essential for its future.

By Elizabeth Emberson-Smith
Raw talent: Lydia’s going all the way

By Waghiedh Mishaah

Lydia Mofula is no stranger to the pressures that still pervade sport in South Africa. At 23 she is one of the hottest prospects on the national road running and cross country scene, so it comes as a shock to her that she is still struggling to find a sponsor for running shoes.

Her complaints that many of the white athletes she beats regularly have shoe sponsors.

For the World Cross Country Championships in March the Shapelleville athlete did manage to get spikes, but only after intervention by an athletics-end journalist, Julian Drew.

Drew, who covered the World Cross Country championships, says black athletes often get the short end of the stick when it comes to sponsorship.

Mofula, along with growing 15-year-old distance runner Louisi Lelohe from Soweto come from poor families, who often see their young athletes as potential “gold mines”.

Lelohe, who displayed her precious talent as part of the Engen Development side last year, is considered by some to be the next Zola Budd.

“Winning R6000 or R500 a month is often a month’s salary for township families and this pressures the athlete to over-exert,” says Drew.

In the past, Mofula has raced over 10km three times, winning last Wednesday when beating veteran Sonia Laxton; fourth on Saturday and second on Sunday.

It’s a punishing schedule many fear will burn her out.

White athletes, on the other hand, generally come from financially more stable backgrounds. And it’s not always just the white athletes who are sponsored. Black athletes, especially women, find themselves in the cold.

Lydia’s had a fair share of controversy in terms of selection.

There was a lot of noise from the establishment when she was selected for the World Cross Country Championships in Spain ahead of Nicole Whiffen, who finished one place ahead of her in the national trials.

But judged on her overall performance for the year, she has been the most consistent performer.

It’s a similar story with the national team where she has been a regular pick in recent times.

Mofula is currently on the extended team for the World Cross Country Championships.

Her ambition is to make the team at the World Cross Country Championships, which she hopes to do in 1993.

In February she competed in the Wagoner Bolden Relay.

She has also been invited to the South African championships, but due to financial constraints, she was unable to attend.

Lydia is determined to do her best and has shown great promise in recent years.

She has won the Transvaal Cross Country championships at Alberton, and came second in the SA Championships, behind Colleen de Bruin.

She also won the 10km run with a blistering 36:12 time in Johannesburg.

She was the first woman to win the Transvaal Cross Country Championship in Alberton, and came second in the SA Championships, behind Colleen de Bruin.

She won the Transvaal Cross Country championship again last year, and has represented South Africa in Japan at the Chiba Bolden Relay.
Eugene Developing Sport for all

Asian shows the way to gender equality
'I will run until I die'

By Marcella Abraham

VELLINA Tahabala's day begins at 5am when she makes breakfast and clears the table in honour of her family at their Guguletu home before heading to bed to be in time for work at the Constantia Village Shopping Centre by 6am.

Her work as a cleaner for Pricewaterhouse Coopers means she is on her feet for up to eight hours a day.

After work she may catch another bus or walk the 15km distance back home if the need to put in some extra mileage as part of her training programme.

Before departing she will attend a training session with her coach, Dave Spence, at the Pinelands Athletic Club at 8pm.

This is how she balances her training sessions with the need to work, but the need to keep up her training schedule is a challenge for a young athlete who has to balance work, school and a training routine.

Breastfeeding

At the moment Vellina is the sole breadwinner in her household, which includes her two aunts aged twelve and two, her father and five school-going brothers and sisters.

"It's a tough time but I can't help it," says Vellina, 27, of her exhaustive schedule. "I have to support my family."

Although her employers, Pricewaterhouse Coopers, have attempted to discourage her, she has refused to accept their offer of sponsorship.

Her dream is to compete in the World Championships in 1996, after having been selected at the 1992 Olympic Games.

Spence says she is currently earning her living, but with great difficulty, due to the current economic climate.

"It doesn't matter what colour you are," he says. "You have to support your family at home and live on your earnings wherever possible."

Until then, Vellina's only sponsor is herself.

The road to success

Ongoing sponsorship is necessary, but even that is not enough to sustain an athlete.

"I will run until I die," says Vellina.

Engen developing sport for all

Engen
Women's soccer coming of age

By Lucan Mati

A number of women have made their mark in soccer and are sitting at the 1994 World Cup finals in the United States.

Sheryl Boers started playing as a 16-year-old at Valhalla High School after a coach suggested the idea.

At the time, though, she played with boys in the school's under 16 and under 17 teams.

In 1982, however, she decided to become seriously involved in football and joined Kennoi United Women's Soccer Club, for whom she has played ever since.

Having qualified as a health inspector at Peninsula Technical in 1989, she now works for the Department of National Health and Population Development.

A highlight in her career was her selection as captain of the Western Province women's team last year.

Boers said there were better players than herself in the side. She named Joyce's St Johns player Amanda Samuels as one of the best centre-forwards she has ever seen.

Of the 14 goals scored by WP in last year's inter-provincial cup tournament, Samuels netted 12.

Samuels scored five each against Western Province and Natal and two against Transvaal.

Boers is also inspired by veteran player Debbie Ellis.

Ellis, 30, also plays for Joyce's St Johns and is affectionately known in Cape soccer circles as the "Mare- donna" of women's football.

She started football at the age of 15 and later joined Athlon Celtic.

Ellis plays in midfield for the national squad. She toured Italy twice between 1989 and 1991, where she performed impressively.

Ellis says she is "dying to play in the World Cup" as she feels she is "getting too old for the game".
A whole new ball game for women

IN SPORT

May 8 to May 12 1990
EXPERIENCE gained at the Olympics by black South African women athletes are being used to coach future Olympic challengers.

Rencia Nason (fencing), Cheryl Roberts (table tennis) and Marcel Winkler (athletics) became the first black women to represent South Africa at the Olympic Games.

Now the younger generation is benefiting from the experience. Nason and Roberts are involved in coaching programmes. Nason coaches young fencers twice a week, and in claiming results, despite the use of old equipment.

Roberts has had success in gaining sponsorship for table tennis. Recently an organisation in Japan sponsored the Silvertree Table Tennis Club in Manenberg. She also uses the royalties from the books she writes to sponsor junior table tennis.

Nason still competes as a fencer. But both Roberts and Winkler have been hit with nagging injuries since the last Olympics and have competed on few occasions.

Nason and Winkler have their sights set on the Atlanta Olympic Games in 1996 but Roberts says that after 20 years in sport she has different goals and sees her future in coaching.

Winkler represented South Africa in the world indoor athletics championships in Toronto, but was eliminated in the first round.

Nason, however, is unsure when she will be able to compete internationally again because of a lack of sponsorship.

However, with hard work and commitment all three have become role models to the disadvantaged and offer hope for black youngsters who aspire to the pinnacle of world sport.
The art of politicking

The idea that the arts should be administered on a trust fund and perhaps by arts organisations on topics related to art performance was introduced. For the first part of the conference, the arts in South Africa were presented as a non-profit-making entity. The conference was chaired by the arts council of South Africa, the National Committee of Performing Arts and Culture. It was attended by delegates from all over the country and was the first major arts conference in South Africa to take place since the fall of apartheid. The conference was held at the Performing Arts Centre at the University of Cape Town.

The conference was attended by representatives of all arts organisations, including the South African National Gallery, the National Symphony Orchestra, the National Ballet of South Africa, and the National Theatre. The conference was chaired by the arts council of South Africa, the National Committee of Performing Arts and Culture. It was attended by delegates from all over the country and was the first major arts conference in South Africa to take place since the fall of apartheid. The conference was held at the Performing Arts Centre at the University of Cape Town.

On the evening of the conference, a performance of the play "The Art of Politicking" was held at the Joseph Stone Theatre. The play was written and directed by Lisa Coninx. It was a satirical look at the art world and the role of politics in it. The play was well received by the audience and was followed by a discussion with the cast and crew.

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Walton pays receiver extra
R28-m after film tax ruling

By Sven Lipshitz

Walton Stationery has paid nearly R28 million in additional tax after last week's government ruling on tax allowances for film investments made in the 1980s.

The tax has been declared as an extraordinary item in Walton's financial results for end-February.

The group says it still feels that the allowance should have been granted, but accepts the settlement to avoid further costs.

It did, however, benefit from a lower corporate tax rate, which cut its tax bill for the year to R31.3 million (R41.6 million) and reduced the 18.4 percent fall in profits at the operating level to a 0.1 percent drop at the attributable level.

The fall in operating income from R99.3 million to R88.3 million follows a R40 million improvement in turnover to R788.1 million (R748.2 million) and is ascribed to difficult and uncertain trading conditions.

Earnings per share eased to 43.5c from 47.9c and the dividend has been reduced sharply, by 21.1 percent to 15c (19c).

Holding company, Walhold, has cut its dividend from 19c to 15c.
CNA Gallo holds steady course

By Leigh Roberts

CNA Gallo has managed to maintain earnings, despite another year of depressed consumer spending.

Attributable earnings were R53.5 million (R53.1 million) for the year to March.

The directors are satisfied with the results, given the state of the economy and the group's sensitivity to discretionary spending.

Earnings a share of 16.1c (16.1c) were achieved, with a final dividend of 54c being declared, bringing the annual payout to 67c (67c).

MD Dennis Cuzen says the group performed better in the second half, thanks to emphasis on margins, cost containment and good shrinkage control.

Turnover, on a comparable basis, rose about 16 percent, with an overall increase of 15 percent to R567 million after the inclusion of Nu Metro, which was previously equity-accounted. During the year CNA Gallo acquired the other half of Nu Metro.

The acquisition caused interest costs to rise R3.4 million to nearly R12 million.

The tax charge was held steady at R3.3 million, with the group bearing the higher rate of 49 percent because of its March year-end.

The extra 15 percent tax on dividends (STC) will not be paid this year, as input credits have been received from subsidiaries.

A feature of the income statement is the R4.5 million extraordinary loss, relating to CNA's share of the extraordinary write-offs of associates Waltons and Silveray.

The loss arises from the associated companies' acceptance of the Receiver's settlement offer on the film partnership agreements.

The balance sheet reflects a R40 million write-off against shareholders' funds, being goodwill on the acquisition of Nu Metro. It caused net asset value to fall from 663c to 543c a share.

The Nu Metro acquisition was financed from in-house funds. Accordingly, short-term loans are sitting at R34.6 million, putting the group in a temporary net current liabilities situation.

The group is expecting a moderate increase in next year's earnings, aided by the reduction in tax rate.
Blockbuster subsidies sought

The South African film industry apparently has asked for state subsidies of up to R38 million a year for the next five years, of R13 million in the sixth year and for decreasing amounts thereafter.

Mr Willem Doman (NP Vasco) said this yesterday in debate on the Broadcasting and Film Industry Vote.

He said that only R15 million had been budgeted for subsidies this year.

Pleading for limited state aid for the industry, he said there was a danger that producers were becoming dependent on government funds.

He also said that the basis on which the subsidy was granted — on the basis of box office returns — led to superficial films receiving support, while good quality productions, with lower attendances, did not always get the same help.

Replying to the debate, Minister of Home Affairs Mr Danie Schutte said the essential question was whether South Africa was getting its money's worth.

He believed South Africa should look at the example set by Australia in establishing the Australian Film Commission. — Sapa.

26 MAY • 5 JUNE
Introducing a radio
with new Afritude!

By FRED KHUMALO

IF you thought the twangy pseudo-American accents of disc-jays on local black English-medium stations were signs of things to come in local broadcasting, think again.

Capital Radio, one of the oldest independent English language stations, this week unveiled its new broadcasting format which warners its staff to drop their "foreign accents" or face the boot.

The new format, which has raised eyebrows and caused ripples of controversy in local broadcasting, will be officially implemented on July 1 when the station relaunches itself as a fully African medium with the catchline "Capital Radio, Radio with an Afritude."

The station will continue broadcasting in English, but with an African accent.

"The station is at last coming home to Africa . . . one of our goals is to produce relevant radio for SA," said managing director David Smith, who added that since its inception in 1979 the station had been lacking direction.

Instead of heavy metal and punk rock from the likes of Guns 'n Roses, listeners will be treated to music from as far afield as West Africa where the likes of Salif Keita, Fela Anikulapo Kuti, Mama DiBango, and Youssou N'Dour have their roots.

"Obviously we will put more emphasis on local black music because the people we want to reach, the people in need of radio that talks to them and addresses their needs, are local black people," said Mr. Smith.

Capital Radio hopes to be a station of the future whose forte will be a balanced mixture of African music and talk shows, touching on issues relevant to contemporary South African society and, of course, in-depth news coverage.

Capital has been struggling to keep its head above the troubled waters of local broadcasting so much so that its owners, the Transkei Government, put the station up for sale. The asking price was R6-million.

Uncertainty over the station's future led to a resignation since the beginning of the year.

The sale has now been halted.

Capital is available in the greater Durban area on Medium Wave 604, and in the Transkei it is available on FM.

The latest AMPs figures showed that Capital had a measly listenership of 40,000.

Advertising revenue, which is the life-blood of any media undertaking, is not forthcoming.

The target-market of the "old Capital", as Smith calls it, was not clearly defined, hence the reluctance of advertisers to invest in the station.

The regional station hopes to improve its listenership with the imminent release of the airwaves from the SABC stronghold which will give it an FM signal and guarantee a good reception in Transkei and Natal.

Test transmissions will be broadcast from 6 pm on May 21.

However, the new format will be fully implemented on July 1, bringing with it music presentation, comprehensive news and sports coverage.

Capital has advertised in national newspapers, scouting for presenters and journalists.

"There is a lot of talent in the country. It is now time we tapped that talent, and gave opportunities to many people who, because of their colour, have not had the chance to try out their abilities and talent," said the man behind the men behind the mixes at the station with an Afritude.

This twang is for real!

By NOMUYALA KHABO

THAT twangy English twang in the voices of our black ladies of the airwaves is deliberate, and they are not about to change it.

We spoke to three well-known broadcasters and they had plenty to say on the subject.

Said ZANDILE NZALO of Radio 702: "Our job is very demanding and we find it difficult to satisfy everybody. The community expects too much from us, more than we can deliver. I work for a station which is Ellerman-dominated and they expect me to be fluent and sound like them.

She added: "The best I can do is to be myself and continue with my work or else I'll find myself frustrated trying to please everyone."

TVI's new reader KHANYISILE DLOMO-MKHIZE said: 'When you change your accent, people can hear that you are not genuine and in my case, I have been speaking English as long as I can remember. I have never attended a black school and at home we speak English most of the time. I think I'm natural so people must not generalize. They must look into each situation and individuals. This is the way I speak and I won't change."

Radio Metro DJ SHADO TWALA said: "We speak in our languages and try to speak in fluently so why shouldn't I change when I speak English? Sometimes people ask me: What language do you speak, because I speak so many African languages very well and with the right accent.

"Twala said people have the right to criticize, but sometimes they pick up on unimportantthings."

"If they did not understand or hear me when I talk I would understand. I think I am doing the right thing," she concluded.

ZANDI . . . Just wants English at home KHYANYA . . . Speaks every language well SHADO . . . Speaks English at home

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Film industry got R78m aid

By BARRY STREEK
Political Staff

TAXPAYERS paid out more than R78 million to film producers over the past five years—and producers had apparently asked the state to provide another R83 million a year over the next five years.

This emerged on Friday during the debate on the Home Affairs vote in Parliament.

Minister of Home Affairs Mr Danie Schutte said the essential question was whether South Africa was getting its money's worth for the R15 million a year it was spending on the film industry.

Mr Schutte also agreed with Democratic Party MP for Springfield, Mr. Mahmoud Rajab that South Africa should look at the example set by Australia in establishing the Australian Film Commission.

Mr Rajab said recent disclosures of massive fraud by "unscrupulous" local film producers had raised the vexed question of state aid.

"It seems to me that our local film industry has for too long lived off subsidies," Mr. Rajab said.

"Without doubt, these subsidies have long been abused on a massive scale, as indeed all unchecked subsidies tend to have been."
Puppet that pulled its own strings ... and made waves

By FRED KHUMALO

FOR years local black radio stations have successfully served the ruling National Party government in fragmenting South African society across ethnic and linguistic lines.

But Radio Metro, South Africa's Broadcasting's enfant terrible, born seven years ago, has been a slap in the face of its very founders, the government-controlled SABC.

This is the gist of Dr Victor Velaphi Mkhize's critique of black broadcasting in the country, delivered in a hard-hitting paper which explains the secret behind Metro's success.

In its seven years of existence Metro achieved the impressive figure of 1.7-million listeners, and is growing from strength to strength.

Other radio stations in the SABC fold have been left with no alternative but to follow in the footsteps of the trailblazing, innovative young station. And they are failing dismally.

"In his paper, written exclusively for City Press, Dr Mkhize says the launch of Radio Bop and Radio Thohoyandou were seen as big threats to the SABC's black services - especially Radio Sotho in the Transvaal and Radio Zulu in Natal.

Radio Metro was initially launched with the intention of satisfying the needs of a burgeoning class of yuppies who were also the targets of the "independent" Radio Bop and Radio Thohoyandou.

The SABC thought the fragmentation of the black middle-class from their working class counterparts would further perpetuate divide-and-rule.

But that was not to be. Says Mkhize: "The establishment of Radio Metro and its success should be looked at as a crushing down of apartheid, tribalism and ethnocism. The station has a mixture of Zulu, Shangaan, Sotho, Tswana, Venda and Tsonga-speaking DJs, all fluent and artistic in their English."

So, is the ethnic mix of Radio Metro staffers the secret of the station's success?

There are many other factors, Mkhize says.

The simple management structure, the announcers' professionalism and presentation; their music, dedication, preparation and thorough research, are cited by Mkhize as some of Metro's strengths.

Mkhize takes swipes at the management structure of SABC's black radio stations where "one finds a string of not less than four managers, some carrying more than one unrelated discipline".

In his experience at Radio Zulu, where he worked for some years as an announcer, Mkhize witnessed programme ideas being rejected just because that particular announcer did not know under which programme the idea could be broadcast.

He calls the recent restructuring of the SABC black services management "an imposition of order on chaos".

For many years announcers in black oriented services served under white direction and operated on the premise of the words of one of the early directors of the SABC who said: "'n Omoorer is nie daar om te dink nie, maar hy is daar om te doen (an announcer is not there to think, he is there to do)."

Mkhize suggests that announcers at black orientated stations should be:

- Prepared to get more technical training;
- Do thorough research into their subject matter before going on air;
- Be prepared to learn and study further, particularly in the liberal arts discipline.

Dr Mkhize is the Director of Durban Media Consultants and Promotions. He was an announcer at Radio Zulu for 11 years.
Indian hit by racist rule

BY RYAN CRESSWELL

A YOUNG horse breeder who travelled all over South Africa buying Arab thoroughbreds was forced out of his first competition because he is Indian.

Mr Mohammed Noorbhai, 20 — the only Indian in South Africa who is a registered Arab horse breeder — was barred from events at the Newcastle Agricultural Show last week after organisers up a 20-year-old apartheid clause.

He had paid his entrance fees and was doing well in a show with his prized stallion, Hulush — sired by the time Royal Show champion Jamani Prince keen and a mare, arena Lamm.

The young northern farmer is a member of the World Arab Horse Society.

He breeds Arab horses because he believes they have part of his Islamic heritage, and he has nine of them on his family’s farm.

I felt terrible when I was told to leave the show, to say apartheid is dead...

3OCIALE SLEUTHS HUNT FOR R1M

BY SHARON CHETTY

Three old school friends, Finder’s clippers, has become the highlight of their social lives.

Every year Jill Purkiss, Christina Mon and Diana Delmont of Johannesburg wait eagerly for the contest, which keeps South Africa on the hop.

This year is no exception.

With bribe, olive bread, and chicken pie as the standard fare, the women met at one of their houses and became amateur sleuths in search of the R1-million treasure.

The three are joined by Diana’s husband Robert, her nephew Andrew, sister-in-law Liz and a friend, David Wilson.

But when the group gets together, it’s not always congenial.

“Yes, we do spend lots of time arguing, but all this work on the contest is helping us learn about South Africa and our history,” Jill said.

The children are left to their own devices while the parents ponder the clues and red herrings.

Though they are keen to win the prize, they are partial to the social activity around the contest.

“We are not exactly brain surgeons, and this year’s puzzle is a hard nut to crack,” said Diana, who has a clothing-manufacturing and shoe-import business with Robert.

Christina runs a placement agency, Jill operates an ironing service and David is an advocate.

“It’s impossible to have a dinner party when Finder’s Keepers is on... the table is always loaded with books,” Jill said.
Napac gets R3.2m grant

DURBAN. — The city council yesterday agreed to give the Natal Performing Arts Council (Napac) R3.2 million as a grant-in-aid for the next financial year.

"It was a case of "(Napac) do your share and we'll do ours", management committee chairman Mr Peter Mansfield said before the unanimous decision was taken.

Napac has already committed itself to restructuring and to operate on a smaller budget, as recommended by a management group appointed by the Evaluation Committee on Napac (Econ).

However, the handing over of the money is dependent on Napac "refocusing" its direction, management and activities according to Econ's wishes.

The Napac board will only know just how many of its staff it will have to retrench and which arts companies will have to be disbanded when the final Econ report is released early next month.

"To survive Napac will have to make the leap from providing essentially European culture for mainly white audiences to cater for the needs of a "multi-cultural" society", officials said.

Commenting yesterday on the council decision, acting Napac chairman, Mr Bruce Hocking said it was "much appreciated" as it would enable Napac to "start putting together a budget" and to estimate its revenues from the box office.

However, until the report was released, Napac was unable to plan productions beyond August.
JCI to fund M-Net’s foreign expansion

M-Net is close to finalising a deal with mining house JCI to pay for its R120m share of the $120m cost of expanding its European joint venture company FilmNet. The expenditure will be spread over about two years.

The M-Net share of the expansion cost is apparently additional to the R156m earmarked to be spent on FilmNet in the final six months of financial 1993 and noted last November in M-Net’s interim report.

The R156m was to be funded from internal resources, but M-Net does not have adequate resources to handle the present call, itself. M-Net acquired its original investment in FilmNet for R27m in 1991. Its major shareholders — Times Media Limited, Nationale Pers and Argus — cannot and will not be providing funds, but mining house JCI — which holds direct and indirect interests in Argus and TML — is said to be stumping up at least R200m of the capital requirement through a financial subsidiary in the Isle of Man.

Last week, a spokesman for JCI denied any knowledge of the transaction.

Industry sources said this week that pay channel FilmNet was set to spend about $120m to acquire an additional television footprint (satellite coverage) on the Continent. M-Net MD Koos Bekker is in Europe at present finalising the arrangements.

In SA, M-Net is currently hoping to persuade government to reduce import aircharges on videos, is hoping to win a cellular telephone licence and is uncertain about the status of television broadcast licences under a future government.

FilmNet currently transmits to the Benelux countries and Scandinavia, with national market shares ranging from 5% to 10%. Television market analysts reckoned that to raise market share to 10% in all of the Scandinavian and Benelux countries would require further investment.

M-Net and Richemont each own 45% of FilmNet, with the remaining 10% being held by Dutch commercial broadcaster RTL 4.

Funding would have to be raised through local or offshore borrowings, or through the inclusion of a partner.

It appeared the Reserve Bank refused permission for the transaction to be financed through the financial rand in the light of its recent announcement that financing of already approved offshore investments should be sourced offshore.

M-Net had counted on being allowed to continue financing the expansion of its foreign interests from SA, but the Bank’s refusal to allow it tied to M-Net’s arrangement with JCI.
After 14 months of research, the Community Agency for Social Enquiry (CASE) has come up with a fascinating picture of South African youth. What’s more, CASE researchers have devised a method of establishing the size of the various strata in youth society so that for the first time terms like “marginalised” and “lost” take on a specific and intelligible meaning. Health Writer DAVID ROBBINS reports.

Look at the graph: Those thin black segments at the bottom of each column represent South Africa’s lost youth. Six percent of black youth, 2 percent of white youth, somewhat less among coloureds and Indians. Half a million young people in all.

We use the term “lost with care,” say CASE researchers Dr. David Everatt and Professor Mark Orkin. “A whole generation of young people has been written off by some commentators as a lost generation. Other commentators have claimed that youth are experiencing no problems. The truth, as our results reveal, is more complex.

A tragic 5 percent of young people—one in 20—have either slipped through, or been shoved through, the social net entirely.”

CASE was commissioned by an organisation called the Joint Enrichment Project (JEP) to do this research.

The JEP wanted demographic and attitudinal information. It also wanted the research to describe and analyse the marginalisation of youth, and it wanted the results to come in a form which could assist with the designing of programmes for young people.

“At the heart of the research effort was a survey covering the whole country, including the Transvaal, Eastern Cape, and Northern Cape. A total of 2,000 young people of all races aged between 16 and 30 were interviewed and asked a set of carefully designed questions.

Experts

The survey was also designed to analyse and quantify the processes of marginalisation. This was done in the first place through a series of workshops involving youth and various experts, at which 12 “dimensions of concern” (DCs) were identified.

These DCs are socio-economic, psychological, and political indicators such as the levels of political alienation, societal involvement, exposure to violence, self-image, and so on. Sets of questions were then designed around each DC and scattered obtrusively through the survey questionnaire.

After the respondents had come in and were subjected to statistical analysis by computer, we began to see definite patterns emerging,” says Orkin.

Not only were we able to rate each respondent against each dimension of concern, but we found the DCs themselves falling naturally into three distinct aspects of marginalisation.

The three aspects are:

1. The antagonists, who are politically alienated, racially and generationally antagonistic, have a tendency to resort to or admire crime, and see no hope for the future.

2. The outsiders, who are characterised by a disintegrating family life, who don’t belong to any organisations or clubs, who describe themselves as angry, confused, frustrated, rebellious, violent.

3. The victims, who have been traumatised after being abused as children or battered by partners, or who have been exposed to various types of attack and violence.

Orkin and Everatt: “It is through these three aspects that we have been able to stratify youth society according to the degree of marginalisation.”

Look at the graph again. The CASE survey is sufficiently large to be representative of the 10.7 million young people of all races in South Africa. It also indicates that the problem of marginalisation is a nonracial one. The highest proportion of marginalised—31 percent or 3.6 million people—is among Africans.

“A future state or national youth structure,” says Everatt, “will have limited resources and face difficult choices of priority. Should resources mainly be used to stop the ‘at risk’ from entering the marginalised category, and the ‘marginalised’ from slipping beyond recall?”
Ex-prisoners 'on show'

Six former political prisoners will exhibit their works of art at the Market Galleries in Newtown, Johannesburg, from Sunday.

The six, all members of the ANC, will exhibit paintings and drawings made during their "years of imprisonment and separation from the community and their loved ones," according to the ANC. A spokesman for the organisation added:

"The drawings were made under difficult conditions, with the prison authorities for many years refusing to provide art materials. Some of the ink drawings were done with a toothbrush and fountain pen ink." — Star 21/11/79.

The six, whose exhibition will last until next Thursday, are writer and poet Ben Martins-Di-kobe, Stephen Marais, Zonga Mokgatlo, Sipho Mokoena, Carl Niehaus and Jänsie Niehaus. — Political Correspondent.
M-Net finds way to expand overseas

By Derek Tommey

M-Net chairman Ton Vosloo has good news for shareholders.

After forecasting a possible 35 percent drop in attributable profits for the year to March, he now reports that these profits are in fact slightly better than last year’s figures. (In view of the increased dividend of 8c (7c) declared in February, shareholders have already had an inkling of this.)

Secondly, with the help of mining house JCI, M-Net has found a way to continue supplying the necessary seed capital to its rapidly expanding international channel subscription service, FilmNet.

The Reserve Bank’s tougher line last October on South African companies investing overseas threatened the growth of this investment.

But M-Net now will be able to maximise the potential of FilmNet, which is expected to become a “cash cow” in a few years’ time and make a major contribution to M-Net’s profits.

M-Net’s subscriber base continues to grow rapidly, rising from 728 000 at the end of September last year to 778 000 at the end of March this year.

The growing popularity of M-

Chairman Ton Vosloo

Net boosted turnover by 20 percent to R727.7 million.

Operating profit rose 35 percent to R108.7 million and taxed profit 71.4 percent to R56 million.

However, losses of R27.6 million, incurred mainly by FilmNet in developing and expanding its business, limited attributable profit to R28.4 million — two percent up on last year.

Owing to an increase in the issued share capital, M-Net’s earnings a share dropped to 14.4c from 17.4c a year ago.

M-Net says it has now penetrated 30 percent of the South African target market — one of the highest subscription television penetration levels in the world.

The recent growth rate in the number of subscribers is unlikely to be repeated.

M-Net says that it is a partner in a consortium which intends applying for a cellular telephone licence.

But while this could create a major investment opportunity, it warns that “at this stage it is not clear if the terms of such a licence will allow for the creation of a viable business”.

M-Net says it invested a further R130 million in FilmNet during the year.

Despite adverse conditions, this service is now received in some 600 000 homes in six countries — Holland, Finland, Denmark, Denmark, Norway, Sweden and Finland — up from 560 000 at the end of September.

FilmNet has progressed from a single-channel product to a four-channel service and the intention is to develop it further over the next 18 months.

In order to provide the capital needed for FilmNet’s expansion, JCI’s off-shore structure, JCI Isle of Man (JIM), will subscribe 52.5 million Dutch guilders (about R140 million) for a 12.5 percent stake in Nethold, which has a 38 percent stake in FilmNet.

This will reduce M-Net’s stake in Nethold from 50 percent to 37.5 percent.
A room with a view - but no window.
M-Net and JCI in R140m deal

M-Net and mining house JCI have struck a deal whereby JCI will invest about R140m to help meet financing requirements in European pay channel FilmNet. The deal will make JCI— which has an indirect interest in M-Net—through its subsidiary, M-Net International Holdings (MIH)—and Richemont—Nethold has 90% control over pay channel FilmNet. FilmNet has about 600 000 subscribers in six Benelux and Scandinavian countries. FilmNet needed "intensive investment" in its initial growth phase. But, new Reserve Bank regulations restricted M-Net's ability to fund offshore growth, "despite it having the capacity to do so."

Chairman L. Tooi, Vosloo, said M-Net, through its interest in Nethold, would "continue to seek opportunites for expanding into new markets in Europe and elsewhere."

Luxembourg-registered Nethold, is the joint venture between M-Net—through its subsidiary, M-Net International Holdings (MIH)—and Richemont. Nethold has 90% control over pay channel FilmNet. FilmNet has about 600 000 subscribers in six Benelux and Scandinavian countries. FilmNet needed "intensive investment" in its initial growth phase. But, new Reserve Bank regulations restricted M-Net's ability to fund offshore growth, "despite it having the capacity to do so."

M-Net deal

"We have had to invest alternative sources of funding in order to develop our interest in Nethold and ensure it reaches its potential," Vosloo said.

He added that Nethold was investigating opportunities to expand. "Other ventures undertaken by Nethold are expected to have a similar funding profile."

In terms of the deal, M-Net would enter into an agreement with JCI, which would, through its offshore structure, acquire an equity stake in MIH. JCI would subscribe for a 25% equity stake in MIH (for about R140m cash), enabling MIH to meet its share of funding obligations. The money would be used to develop FilmNet over the next 18 months to broaden its audience appeal, improve its infrastructure, enhance it in national markets and generate returns once break even been reached.

The deal would reduce M-Net's effective stake in Nethold from 59% to 37.5%. It would have a positive short-term effect on M-Net's earnings (from MIH to 18.5c) as part of Nethold's losses would be attributable to JCI.

Vosloo said the investment strategy was appropriate, but the benefits would be felt only in the long term so short-term earnings would continue to be depressed.
M-Net magic dissipated by big FilmNet losses

M-Net reported a 2% rise in attributable profit to R28,4m (R27,8m) in the year to end-March as substantially increased losses in European pay channel FilmNet diluted a buoyant 71% growth in after tax profit.

Earnings dropped by 17% to 14,4c (17,4c) a share on a weighted average of shares in issue.

Results were nevertheless ahead of forecasts at the September interim stage, when directors said losses in FilmNet could result in a 33% drop in attributable earnings at year-end.

Chairman Tom Vosloo said the subscriber base grew steadily — by 11,5% over the year — to reach 275,000 households, including 19,000 subscribers in 13 African countries outside SA. Advertising revenue had held up well.

Turnover rose by 20% to R72,8m (R60,5m). Focus on cost management and economies of scale arising from the larger subscriber base saw operating margins improve and operating profit grow by 55% to R10,7m from R7m the previous year.

A favourable R2,7m abnormal item, relating to an overprovision for transmission and programming costs in previous years, saw pre-tax profit rise 60% to R10,1m from R6,3m.

But M-Net’s associates’ losses — largely FilmNet’s — rose to R27,8m from R4,9m.

An extraordinary profit of R18,8m reflected the adjustment of the deferred tax provision and R13,2m for the equity accounted share of the surplus following the introduction of Dutch broadcaster RTL4 as a 10% partner in FilmNet.

A 16% higher dividend of 8c (7c) a share was declared in February.

Vosloo said the balance sheet remained strong with a gearing of 27%. Capex of R85m, which was funded internally, related mainly to the upgrading of computer facilities and expansion of the transmitter network. A further R180m was invested in FilmNet.

He said M-Net had penetrated 36% of the SA target market. Opportunities to increase the subscriber base included new markets in Africa, and it had recently entered Botswana.

Ghana would start to receive M-Net in three months, and several new re-broadcast operations in Africa were planned for the coming year.

The offshore financing deal with JCI would enable it to further develop the subscription television interests of Netbord, the M-Net/Richmond joint venture which holds FilmNet. The deal would see M-Net’s effective stake in Netbord reduced to 37,5%, from 50%. It would have had the effect of increasing M-Net’s earnings to 18,5c (14,4c) a share as part of Netbord’s losses would have been attributable to JCI.

A consortium including M-Net had bid for a cellular telephone license.

Vosloo said the industry had synergies with existing M-Net operations.

The granting of the licence "may represent a major investment opportunity", but it was not yet certain whether the licence conditions would allow for a viable business.

He said M-Net’s investment strategy was appropriate given the expansion opportunities in Africa and Europe, but investments were "of a long-term nature and, as a result, short-term earnings will continue to be depressed."
With International Museum Day this week, JUSTIN PEARCE looks at the debate over the past, present and future of our own museums.

Imagine a glass display case full of plaster casts of white South Africans playing rugby, standing round a braai or engaged in other traditional cultural activities.

This is not something you’d see in a South African museum, where this kind of approach has been reserved for black South Africans.

The debate raging over our museums concerns not only whose history and culture are displayed — it is also about how it is represented.

An obvious point of contention is the display of plaster casts of human figures at the South African Museum, illustrating the way of life of the Khoi-San people of the Cape.

The museum has responded to criticism of this display by adding information about the historical context in which the casts were made, and inviting public responses.

University of the Western Cape (UWC) historian Mr Ciraj Rassool believes the approach used in representing the Khoi-San is flawed from the start. Its basis is in anthropology, “a colonial science which was developed to study colonised people in order to better rule them”.

Move on from the Khoi-San exhibits, and you reach the “bantu” display, with a tribe-by-tribe guide to black South Africans. Displays of traditional clothing and pottery give the impression of people who have never encountered urban culture.

The explanatory notices mix present and past tenses — a visitor who did not know better would be left wondering whether this is how black South Africans still live.

And black visitors are presented with a collection of pots, baskets and handmade clothing and told it is their cultural heritage.

“That’s how museums used to talk in the 1950s,” says Dr Michael Culver, director of the South African Museum. “The emphasis on tradition makes it difficult to distinguish between past and present.”

He admits the displays are due for revision — the only change so far in the “bantu” section is the addition of contemporary crafts, like wire cars.

Rassool accuses the South African Museum of “pussyfooting” on the issue of revision.

Culver responds by saying the museums are in a “consulting phase”, which is necessary if they are to become widely acceptable.

“If we don’t go through this phase, the chances are we’ll get it wrong,” Culver says.

For Rassool, simply consulting is not enough. He mentions displays at the Smithsonian Museum in Washington, which encourage people to add and remove exhibits to create their own displays.

Rassool also believes a fundamental change is needed in how museums are administered.

At present the two main museums in Cape Town are both controlled by councils; half the members of each council are appointed by a cabinet minister.

In the case of the South African Museum, the minister of national Education is responsible. The South African Cultural History Museum falls under the “own affairs” Department of Education and Culture in the House of Assembly.

The University of Cape Town, UWC and Stellenbosch University each nominate a member to the SA Museum’s council, but UWC has no say over the Cultural History Museum because of the museum’s white “own affair” designation.

Remaining members are appointed by the City Council, the Cape Provincial Administration, and research institutes.

While the museum councils operate independently of government, there is no room for the public to have a say in the governing of what are supposedly public service institutions.

The new guidelines for the election of the SABC board have set a new precedent for the administration of a public institution. Anybody may nominate candidates, and the final choice is made by a panel of judges. Is such an approach likely for the museums?

“The museum can only be seen as a community institution if it represents the community,” says Cultural History Museum director Mr Anton Roux. “And it is clear that the present board does not represent the community.”

Culver finds the SABC model interesting, but feels that at the moment it would be difficult to find a representative selection of people willing to serve on the board, because of current suspicions.

“If the museum is seen to be open, perhaps this will fade away,” Culver says.

Right now, says Rassool, the situation is one of “the dogs in the guise of a rabbit trying to portray the experience of the rabbit.”
LONDON — The British actors' union, Equity, could lift its ban on programme sales to South Africa by the end of the year if a ballot among its members gives the go-ahead.

Martin Brown, a spokesman for the union, said yesterday he would be discussing with his executive a ballot that was not held by the end of the year, given the current pace of change in South Africa.

Equity's 45,000-strong membership is almost certain to give the thumbs-up signal to British programmes being sold to and shown in South Africa again, particularly in the light of changes to the SABC board.

Mr. Brown said Equity had been watching with much interest the process of appointing a new SABC board. "We will be asking colleagues in South Africa for guidance to make sure that the new board is completely independent.

"We will be examining the composition of the new board, how it was chosen, how it operates, how we will be looking at it very carefully," he said. "Once the matter had been reviewed by Equity's council, it would then go to the members who would be asked to vote. Only once they've given their go-ahead will we drop the ban but given the changes in South Africa and with elections coming up, I'm confident there will be a positive outcome," he said.
European TV costs M-Net R400m so far

By JEREMY WOODS

JCI's R140-million purchase of a 25% stake in M-Net International this week means that M-Net will not have to seek any more South African funding for its European pay TV network, FilmNet.

FilmNet, which runs a service in six European countries, is set to break even in two to three years after which it should produce strong cash flows.

M-Net's investment in FilmNet has been the subject of debate among some fund managers. They are worried that FilmNet is still chalking up losses.

But M-Net managing director Koos Bekker says: "People forget that it took M-Net three years to reach break even. We have exactly the same situation with FilmNet. The nature of the pay TV business is heavy investment for the first three years, break even followed by strong cash flows."

"That is what we experienced with M-Net and what we are experiencing now with FilmNet."

"The only difference will be that FilmNet's earnings will be in foreign currencies and will come into the M-Net income statement."

Mr Bekker says the European market for subscription television continues to show "exceptional growth."

"Despite adverse economic conditions in Europe, particularly a severe recession in Scandinavia, FilmNet has raised its subscriber base to 600,000 homes. Our intention is to develop FilmNet over the next few years."

"Mr Bekker expects FilmNet to break even two to three years from now, then swing into strong cash flows."

"Reserve Bank regulations introduced last November, granting M-Net's ability to fund foreign growth in spite of 15% having the capacity to go up to 25%."

Margins

Chairman Tom Vosloo says:

The M-Net board had to look at alternative sources of funding to develop our interests in FilmNet and JCI was a natural partner.

The company has an indirect interest in M-Net through its holdings in Times Media and Argus Newspapers and had the cash to fund the offshore structure.

JCI will subscribe for 25% of M-Net International, about R140-million, payable in cash. The transaction reduces M-Net's effective stake in Nethold, which owns FilmNet, from 50% to 37.5%.

The other major partner in Nethold is Richmond. Richmond's foreign associate, M-Net reports "satisfactory growth" for the year to March 1993.

The subscriber base in SA grew to 775,000 households, including board house subscribers in 13 African countries.

Operating margins rose from 11.5% to 18% as a result of increased ability to spread fixed costs.

Turnover increased by 25% to R178-million. Profit attributable to shareholders rose by 2% to R28-million.

M-Net paid an 8c annual dividend in March — an increase of 13% on the previous payout.
Entertainment offers spin-off opportunities

Entertainment has become a crucial aspect of new shopping centre developments in South Africa, and follows the successes experienced overseas.

The presence of major tenants which receive lower rentals because of their ability to draw consumers into the shopping centres is nothing new. However, the entertainment element is now regarded as another drawcard which pulls customers into the centres outside of normal shopping hours and gives traders the opportunity of extended trading hours.

RMS Sydrets managing director Patrick Flanagan says: "Right around the world the role of the shopping centre's trading area in the social structure of the community has become vitally important. This really means providing safe, secure and clean entertainment for the people who need it most.

Invalently, the need is greatest among younger people. The entertainment areas have to be controlled environments where people can meet, their friends and parents can safely leave their children playing games while they shop.

"Northgate has cinemas, restaurants, fast food outlets and electronic games. The whole area will be policed to ensure parents' peace of mind." He believes the entertainment areas have a huge role to play in Northgate's future success. It will bring people into the centre over longer hours, not only extending activity outside office hours but also on weekends, and providing spin-off opportunities for the other traders in the centre.

Says Flanagan: "The total area devoted to entertainment is about 5 000 m² if all restaurants, cinemas and other amusements are taken into account. This is supported by good accessible parking close to the entertainment area, which is particularly well lit.

"We designed the lighting so that people can move to and from their vehicles safely, as well as to increase the safety of the vehicles.

"The areas are patrolled extensively and there will also be watch-towers in the parking areas. In addition, we use the centre itself as a watch-tower and have people patrolling and looking down on to the parking area. They are all in radio contact.

"Our security has proved to be very effective. If we have lost a dozen cars in the almost two years that Northgate has been open, it has been a lot."
Tight schedule for Newlands’ expansion

CONTRACTORS will soon begin work on the second phase of the R72.5m facelift for Newlands cricket ground in Cape Town.

The master plan to redevelop Newlands was first proposed in 1990, and construction of the R25m first phase — including extra public seating and a revamp of the oaks corner and north pavilion grandstands — was completed in late 1992.

Ovcon Cape Civil MD Ray Gamble said this week Ovcon had been awarded a R22m contract by the WP Cricket Association (WPCA) to build a new grandstand on the southwestern side of the oval, as part of the R25m second phase.

Gamble said the construction period had to be sandwiched into a short nine-and-a-half months — between the recent Benson and Hedges final and the Australian tour in early March 1994. Construction was scheduled for completion on January 31, 1994. This would give tenants one month to fit out their suites.

The five-storey pavilion, known as the president’s pavilion, would provide seating for 3 500 people, and additional space on grass banks. The three top floors would house 28 private suites, and the lower floors would be for public seating.

MLH Architects partner Terry Bracher, who was involved in the design of the master plan, said the WPCA planned a further two or three phases, depending on the sale of suites and other facilities.

The third and fourth phases included redevelopment of the oaks and railways stands, the construction of the plains pavilion and possible new facilities for players.

Total development costs of the final phases would run to about R22.5m at current prices, bringing the estimated value of the WPCA’s development effort to R72.5m.

Bracher said that although the Newlands revamp was largely driven by the WPCA, which leased the pavilion areas from the WP Cricket Club, the club had planned developments of its own.

RH Morris MD Frank Wright said the club had recently awarded an independent R12.5m contract to construct a members’ pavilion on the site of the demolished members’ enclosure. Construction had begun and was scheduled for completion in December 1993.

“Although the contract is an extremely tight one, there is an added problem in that contractors will be working through the rainy season.”

Wright said the four-storey members’ pavilion would be built in the style of the new grandstands, and have about 2 500 seats spread over three levels.

Bracher said that after completion of the final phases Newlands would accommodate about 27 500 spectators, compared with 16 500 before the revamp.

“Newlands will also have the best floodlighting of all cricket grounds in the country. The four lightmasts cost about R1.2m each, and two have already been erected.”

Bracher said although construction required that some of the old oak trees would be cut down, they would be replaced and more trees would be planted.
Sluggish divisions offset core business uptick

ENTERTAINMENT and leisure group Interleisure’s earnings declined 8% to R18.5c (20.2c) a share in the year to end-June as good performances by core businesses Ster-Kinekor and its services division were offset by sluggish performances in other interests.

A 6% rise in turnover to R426.1m (R400.5m) reflected 23% turnover growth at Ster-Kinekor, offset by reduced consumer spending in other areas and the effect of the economy on the group’s sports interests, MD Mike Egan said.

Turnover was also affected by “a marked downturn in feature film production and facility utilisation arising from the continued fiscal uncertainty in these areas”.

Operating profit was 13% lower at R39.1m (R67.5m). A reduction in the interest bill to R5.3m (R5.4m) resulted in an 11% decline in pretax profit to R35.6m (R62.4m). Attributable earnings were 8% lower at R35.5m (R38.3m). Despite the lower earnings, Egan said, Interleisure’s strong cash-generating nature had enabled it to maintain its full-year dividend at 11c a share.

Cinema attendances grew 24%, with Sunday cinema contributing 10 percentage points to the growth. Although Ster-Kinekor showed significantly increased turnover growth, pretax profit grew only 10% as the opening of 32 screens brought with it overhead, depreciation and finance costs.

Egan said Interleisure had decided to move out of sports wholesale activities, disposing of all but one of its brands. This reduced working capital in wholesale activities to R18.6m (R38.5m). The disposals and provisions to dispose of remaining sports interests were reflected in a R7.2m extraordinary item.

In the services division, Video Magic and Cinemark reported growth. Computicket’s performance was flat, while Ster-Kinekor Video showed a marginal decline.

The film production division reported a 42% decline in operating profit. Food operations reported 16% turnover growth, but profitability declined after a decision to repurpose and upgrade Mike’s Kitchen.

Egan said the group’s performance would depend on “safety from violence and confidence in the future”.

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MARCIA KLEIN

[Bar chart and data not fully transcribed]
Only one scratch card game donated stipulated amount

CAPE TOWN — The scratch card scheme run by the western Cape Community Chest was the only one to donate more than 23% of its proceeds to social causes, the Howard commission reported yesterday.

The fund-raising director had stipulated that a minimum of 23% of scratch card schemes' proceeds should be yielded for social causes, it said in its report tabled in Parliament yesterday.

The director had done nothing to bring other schemes to heel.

The Community Chest of the western Cape card had yielded 27.5% but the Viva Trust card had yielded 22%, the Durban and Coastal Community Chest card 21% and the Ibhuba card only 15%.

"If 23% is the minimum which should be available for social welfare after allowing for prizes, operating expenses and a fair return for the operator, it follows that Games Africa (Pty) Ltd which conducts the Ibhuba game for the Ibhuba Trust is making excessive profits at the expense of social welfare," Games Africa told the commission that after allocating 50% of its turnover for prizes, the balance, 35% at present, was required to meet operating costs, "expansion" and a fair return.

The commission said the director should conduct a full investigation of scratch-card lotteries conducted by fund-raising organisations to ascertain what percentage of turnover was allocated to prizes, operating costs, operator's profit and social causes.

He should then fix a minimum percentage of turnover to be made available for social causes and impose that as a uniform condition, the commission said.

The commission added that it was not in a position to fix the minimum percentage but the available evidence indicated that it should be at least 22% and could reasonably be 27% or more if the amount allocated to prizes was reduced by 5%.

"Any lottery operator who fails to operate in the investigation should be prosecuted under the Gambling Act and put out of business," the commission said.

Billions spent on "extremely popular" pastime

CAPE TOWN — The more than R2bn spent on gambling each year showed it was an extremely popular pastime for South Africans, the Howard commission report said.

More than R3.1bn in bets was placed with bookmakers and totalisators in the 1993 financial year. Hundreds of millions more were wagered at "bucket shops".

Chinese numbers game, Bah-Hie operated on a vast scale. Although individual small casinos had roughly modest, 3,830 gaming tables and 9,100 slot machines in operation, turnover was estimated at between R2bn and R5bn.

About 5-million people patronised Sun International and other casinos in the TBVC states every year. Most were South Africans, who spent about R380m.

In January it was estimated that there were 250 formal casinos offering gaming tables and slot ma-
City seen as ‘Hollywood of Africa’

**Staff Reporter**

CAPE TOWN is seen by international movie makers as a new “Hollywood” and the city is grooming itself for the part.

“We can expect a wave of African movies, just as we have had a spate with Vietnam themes,” says German producer Mr Robert Lachnitt, managing director of Glomax Entertainment International.

Mr Lachnitt, who has invested in five local feature films and television documentaries, said yesterday: “Every stone has been filmed in the US but the world knows very little about Africa, especially South Africa.”

“Cape Town has it all — magnificent scenery, technical expertise and infrastructure. It would have become an international film Mecca earlier had it not been for the political situation.”

Meanwhile, a Cape Town Film Commission was formed last week, according to deputy mayor Mr Clive Keegan.

Mr Keegan said he could see no reason why Cape Town should not become the “Hollywood of Africa”.

The Western Cape had generated R852 million from 150 local and international productions in the year to March 1993.

The commission, to be administered solely by the local film industry, would promote the city as an international film-friendly location and provide a co-ordinated user-friendly service to film makers.

At present, to close a street for filming in the city requires authorisation from six different authorities, Mr Keegan said. The commission will constitute one office for co-ordinating such activities.
Cape revs up Games bid

CAPE TOWN — Pick 'n Pay chair-
man Raymond Ackerman is spear-
heading Cape Town's drive to host the
2004 Olympic Games.

Together with SA Rugby Football
Union national development direc-
tor Nqo ente, Balfour, Ackerman has
been elected co-chairman of the Cape
Town Olympic Bid Committee.

Ackerman has been tipped to lead
the SA bid to the International Olym-
ic Committee once the National
Olympic Committee of SA (Nocs) has
selected one SA city.

Nocs is due to decide in August
between Cape Town, Johannesburg
and Durban as the host city.

Ackerman said at the weekend he
was convinced Cape Town had by far
the best opportunity to win interna-
tional support for Africa's first Olym-
ic Games. The Olympic movement
was under "tremendous pressure" to
stage the Games in Africa and SA
was the only African country able to
host an event on the scale of the

Olympic Games.

Hosting the Games would result in
huge investment to stimulate the
local economy and he was confident
the sale of television rights would be
sufficient that the Games were run prof-
itably.

Balfour, a former National Sports
Congress president, was involved in
motivating Adelaide's bid for the
Commonwealth Games and the
Olympic bid by Melbourne. He em-
phasised the potential of hosting the
Olympic Games for uniting a contin-
ent, society and region divided by
conflict, economic stagnation and
lack of hope.

"One hopes that SA's long-standing
provincialism does not influence
Nocs's decision. Hosting the 2004
Games is in our national interest and
Nocs must choose the city most like-
ly to get the Games for SA and indeed
Africa," Balfour said.

LINDA ENSOR (24)

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Legislation covers Groot Constantia

CAPE TOWN — Legislation to convert the Groot Constantia Control Board into an association without gain was approved by the Cabinet on Wednesday.

The present control board had, since 1992, investigated the possibility of relieving the state and the taxpayer of the considerable financial obligations involved in Groot Constantia, Agriculture Minister Kraal van Niekerk said yesterday. He gave the assurance public access to Groot Constantia would not be adversely affected by the legislation.

"Simultaneously, there is the assurance that the cultural historic activities of the present museum will continue as before, that the necessary restoration will be completed and that the historic buildings will at all times be maintained in good and proper order."

The Minister said the major implications of the planned legislation included that ownership of all moveable assets and of the estate itself, at present vested in the board, would be transferred to the envisaged company. The moveable assets of the SA Cultural History Museum would remain those of the board.
A public opinion survey conducted by Public Opinion Research Center in April 1983 found that 49% of Americans surveyed felt that the United States was ahead of the Soviet Union in terms of military power, while 47% believed the Soviet Union was ahead. This survey was conducted at a time when the Cold War was at its height, and tensions between the two superpowers were at an all-time high.

The survey results were published in a report titled "Public Opinion on the United States-Soviet Union Competition," which was released by the Public Opinion Research Center. The report noted that the American public was generally more confident in its military capabilities than in other areas, such as economic and political power.

The survey also found that a majority of Americans believed that the United States was the world's dominant military power, with 51% saying they felt that way compared to 44% who disagreed. However, when asked about specific regions of the world, more Americans believed that the Soviet Union was dominant in Europe and Asia than in the Americas.

The survey results were based on a random sample of 1,000 adults, aged 18 and over, interviewed by telephone. The margin of error for the survey was ±3.1 percentage points at the 95% confidence level.

The Public Opinion Research Center is a non-partisan research organization that conducts surveys and opinion polls on a variety of topics, including politics, economics, and social issues. The organization has been in business since 1948 and is based in Washington, D.C.
R1m allocated to help engineering students

PRETORIA — SA had a critical shortage of qualified engineers and technologists and this could affect economic growth, a Federation for Research Development spokesman said yesterday.

After "assessing the severity of the situation" the federation announced it would contribute R1m for engineering student bursaries this year.

A federation statement said a severe shortage of financial support for engineering students existed in a field which was "crucial for economic growth".

Federation president Reinhard Arndt said the R1m contribution would be used to attract undergraduates and diploma students — who had merit but would otherwise have been lost to the engineering field due to financial constraints — into engineering at tertiary training institutions.

An article in last month's SA Journal of Science reported that of 250 top executives collectively employing more than 10 000 engineers and technologists, 83% believed there was a shortage of qualified engineers.

More than 90% also said more technologists were required.

The report stated that the SA Engineering Association and the Society of Professional Engineers acknowledged the scarcity of engineers and said that "compared to developed countries, SA is pitifully short of qualified engineers".

Evidence suggested that it was mainly financial difficulties that impeded students from entering or continuing with their studies in engineering, it said.

The federation statement said students wishing to receive the bursaries, to a maximum of R5 000, could apply directly to the organisation or through university or technician administrations.

Pact CEO had been due to retire

THE retirement of Pact CEO Dennis Reincke had nothing to do with repeated calls for his resignation by the ANC-aligned Progressive Cultural Workers organisation, Pact publicity officer Robert Perry said yesterday.

He said Reincke had decided to leave at the end of March this year, after prolonging his stay beyond his scheduled retirement date of September last year.

Negotiations between Pact and ANC-aligned groupings were continuing and substantial changes to the top structure of Pact were likely by the end of this year, Perry said.

Pact executive officer Louis Besindenhout would replace Reincke in an "interim arrangement".

Reincke, who joined Pact in 1987 as administrative head of its opera department, had been CEO since January 1990.

In 1991 he was in charge of the opening of the State Theatre and was later appointed to the council's directorate.
ERIC Miyený's first attempt at presenting a stand-up comedy came out in 1990 and did pretty well in white liberal circles.

In fact, it did real well and kept him going for a good two years with the bonus of being invited to Holland and being feature in the mainstream programme of the Grahamstown National Arts Festival for two years in a row.

But in the meantime Miyený has learnt that being a new and celebrated artist in the "New South Africa" has more to it than just being a toast among the white middle-class - like being patronised and made to feel real and is:

I believe as a professional artist one can come in and deliver the goods but you cannot believe the bureaucratic wall I have confronted in my attempt to bring my shows to the people.

I have been denied a slot in good venues and this has made me realise that even if you bring plays that are tried and tested, as a black person you will always have problems," said Miyený.

But Miyený does not believe in whining like a little puppy and is up and about preparing for his newest show Kicking Alive which opens at Kippie's next Tuesday and runs until Saturday.

The show exposes the two-faced attitude of white liberals and urges black people to abandon the xenophobia that makes them watch helplessly as they are emptied of their humanity.

"The show is sharply aimed at white liberal attitudes which are very dangerous because they are misleading," said Miyený.

As a stand-up comedian Miyený is widely regarded as the local version of Eddie Murphy who with his "Twisted and Vile" redefined the meaning of free speech by attacking all the sacred cows in the country.

Reflecting on his newfound status as one of the symbols of black achievement on the arts scene - especially in integrated venues like the Windybrow, Grahamstown Festival and the Market - Miyený said his greatest ambition was to see more black achievers.

"I would like to see black people taking control of the projecting of their images and history," he said.

"I will be happiest when less black people ask for things from white people because that gesture relegates one to the status of a beggar and will never put one on par with whites.

"What our people need to do is to go out there and do things, own and have and when that begins to take shape we shall be moving forward instead of always taking and begging," said Miyený.

You want to know where Miyený comes from to start showing from the lips about black advancement and taking control of their own destiny.

Well, after gaining a BA Law degree at Natal University he worked as a bartender at the Yard of Ale restaurant in the Market Precinct and was snatched up by an advertising agency as a copywriter.

But he did not last long there as he soon discovered that black people in advertising are stripped of every ounce of their sense of self-respect and dignity.

The tragedy of black executives in the corporate world is that they are taken into the white workplace to empty them of their humanity so that their bosses can feel good.

"It was a cosy position in terms of the salary, but in terms of what it was doing to my health it was a spiritual vacuum cleaner designed to suck me of manhood and identity."
Casino stakes up as deadline nears

By Brian Berkman

HUNDREDS of people throughout the country could lose their jobs if casinos have to close their doors at midnight on January 31, Cape Town casino owners have said.

The Department of Justice is expected to announce this week whether the January 31 deadline is to be extended, but some casino owners have already given their staff notice.

The Gambling Amendment Act passed in Parliament last year outlawed all forms of gaming for benefit. Special reference was made to card games, further games of chance. However, pressure from opponents and interest groups led to the appointment of the Howard Commission to examine the question and set the deadline.

Now casino owners are waiting for the findings of the Howard Commission — which are expected to be released in April — and an announcement that might compel them to close their doors.

They claim it will cost the state and taxpayers millions of rands in unemployment payouts alone, without taking into account the loss of revenue in VAT and income tax.

Some casino operators are confident that an extension will be granted until April, while others are convinced they will have to lay down their cards on Sunday night.

Mr. Gerhard Stotzel, director of operations and marketing for Crowns and Triple Seven casinos, said there was "tremendous uncertainty" about the future of casinos but he was optimistic that an extension would be granted.

Mr. Mike Sacks of Jokers Casino and Mr. Nigel Block of the casino at the Don Hotel said their staff had been given notice.

Mrs. Liz Gribble of the Arthurs Seat Palace said that if the law required the casino to close on 31 January, it would do so. Her casino group was nationwide, employed more than 500 people and had paid more than R5 million in VAT and associated taxes. Staff had been given notice in line with the extension granted when the bill was passed.

However, Mrs. Gribble was confident casinos of some kind would continue to trade in South Africa once the Howard Commission had presented its report.

Mr. Gary van der Merwe, director of Casino Royale in Sea Point, said the casinos' success meant there was a need for them.

The impending reincorporation of the T.V.C. states into South Africa meant legislation would be changed eventually to make allowances for Sun International Casinos, he said.

If this happened and casinos were allowed only outside city limits, this could be construed only as selective support for Sun International, which had had a monopoly for 15 years.
Illegal casinos in the dark

The threat of organised crime gaining control of the gaming industry resulted in thousands of casino workers across the country leaving work on Friday night not knowing whether their industry would be closed down overnight or given a further reprieve.

An Act of Parliament passed last year amended the Gambling Act to define what is gambling and what is not after casino operators had found a way around existing laws.

Now, all forms of gaming for benefits are outlawed with special reference to card games and games of chance, while existing casinos have been told to close their doors by midnight on January 31.

A statement from the Minister of Justice, Mr Kobie Coetzee, is imminent on whether the industry is going to be closed down or whether a further extension is to be given.

Pressure from interest groups and opposition parties resulted in the appointment of the Howard Commission to look at the whole issue of gaming in SA.

Some casino operators believe an extension will be given until the Howard Commission delivers its findings some time in April.

However, police sources believe the weight of evidence that organised crime is moving quickly to control the gaming industry is so serious that the casinos could be made to close their doors by the end of the month deadline.
Casinos ready to call it a day

Mandy Jean Woods

IF YOU want to have a fling with this month's pay packet at your local casino, do it soon — they are set to close their doors at the end of the month.

Thousands of employees in independently owned casinos in South Africa have been told they will be out of jobs at the end of this month, when the Government's moratorium on prosecution over casinos expires.

Pressure

Legal loopholes in the Gambling Act which allowed hundreds of independently operated casinos to spring up in urban areas around the country were closed in October during a special parliamentary session when the Gambling Act Amendment Bill was passed.

Public pressure saw a commission of inquiry, headed by Natal Chief Justice J. Howard, charged with investigating gambling in South Africa and asked to make recommendations on it.

As a result, Justice Minister Kobie Coetsee imposed a six-month moratorium on prosecutions. This expires on January 31.

One of the country's biggest operators, Karos Hotels, which has seven casinos, has told 350 employees that unless there is a change in the law the casinos will close at the end of this month.

Karos Hotels chairman Selwyn Hurwitz says that if the moratorium is not extended until the Howard Commission tables its report, "we will be forced to close. We are not prepared to break the law."

"We have had no indication at all that the indemnity is going to be extended but we are lobbying heavily for this."

Quoting the moratorium, which says indemnity is granted "to February 1, 1993 or such later date as the Minister may determine," he says, "The implication is that if the Howard Commission has not finished its investigation the moratorium will be extended. It seems clear that the Minister is duty-bound to extend the indemnity."

A spokesman for the River Palace group, which has 13 casinos, has given its staff of more than 600 notice that gambling operations will cease at the end of January. "We certainly won't go underground if the moratorium is not extended we will close down. If Government legalises gambling, we will carry on. But it must make up its mind. We will stay within the law," a spokesman said.

Submissions

A spokesman for Coetsee said the Minister's office had received hundreds of calls from casino employees and owners as well as the public, all wanting to know what would happen when the moratorium expired.

A statement from Coetsee on the matter is expected soon.

A spokesman for the Howard Commission, said the commission had received hundreds of submissions. "No doubt we will have been finished about now with our investigations, but since our terms of reference have been extended we will probably be finished with our investigations only at about the end of March or April at the earliest," he said.

A spokesman for the Gambling Association of SA said it hoped the moratorium would be extended until the Government had considered the Howard Commission's findings.
World Cup draws Gov't backing

CAPE TOWN — The Government was prepared to assist, support and underpin the South African Rugby Football Union in hosting the rugby World Cup in 1995, President F.W. de Klerk said yesterday.

De Klerk said the Government would be in place in 1995 because upgrading of facilities was already in progress.

Speaking after an International Rugby Board delegation, De Klerk said: "It is important that we do our utmost to ensure that South Africa is a country that can host such international sporting events."

De Klerk said he had asked the South African Rugby Federation to consider the possibility of the Sarfu hosting the World Cup in 1995.

In a speech to the World Cup Limited by Fransie Eloff and Ebrahim, de Klerk said: "We must do everything we can to make sure that South Africa is a strong rugby-playing nation."

De Klerk said the country was not only a rugby-playing nation but also a sporting nation.

He said he was able to make this statement because of the country's economic development.

De Klerk said he was confident that South Africa would be able to host the World Cup in 1995.

"If we do so, it will be the Sarfu as we know them today," he said.

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"If we do so, it will be the Sarfu as we know them today," he said.
M-Net subscribers enjoying free access to BBC World Service Television (BBC-WTV) would probably continue to do so indefinitely, the pay channel’s CEO Paul Edwards said yesterday.

PWV area subscribers can pick up BBC-WTV by adjusting their decoders.

Edwards said M-Net would not be asking people to pay for BBC-WTV, as M-Net was not able to provide the service to all subscribers. The BBC programmes can be watched during the hours M-Net closes down its own programming — between 2am and 11am.

M-Net has been carrying the BBC-WTV signal to other parts of Africa, and although it has SA rights, it has been hampered by technical limitations. Only 10 hotels in Johannesburg and Pretoria have bought the BBC service, which M-Net conveys via two standby transmitters. As these transmitters could be needed at a moment’s notice should one of the regular transmitters break down, it was not possible to sell the service to a wider audience, Edwards said.
SERVICES SECTOR - ENTERTAINMENT & RECREATION GENERAL

1993
All land secured for 2004 Olympics

By Maggie Fowler

The land that will be used for the Olympic Village will be where the athletes will reside during the Games. The Olympic Village will be located near the Olympic Park and will be home to the athletes from around the world. The Village will provide housing, dining, and recreational facilities for the athletes and their families. The Village will be designed to be sustainable and environmentally friendly. The athletes will live in apartments that are designed to be energy-efficient and will have access to fitness centers, gyms, and other fitness facilities. The Village will be a hub of activity where athletes can come together to train and to meet other athletes from around the world.

The Olympic Village will be a temporary city that will be dismantled after the Games. The land that is used for the Village will be returned to its original state after the Games are over. The Olympic Village will be a symbol of the spirit of the Olympic Games and will serve as a reminder of the power of sports to bring people together.
City's bid for Games endorsed

The Cape Town City Council yesterday endorsed, by a 22-1 majority, the Olympic committee's bid to hold the 2004 Games in the city.

Reservations against were raised in yesterday's council meeting by mayor Mr Frank van der Velde, who headed over the chairmanship of the meeting, argued in favour of the endorsement.

Councillor Mr Norman Osburn added an escape clause which mollified opposition. He said the endorsement must be "on the understanding that the state and regional authority meet their commitments, and that the ongoing planning and economic requirements, as they affect the council, be subject to the approval of the council."

Mr Arthur Wernberg said that a guarantee must be sought from the future government that the airport would be upgraded and said he was concerned that Cape Town might have to foot a R450m bill over the next 22 years."
Applications for licences prepared

Hotel groups bid to run casinos

BY ZINGISA MKHUMA

Two major hotel groups have said they intend operating casinos and would apply for licences following last week's tabling of the Gambling Board Bill. Justice Minister Kobie Coetsee put the Bill before Parliament.

It provides for the establishment of a controlling body that would look into the Howard Commission recommendations on the Gambling Act.

The controlling body would also set the framework for the regulation of a State lottery, sports pool, bingo and betting on sports events.

Protea Hotel Group executive chairman Otto Stohilk said the group was preparing applications for a licence and had already identified some hotels which would be suitable for such ventures.

Southern Sun group managing director Ron Stringfellow told The Star in an interview, a week before the Bill was tabled, that the group would certainly be a big investor in casinos if permitted to do so.

Stringfellow said the Government might not insist that casinos should be at least an hour's drive from central business districts. However, he also believed that they would not allow casinos to operate right in the centre of a CBD.

The African Development Corporation (Afcor), which is involved in widespread economic and social development programmes, said it had applied for several casino licences.

The casinos are expected to generate profits of around R200 million a year, Afcor executive chairman Tiny Nalando said. "These profits will be used for funding our reconstruction and development programme."
Green light for lotteries — and casinos

POLITICAL STAFF

Cape Town — Gambling legislation to permit casinos, State and other lotteries and sports pools has been approved by Parliament’s Joint Committee on Justice.

The Lotteries and Gambling Board Bill, tabled in Parliament on Friday, provides for a national board of control to “structure” and control the gaming industry.

The chairman of the joint committee on justice, Ray Radue, said last night: “The importance of the legislation lies in the fact that there will now be a level playing field for the entire gaming industry in South Africa (292).

“Provision has also been made for the recognition of the powers of the provinces to regulate casinos and gambling in the new dispensation.”

He said casinos, lotteries and sports pools operating in the TBVC states on November 30 this year would have an opportunity to register within 14 days of the states’ reincorporation into South Africa.”
Law on domestic workers gazetted

BASIC work conditions for domestic workers were gazetted on Friday and come into force on January 1.

The Basic Conditions of Employment Act was extended to cover domestic workers earlier this year.

The Act sets down minimum working conditions for domestic workers as well as gardeners, drivers for private households and people who look after the sick and elderly.

It provides for a maximum 12-hour day, including meal and rest times, for workers who do not live in, 14 hours for those who do, and a maximum of five hours' work before a one-hour break or, if both parties agree, a 30-minute break.

Ten hours of overtime a week are allowed if both parties agree.

Overtime pay is one and one-third times normal wages except for Sundays and public holidays, when double wages must be paid. Workers are entitled to 14 consecutive days’ paid leave a year, and 30 days’ sick leave over three years. A minimum of one month’s notice is required for end employment or a month’s pay in lieu of notice.

The SA Domestic Workers’ Union suggests a R500 a month salary or R6 an hour for part-time workers.

Gambling loopholes to be closed soon

CAPE TOWN — New legislation on gambling, including a clampdown on illegal casinos, would be tabled in Parliament soon, Justice Minister Kobie Coetsee said at the weekend.

The new legislation would follow the introduction of the Lotteries and Gambling Bill last week, and would seek to close the loopholes that had allowed more than 100 backyard gambling dens to thrive across the country.

The tabling of the Lotteries Bill followed the Howard commission on gambling, and was aimed at regulating the industry. It provides for the establishment of a gambling board.

The board’s duties will include advising government on how to implement the Howard commission’s recommendations, the control of fundraising activities such as scratch card games, the management of future legislation and the regulation of all existing lotteries and gambling in the TSVC states.

The board will also advise government on the creation of a state-regulated lottery and the establishment of a body to control casinos and bingo halls, and will formulate a national policy on betting at sports events.

Tourism plan

THE Natal Parks Board is waiting for a Cabinet decision on the St Lucia mining before launching its plans to extend its facilities.

Conservationists greeted with joy the review panel’s unanimous decision at Richards Bay Minerals’ plan for titanium mining in the area.

Review panel chairman Judge R Leor at a Cape Town news conference that the net, perhaps in co-operation with the National Executive Council, would have to the final decision.

Natal Parks Board CE Dick Parris said the week the board welcomed the panel’s decision and was ready to develop ecotourism in the area.

Plans to expand tourism facilities had delayed because of the uncertainty surrounding the mining dispute. Finance was available, but were initiatives to include communities in the running of St Lucia, he said.

RBM communications GM Barry Cleland said the panel’s decision was disappointing.

The review panel seemed to have more emphasis on “intangible factors” the
Gambling Bill is widely welcomed.

MANDY JEAN WOODS

Punters, casino owners, businessmen and charitiies heaved a collective sigh of relief yesterday when the 'Lotteries' and 'Gambling Board Bill', which would legalise and regulate gambling, was tabled in Parliament (292).

The Bill provides for the establishment of structures to control the operation of state lotteries, sports pools, casinos, bingo, and betting on sporting events. In terms of the interim constitution, each region will, from April 27, be able to set its own parameters for gambling.

Industry experts predict that about R4.6 million a month could be raised through charity lotteries.

Positive

Ernie Joubert, project director of a new multimillion-rand casino operation backed by Rand Merchant Bank, said the Bill was "a good thing" as it would put all gaming control under one authority.

Sun International deputy managing director Peter Bacon called the establishment of a Gambling Board "very positive". The extent to which Sun International would be affected would depend on the number and location of casinos allowed.

SA Gaming Association's Grant Kaplan said there was potential for conflict between regions and the board.

Games Africa spokesman Debbie Cartwright said upwards of R150,000 a day could be raised for charity by a national lottery.
Musicians march on Shell House

Balana Khuma

THE streets of Johannesburg, so used to the pounding of marching feet, were this week treated to a different kind of mass action.

A handful of musicians belonging to the Universal Brotherhood Consortium (UBC) marched on Shell House, headquarters of the African National Congress, to present a memorandum of grievances to the ANC's military wing, Umkhonto we Sizwe.

The two-year-old UBC is, according to its chief negotiator and legal advisor, Danny Winfield, "an organisation that represents a whole range of practitioners in the music industry, from songwriters to engineers and producers".

"Musicians are exploited by production companies and are not paid royalties," said Winfield. "If they go to the record companies to ask for these, they are told to go to Mandela or Malatsetse."

According to Winfield, the catalyst for the march was a report in the newsletter of the Association of the South African Music Industry (Asumi) — which represents 62 recording companies — "boasting that the ANC had given them a letter motivating their membership to the International Federation of Phonographic Industries".

The UBC feels that the relationship between the ANC and Asumi is too cosy and is aggrieved at ANC support for the association. "The ANC should be throwing in their lot with exploited musicians," said Winfield. "The directors of record companies are the people who are ripping off the musicians and are the members of Asumi."

The letter, signed by the head of the Department of Arts and Culture (DAC) of the ANC, Wally Serote, in May this year, said Asumi did not "contribute or assist with apartheid policies or structures". It added that the organisation had participated in and contributed to the ANC's Culture and Development Conference.

The DAC, however, feels the letter no longer matters, especially as ANC president Nelson Mandela has now called for the lifting of sanctions.

"The UBC are using the letter as a tool to strengthen their case, but it is no longer of any use to anybody. Asumi can join any organisation now and we won't have a say in it," said DAC acting deputy head, Uriel Abrahamse.

He rejected claims that his department was too close to Asumi.
Bill clears the way for national lottery

A NATIONAL lottery, a soccer pool and more casinos could all become part of South African life under a new gambling bill that will be tabled in Parliament this week.

The draft Bill, which is being circulated among opposition parties for comment, establishes a 10-person lotteries and Gambling Board that will have the power to determine gambling policy and will advise the Minister of Justice.

The Bill makes provisions for dealing with the existing gambling activities in the homelands and the Scratchcard industry in South Africa.

It also allows the board to make recommendations regarding the establishment of new gambling activities in the country.

Sports pools, lotteries, casinos and gambling games in the four self-governing homelands will be legalised if they are registered with the board within 14 days after the territories are re-incorporated into South Africa.

Organisations like Viva and Kabea, which collect money under the Fundraising Act, but which now fall foul of the Gambling Act, can apply for registration with the board.

If the board decides to grant the registration, the state president can grant temporary immunity from prosecution to these organisations in terms of the Gambling Act.

The board can also advise the minister of justice on the establishment of a body to control casinos and regulate games such as bingo.

It can make regulations on betting on sporting events and can advise the minister on the establishment of a national lottery and sports pools.

The board will also determine the criteria under which casinos can be registered and can lay down rules and standards for their operation.

The board will consist of representatives from the Department of Finance, the Department of Justice, the Department of National Health and Welfare, and not more than six other people appointed by the minister of justice.

By EDYTH BULBRING

Political Correspondent
Keeping secrets

If there's one thing this government hates, it's talking publicly about gambling. Since the Howard Commission issued its 145-page report on the future of casinos, lotteries and sport pools in April, Nat politicians have gone out of their way to keep the issue quiet for fear of alienating the religious right, including members of the Cabinet. The showdown is imminent, however, because parliament is set to act on the commission's recommendations during this session.

As usual, the draft Bill is being kept secret from the public (Business & Technology July 16). It is expected that the Bill will allow government to duce a major confrontation by creating enabling legislation that will give regulatory authority to a newly created national management board. It's also expected that the Bill will follow the commission's recommendations for permitting a national lottery, a limited number of new casinos outside urban areas and a sport pool.

DP justice spokesman MP Tony Leon says his party fears that government will go against the negotiating forum's decision to make gambling a matter for regional authorities. "It's wrong to have a national gambling regime. As much as possible, the new gambling regime should reflect the political regions that have been created."

Karas Hotels chairman Selwin Hurwitz says he has a gut feeling the decisions will be left to regional authorities, though there will most likely be a national gaming board. "I don't think anyone knows the direction it will go in but I believe they are leaving it for a new government. They don't want to be seen to be making definitive decisions now."

Obviously, some people feel they have a good idea of what's in the Bill. Former Sun International marketing director Ernie Joubert has teamed up with Rand Merchant Bank to launch a casino group - even though casinos are still illegal outside the TBVC homelands. The still unnamed company will assemble a consortium of investors who are expected to kick in up to R1bn.

Joubert insists he doesn't know what parliament's plans are. But he does not intend to wait until every other developer has made his pitch. "I'm sure there will be an enthusiastic response. I didn't want to face being asleep when it happens."

The Howard Commission recommended that a limit of 10 new casinos be licensed at sites at least an hour's drive from metropolitan areas, apparently so they would not put too much competitive pressure on Sun International's monopoly on casinos in the far-flung homelands. Joubert, who left the hotel group last week, says his plan is to win licences in some of the most lucrative areas such as the PWV (perhaps at the Vaal Dam), which he defends as a potentially important tourist destination, the Cape and the Natal north coast. The group would concentrate on building casino resorts, such as Sun International's Carousel north of Pretoria, though hotel development is possible, depending on which sites are awarded.

Hurwitz remains adamant any licence should go to four- and five-star hotels (Karas owns 13 hotels, five of which are four-star) or to developers willing to build them. "We have to avoid at all costs the Carousel-type developments being built. They are just giant gambling dens. And if the authorities are as sociologically concerned as they say they are, casinos should not be the raison d'être for the development."

"It's ridiculous to have a casino at the Vaal Dam with 1 500 machines. Only the shareholders will gain. And there won't be any foreign exchange benefits."

As for the hundreds of private minicasinos that continue to thrive despite Judge James Howard's concerted drive to put them out of business, their supporters say the Bill may not even try to close that loophole. Jean-Pierre Viljoen of the Gaming Association of SA, which represents the minicasinos, says the issue may be left to the courts. But, like everyone else, he says he has heard conflicting rumours and will just have to wait for government's announcement.

Games Africa, which runs the iHuba scratch card game, is pressing ahead with business even though a new regulatory body could phase out the various scratch-for-charity operations in favour of one huge national on-line computerised lottery. The company would love to operate a sole on-line Lotto in addition to its scratch card games. The fear, says CEO Mark Hutchinson, is that government will run the on-line lottery itself instead of letting a private operator do it.

Meanwhile, he points out that the iHuba scratch card games operate under an agreement with the Director of Fund-raising that runs until 1995.

"We're selling lots of tickets, we've got big plans, we're carrying on," Hutchinson says.
Analysts have mixed feelings over FilmNet

MEDIA analysts are divided in their reaction to mounting losses at MNet’s offshore associate FilmNet.

In the six months to September, MNet’s share of the European pay channel’s losses was R22.6m, up from R9.3m in the previous year and R27.6m at the March year end.

Analysts said yesterday that the losses, and the significant amounts MNet had invested, since it and Richemont bought control of Filmnet in 1991, were higher than expected.

Some analysts said the recent figures indicated MNet had bit the apple off more than it could chew. But others said that, after a local market that was becoming mature, Filmnet offered MNet an opportunity to expand rapidly overseas.

Once Filmnet was turned around, its potential was enormous, they said. But it would have to incur costs to grow to meet this potential.

In its interim statement, MNet said Filmnet had been repositioned as a multi-channel service and that it was poised “to add substantially to its existing subscriber base of 600 000 over the Christmas season.” An ana-
Servgro pushes up attributable profit

LEISURE and services group Servgro International's attributable profit rose 11% to R27.3m (R24.8m) in the six months to September with improved results from the Price Forbes group and Teljoy and "stable" results from its other investments.

The group, which has among its interests Inter leisure, Avia, Fedics, Interpark and Nationale Pers (Naspers), reported turnover up 14% at R485m (R434.5m). But pressure on margins saw operating income grow 5% to R84.2m (R81.1m). Pre-tax profit rose to R37.3m (R34.7m), but lower taxation resulted in an 18% rise in taxed profit to R39.7m (R33.6m).

The drop in income from associates to R3.5m (R6.6m) reflected the poor performances of Fedics associate Protea Hotels and some associates in Price Forbes.

Servgro shareholders have approved a 26c (28.75c) interim dividend, up 10% on the same in 1998. A 7% higher interim dividend of 28c (25.5c) was declared.

Naspers, from which Servgro derived dividends income, was expected to show results for the six months in line with the previous year's, Van der Walt said.

Servgro and Price Forbes concluded an agreement with Medscheme to merge operations to become "the leading medical aid administration group in SA." Price Forbes would have a majority interest in the combined operation.

Van der Walt said he was happy with Servgro's mix of businesses but the group was looking at acquisition opportunities.

Price Forbes, the group's UK subsidiary, recently announced a deal to provide insurance services to corporate customers in the UK and Europe.

Servgro subsidiary Medicaid administrators yesterday announced an agreement with Medscheme to merge operations to become "the leading medical aid administration group in SA." Price Forbes would have a majority interest in the combined operation.

Van der Walt said he was happy with Servgro's mix of businesses but the group was looking at acquisition opportunities.

There were indications that volumes were picking up, but margins would remain under pressure. Nevertheless, Servgro should be able to match the earnings growth level achieved in the first half.
Teljoy maintains
interim dividend

JOHANNESBURG. — A more than 50% reduction in interest charges helped Teljoy Holdings increase its attributable earnings to R6.52m (R8.00m) despite a 4.9% fall in turnover in the six months ended September 1993.

This equates to earnings of 14.7c (19.8c) a share and the company maintained its interim dividend at 4.5c a share.

Executive chairman Theo Rutstein said turnover declined to R33.6m (R37.9m) as a result of the closure of Teljoy Business Services at the end of last year.

Rental margins in the retail television market were tighter and this led to an 11.1% fall in operating profit to R14.9m (R16.7m), he said.

A lower interest bill outweighed the 21.7% increase in tax following the introduction of the Secondary Tax on Companies.
R1bn casino group planned

SUN International's 13-year dominance of the local gaming industry is to be challenged by a R1bn casino group which plans to open Las Vegas-style casino resorts near SA's major metropolitan areas.

The new group will be headed by former Sun International group marketing director Erié-Joubert, who left the company on Friday. It will be backed by Rand Merchant Bank, which Joubert said would assist in putting together foreign and local investors to raise the capital.

Joubert said he expected a new government to introduce legislation to legalise gambling in SA in line with the Howard Commission proposals.

Earlier this year the commission recommended 10 casino licenses be issued to allow casino resorts to operate at least one hour's drive from metropolitan areas in addition to those in the TBVC states.

Joubert said the group hoped to win the licenses for the main metropolitan areas. First prize would be the PWV — possibly near the Vaal Dam — followed by the Cape Peninsula and the Natal North Coast, he said.

The group would require more than the R1bn if it won more licenses. He was banking on a figure of about R300m to establish one gaming resort.

"A strong capital base was required to give effect to the Howard commission's proposal that the licenses be given to developers who established casinos that are keen to find out more about the project. Once it was established in SA, the group planned to expand to other countries in Africa and the Indian Ocean Islands.

"My continued presence at Sun International would amount to a conflict of interests as I will be in direct competition with Sun International in my new position."

He left the group on Friday but said he was still on good terms with the management and staff.

Joubert directed the 1995 launch of Sun International's first day tripper resort, the Carousel outside Pretoria.

He is the second key executive to resign in recent months. Former MD Ken Rosevear left to take up a position as vice president of New Caesar's World casino development, which operates Caesar's Palace in Las Vegas.
M-Net earnings up in spite of FilmNet losses

ROBYN CHALMERS

M-Net shrugged off losses from European pay channel FilmNet to post improved earnings on a 17% growth in turnover to R366m (R358m) for the six months to end-September.

The group saw steady growth in its domestic and international subscriber base, which, with improved margins and the lower company tax rate, bolstered earnings for the interim period.

Operating profit rose to R63.8m (R47.4m) and finance costs were marginally reduced to R4.7m (R4.9m), leaving profits before an abnormal item increased to R58.6m (R42.5m).

An abnormal item of R1.9m related to provisions for past liabilities and helped boost pre-tax profit to R65.5m (R42.5m). A proportionally lower tax rate effectively reduced the tax bill to R24.2m (R20.4m).

Coupled with the growth in subscriber base, the lower tax rate helped the organisation to hike post-tax profit 64% to R41.3m (R22.1m).

This figure was dampened by greater losses incurred by associates which more than doubled to R25.6m (R9.3m), leading to profit before extraordinary items up at R15.6m (R12.8m).

An extraordinary item of R47.9m arose from the disposal of the Information Trust Corporation and the introduction of Johannesburg Consolidated Investments as a 25% equity partner in M-Net International Holdings.

The increased revenue caused attributable profit to leap fivefold to R61.4m (R12.8m). Earnings per share rose 6% to 4.9c (6.1c). The group pays a single dividend of 2.5c.

Chairman Ton Vosloo said the R22.6m in losses were largely attributable to the aggressive development of FilmNet which was expanded from one to four channels, including a multichannel service.

He expected the development strategy to reap rewards. Growth in the 600 000 subscriber base had started to gather momentum.

Vosloo said M-Net's 30% penetration of the domestic target market was already too high and the group would look to other markets on the African continent.
Finding more rabbits

Small strategy changes can carry enormous weight, as CNA Gallo discovered in the half-year to September. Six months ago, super-saver bulk stationery, confectionery and postage stamps were introduced into stores. This, says CE Dennis-CuZen, contributed to the 10% increase in attributable profit.

Depressed consumer spending early in the year placed earnings under pressure in the retail activities; retail sales rose 7% against Gallo's 29% rise in turnover and Nu Metro's 26%. Fortunately, trading conditions improved gradually over recent months.

Group sales increased 12%, but operating profit advanced only 6%. Working capital grew at a rate disproportionate to the sales increase because of the introduction of new retail products and a build-up of CD stocks before Christmas. Stock climbed R59m to R229m, short-term debt 38% (292).

Benefits from the re-organisation of two divisions were felt. CNA Gallo bought the remaining 50% in Nu Metro and merged Centaur's educational publishing with that of Heinemann SA. CuZen is "happy" with results from Nu Metro; progress in the Heinemann/Centaur division has been slow but satisfactory.

The period was not without problems; a wage dispute lasted three of the six months. CuZen says productivity was not affected and the dispute was settled peacefully.

Earlier this week, shareholders approved a 10:1 split of the ordinary and "B" preference shares. The split shares will trade from November 15. This should improve tradability, Argus and Premier now hold 65.3% of issued capital. At R32, off the October R36 high, the share is on a p/e of 19.9, below the Stores sector's average 21.2.

Nine new CNA stores have been opened since year-end and five have been enlarged. CD factory CDT (owned one-third by CNA Gallo) now operates four production lines. Nu Metro opened eight screens in Westville and is about to open its first video arcade game store in Balfour Park. All this should enable higher turnover and profit — but success at year-end will depend on attaining Christmas and back-to-school sales budgets.

Kate Rushton
M-Net delivers as Equity ban ends

OWN CORRESPONDENT
JOHANNESBURG. — The first British programme to be screened after yesterday's lifting of the Equity ban is on M-Net tonight.

Minutes after the Equity move was confirmed, M-Net announced that Rowan Atkinson's series Mr Bean would start tonight and run for nine episodes.

SATV is expected to quickly follow suit and could have unbanned programmes on air within six weeks.

Other British programmes lined up for M-Net are the comedy series Fawlty Towers, Fortunes of War with Kenneth Branagh and Emma Thompson, and Prime Suspect.

Head of programmes Ms Sheryl Raine said M-Net aimed to bring the best of British classic comedy and drama to its viewers. She added that with the lifting of British and Australian bans, co-productions between South African, Australian and British producers were now likely.

A senior SABC programming manager, who did not want to be identified, said many British programmes had already been previewed and contracts would probably be sealed at London's annual television programme previews next week.

SABC spokesman Mr Johan van Rheede denied the introduction of British programmes would affect South African production houses, as local productions would always be popular, he said.

He declined to disclose the names of series being targeted in case opponents decided to bid for the same programmes.

10/11/93
TV as Equity ban lifted
New age heralded for SA

Cape National
The Argus, Wednesday

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No more subtle UK

TVs to be screened

More subtle UK

T.V. as Equity ban lifted

New age heralded for SA
CNA-Gallo's trading improves

BY THABO LESHILO

Improved performances by Gallo and Nu Metro helped CNA-Gallo report a nine percent increase in earnings per share for the six months to end-September, with expectations of further growth.

Turnover rose 12 percent to R471 million and earnings 10 percent to R14 million.

Sales by retail grew 12 percent, by Gallo 29 percent, Nu Metro 26 percent and Support eight percent.

Chief executive Dennis Cuzen said low consumer spending in the early part of the year had put earnings under pressure in the group's retail activities.

However, trading conditions had improved gradually in recent months.

"In the prevailing environment this result is seen as satisfactory," he said.

There was evidence of a tentative recovery in the economy.

Falling rates

Coupled with falling interest rates, the encouraging start to the agricultural season and positive political developments, this meant earnings could be maintained for the full year.

However, that depended on the extent to which Christmas and back-to-school sales budgets were met.

Earnings per share rose from 37c to 40c and the dividend is up 8 percent to 14c.

Cuzen said the 27.7 percent increase in stock to R50 million was because of new products and stocking up by CNA for new and expanded stores, CD stocks by Gallo and Music For Pleasure for Christmas and Constantia's drive for extra customers.

Shareholders had approved a 10-to-one split of ordinary and "B" share preference shares to improve marketability.

The split shares will trade on the JSE from November 15.

The recent wage dispute, now settled, with the South African Commercial and Catering Workers Union had not affected production, Cuzen said.
CNA Gallo shareholders approve share split plan

MARCIA KLEIN

RETAIL and entertainment group CNA Gallo, benefiting from an improved performance by its entertainment interests, increased earnings 9% to 40.3c (37c) a share in the six months to end-September.

The group, with interests in CNA, Nu Metro, Gallo, The Literary Group and Constantia Greeting cards, also said its shareholders yesterday approved a 10-for-1 share split to make its shares more tradable. The share was unchanged yesterday at R3. The split shares would trade from November 15.

Turnover rose 12% to R470.6m (R429.7m), operating profit 6% to R19.1m (R18.1m) and attributable earnings 10% to R13.2m (R12.2m). An 8% higher interim dividend of 14c (13c) a share was declared.

Lower investment income was offset by lower net financing costs, bringing pre-tax income up 9% to

CNA Gallo Ltd Share price, weekly close (cents)

R14m (R12.9m). Cuan said the increase in earnings.

The effective tax rate was 42% compared with 45% the previous year, but CE Dennis Cuan said CNA Gallo did not get the full benefit of the lower tax rate as there was a drop in dividends from offshore interests.

CNA had also incurred one-off costs with an expansion and store development programme which were not tax deductible.

was achieved largely through an improved performance by the entertainment interests held in Gallo and Nu Metro. Gallo's improved results came off a low base. Nu Metro had benefited from closing non-performing sites, opening successful new sites and better product allocation.

Gallo's sales grew 29% and Nu Metro's 29%. Retail sales grew 7%. Cuan said retail earnings had been under pressure because of reduced consumer spending, but trading had gradually improved in recent months.

Working capital had risen at a rate higher than sales as a result of the introduction of new product lines ahead of Christmas.

The tentative recovery in the economy, the fall in interest rates, an encouraging start to the agricultural season and political progress would enable CNA to maintain growth in the second six months. However, this would depend on CNA being able to attain Christmas and back-to-school sales budgets.
CNA Gallo ups earnings 9%

From MARCIA KLEIN

Johannesburg — Retail and entertainment group CNA Gallo benefited from an improved performance by its entertainment interests, increased earnings 9% to 49.3c (57c) a share in the 43 months to end-September

The group, with interests in CNA, Nu Metro, Gallo, The Literary Group and Constantia Greeting cards; also said its shareholders yesterday approved a 10-for-1 share split to make its shares more tradable. The share was unchanged yesterday at R3.2. The split share would trade from November 15.

Turnover rose 12% to R470.6m (R419.7m). Operating profit was 6% higher at R10.1m (R10m).

Attributable earnings were 10% higher at R13.5m (R12.3m). An 8% higher interim dividend of 14c (13c) a share was declared.

Lower investment income was offset by lower net financing costs, bringing pre-tax income up 9% to R14m (R12.9m).

The effective tax rate was 42% compared with 46% the previous year, but CE Dennis Cuzen said CNA Gallo did not get the full benefit of the lower tax rate as there was a drop in dividends from offshore interests. CNA had also incurred one-off costs with an expansion and store development programme which were not tax deductible.

Cuzen said the increase in earnings was achieved largely through an improved performance by the entertainment interests held in Gallo and Nu Metro. Gallo’s improved results came off a low base. Nu Metro had benefited from closing non-performing sites, opening successful new sites and better product allocation.

Gallo’s sales grew 2% and Nu Metro’s 26%. Retail sales grew 7%.
Actors' union Equity may lift ban today

Staff Reporter

The controversial Equity ban preventing the sale of British radio and television programmes to South Africa may be lifted today.

The lifting by the British actors' union depends on the results of a poll of its 46,000 members.

However, it is unlikely that the SABC and M-Net will be flooded with British programmes, as Equity would have to negotiate with broadcasters to remove the banning clause from contracts.
Optimism over Equity

Staff Reporter

EQUITY will decide next week whether to lift its ban on South Africa — and TV bosses said yesterday they were optimistic.

The decision, which was expected today, is now only expected next week, but TV stations have already compiled “shopping lists” of programmes they want to acquire after the ban has been lifted.

M-Net, public relations manager, Mr. Dries Pretorius said the pay channel had “several programmes in mind”, but was hesitant to name them for fear of tipping off competitors.

At CCV’s schedule, manager, Mr. Dries Pretorius said the channel was looking at British drama and, like M-Net, he would not be more specific.

But viewers starved of British television would not be suddenly swamped with it, he said.

“Our viewers have been educated over 20 years of American humour and drama. British drama programmes are slower. You cannot just change overnight,” Mr. Pretorius said.

But the clamour for British drama and comedy could be short-lived.

“If the viewers don’t like it, we won’t show it.”

“You have to think of the viewer,” said M-Net’s Mr. Abrahams.

An SABC spokesman refused to comment on any programmes targeted for after the lifting of the ban.

“We’ve got no comment, we’ll wait and see what happens.”

A 76% majority poll of Equity’s 45,000 members is needed to lift the ban.
Gambling Bill ready

Cape Town — The Government is likely to submit legislation on the future of casinos and other forms of gambling in South Africa to Parliament during the short session starting November 22, according to Government sources. The legislation had been prepared.

After a proliferation of casinos sprung up last year, Justice Minister Kobie Coetsee appointed the Howard Commission of Inquiry into gambling. The commission presented a lengthy report on all aspects of gambling in South Africa.

Among the commission's recommendations were that a limited number of casinos be allowed to operate under strict control in certain areas, and that a national lottery be used to raise funds for welfare.

The commission also raised the possibility of instituting a national football pool.

After receiving the report in March, Coetsee said he would announce the Government's reaction to its recommendations "shortly."
The downward rerating of Interleisure on the JSE over the past few years is understandable: it is, after all, exposed to the leisure sector, an area especially vulnerable to the vagaries of consumer spending.

But the decline in the share price, from its 420c perch in late 1991 to 275c now, reflects more than merely downcast perceptions of economic activity. It partly mirrors belief that management is to blame for lack of focus on core activities — cinemas, film production and services. In the year to end-June EPS fell 8% to 18.5c (20.2c).

The 6% rise in turnover to R426m reflects a 23% increase in sales at Ster-Kinekor, more than offsetting sluggish performances and difficulties in the sports interests and restaurant chain Mike’s Kitchen.

Management has seen the error of its ways and has exited from certain sports operations — the process was completed with the sale of The Pro Shop shortly after year-end. Losses on those disposals, including provision for The Pro Shop transaction, are treated in the accounts as extraordinary items of R7.2m, a catch-all to which SA companies are increasingly reverting.

To reposition the brand to attract a wider patronage, other than that of the traditional family market, Mike’s Kitchen is being modernised.

Operating income was 13% lower at R59.1m, reducing the margin to 13.9% (1992: 16.9%). A lower interest bill stemmed the decline in pre-tax profit to 11%, at R55.6m. Though the tax rate fell, benefits were muted as many of the group’s activities are based in Bophuthatswana and have consistently gained from a lower tax rate.

Ongoing expansion and the advent of Sunday cinema resulted in attendances increasing 24% with real revenue growth estimated at 4%. The division’s contribution to operating income increased to 51% (44%). MD Mike Egan says Ster-Kinekor’s development programme will provide a solid platform for the generation of profits and cash flow. Extension of the chain, however, was not without overheads, depreciation and finance costs, all of which served to limit pre-tax growth to 10%.

Growth at both Video Magic and Cine- mark ensured a good year for the services division, despite an indifferent result from Computicket and a marginal decline at Ster-Kinekor Video. Turnover increased 16%; contribution to operating profit was 40%.

Food operations also increased turnover 16%, though this was at the expense of margains. Egan says this flowed mainly from the decision to reposition and upgrade the Mike’s Kitchen brand. Two new concepts — Hurricanes, an action show bar, and Madisons, a coffee shop/deli — were introduced.

Management is looking at a return to growth in 1994. Better focus and relatively strong cash flow suggest this might be achieved. Egan’s view is that this review is unduly negative in regard to Ster-Kinekor; he believes the potential for the cinema operation is considerable. This may be so, and if management’s objectives are achieved, it could be the stimulus for capital gains in the counter.
The committee has agreed that the board be enlarged to 20 members, 10 of the present board remaining for three years to ensure continuity. Nominations are called for from people interested in and committed to the promotion of the performing arts to serve on the board. They must be sent to the Capab Board Selection Committee, P.O. Box 407, Cape Town, 8000.

The closing date is December 17.
New gambling laws not a priority, says ANC

CAPE TOWN — The ANC yesterday came out against gambling legislation being presented in Parliament next month, but left the door ajar for negotiations on football pools and a national lottery.

ANC spokesman Carl Niehaus said his organisation did not regard gambling as a high priority and legislation should therefore not be presented until it could be done properly after the election.

However, the ANC was not in principle opposed to a national lottery to boost social projects and to football pools, which could be instituted soon if agreement was reached through negotiations.

Niehaus was commenting on speculation that gambling legislation flowing from the Howard commission report could be presented during the November sitting of Parliament.

"In general terms, the ANC was in favour of a "fair and open system", which was consistent and did not create monopolies for certain gambling institutions in some homelands, Niehaus said.

The ANC was in favour of the recommendation set out in the draft interim constitution being negotiated in Kempton Park that gambling laws should be decided by regional authorities.

However, it is understood that some of the commission recommendations, including those for football pools and a national lottery, would have to be nationally regulated because they would operate countrywide.

Sapa reports DP justice spokesman Tony Leon said it was lamentable that government had taken seven months to react to the Howard commission report.

Government could have used the intervening period to table its own response, networked with other political parties and proposed legislation, he said.

"For many people, this is an issue which affects their livelihood, as well as one of public morality, and if left for a future date for a future Parliament, it will be left at the bottom of the agenda.

Some framework should have been established. "We are now left with the situation where either nothing will happen or a hasty and ill-considered decision will be taken," he said.

"Since last October when government first passed its punitive anti-gambling legislation, this has been one of the most mishandled aspects by the Justice Department. There has been a tendency to let it slide off the agenda or to react in an ad hoc way."
CAPE TOWN — NP sources are betting that parliamentary legislation on gambling flowing from the Howard commission report will be presented during next month's session.

An NP source said yesterday it was understood the Cabinet had come to a decision on the commission's recommendations, which proposed legalising many forms of gambling.

The NP justice study group had been "placed on standby" for a briefing from Justice Minister Kobie Coetsee.

The source said Coetsee was anxious that government should not take a unilateral decision on the issue.

It was understood that final authority for drawing up gambling legislation would be devolved to the regions. But Parliament might adopt enabling legislation during the short session starting on November 8.

Coetsee was keen that the whole question of gambling be finalised "at an early date" and it might be presented to the justice standing committee early enough to be debated next month, the source said.

When the report was presented earlier this year, Coetsee predicted that government would make its position known by the end of May.

When this did not happen, it was rumoured that the decision had been held up because some Cabinet members had objected on religious grounds.
Hollyveld seeks new subsidy

The local film industry has presented proposals to government for a subsidy plan to replace the present scheme which expires on March 31 next year.

The loss of the subsidy would hit the entire film industry, hard, SA Film and Television Institute (Safiti) chairman, Carl Fischer said.

"No more SA films will be made in SA by South Africans."

The current scheme is a revenue-based incentive for producers. It gives film producers a 70c tax-free incentive for every R1 a film makes at the box office.

There is an additional cost-based incentive to remunerate the producer for print and laboratory costs to a maximum of R500 000 when the film generates a minimum of R50 000 at the box office. If a film fails to earn R50 000 it attracts no subsidy and results in a total loss for its investors.

Fischer said the industry would prefer to see the subsidy weighted more to the cost side to encourage a diversity of films.

"The present system encourages investment only in certain types of films—not only, for example, comedies, but films with a proven track record from TV or from previous films."

"It does not encourage any diversity or risk-taking. The consensus opinion in the industry is that our screens need to carry a greater range of SA stories."

The proposal the Film Steering Committee put forward to government has been formulated by a range of stakeholders and unions on behalf of the industry. It has three components:

- It proposes a research programme to determine deficiencies in the industry and to study models abroad.
- It asks for the appointment of an industry professional directorate to coordinate the research and develop long-term strategies for subsidies and incentives.
- It asks for the appointment of an industry professional directorate to coordinate the research and develop long-term strategies for subsidies and incentives.

Fischer said it was impossible to tell how soon government would give a response.

"We had hoped that by now we would have had some answers since the lead time for the production of films is at least nine to 12 months before release and therefore we have entered the crisis period."

CHARLOTTE MATHews
Film industry expected to hand over large sums in tax

COMPANIES whose main business is the production or marketing of films have made or will make particularly heavy tax payments to the Receiver of Revenue as a result of the compromise offer announced earlier this year.

In May the Receiver made an offer of settlement to all taxpayers who had invested in a partnership to manufacture and market a film. The offer allows a deduction from income 1 3 times the net amount contributed by the taxpayer to the partnership which has made the film, but all interest due on the underpayment of tax up to May 31 1993 is waived.

According to tax experts, deductions claimed since the film subsidy was introduced in some cases amounted to R6 or R10 for every R1 invested in the film.

BDO Spencer Steward partner Matthew Lester said the offer did not give much consolation to the high-flyers of the mid '80s who now had to pay substantial tax bills. However the waiver of interest alone over the six years it took Revenue to finalise the matter made most film ventures a worthwhile investment.

Rob Smithyman, financial director of Interleisure — whose subsidiary Toron International was a major film producer — said that if the group accepted Revenue's offer, the impact against group reserves would be about R23m.

Because the group had been involved in the financing, production, distribution, marketing and exploitation of films for more than 50 years, with assessments routinely issued in the past, it would be unrealistic to expect it to merely accept the Receiver's compromise.

"We will be reviewing our position on a film by film basis with the Receiver of Revenue. This will require us, among other things, to obtain supporting documentation in the form of invoices from international sub-distributors." Philo Pieterse Productions financial director Leon Brummer declined to name a figure but said the company's tax liability through Pan Films would be significant. It has not yet decided whether to accept the offer.

Heyns Films MD Johan Heyns welcomed the Receiver's offer but he emphasised he was talking as an outsider in this matter, because the company had made films for other investors.

"From the point of view of a film producer I am glad that there is some form of finality on the matter and we can start again." Although the film subsidy scheme did attract funds to the industry, Heyns believed it was for the wrong reason. The new structure, where those engaged in making a film could claim a subsidy from the Department of Home Affairs for specified local inputs, seemed to be "more genuine and credible", he said.

Lester said the normal course of objection was available to taxpayers who did not wish to accept the Receiver's offer. However, the costs of taking a case to the Income Tax Special Court were considerable and if the case is lost the appellant will get nothing.

Attorneys Hofmeyr van der Merwe partner Fiona Peart agreed. "There may be quite public companies who may wish to fight it. But it is an expensive and lengthy process and there has already been a judgment in the Transvaal Special Court against a taxpayer who invested in a film. It would be quite risky."

Fisher Hoffman Stride partner Anthony Chait said if a film transaction yielded a commercial profit but a tax loss, the Appellate Division was likely to "do everything" possible to find against the taxpayer.

"Most taxpayers would accept the offer," Chait said, and anyone who took the matter to court would find he was fighting on his own.
Wins battle Trumpeter — Capad

Image description:
A person is playing a cornet, surrounded by a crowd. The image is labeled "Blowing His Trumpet," suggesting a performance or musical event.
Dial-A-Movie listing suspended

BY ROY COKAYNE

The JSE listing of video and compact disc franchiser Dial-A-Movie, among the Financial Mail's Top 300 industrial companies, has been suspended following its provisional liquidation in the Pretoria Supreme Court.

A spokesman for attorneys David Kahn & Associates in Johannesburg confirmed yesterday that Dial-A-Movie had been placed in provisional liquidation on Monday.

The spokesman said the application was brought by David Kahn & Associates as a creditor.

Staff at Dial-A-Movie's head office in Verwoerdburgstad were told last Thursday that an application was to be brought to liquidate the company.

Chief executive Brian Cunningham was unavailable for comment as he is currently overseas.

The Dial-A-Movie liquidation application followed a Ministry of Public Enterprise restraint of trade directive slapped on the company on June 18.

On the same day, a notice was published in the Government Gazette announcing a Competition Board investigation in terms of the Maintenance of Competition Act to determine whether any franchise agreements between Top CD (Pty) and Dial-A-Movie (Pty) and the company's franchisees constituted a restrictive practice.

The restraint of trade directive was withdrawn in August after Dial-A-Movie gave certain undertakings to the Competition Board.

Prior to these two announcements, Dial-A-Movie was involved in a dispute with a number of its Top CD outlets.

These disputes have not yet been resolved but the franchised outlets are still operating.

Competition Board chairman Pierre Brooks said the board's investigation had not yet been concluded.

He added that an extension had been granted to allow the Franchising Association to make a submission on the whole question of franchising in South Africa.

Brooks said apart from issuing a report on Dial-A-Movie, the idea was for the board to issue a specific document providing general background on franchising.
ANC Trust Mixes Politics and Art

October 23, 1992

The ANC's art and culture department has been critical of the party's leadership, accusing it of using art as a means to promote a political agenda and to divide the membership. The department has called for a more inclusive and representative approach to the use of art in the movement.

The department is also concerned about the use of art to promote a particular political agenda. It believes that art should be used to bring people together, not to divide them.

The department has also been critical of the way in which the party's leaders have used art to promote their personal interests. It has called for a more transparent and accountable approach to the use of art in the party.

The department's recommendations have been welcomed by many members of the ANC, who see art as a powerful tool for promoting the party's values and vision. However, the party's leaders have been less receptive to the department's recommendations, and the issue remains unresolved.
Imperial ready for economic upturn

TRANSPORT, vehicle rental, motor trading and financial services group Imperial Holdings expected substantial turnover growth and a solid earnings improvement this year, chairman Bill Lynch said in the 1993 annual report.

All the divisions were capable of achieving solid growth and the group had the ability to translate any economic improvement into much improved profits, he said. The group saw prospects of a better business climate in 1994 and some relief in interest rates and lower inflation on overheads were expected.

There was evidence the recession was bottoming, but political instability and violence affected business sentiment. The group experienced a reluctance among business people to commit themselves to long-term agreements.

The group would benefit from an economic upswing and political stability with its exposure to tourism, consumer spending and transport.

Over the year Imperial acquired the remaining 50% of Prime Car Leasing, the remaining 25% stake in Imperial Truck Systems, Springbok Afrika Safaris, Garden Route Tour, Parker Services Group, a 25% stake in Longhill and Equipe Transport.

Subsequent to year-end, Imperial acquired Sage Group's 40% stake in Imperial Car Rental, making it a wholly owned subsidiary. Over the year R104m was spent on taking up outside shareholders' interests and R104m on acquisitions.

In spite of the much expanded equity base as most acquisitions were paid for with share issues to selected institutions—Saxenburg share climbed 25% over the 1992 financial year, giving an annual compound growth rate of 41%. Ordinary shareholders' equity more than doubled.
Cosatu’s election pledge on farm and domestic workers

SHARON SOROUR
Labour Reporter

COSATU is to ensure that the plight of farmworkers and domestic workers will be high on the agenda of the alliance in the run-up to the elections, and when an interim government is in place.

Commenting on the tabling in parliament of legislation extending basic worker rights to farmworkers and domestic workers, Cosatu said although the rights were limited, if they were to be implemented effectively workers would need organisational protection.

The Department of Manpower should be restructured to ensure the “proper enforcement” of hard-won labour rights, Cosatu said.

The 1.2-million strong workers’ federation said the extension of the Basic Conditions of Employment Act (BCEA) to domestic workers would be an important step towards their full protection in law.

“While the provisions in the BCEA are very limited, they are important in that they provide for protection around working hours, overtime, annual leave, sick leave and public holidays, deductions, and use of child labour.

“The BCEA also prohibits employers from victimising workers for union membership or activity,” Cosatu said in a statement.

Ultimately workers would be covered by the Wage Act, which provided for minimum wages, and the Labour Relations Act, which provided organisational rights.

The Agricultural Labour Bill, the product of negotiations between Cosatu and the SA Agricultural Union, extended labour rights to farmworkers in the form of the BCEA and the Labour Relations Act.

“While farmworkers will now be covered by compulsory arbitration in the event of disputes, Cosatu regards the definition of agriculture as an ‘essential service’ as an interim arrangement subject to further negotiations.”

Key issues yet to be negotiated included:

- The details of trade union access to farms, which the SAAU had agreed to in principle.
- The extension of the Wage Act to farm workers within a specified time frame.
- The setting up of a bargaining forum in the agricultural sector.
- The harmonisation and consolidation of agricultural labour legislation and labour legislation in general.

Cosatu did not believe that a separate statute for the agricultural sector should become a permanent feature of labour legislation.

Cosatu was compiling a programme to ensure that farmworkers were fully informed of their rights.

“Formal recognition of these rights in itself will not have any impact unless farmworkers organise themselves to enforce these rights.”
Big vote for end to call-up

PARLIAMENT yesterday voted overwhelmingly in favour of ending 26 years of white-only conscription.

Only the Conservative Party voted against the Defence Amendment Bill which was passed by 110 votes to 104 in the Assembly after a division. The other two Houses were unanimous in their support for the legislation.

DP MP Mr Bob Rogers said the party supported the bill because it removed all reference to race and ended conscription.

Today, seven bills passed today, one was the Basic Conditions of Employment Amendment Bill, which brought domestic workers under the ambit of the act.
New deadline for film tax

CHARLOTTE MATHEWS

The deadline for acceptance of Inland Revenue’s offer to investors in films has been extended to October 31st. Inland Revenue spokesman Sydney Pope said the regulations and the form on which acceptance had to be made were not yet available and it was too close to the September 30 deadline to finalize matters.

The offer was set out in the 1993 amendments to the Income Tax Act. A taxpayer who accepted the offer would be allowed a deduction equal to 1.5 times the net amount paid as a contribution to the partnership that manufactured the film. Acceptance of the offer would be binding on both parties. No other deduction would be allowed for the manufacture or marketing of the film in the period to February 26 1993. After that date income from the film would be subject to tax.
Survey on domestics’ pay sought

Cape Town — A nationwide survey should be conducted on the basic conditions and wages of domestic workers, Rob Haswell (Ind-ANC Pietermaritzburg South) said yesterday.

Speaking in the debate on the Basic Conditions of Employment Amendment Bill, he said improved conditions for domestic workers did not lie entirely in the realm of legislation. That was why he had called for a national survey.

Haswell added that suburban communities should look at ways of improving the living conditions of their workers by using vacant land for low-cost housing, or upgrading domestics’ quarters into family units.

To argue, as the DP did, that setting a minimum wage of, say, R450 a month was unrealistic was to avoid facing up to the legacy of apartheid.

That the Bill made no provision for maternity leave for domestic workers made a mockery of the Government’s commitment to gender equality, he added.

Robin Carlisle (DP Wynberg) said Haswell’s call for a minimum wage was in direct contradiction to Cosatu policy. A minimum wage would lead to massive unemployment. — Sapa.
Car rental sector sees improvement

BY STEPHEN CRANSTON

The car rental sector shrank by 1.83 percent in terms of rental days in the year to June.

"Since then, however, there have been solid improvements.

There was a 5.2 percent improvement in June and an eight percent hike in July."

Says Avis MD Grenville Wilson: "We hope these statistics are a reliable indication of the long-awaited upturn."

"Unfortunately, a good deal of the credit probably has to go to the price-cutting which pervaded the industry and the price war being conducted by the majors."

Average revenue per rental day was only 1.25 percent up."
Relief for farmhands

By Ismail Lagardien

THE provisions of the Basic Conditions of Employment Act will be extended to domestic and farmworkers as soon as Parliament has passed the enabling legislation.

The enabling legislation for farmworkers, the Agricultural Labour Bill, was tabled in Parliament yesterday.

Domestic workers have been included in the jurisdiction of the Basic Conditions of Employment Act. Farm and domestic workers will, among other things, be protected from working long hours without compensation, work fixed daily and weekly hours, have regular meal times, receive annual leave and receive certificates of service and notice of termination of service.
Bills aim to revamp laws for farmers, domestics

CAPE TOWN – Three Bills which will fundamentally change labour law concerning farm workers, domestic servants and workmen's compensation were tabled in Parliament yesterday, three years after negotiations to change the laws began.

The Bills, the subject of extended negotiations between employers and labour representatives, are the culmination of the Labour Minute agreement signed three years ago.

The Bills do not provide for a minimum wage for either farm or domestic workers, although this topic will be the subject of future negotiations.

Manpower Minister Leon Wessels said in an extended public committee debate that the occupational diseases listed in the new Compensation for Occupational Injuries and Diseases Bill exceeded those defined by the International Labour Organisation.

The Bill would replace the Workmen's Compensation Act of 1941, but would continue to partly compensate employees or their dependants for injuries or diseases arising from work.

The Bill proposed to give employers and employees more influence over its application by establishing a compensation council which included representatives from the state, employers, employees, the insurance industry and medical practitioners.

The fund established in terms of the Bill was a compulsory insurance scheme and would remain under state control as privatization would narrow the contributions base.

Wessels said in exchange for losing the right to sue an employer, employees now had a statutory right to compensation without having to prove negligence on the part of employers.

The Bill also proposed that employees would have a statutory right to be covered for medical costs arising from injury and disease and employers were exempted from common law liability for injuries at work.

On the Agricultural Labour Bill, Wessels said large sections of the Labour Relations Act would apply to farm workers.

The most significant difference with the provisions of the Labour Relations Act was that farm workers and their employers would have to engage in arbitration before a strike or a lock-out. However, important provisions of the Labour Relations Act would also apply to agriculture.

Wessels said about 330,000 domestic servants would be affected by the legislation, which mainly regulated their minimum working conditions.

The regulations stipulated that domestic servants should not work for more than 12 hours on a single day. They should also not work for more than five hours without a break.

At least 14 consecutive days' leave had to be permitted for every 12 months' employment, and at least 30 days of paid sick leave for every three years in employment.

Wessels said the legislation provided protection for the last group of employees not yet covered by existing legislation, which was the attainment of a long-sought goal.

Sapa reports that during debate on the Agricultural Labour Bill, Frankle Roux (CP Brakpan) said the Bill was a foot in the door for trade unions wanting to paralyze the sector.

Robin Carlisle (DP Wynberg) said the DP supported the Bill although it was messy. Mike Tarr (IFP Maritzburg) said the Inkatha Freedom Party supported the Bill.
Three bills overhauling Labour Law

State President to decide on pensions

Political Stand

Civil Service for affirmative action

Political Stand

Three bills overhauling Labour Law

The Compensation for Occupational Injury Law has been passed by the Union Parliament. The main objective of the bill is to provide compensation for occupational injuries and diseases. The bill also aims to protect the rights of workers and regulate the employment conditions.

The bill proposes that employers must pay compensation for occupational injuries and diseases. The compensation will be paid in accordance with the severity of the injury or disease.

The bill also introduces new provisions for the protection of workers' rights. These provisions include the right to Safety, Health, and Welfare in the Workplace. The bill also provides for the establishment of a Compensation Board to administer the compensation scheme.

The bill is expected to be implemented by the end of this year.
Splitting into two channels

In financial terms, M-Net's proposed restructure is like introducing a second channel to shareholders who have watched the group expand and diversify rapidly since it was launched seven years ago.

The original shareholders' channel, M-Net's maturing, steady-earning pay-TV operations in SA and other parts of Africa, will remain a separately listed company in the JSE's leisure sector. But the perceived risk of M-Net's capital-hungry investment in European pay-TV operation FilmNet — probably the major reason for the weakness in the share since March — has been removed and will, subject to the necessary approvals, be shifted to a new, separately listed company, to be named MultiChoice.

The new company, possibly to be listed in the electronics sector, will also house ComTech, a niche market provider of business and gaming TV. And, importantly, it will be a member of the MTN consortium which has applied for one of the two licences to operate a cellular telephony service in SA. If granted, this will give M-Net another venture which demands heavy investment upfront and losses for several years.

As a development company, it's the appropriate vehicle to raise equity capital, and will hold most of M-Net's risk-hedge element.

Initially, the unbundling exercise will not affect shareholders directly. Each M-Net share will be traded as a single, linked unit in both companies. There will not be an immediate effect on earnings, dividends or NAV.

Later, when what CE Koos Bekker calls an arm's-length relationship has developed between the companies, the shares will be delinked. He says it's difficult to say when this will be — full financial disclosure on the separate companies must first be made to allow investors to make decisions — but it could be within six to 18 months.

That's when the respective shares could diverge sharply, reflecting the marked differences between their underlying businesses. The original M-Net, which both Bekker and chairman Ton Vosloo enjoy pointing out was greeted with some scepticism when launched, and also had to absorb huge start-up costs and losses, has become a stable business — the type of share which will probably represent a safer, less volatile investment.

MultiChoice will be the share with less predictability and, possibly, stronger earnings potential over time. Bekker says Filmnet has some way to go to reach fruition, but remains upbeat about its prospects, despite the stiffer competition the pay-TV operation has to contend with in Europe.

Should MTN, in which M-Net has a 30% interest, be awarded a licence to set up a cellular telephone network, initial funding would be substantial. M-Net plans to fund its investment in the consortium through a rights offer of about R150m. Bekker says capital spending and accumulated losses on a venture into cellular telephony could cost about R600m, and it could take up to three years before profits are realised.

But those profits are likely to escalate dramatically after the start-up phase. Should FilmNet kick in at about the same time, profit could be very considerable.

MultiChoice will be set up with assets of some R370m from what is now M-Net. This will be settled largely through a capital reduction and a loan of about R50m.

Financial director Steve Pacak estimates that after the split M-Net will be left with assets of about R115m, comprising shareholders' funds of R80m and debt of R35m, leaving it with gearing of about 40%. M-Net's cash flow should ensure gearing does not become uncomfortable, he adds.

MultiChoice will fund its assets through shareholders' funds of about R320m and debt of R50m, with gearing at about 16%.

Initially, revenue from subscriptions will be shared between the two companies, with advertising revenue going to M-Net.

It will be interesting to watch whether the proposed restructuring can sustain the recent uptick in M-Net's share price, now that there are plans clearly to separate the risk — and the major funding requirements — from the mature business.

Shawn Harris
Ban on British TV likely to end soon

Own Correspondent

LONDON. — The 17-year ban on British TV programmes being shown in South Africa is likely to be lifted on October 22.

Both SATV and M-Net will immediately have access to a treasure-trove of television's most acclaimed material.

Official sources in the marketing arms of BBC TV and major commercial companies said deals were already being negotiated in consultation with the ANC and the SA actors' union PAWE.
**Govt may decide on gambling**

Johannesburg — The government may react to the recommendations of the Howard Commission report on gambling in the short session of Parliament which begins on Monday, a senior government source said.

The special session will deal with at least four pieces of legislation apart from the four bills agreed to at multi-party negotiations at Kempton Park.

There was also a "strong possibility" the Minister of Posts and Telecommunications, Dr Piet Wijgenoed, would announce the successful tenderers for cellular telephones.

Minister of Manpower Mr Leon Wessels will introduce two bills — one on basic conditions of employment for domestic workers and the other on farm labourers.

Two bills standing over from earlier this year are expected to be introduced by Minister of Justice Kobie Coetsee. They form part of the trio of "women's bills". One deals with the prevention of family violence and the other with equal opportunities.

The main debate is expected to be on the four bills agreed to at Kempton Park. (End)
Equity to vote on new SA deal

GARNER THOMSON
The Argus Foreign Service.

LONDON — Equity's ban on the sale of television and radio programmes to South Africa may be dropped by the end of next month.

The British actors' union is holding another poll of its members following a decision by its ruling council that discrimination in South Africa against UK Afro-Asian members is no longer a problem.

Equity spokesman Ellie Phillips said today: "Voting papers are being prepared and will go out to members over the next few days. We expect the result to be in by around October 22."

The ban, supported by members in the past two ballots and upheld by the courts after a legal challenge, came into force more than 10 years ago because of fears that non-white actors in Britain would be discriminated against in the selection of programmes to be sold in South Africa."
M-Net splitting into 2 companies

BY STEPHEN CRANSTON

M-Net will split into two independent companies, which will be separately listed.

One will be the M-Net channel itself, which CEO Koos Bekker says has a steady income source through its subscriber base, but relatively limited growth prospects.

The other, to be called MultiChoice, will house the existing subscriber management services, which are renamed MultiChoice Kaleidoscope.

But for more interest to investors, it contains its investments and developments.

It holds an effective 45 percent of FilmNet, a pay-TV service operating in Scandinavia and Benelux, and 50 percent of technology company Irdeto, which makes decoder technology for M-Net.

Financial director Steve Pasko says MultiChoice will be capitalised by a R320 million transfer of capital from M-Net and an inter-company loan of R56 million.

Initial gearing will be 16 percent.
Miners in underground sit-in

ABOUT 2,500 mineworkers started an underground sit-in at the Anglo American Vaal Reefs Z mine near Klerksdorp this week in protest against racial discrimination they allege takes place regarding hoisting facilities.

Napac retrenches 170 workers

The Natal Performing Arts Council (Napac) this week retrenched 170 workers as part of a restructuring process, in spite of a strike over the issue. The move followed a withdrawal of government subsidies earlier this year.
Equity votes on SA ban

LONDON. — Equity, the British actors' union, has begun balloting members on whether to drop the ban on sales of television and radio programmes to South Africa.

Results of the ballot are expected by the end of the month, according to veteran actor and anti-ban activist, Mr. Marius Goring, whose court appeal to have the ban overturned is to be heard in November.

Senior Equity officials were not available last night, but former president Mr. Derek Bond confirmed the ballot.

It is understood Equity has tacit approval from Mr. Nelson Mandela for the lifting of the ban.

It requires the postal referendum of its 45,000 members and a 75% majority for the constitutional change needed to end the boycott.
Spur looks at offshore franchise prospects

By ARI JACOBSON

The Spur is waiting for the "right opportunity" to franchise its steak ranches overseas, said chairman Allen Ambor at its AGM yesterday.

Ambor said that the group was "always looking" for new ventures but added that there was nothing specific on the table at present.

Overseas interest was being shown in the Spur concept from, among others, Australia and New Zealand.

The Spur's growth path is well illustrated by the increase in stores from 116 to 134, the growth in earnings a share of 42% and a 38% rise in dividends to shareholders in the year under review.

Ambor mentioned in the group's annual report that income was largely derived from royalties and the sale of sauces exclusive to the Spur steak ranches.

After heavy grilling from, among others, SA Shareholders' Association chairman Issy Goldberg over aspects of the financial statements, Ambor retorted "just imagine if we had a bad year!"

The Spur share price has gained a massive 187% over the year to close out yesterday at R11.50 a share.
Kersaf hit by ebbing consumer confidence, rise in violence

BY STEPHEN CRANSTON

Kersaf was hit by increased violence and reduced consumer confidence in the year to June.

But despite a 12 percent fall in earnings per share to 21.6c, the dividend has been maintained at 14.7c.

Chairman Buddy Hawton says he is pleased the group was able to increase operating profit by two percent to R427.8 million, despite stonings and security checks on the road to the Wild Coast Sun, unrest in Ciskol, cancellations by foreign tourists at Sun City, the problems of the sports division and the decline in the wine and spirits market, which has hit Douglas Green Bellingham.

Kersaf's interest paid doubled to R48.8 million, with interest-bearing debt up R171 million to R597 million.

Hawton says with the completion of Lost City, borrowings are likely to go down this year. Gearing is still a comfortable 25 percent (19 percent a year before).

Turnover rose by just 10 percent to R2.027 billion, indicative of the trading conditions faced by all operations.

Sun International competed with illegal casinos for the first seven months of the financial year. Hawton says that some of them have resumed activities.

Occupancies fell by three percentage points to 60 percent.

Interleisure's earnings fell by eight percent, with strong revenue from the cinema division, which saw a 24 percent rise in attendances, helped by Sunday trading and the opening of 45 more screens.

But the sports distribution businesses were poor performers and all have been sold except the Pro Shop, which is on the market.
Dial-A-Movie takes legal action

Dial-A-Movie has accepted the decision of six of its Top CD franchisees to cancel their agreements and has initiated legal action to repossession their stores.

Dial-A-Movie's new MD John Whale said yesterday that the retail outlets in Westgate, Sandton, Bloemfontein, Mungrave, Verwoerdburg and Fourways had no legal right to cancel their agreements, but that their repudiation had been accepted.

"With the cancellation, their right to occupy their respective stores is terminated and we have instructed our attorneys to launch the necessary urgent application to the Supreme Court," said Whale.

Mark Rudowsky, an attorney representing the franchisees, said his clients had not been informed yet of the action.

The dispute between the parent company and franchisees of Top CD, a wholly owned subsidiary of Dial-A-Movie, went back to June when the franchisees asked the Competition Board to investigate the company. They said Dial-A-Movie was charging excessive prices and preventing them from buying stock directly from record companies.

As a result, the Public Enterprises Ministry imposed a restraint of trade order on Dial-A-Movie, but this was lifted after an agreement which effectively addressed the complaints of the franchisees.

The franchisees said they were not party to the agreement and six of the 11 Top CD stores cancelled their agreements with the parent company.
JOHANNESBURG — Entertainment and leisure group Interleisure's earnings declined by 8% to 18,9c (20,2c) a share in the year to end-June as good performances by core businesses — Ster-Kinekor and the services division — were offset by sluggish performances in other interests.

The 6% rise in turnover to R426,1m (R400,9m) reflected a buoyant 23% turnover growth at Ster-Kinekor, offset by reduced consumer spending in other areas and the effect of the economy on the sports interests, MD Mike Egan said.

Operating profit was 13% lower at R59,1m (R67,0m). A reduction in the interest bill to R3,5m (R5,4m) resulted in an 11% decline in pretax profit to R55,6m (R62,4m). Attributable earnings were 8% lower at R55,2m (R38,3m). Despite the lower earnings, Egan said, Interleisure's strong cash-generating nature had enabled it to maintain the full-year dividend at 11c a share.
Video franchisees quit

SIX Dial-A-Movie franchisees have cancelled their agreements with the quoted video and compact disc franchisor since the Public Enterprises Ministry this week lifted a restraint-of-trade ruling placed on the organisation.

Attorney Mark Rodmosky, representing the franchisees, said retail outlets in Westgate, Sandton, Bloemfontein, Musgrave, Verwoodburg and Fourways had terminated their agreements with Dial-A-Movie.

Their move followed an agreement between the Competition Board and Dial-A-Movie, in which the company promised not to withhold supplies in lieu of fees owed by franchisees and agreed to allow them to set their own prices on stock. This led to the trade restraint being lifted.

The franchisees said they were not party to the agreement.

It is believed they are to take legal action against Dial-A-Movie for alleged fraudulent misrepresentation.

In June, the franchisees asked the Competition Board to investigate Dial-A-Movie on the grounds of restrictive practices.

Franchisees said Dial-A-Movie was preventing them from buying stock directly from record companies and was charging excessive prices for stock.

As a result, the franchisees refused to pay fees or settle accounts, prompting Public Enterprises Minister Dawie de Villiers to place a restraint-of-trade order on Dial-A-Movie.

In spite of the controversy, Dial-A-Movie's share price held steady at 90c until about 10 days ago. It has since fallen 20c to 70c, compared to a high this year of 118c.

In their 1992 annual report, Dial-A-Movie directors were bullish about the group's prospects. MD Brian Cunningham said he was confident that attributable earnings would be "the highest recorded in the history of the group".

The company has not yet reacted to the franchisees' decision.
ANC deal angers film workers

A deal between the African National Congress and a movie company with close ties to the Nationalist state has sparked controversy in the film industry, reports Mark Gevisser.

The film world has reacted angrily to a deal made between the African National Congress' Department of Arts and Culture (DAC) and Elmo de Wit Films.

The deal, which has resulted in the establishment of the jointly controlled National Film Trust of Southern Africa (Nafsis), is seen as a case of the ANC forging a "privileged relationship" with a private company. Nafsis is also accused of disrupting other industry-wide training and development initiatives.

According to members of the Film and Allied Workers Organisation (Fawo) and the African Film and Television Collective (AFTC), Nafsis chairman Wally Serote told them in a meeting earlier this year that the ANC would receive 25 percent of all the funds and profits generated by the trust.

Neither Nafsis nor the ANC will confirm or deny this allegation.

In a statement to the Weekly Mail & Guardian, Nafsis production executive Althea de Witt said that "it is unnecessary to respond to various allegations made against Nafsis" but wished to place on record that the trust "has been legitimately founded and will be legitimately conducted in accordance with its policy statements".

Nafsis is determined to make any of these statements available to the Weekly Mail & Guardian.

It has also declined to make any other information about the trust’s activities or financial structure available.

Nevertheless, the Weekly Mail & Guardian does have in its possession Nafsis’s “Letter of Introduction.” According to this document, the trust intends to establish a development and affirmative action programme within the film industry through a project that will train black film-makers by giving them work on “feature films of an international standard”.

Nafsis is already operating out of the Elmo de Wit studios in Sandton. Its products will be sold commercially, and the idea is that the trust will be commercially competitive and thus self-sustainable.

But members of the Film Steering Committee, a body composed of eight organisations which has been painstakingly planning its own proposals for a national film trust for over a year, have taken exception to Nafsis.

DAC official fired over Sun leak

A SENIOR African National Congress official has been dismissed following the Weekly Mail & Guardian’s report last week of an attempted secret deal between the organisation’s Department of Arts and Culture (DAC) and Elmo de Wit Films.

DAC’s publicity secretary, writer Mthuthuzeli Matshoba, received a letter from department head Wally Serote on Tuesday relieving him of his duties as of the end of August. It is believed he was accused of leaking information to the newspaper. Matshoba was not the newspaper.

Matshoba would not comment, saying only that “the matter has been taken up at the highest level”. The ANC has not responded to requests for comment, but it is believed that the issue was discussed at yesterday’s National Working Committee meeting.

Carl Fischer, chairman of the South African Film and Television Institute (Sauli), which is the constituent body of the commercial film industry, noted that “on the surface Nafsis is laudable, in that it sets funds into motion for training. But the problem is that it gives one production company a privileged relationship with a future government.”

In a joint statement released this week, Fawo and the AFTC reiterated this point. They said while they too supported any attempts by the industry to redress the imbalances of the past, “we would caution that a trust that is clearly an initiative between a department that may well constitute a future ministry of culture (DAC) and a single production company might create an environment of unfair privilege for the company involved”.

The Fawo/AFTC statement maintained that “we need to be vigilant that the kind of nepotism we associate with the old state isn’t replicated in the new one”.

Sources in the film and television world note that, as one of a handful of companies that cornered the market on SABC productions during the 1970s and 1980s, Elmo de Wit Films had a privileged relationship with the government.

According to Nafsis’s “Letter of Introduction,” the trust was “established in response to the glaring imbalances that are peculiar to the South African film industry.”

“The organisers observed that the film industry was the monopoly of the privileged white sector of the South African population, which gave rise to unfairness and domination of this sector over the disadvantaged sectors as well as a stagnation in the development of the South African film industry.”

But one film-maker, who spoke on condition of anonymity, said: “I cannot believe the audacity of an Elmo de Wit venture claiming to want to rectify the ‘stagnation’ and ‘white privilege’ in the South African film industry, when it was this very company and a few others who are mostly responsible for the appalling situation in the first place.”

Keyan Tomaselli, professor of cultural and media studies at the University of Natal, noted that “given Elmo de Witt’s relationship to the previous state, there is no reason to believe his relationship to the new trust will be any different. It’s another example of the new opportunism of big business going to bed with what it imagines will be a new government”.

De Witt claims he has nothing to do with Nafsis.

But the trust is run from his studios — and one of the executive trustees, Althea de Witt, is his wife, while another, Vusi Mthunzi, is the other. Fawo and AFTC believe that they were brought in to “rubber-stamp” the trust, and that when they refused, it proceeded regardless.

This last point has been at the core of the dispute between the film industry on the one hand and Elmo de Witt Films and the DAC on the other. Fawo and AFTC believe that they were brought in to “rubber-stamp” the trust, and that when they refused, it proceeded regardless.
These organisations—and the others on the Film Steering Committee—claim that the advent of Naftsa has disrupted plans for an Interim Film Development Board, which was to have been established this month with a total of R6-million from the Department of Home Affairs and the British Academy of Film and Television Arts.

"The real tragedy," said Martin Botha, a film researcher at the Human Sciences Research Council who has been involved in the plans for this board, "was that the arrangement was about to be made between the Department of Home Affairs and the Film Steering Committee representing the industry. Home Affairs was supposed to give money for development and research in this financial year, but one of the major factors contributing to the delay is this Naftsa initiative."

Speaking on behalf of Naftsa, Althea de Witt would say only that "the success of the venture and the good faith of its founders and office bearers will manifest itself as the project progresses" and that "it is inappropriate to preempt (Naftsa's) role in the industry as there are no indications which would suggest that it will not fulfill the role it seeks to play".
3 held after AWB protest over film

Staff Reporter

Two AWB members and an SABC cameraman were arrested after members of the right-wing organisation demonstrated against the screening of the controversial film De Voortrekker at the Wits Theatre on Friday.

Members of the press were also assaulted by the 30 uniformed AWB members as police with sniffer dogs searched the theatre for bombs following several anonymous threats.

Police said two AWB members were arrested, one for theft after snatching the camera of Rapport photographer Rob Edgcumbe and another for assaulting bystanders with a pole.

Cameraman Dennis Goddard was also arrested for hindering police in their work, the SAP said.

All three are expected to appear in the Johannesburg Magistrate’s Court today.

In a statement issued on Saturday, the AWB congratulated members of their organisation who had “courageously” expressed their disapproval of the screening of the film.

The AWB also said it planned to lay a charge.
ANC tries for place in the Sun

The ANC's Culture Department is under fire for trying to set up a privileged relationship with Sun International by establishing a joint arts foundation.

By Mark Gevisser

The African National Congress' Department of Arts and Culture (DAC) has again been plunged into controversy, this time over a hush-hush scheme to set up an arts foundation with Sun International.

The proposed scheme has drawn fire from regional ANC activists in Bophuthatswana, from members of the DAC itself, and from Cheryl Carolus, who holds the arts portfolio on the ANC's National Working Committee. They say it envisages a privileged relationship between the government in waiting and a corporation which works hand in glove with a repressive homeland government.

The scheme has been set out in a confidential "mission statement", understood to have been drafted by DAC head Wally Serote. Serote is on leave and, despite repeated attempts, the Weekly Mail and Guardian has been unable to contact him.

As laid out in the document, the scheme binds the ANC and Sun International to an agreement that would:

- Put the proposed foundation under the ANC's arts trust, Arts and Culture South Africa
- Establish training courses in the arts
- Promote South African artists "through the resources and facilities available to Sun International"
- Establish regional Arts and Cultural Councils "in those regions of the country where Sun International conducts its operations"

Carolus said the "mission statement" was not an ANC document. "It runs contrary to ANC general policy, and is against our understanding of the importance of civil society in the transformation of this country. We would reject any notion of preferential deals which could undermine the principle of good government in the future."

Given the "profoundly negative impact the history and structure of the entertainment industry in South Africa has had on the arts," she said, "the ANC welcomes moves by the industry to play a more positive role to redress the wrongs of the past. But we would consider it most inappropriate for the entertainment industry at the helm of the vehicles for change — and even more so to do this with one particular company or group."

But Sun International managing director Peter Venison was adamant that "no such deal has been made with the ANC". Venison said Serote had approached him with the proposal earlier this week, "but I rejected it out of hand. While we see the urgent need to get involved in arts sponsorship and development, we cannot do so in one organised by a political party. We would only do it if the initiative was non-political and independent."

Nevertheless, DAC officials confirmed Serote had been distributing the document within the ANC's DAC structures, and had instructed regional co-ordinators to begin planning the arts and cultural councils.

When the PWV regional executive of the DAC received this proposal as a fait accompli, some of its members were outraged. "Personally," said regional secretary Sphi Singiswa, "I wouldn't oppose anything that actually empowers the artist. However, I have serious problems when things are done on an individual basis at top level without consultation through the structures."

According to another source within the DAC, two of its larger regions — the Western Cape and the PWV — have lodged formal complaints against the "undemocratic nature" of the DAC. These, however, have been ignored.

Carolus notes that "all future structures relating to development in the arts should only be arrived at by the active participation of the artistic and cultural community."

Despite its public disavowal of the proposal, Sun International has, behind the scenes, been struggling with a dilemma. A senior entertainment industry source said: "Sun International desperately needs the ANC stamp of approval to bring foreign artists to Sun City, and so it would be only too happy to make an arrangement that was mutually beneficial. But it cannot sign an agreement with the ANC, because this would severely jeopardise its relationship with Mangope — and thus possibly kill Sun City."

Sun International is inextricably entwined in the homeland: the Sun City complex receives major tax benefits from Bophuthatswana and both current and former members of Lucas Mangope's cabinet are directors of SunBop. Because of continued repression in the homeland, many members of the ANC find any formal relationship with Sun International intolerable.

The ANC and Congress of South African Trade Unions are subject to continual harassment in the homeland; there are deportations, detentions and closures of educational institutions. Most recently, Mangope has forbidden any Bophuthatswana civil servants to be members of the ANC or the South African Communist Party.

Singiswa said he saw a contradiction in his organisation's proposals to Sun International.
"Publicly we say things about the company's complicity in Bophuthatswana as part of our anti-Bop campaign, but privately we enter agreements with the company.

Another DAC official, who preferred to remain anonymous, put it more strongly:

"According to the mission statement, we must set up regional arts councils with money coming from a company that continues to participate in the repressive regime of Bophuthatswana that we, as ANC members, are meant to be fighting against."

"I'll resign from the DAC before I do that. And so will many others."

Nevertheless, the DAC has been following a policy of approving international shows in the homeland.

This is due to an agreement brokered between Seroe and Hazel Feldman last year, in which Sun International pledged itself to arts development.

The issue came to a head over the DAC's approval of the Miss World contest last December - an action that was in direct opposition to the stand taken by local Bophuthatswana ANC structures. Since then, DAC has reluctantly granted permission.
CP in bid to stop film being shown

Sowetan Correspondent

THE Conservative Party Youth Organisation has called on the Weekly Mail Film Festival to reconsider its plans to show the film De Voortrekker.

Claiming that the film attacked Afrikaner culture and denigrated Christianity, the CP youth said it would all it could to stop the film from being shown.

The film is scheduled to be viewed at the weekend as part of the Weekly Mail's " Limits of Liberty" Film Festival.

The organisers said, however, that the show would go on as planned.

Censorship

The festival, which aims to spotlight issues of censorship in South Africa, has become a lightning rod for controversy.

Last week, protesters against the anti-Semitic film Jews, were successful in forcing its withdrawal from the festival.

The film is a notorious Nazi propaganda piece and groups objected to its insensitive attack on German Jews.

Like the planned showing of De Voortrekker, the presentation of the anti-Semitic film was meant to be educational and a panel presentation was scheduled to follow the screening.

R11,9-m gift for Nafcoc branches

NATIONAL Sorghum Breweries is to donate R11,9 million to the National African Federated Chambers of Commerce and Industry.

The money will come in the form of R100 bursaries to all of Nafcoc's 15 regions and prize money for the businessman and businesswoman of the year competitions.

"Despite the fact that we are the only company in the corporate world that has met Nafcoc's proposed advancement plan, there are still some doubting Thomases about the capabilities of NSB," NSB executive director Mr Ephraim Skosana said at Nafcoc's annual conference at Sun City yesterday.

Success

NSB chief executive Mr Mphalele Mhanyele thrilled the audience on Tuesday when he spoke of his company's success. "Time for irrelevant talk has passed, now it is time for action," Mhanyele said.

He said NSB had an annual turnover of over R500 million. "Despite these achievements we are still not recognised.

"Companies smaller than us on the Johannesburg Stock Exchange get bigger recognition than us because they are white.

"Some of these companies which come to conferences like these to give you small change do not have black directors on their boards," he said.
Navigating without a compass

Staging the Olympics could be an easy way to burn money

There's an air of amiable hysteria about the contest between three SA cities to host the 2004 summer Olympic Games. Everybody seems to think that having the Games would automatically be a good thing for the whole country.

The shimmering success of Los Angeles in 1984 has created a vague belief (no less tenacious for being vague) that staging the Games is the same as having a licence to print money, as well as offering many beneficial social spin-offs in areas such as housing, tourism and transport.

It is not as simple as that. If any of the three SA cities were to be selected, odds are it would gain nothing more than a fool's-gold medal and a gigantic bill. Staging the Olympics is like an investment on the venture capital market: risky at the best of times, potentially disastrous.

Los Angeles, under the energetic entrepreneurship of Peter Ueberroth, did indeed make a profit — but it remains the only Games since the modern Olympics began in 1896 that has emerged in the black without subsidy from government. And even Los Angeles's profits were marginal when measured against total expenditure.

In most countries the taxpayer picks up a heavy bill for the Olympics. Canada's Montreal, for instance, is still battling with debts run up in the 1976 Games; Moscow lost US$310m in 1980; Seoul in 1988 was the most financially successful on paper, earning $541m — but about $380m of construction was underwritten by government and hidden in other budgets; Barcelona last year had to raise loans to cover its costs.

The host city for the 1996 Games — Atlanta, Georgia — has had to scale down its profit projection from $140m to just $16m.

So what's the attraction of the Olympics? Experience has shown that there are certain advantages for any city which hosts the Games. It becomes the focus of world attention and gains prestige within its own country; the energies of its citizens can be harnessed for a common goal; business activity is stimulated; facilities, especially transport, are improved; and petty political differences can be swamped by patriotic idealism. In the long term, tourism can benefit. Research indicates that tourism to host countries rises by about 40% right after the Games and is sustained for years.

On the other hand, a city can end up with facilities it doesn't really need and can't afford to maintain. It can also be landed with housing which, while it might well be appropriate for thousands of athletes for a fortnight, is not attractive to local families and is in any case wrongly located to meet demographic needs. There is also the problem that a city has to start planning and developing seven or eight years ahead, regardless of fluid political and economic circumstances.

The procedure for selection is that a country's Olympic ruling body selects a city, which then attempts — usually with considerable financial and moral support from the national government — to persuade the International Olympic Committee (IOC) of the merits of its case. Lobbying and marketing is intense — and expensive. Few Olympic cities have started their bid processes with adequate facilities. The IOC needs to be sure that the country and the city can cope with the Games and will deliver the facilities on time.

It is accepted IOC policy that the Games should be spread around as much as possible. The venues since World War 2 have been England, Finland, Australia, Italy, Japan, Mexico, Germany, Canada, Russia, the US, South Korea and Spain. Atlanta is already booked for 1996; the IOC is now considering claims from Manchester, Beijing and Sydney for the 2000 Games. There are apparently firm indications that the IOC wants the Games to be held in Africa in 2004 — and that it considers SA the only suitable country.

Cape Town has perhaps done the most research and marketing in support of its claim, which is private-sector driven and has widespread community support. The Cape Town consultants believe that even if Cape Town does not win the SA bid (the theory could be extended to the other two cities as well), the planning and consultation that will go into the effort will inevitably draw communities closer together.

Certain infrastructural development will have to take place anyway. In Cape Town's case, this includes an additional 800 000 houses by 2004, the upgrading of road and rail commuter systems, the upgrading of D F Malan airport and the provision of more sport and recreation facilities. The argument is that most of this work would have to be financed by the State or local authorities. The advantage of having the Games is that they would, in theory, attract considerable private-sector funds to the region and this would help finance projects.

The Cape Town consultants argue that it is incorrect to look at the total cost of staging the Games and offset it against the total revenue — and then conclude that all but the Los Angeles Games have made a loss. While some recent Games have been financially disastrous, the reasoning goes, this has generally been due to bad planning or ambitious projects. They say that much of the infrastructure costs that would in any case have been incurred should be subtracted from the cost of the Games. On operating costs alone, they say, the Games usually make healthy profits.

In Cape Town so far the planning process has already drawn local authorities in the region towards more cohesive planning. The idea is to avoid duplication of facilities.

Durban might not have Cape Town's spectacular scenery and the winelands but it does have plenty of hotel space and a perfect climate. Durban argues that its region will be in greatest need of economic reconstruction after the years of violence and that the Olympics would kickstart such a programme.

But, according to Harry Naidoo, Durban Unlimited's sport director and the chairman of the city's Olympics 2004 Committee, serious research into staging the Olympics will only start if it is selected by the National Olympic Committee of SA (Nocsas) on January 28 next year. "At that stage," says Naidoo, "we will have to decide whether it is in Durban's interests from an economic viewpoint. If not, we have the option of withdrawing. Nocsas would then have to decide whether to nominate another city."

The arguments put forward for Johannesburg hosting the Games include the fact that it accounts for 60% of SA's economic activity, has the largest population concentration, and Jan Smuts airport last year handled easily more than Durban's Louis Botha and Cape Town's D F Malan combined. The Johannesburg
City Council financed the initial part of the national bid and was supported by many private organisations. Though the value of Johannesburg's contribution has not been finalised, it could eventually run to about R1.5m — which will be shared by more than 20 councils in the greater Johannesburg area.

The men in charge of the Olympic campaign in each city — Naidoo in Durban, Raymond Ackerman and Nqobile Balfour for Cape Town, and Cecil Bass in Johannesburg — all list more or less the same objectives: putting SA on the map as the first African country to host the Games; the socio-economic and sporting benefits; and the potential for job creation and income generation.

They might all care to look closely at the work done by Donald Ratjezak, of the Economic Forecasting Center at Georgia State University. Ratjezak has closely followed Atlanta's Olympic fortunes in the build-up to 1996. He argues that even the first and potentially the easiest of these goals, putting SA on the map, is not guaranteed. "I can see some reasons SA may want the Games. It wants to tell the world: 'Hey, I've arrived.' It's time to sit up and notice me. Unfortunately that never happened, for example, with Barcelona, which is already being ignored."

Ratjezak says the three SA cities must face some hard facts. "The first is that the Olympics are all about big money numbers. Atlanta will be spending $1.5bn preparing for the Games. When you get into those large numbers, you become pretty vulnerable and you've got to be on solid ground."

The issues critical to success identified by Ratjezak include:
- Controlling costs;
- Selling the TV rights, largely to the US networks, for enough money to cover the bulk of the development costs;
- Obtaining massive international sponsorships which, together with ticket sales, should cover the deficit balances and;
- Correctly structuring the financing.

Los Angeles, he points out, succeeded primarily because of its dramatic cost controls. "It managed this mainly because it had to do very little building and what it built was donated. The Olympic swimming pool, for example, was financed by fast-food giant Macdonalds."

"Atlanta's well-identified costs will, in contrast, be fairly high. If you have to build facilities, have no doubt it's going to cost. The IOC demands international standards. Take Atlanta where we have a cycling velodrome: when measured it was one foot off international standards, so it can't be used. I dare say SA will have to build a considerable number of facilities, so standards and cost containment will be crucial."

Harry Naidoo argues, however, that the IOC is opposed to the construction of huge facilities which won't be used after the Olympics. So, in Durban's case, much of the work might be related to upgrading existing facilities to an international level.

Clearly the sales of TV rights are a crucial element in SA's plans. A major strength in Durban's campaign is that its mild winter means it can host the 16-day event from July into early August to coincide with the high season of the big US networks. Cape Town's awful weather and Johannesburg's cold at that time would mean pushing the Games back by a month or more — which would result in a 25% discount on TV revenues, according to Naidoo.

But Ratjezak stresses that the uncertainties about TV rights mean that confetti dollars from this source cannot be taken for granted. "Television rights are a mixed bag. The values of the European, and to a lesser extent Asian, TV rights are rising as they become increasingly commercial. But the big money is in the US and is still likely to be there in 2004. But, however, it's paid by the US networks aren't coming in the way they used to. Network income from sport broadcasting have suffered. They're more cautious now."

Ratjezak has a similar message on corporate sponsorship. "Atlanta had assumed it would get big increases from leading brand suppliers. But when it asked $40m for each top sponsorship, companies wanted more of the various enhancement meetings. Coca-Cola, for example, would want the Olympic brand on all its products, including orange juice. This undermines the potential for lower-level sponsorships. That means we'll have problems hitting the mark on total corporate sponsorship."

SA, he adds, will have to look abroad, to the US in particular, for sponsorship. But the absence of the patriotism factor — the advantage of hosting the Games in the US — means that corporations will be unwilling to pay as much for Olympics staged abroad.

The other way to the success of the Los Angeles Games was that it wrapped up all sponsorship and TV deals early — which meant money in the bank before development began. "That pot of money earned a significant amount of interest income," notes Ratjezak. "We assumed the same in Atlanta. However, it has subsequently become clear that there's no front-end money when you're talking the big amounts needed for today's Games. Instead of an interest income component, it'll be an expense which is rising as the struggle gets harder."

Perhaps the strongest financial argument in favour of the Olympics in SA is that, unlike Atlanta, which is earning and spending US dollars, the SA host would be earning dollars and spending rand.

There is another factor peculiar to SA. Politically, the prospect of hosting the Games could help to unify SA: apparently the threat of losing the bid for the 1988 Games helped ease political tensions in South Korea. Raymond Ackerman has argued that he sees the Olympics as a greater unifying influence on a divided nation than any new government or constitution.

Ackerman says he has studied the lessons of Los Angeles and Barcelona and believes development costs can be met through the sale of TV rights and sponsorships, much of which will be paid up front before the Games. But he points out that the capital input for improved transport facilities, swim- ming pools and accommodation are to come from council, government and private sources.

Furthermore, argues Ackerman, a new government will be under pressure to spend on housing and sport facilities — and this can be achieved by integrating this development with the Olympic plan.

Ratjezak's advice to any aspirant host city in SA has two parts. The first is to base income and expenditure projections on a realistic game plan. The numbers must be solid and not based on wishful thinking about TV and sponsorship incomes. Secondly, we must be aware that even being realistic is no guarantee that these elements will not change.

Ratjezak's argument is sound but SA's economy isn't. Perhaps it is time to start getting the fundamentals right, rather than chasing rainbows for extra pot of gold.

The short-term economic benefits of staging the Olympics are obvious. Whichever city is chosen to represent SA, the construction of facilities for 15 000 athletes and officials, 15 000 media representatives, a main stadium, 25 other competition facilities, practice facilities, a press and broadcast centre, accommodation for visitors, airport facilities and transport systems would mean a major boost for local industry — even if many of the contracts were won by foreign firms. Thieves of jobs would be created — but not many would be sustained.

Do we, with our volatile politics and punch-drunk economy, have the resources to risk an enterprise that has been unprofitable just about everywhere? Can we afford to be locked into a project that will be at the mercy of foreign sponsors? Does SA have the management and negotiating clout? It's early days yet. A final IOC decision on a city for the 2004 Olympics will only be taken in 1997. But the impression so far is that the campaigns of competing SA cities are characterised more by liberation enthusiasm than calculated risk analysis.

Moreover, the trauma of massive disruption and intrusive security arrangements could heighten rather than moderate racial tensions, leading inevitably to violence and strained diplomatic relations.

From our perspective now, the risk is not worth the candle.
**FilmNet ‘will burden M-Net in short term’**

The development of European pay channel FilmNet would result in depressed earnings for M-Net during the investment phase, chairman Ton Vosloo said in the 1998 annual review.

Vosloo said FilmNet would have a strong positive effect on M-Net’s earnings once break-even occurred in 1999.

M-Net’s share of FilmNet’s losses came to R27.6m in the year ended March. This turned the previous 51% jump in M-Net’s after tax profit to a 17% drop in earnings to 14.4c (17.7c) a share.

MD Koos Bekker said in his review FilmNet had incurred significant expenditure during the year with the replacement of decoder technology.

About 120 000 cable decoders were swapped in the Benelux countries and direct-to-home PAL decoders were exchanged in Scandinavia.

He said FilmNet continued to grow steadily during the European winter season and had reached 600 000 subscribers by end-March.

The growth was achieved despite a severe recession in the Scandinavian countries, which represented about 50% of the FilmNet subscriber base.

Bekker said little growth and subscriber cancellations were the feature of the summer season in Europe. (2.92)

FilmNet’s penetration level of 5.4% of homes with colour TV in Belgium, the Netherlands and Scandinavia was low compared with other channels.

Investment in FilmNet would continue during the next two years, enabling it to entrench itself in its national markets.

**Primrose back in the black**

**MADDEN COLE**

PRIMROSE Gold Mines’ move back into the black in the June quarter was facilitated by a R140 000 insurance payment for gold theft in the previous quarter.

The company reported net income of R218 000, after incurring a loss of R104 000 in the previous quarter, with operating profit up 87% at R275 000 (R147 000).

A yield of 5.11g/t (5.94g/t) and a gold price received of R38 915/kg (R36 186/kg) compensated for a drop in milling rate to 39 947 tons (40 305 tons) and lower sales of 197.3kg (208.2kg).

Lower operating costs of R191.55/ton (R178.63/ton), resulted in a healthy rise in operating profit to R7.12/ton (R3.64/ton) milled.

A preference dividend of 2.5c was paid on June 11.

The company is continuing with forward sales.
GAMBLING INDUSTRY

Let the games begin

Three months after their release, the Howard Commission's recommendations on the future of the gambling industry still have the players seething. They say they are being left to dangle while government, which felt a pressing need last year to come up with regulations for the burgeoning mini-casino and charity-lottery businesses, now goes about its other business.

Government said it expected to respond by mid-May, but never did. Now, it is expected to answer by the end of this month. Justice Minister Kobie Coetsee says the delay is necessary because government wants to err on the side of caution, considering how far-reaching its decisions will be.

But some of the report's detractors fear it may be adopted, warts and all. It called for a single State lottery and a limit of 10 new casinos to be licensed at sites at least one hour from metropolitan areas (Business & Technology April 30).

"The Howard Commission screwed up completely," says Gavin Weiman, a Pretoria attorney who represents the Free Market Foundation. "It's contra a Bill of Rights. Who are they to say what we can do with our private property; how we can spend our money; whether we can own a slot machine?"

Selwyn Hurwitz, chairman of Karo Hotels, calls the report a joke. "I'm extremely unhappy with it. It's not a free-market situation," he believes that the recommendations favour Sun International, which has the monopoly on gambling in the homelands and would benefit from a limit on competitors who would also be obliged to operate in farflung locales. Like Weiman, Hurwitz has made his feelings known to the Cabinet.

In an effort to give its members perhaps one last chance to air their views, the SA Chamber of Business is holding a seminar on July 28 to discuss the report and its implications for business.

Though government is "not actively seeking comment" on the report, Coetsee spokesman Werner Kraal says some players have submitted their reactions and those comments "are being looked at." He says there is a possibility that parliament could act on legislation during its extra session in September.

Meanwhile, Games Africa, which runs the Ithuba scratchcard game, plans to go about business as usual, though it won't introduce its computerised lottery game until it gets government approval. "We're pressing ahead," says CEO Mark Hutchinson. "We're holding our Ithuba Day on October 10 and we'll contribute R20m-R25m to charity this year."

He says the company was "really disappointed in the report," especially because it said Games Africa was making an excessive profit. "That was so wrong. We made a loss and we're the biggest contributor to charity. We talked to everybody we could about that mistake and I think, all in all, we got a fair shake in airing our case."

Grant Kaplan, who is joint chairman of the Gaming Association of SA, is not as sanguine, because his members were not allowed to continue doing business while the situation was sorted out. Judge James Howard preserved special venom for the 2 000-odd mini-casinos that formed the association and, in a letter to President F W de Klerk, recommended their closure last January.

"The recommendations leave the casino operators nowhere," Kaplan says. "They have no prospects of getting one of the 10 licences. We're talking major, major money — R100m for one licence. Possible one or two of our members could come up with the money but the big international hotel groups such as Hyatt and Sheraton have got their sights set. They are already expressing interest and they would be favoured because they have the know-how, the credentials and the funds."

Kaplan says the association has found support from the ANC. "It's not a big issue with them," he acknowledges, "and it shouldn't be a big issue with this government."

Perhaps 30 mini-casinos around the country are still doing business through a loophole that Kaplan says allows them to operate as long as they don't pay out in cash. Instead, they are issuing vouchers that allow the winner to return and play again. The vouchers can also be sold to another player or to an independent broker. Kaplan doesn't know how long this will last either. "The police are taking aim," he says.

Indeed, according to a police statement, they plan to arrest a casino owner so the loophole can be tested in court.
Baxter may lose subsidy

Municipal Reporter

A REQUEST from the Baxter Theatre for continuation of its R75,000 subsidy failed to gain the approval of the Cape Town City Council’s executive committee yesterday.

Since 1983, the council has given R75,000 a year to the UCT Foundation, all of which had been applied to the running costs of the Baxter.

Although the Baxter had budgeted for a deficit of just over R400,000 for 1982, an “entirely fortuitous adjustment” had enabled it to report a net surplus of just over R15,000 in that year.

The full council has yet to decide on whether the UCT Foundation grant will continue.

Executive committee spokeswoman Ms Gill Bolton said yesterday that the committee’s belief that it might be more appropriate to direct such a sum towards a specifically educational purpose...

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A festival about
caring and sharing

**ARTS POTPOURRI** The Grahamstown Festival

Fringe has grown by leaps and bounds with 500 entrants:

By Elliot Makhaya

The Standard Bank National Arts Festival — a project of the 1820 Foundation — has been a greater success than in previous years. An estimated 50,000 people from all over South Africa and abroad gathered in Grahamstown from July 11 to July 22, not only to be entertained, amused and informed but also to experience the intangible enrichment peculiar to this festival of performing and visual arts.

Many visitors have been to Grahamstown before and many more were there for the first time. Few, however, left at the end of the festival without expressing a desire to return.

arts event for at least the third year running.

As the researchers point out, these statistics indicate a positive attitude towards the event.

This perception is reinforced when it is known that 61 percent of these canvassed lived outside the Eastern Cape and, in many cases, had travelled a long way to attend.

The Standard Bank National Arts Festival is about people, about communication. It is about caring and sharing.

Whatever the future holds, there will surely be reflections of life through dance and music, drama and visual arts.

The future of the festival seems secure.

KWA-LANDLADY ... Pat Maboe and Thembsie Time in *Kwa-Landlady* which made an impact at the festival.

**Window of the arts**

While the festival is a real tour de force, the arts are predominantly within. Most blacks are now aware of the artistic events. As long as the local scene remains a one-of-a-kind, the festival will remain a one-of-a-kind event.
Movies become big, big business in SA

By Janine Walker

South African moviegoers really do believe that “it is better on the big screen”. The film business is booming despite the economy.

Local box office history was made this month when Aladdin did the best ever business, taking R3 million at the box office in its third week. And this in itself is seen as unprecedented. Movies usually make the most money in their opening week, but it was word of mouth that had the Walt Disney picture soaring in the ratings.

In its first week of release it took R1.53 million; the second saw its takings rise to R1.93 million (which was then a record) until it broke the R2 million barrier in the week July 2 to July 8.

The film has taken R6.4 million so far.

The success of Aladdin is not an isolated incident.

Nu Metro saw a 23 percent increase in attendances from June 1992 to June 1993 while ticket prices only increased by 9 percent.

The company built 41 cinemas, adding 5 785 seats.

Patrons

And the expansion is set to continue. This year, Nu Metro plans to build 34 cinemas with 4 920 seats.

Ster-Kinekor had 3 million more patrons going through the doors in the period July 1992 to June 1993. This translated into a growth of 20 percent.

The company built 33 cinemas, adding 4 800 seats. This year, it is to add another 34 cinemas.

For opposition film distributor UIP business is also booming. The company, whose films are screened by Ster-Kinekor and Nu Metro, saw its product take 30 percent more at the box office.

But why this increase, you may ask?

It’s all a matter of escaping the humdrum everyday experience, say the experts.

Said one industry insider: “Film attendances always increase when there’s unrest and strife. If everything is running smoothly in the country then viewing figures take a dip.”

And you thought movie magic was an advertising slogan.

See Tonight — Page 1
Dynamic young man

COME ALIVE

Vusi encourages children to work together through art.

By Lulama Luti

Dynamite comes in small packages, so goes an old adage. And there can be no apt description of Vusi Nkosinathi Nkosi of Ratanda, near Haldenberg. At first sight Vusi (18) comes across as a very shy and uncommunicative young man. But once he opens his mouth, a warm, talkative person emerges and a resourceful art personality also comes alive.

His love for art led him to introduce informal lessons for children in Ratanda about four years ago - the first for this previously sleepy township.

"Working with children is fascinating. They have inquiring minds. They are keen to learn and grasp instructions very quickly," he says.

Vusi's teaching puts emphasis on working together.

"Painting murals teaches us the need to work together. We should be able to teach one another," he said.

He has now set his sights on becoming a professional artist. During a visit to one of his workshops, his knowledge and artistic knowledge was so obvious there was no doubting the fascination in the children he teaches.

"I gave advice, praised work well done and helps those with difficulties," he said. "I started taking formal art lessons in 1989 at the Johannesburg Art Foundation. Then I was attending Saturday classes at Wits University and a lecturer there suggested I take formal lessons at the arts foundation."

"After realising that during the holidays and on weekends we have to travel to Johannesburg to get art lessons, and realising that there are no recreational facilities in the township other than the library, I felt I needed to do something about our situation."

"I then contacted several companies to donate material to help us set up classes," he said.

"Once the material was gathered, workshops started. Then Vusi's tenacity started paying dividends."

Ten paintings and drawings by his group have been exhibited in Sweden and some were exhibited at the Grahamstown Arts Festival last week.

"Many parents have been very supportive and enthusiastic about what we do. It's the first time in the township that something of this sort is being done," said Vusi.

His portrayal of township life has had a great influence on the children themselves. He said this was reflected in some of their work.

"My emphasis has been on helping the kids get over the violence. Some of them have had traumatic experiences, and this comes out strongly in their work."

"I also encourage environmental awareness and the need to preserve the natural resources we have," he said. Vusi draws inspiration from acclaimed artists Dumit Shihali and Gerard Sekoto whose work he said provided a vivid depiction of life in the townships.

Vusi Nkosinathi Nkosi ... friend of traumatised children of Ratanda.

Watch Cosmo Life tonight at 7.30pm for more on our second finalist in the Community Builder of the Year Award.
CREATIVE OUTLET . . . inmates at Groenpunt Prison outside Vereeniging with some of the sculptures they created

Picture: CHRISTINE NESBITT
SA gets to view Zimbabwe stone art

By CARMEL RICKARD

Art of Africa... the acclaimed pieces Spirit of Zimbabwe by Joram Mariga, Elephant Man by Bernard Matemera and Protecting the Twins by Boira Mteki and crayons, but later they began working with the different kinds of stone found in the country. (296) Artist Martin Arnold, author of the only scholarly work on the subject, said McEwan was surprised by the originality of vision. He encouraged the carvers to work within a rural rather than an urban framework, drawing on the rich Shona traditional belief system themes which still predominate in their sculpture.

Mr McEwan had good connections with the Western world's most prominent artists, and he took large exhibitions of the new art work to many international galleries in New York, London and Paris. South Africa, hardly a thriving art centre at that time, was bypassed and no major shows came here.

FOR political reasons, the pattern of excluding South Africa as a venue has continued. The result, Dr Arnold says, is that there has never been a prestigious exhibition in South Africa allowing the cognoscenti here to form a judgment on Zimbabwe stone sculpture.

Travellers anticipating the planned exhibition, may see excellent examples in specialist galleries and gardens like the seven-hectare Chapungu Sculpture Park just outside Harare.
Omar Badsha, Federation of South African Cultural Organisations

Real development in the performing arts will begin when we phase out the boards and replace them with an independent National Arts Council.

The board of Capab will argue that if they can raise additional funds from the private sector, this will allow it to undertake dynamic outreach programmes.

How much does it require to put into place a programme that will make a significant impact on the ground?

The fact is that Capab spends less than one percent of its total budget for the performing arts in the black community.

But let us assume Capab raised R5 million a year to promote the performing arts in the black urban and rural communities.

Who will decide which programmes to support and in which communities new programmes will be established? Can we continue to leave decisions in the hands of the present bureaucracy and a board with a legitimacy problem?

The Federation of South African Cultural Organisations (Fosaco) believes that the board of Capab should resign and a new board be elected in an open, transparent process similar to that which established the new SABC Board.

In addition to a new board, an 18-person advisory committee, made up of people knowledgeable in the arts, should be established to help steer Capab until a new National Arts Council is established.

The new board and Advisory Committee's task would be to initiate a programme to recommend how Capab should be phased out and a new funding mechanism be established to promote all the arts.

The initiative should, among other things, recommend:

- How assets of the board should be divided in the event of the Cape Province being broken up into two to three regions.
- A new subsidy system on how a future Arts Council should fund projects and performing arts companies.
- Ways of restructuring and making existing companies less reliant on state subsidies.
- A research project to assess present and future needs of the performing arts in the region, especially the needs of urban and rural disenfranchised and economically disadvantaged communities.
- A thorough assessment of the existing programme's financial status and staffing needs of the present board.

We believe our proposals on how Capab should be restructured:

- Allow the present companies to continue to function, albeit with a smaller subsidy.
- Put into place a developmental strategy for the performing arts in this region.
- Give shape and form to a new funding structure — the National Arts Council to spearhead the process of making the arts the property of all and not just an elite.

At the end of last year Capab agreed to establish a joint working group with Fosaco to look at the future of Capab. To date the board has not once called a meeting of the Joint Working Group (JWG) to discuss the "funding crisis", retrenchment of staff, etc.

The ball is now firmly in Capab's court and I challenge it to call a special meeting of the JWG to discuss the Fosaco proposals for the democratisation of Capab.
Call for independent
Africa broadcasting

THE URTNA celebration of excellence in African radio, television and music proved to be a welcome highpoint in an otherwise disheartening gathering.

Kenyan musicians objected to other African performers playing at the gala, and won a last-minute court order banning their own country's television stations from showing the spectacle.

But KTV, Kenya's privately owned channel, went ahead and screened it anyway, to be followed by KBC a few nights later.

A range of other URTNA concerts were cancelled due to shoddy planning and poor finances.

The upbeat awards festival followed a depressing URTNA session chronicling the sad state of the continent.

The gala's sharing and celebrating of Africa's vibrant and diverse cultures was in stark contrast to the other side of the continent which emerged in other URTNA sessions.

Sierra Leone professor Cecil Blake spoke about the "precarious and devastating situation of the motherland", warning that Africa was close to "a near meltdown condition in a nuclear facility."

Former Zambian president Kenneth Kaunda broke into tears as he recalled how "our continent seems to daily spew out millions upon millions of people who have failed to live with each other in peace."

Reading a lament he had penned for Africa, Kaunda spoke movingly about the bleeding of Somalil, death in Rwanda, Burundi, Angola and Liberia, and decay in Zaire.

But the Zambian statesman himself fell short later when he failed to answer questions about suppression of press freedom during his own term of office.

Kenyan journalist Frank Ojiamblo of "The Standard" newspaper, however, offered some advice on the role of African broadcasting in overcoming the continent's problems.

"It is my prayer that the radio and television stations which South Africans will have after their elections will be truly independent. This is what we are crying out for," he said.

"Broadcasters should reflect current issues, and not be propaganda organs for personalities like a country's president."

"I speak as someone who has seen it all. The president coughs, and he is the main feature on the news."

"We look forward to the day when you South Africans have corrected some of the mistakes we have made."
FORGET POLITICS, LET'S PARTY!

SOUTH SideFEST

JUNE 10 TO JULY 14, 1993

ARTS FESTIVAL

REPORT FROM THE NATIONAL

SHADLEY NASH

and

BULGWAA PAYE

ARTS AND CULTURAL CENTER

THE COUNTRY MAY EXPAND

Festival Fever and Political Immoral

Questions about the annual

Festival Fever and Political Immoral

Questions about the annual
While the boerewors roll stands åre a familiar sight now (the serious festivore has to eat after all), something new are police on bicycles and motorbikes nipping in and out of the show-time traffic “maintaining a presence”.

There can be little doubt the threat of violence has damped some of the free spirit of the festival, but so far we’ve had only one shooting — of a person who tried to steal a bag of clothes from a parked van.

Last year over 50 000 people purchased 170 000 tickets, pumping R37.6 million into the festival economy. Admittedly, only a percentage of that stays in Grahamstown, but everything helps especially with farmers trapped in a drought, and frighteningly high unemployment figures.

Established 27 years ago to celebrate the cultural contributions of the 1820 British settlers, the festival has been widened to include other cultural groups.

But progressive people have yet to be convinced the festival is “politically correct” and still regard it as an establishment institution that gives disproportionate exposure and support to white minority artists and art forms.

So notes US professor of politics, Kenneth Grundy, in a lengthy document on the politics of the festival.

Grundy says some progressive people think the festival must be discarded altogether and rebuilt from the ground.

Other progressives, however, have become more flexible, he notes, and individual activists who had in the past boycotted the festival on principle are being drawn into the enterprise.

But can a festival created for one purpose be transformed to serve others? Or should it be discarded and rebuilt from scratch?

Until well into the eighties the festival seemed to operate in a political cocoon, projecting what progressive meet the accepted standards of theatre professionals.

Groups took to the festival messages of township life. Themes for plays, mainly on the fringe, were detentions, strikes, toyi-toyi, clenched fists — protest theatre. South

In 1988 and after, a cultural boycott was extended to establishment artistic institutions within the country, and the festival fell prey.

Progressive organisations were approached and in 1989, in an effort to address some of the criticism, the festival made tickets available to the community at reduced prices, and added township venues to its list.

In 1990 the ANC accepted an invitation by the festival organisers to address the festival and sent then head of Department of Arts and Culture, Barbara Masekela.

Masekela’s address was a challenge to the festival to change and be representative of the majority community.

Prior to that, a less confrontational and reconciliatory mood was set by the appearance of ANC executive member Albie Sachs’ paper urging people to refrain from using culture as a weapon of the struggle.

However, Grundy says other progressive figures who campaigned against politicised art long before Sachs were John Kani and Tyrone August.

He predicts the festival is poised to make a transition to a celebration of the arts for all South Africans.

Hopefully he is correct. But, for now, the story on everyone’s lips here is of the three hapless security guards who were locked into a museum with exhibits they’d been assigned to protect. The didn’t hear the closing bell and presumably the staff were in a hurry to join the festival party and didn’t check out the corridors before locking the door. It’s a shame, really — they missed some great jazz.
Festival crowds place money on maximum

GRAHAMSTOWN — The Standard Bank National Arts Festival, quite rightly dubbed "the festival of festivals," draws to a close tomorrow.

Thousands of performances and handclaps on, the 1993 event survived the ravages of the recession, fears that it would become a victim of the Eastern Cape's volatile politics and a disorienting Indian summer.

As if to conjure up more familiar conditions, weekend cold and wind set in to send the festival off. That was a boon for the city's hotels, whose owners had told the festival daily: "Cold and wet we need. Brings them in to drink by the fire."

It was a godsend for stall-holders at the Village Green market too, one of whom had lamented that "if it doesn't freeze soon the nappy and leather go home!"

Instead it will be chilled crowds, who've spent less money than last year while carefully selecting shows that offer a maximum in laughs. Ticket sales figures indicate the mainstream is up 10 percent, from R57 195 to R63 108, but the fringe is down a substantial 14 percent, from R126 992 to R101 369.

The festival was ominously quieter than usual and almost trouble-free.

"The police have had to cope with the usual festival spate of burglaries and car break-ins, but the more than 200 policemen brought in from Port Elizabeth, East London and even Jeffrey's Bay, have thankfully, had no emergencies to contend with."

"The undercover presence has been stronger this year, one sergeant I spoke to described how he transformed himself into a "festo" (festival-speak for festival-goer) by donning "Agassi cap, with a wig attached and an earing. That way I look like everybody else here."

"Try as he might, though, I don't think he has much chance of emulating the:hippy colony that has descended on the festival. Like the police, the freedom children's numbers seem to have swelled considerably this year."

"They have been joined by stout contingents of the blue rinse brigade: Eastern Cape day trippers self-consciously decked out for the occasion and a noticeable influx fromJoburg's northern suburbs. The joke about how to identify the last category of visitor is savage but true: the bobby person trying to jump the queue while waving a R50 note at a hapless front-of-house manager and declaring: 'I've come all the way from Sandton to see this show. Here's the money, I don't need change."

"It's a scene I saw repeatedly (with variations), and the strange thing was that a lot of the time the besieged show had been on in Johannesburg."

Among highlights of the fare on offer were Stbongile Kumalo's concerts, the Smirnoff Jazz Festival and half a dozen new works on the fringe drama programme.

The mainstream drama line-up weighed in with an important new Afrikaans play, Reza de Wet's Mie, the heady mix of political power and personal weakness of Anthony and Cleopatra and the moving, musically stupendous Feida's Day.

Music may have won on points over theatre and dance at this festival, an umbrella under which the arts can flourish every July.

Sapa reports that a Johannesburg girl was gang-raped at the 1820 Settler's Monument in Grahamstown early yesterday while attending the National Arts Festival. The 18-year-old girl was found tied up in a busy area near the monument by her brother.

Police liaison officer Capt. Lisbe Vermueen said the girl was in such shock that police had not been able to take a proper statement from her yet. She was not admitted to hospital, but has been examined and treated by a doctor.

"She's very traumatised and the investigating officer is battling to get information out of her." A shocking thing has happened to her, understandable," Vermueen said.
CNA GALLO

Repeat performance

Activities: Supplies leisure, entertainment, information and knowledge products.

Controlling: Argus and Premier 85.3%.

Chairman: D D Band; CE: A D Cuzen.

Capital structure: 33.5m ords. Market capitalisation: R955m.

Share market: Price: R28.50. Yields: 2.4% on dividend; 5.6% on earnings; p/e ratio, 17.7.

Trading volume last quarter, 228 000 shares.

Year to March 31

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Though earnings did not keep up with inflation in financial 1993, CNA Gallo did produce some goodies — a maintained dividend — for shareholders at year-end.

Chairman Doug Band says that at the start of the 1993 year, CNA "witnessed an extremely torrid phase which lifted somewhat towards the end of the first six months." With the improving trend in trading maintained during the second half, full-year EPS were up 1% after having dropped 4% at the halfway stage.

Two divisions were reorganised. CNA bought the Bunting 50% interest in the Nu Metro Group and merged its publishing operation, Centaur, with that of Heinemann SA.

Unfortunately, the Nu Metro acquisition took its toll on what was a sound balance sheet. Short-term debt more than quintupled to R34.8m and gearing reached its highest level in five years. Nonetheless, higher debt might be a small price to pay for Nu Metro as the acquisition strongly complements the entertainment activities. Also, Nu Metro has acquired the sought-after licence for BBC productions and will start distribution once the Equity ban has been lifted.

Management also devoted attention to the investment portfolio last year. CNA disposed of its interests in Premier Freight, the academic division of The Literary Group, CTP Holdings and the Video Lab Group. This accounts for the 22% decline in net contributions from associates.

Retailing, contributing 41.3% to attributable earnings, remains CNA's core business. Entertainment divisions (Nu Metro and Gallo) added 19.9%, while associates (Walters, Struijk, Mast, Silveray and Heinemann Centaur) chipped in 24.4%. The remaining 13.9% came from Constantia greeting cards and property companies.

CE Dennis Cuzen considers the year's results "gratifying." He adds they were a result of "the implementation of financial objectives, namely to dispose of underperforming and non-core assets and to focus on any expansion opportunities in the core retail and entertainment businesses."

Cuzen is optimistic, yet realistic about prospects for this year. He says the lower tax rate, improved group focus as well as the launch of new products in the stores such as confectionary and supersaver bulk stationery products should help to improve earnings. But, he says, consumers lack disposable income and this could put a damper on results.

The market has taken a bullish view on the share since the release of preliminary figures — the counter gained more than a tenth in the past month. Shareholders should hold the stock and not be surprised to see earnings increase by at least 8% this year.
Broadcast bill angers TV and film makers

By JAMES BRITTAHN

ANGRY independent film and television professionals say they have not been properly consulted about proposals for a new Independent Broadcasting Authority.

A draft bill for the authority — due to be ratified by the government in September — was made public 12 days ago on June 22.

The bill provides for the formation of a broadcasting regulator for the period before the first national elections.

But South African Film Makers’ Association vice-chairman Ken Mackenzie said the draft had been drawn up without proper consultation.

Mr Mackenzie, whose organisation represents more than half of the country’s film and television entrepreneurs, said the deadline for objections was tomorrow, but he had demanded an extension.

“I only received a copy of the draft on Thursday. From a brief read there are a number of points of concern, particularly those that deal with the allocation of frequencies and licences,” he said.

“Smaller companies must have a say in formation of the authority,” Mr Mackenzie said.

Mr Mackenzie said members were forming an association of community broadcasters — which the IBA was largely designed to control.

The new bill is the brainchild of a group appointed by delegates at the multi-party negotiating forum.

But the group was advised by steering committees from seven other independent organisations, excluding the TVA and the SAFMA.

South African Film and Television Institute chairman Carl Fisher, whose organisation participated in discussions with the group, believed the bill was a fair draft.

“It was the result of a lengthy process with wide consultation,” he said.
Up for grabs in Sanction

EXCLUSIVE TOWNHOUSE You can win a £1200 one-bedroom unit in the new housing plan developed in Sanction.

Saturday 29th Key to the Door Draw

DARBY ACCONE

CITY COUNCIL

Festive feel the heat

A dancer at the Festival of Christmas and Culture.

The event takes place on the 12th of December, starting at 10 am and finishing at 6 pm.

Visit the market stalls and enjoy the live music throughout the day.

For more information, visit the city council’s website.
Art at arm's length: A policy for SA?

HOW will the arts be organised and funded in a democratic South Africa? And what will happen to our current bastions of culture, the performing arts councils? In a controversial "discussion document" to be debated at the Standard Bank National Arts Festival in Grahamstown this weekend, the National Arts Initiative has outlined the most comprehensive model yet for future arts policies and strategies.

The document's central proposal is the establishment of an independent National Arts Council to distribute state funding for the arts, which would be funded through the budget of a Ministry of Tourism and Arts. All money raised would then be made available to practitioners through discipline-based committees (eg a Dance Board, Theatre Board, Music Board, etc). The document also calls for the phasing out of the current performing arts councils over five years.

The NAI is a broad network of arts practitioners, administrators and activists, ranging from unions to the performing arts councils themselves. While all appear to agree on the need for a National Arts Council, there is much debate within the network on two issues: the relationship between this council and the state, and the future of the current performing arts councils.

The principle of an arts council at "arm's length" from the state is practised in a range of countries — including Britain, the United States, Holland, Canada, Australia and even Cuba. According to the NAI document, the council would be appointed in a similar way to the current SABC board, set its own policy, and would be accountable to the state only in terms of finance. "Attempts to control or dictate to the council by the state may result in the state being taken to court."

But academic Carol Steinberg, who presented a paper on the same issue to the African National Congress' culture conference in April on behalf of the Performing Arts Workers' Equity (Powe), believes that an arts council should be accountable to the state both in terms of finance and policy. "The most successful arts councils, in countries like Holland and Sweden, were where the government itself took the initiative and made cultural policy central to its total programme. Certainly, there should be checks and balances, but the arts council should be specifically required to implement and achieve government policy."

Another critic puts it stronger: "Asking the arts community itself to formulate cultural policy is like asking the medical and dental councils to formulate health policy. Surely ultimate responsibility for policy rests with a democratically-elected government and parliament."

The other even more controversial issue the document broaches concerns the future of the current performing arts councils, which it proposes should be made independent and/or handed over to local or regional authorities.

Debating the future of art's 'apartheid spaces'

Some might become national institutions (as the document suggests, for example, that the Nico in Cape Town become the National Theatre and the State Theatre in Pretoria become the National Opera House), but otherwise, if they want state funding, they would have to compete for grants from the arts council along with everyone else.

"The central problem with the performing arts councils is that they are production houses," says Steinberg, "rather than subsidising the arts by disbursing their grants from the state, they use these grants to mount their own productions. And so state funding goes to a very limited number of people and projects."

Fred Sharp, general director of the Performing Arts Council of the Orange Free State (Pofsc), takes the opposite view: "It is entirely incorrect to say that we are only production houses. Since 1987, we have been involved in a wide range of community development projects. I agree entirely that the arts need to be opened up, but given our capacity, we are in the best position to do it. If you collapse us, you will not only lose essential technical skills, but you'll destroy an infrastructure that could be put to good use."

The debate boils down to a simple question: if we want to open up the arts beyond "apartheid spaces" like the State Theatre in Pretoria, will it be more effective to dismantle those spaces entirely or merely or to redirect them?

Walter Chakela, assistant artistic director of the Performing Arts Council of Transvaal (Pact) and vice-chairman of the NAI, notes: "I never thought the performing arts council would survive, and I do believe there needs to be major transformation. But I worry about dispensing with an infrastructure that has been developed over three decades, and I wonder whether we need to do away with them entirely."

A close reading of both the NAI and Powe proposals show that rather than being dismantled, the performing arts councils will merely be transferred from state to regional or even local level.

"The Nico, for example, could be handed over to the Cape Town municipality and administered exactly the same way the Johannesburg Civic Theatre is. The benefit of this," says Chakela, "is that the NAI document, is that a large part of state funding would be freed to begin the process of establishing a network of community arts centres in townships and rural areas."

This is one of the primary objectives of the NAI's proposed strategies, and the discussion document calls for approximately one "multi-function multi-disciplinary community arts centre" for every 200 000 to 400 000 people in areas and communities deprived by apartheid. Given that culture seems destined to low priority in future South African budgets, will it obviously not be pos-
The NAI document does suggest alternate sources of income: fundraising in the private sector through the provision of tax incentives, as well as box-office levies and even an arts council national lottery.

While there might be some sense to some of the NAI's proposed schemes, the organisation's greatest problem remains a lack of coherent, co-ordinated policy from an arts world which is by definition a babel of ideologies and attitudes. The debate over the performing arts councils particularly threatens to tear this arts coalition asunder.

And just to complicate matters further, the ANC has established its own organisation, called Arts and Culture South Africa (ACSA).

Resulting from the ANC's Culture and Development Conference, ACSA has pledged to take the work of the conference forward, even though its chair, Durban attorney Linda Zama, insists that it is "independent".

According to Zama, ACSA plans to launch an enormous fundraising campaign.

In the short term, it has three priorities: to formulate policy, to create a database of research, and to provide a network for the arts community — the three identical functions of the NAI.
Festival gets exemption

NATIONAL Arts Festival organisers remain hopeful that planned mass action in Grahamstown will not affect the start of the arts festival today.

The ANC-led alliance in the town has planned a march and a stayaway for today in line with national protests at the rightwing siege of the World Trade Centre in Kempton Park last Friday.

Festival spokesman Ms Heather Inge said yesterday that security around the festival had been stepped up and the organisers would deal with the situation as it developed.

“We are aware they (the ANC) are talking about mass action and we hope that it will not affect the festival,” she said.

A spokesman for the ANC in Grahamstown, Mr Philip Ntsheseka, confirmed plans for today’s action.

He said the ANC supported the “cultural” aspects of the festival and that casual workers employed by the 1820 Foundation would not be asked to heed the stayaway call. “This only affects permanent workers,” he said. — Ecka
MultiChoice has bought the MultiChoice business from M-Net for R405m to become a separate company. The deal is effective from October 1 1993.

In its pre-listing statement, published today, MultiChoice's earnings to March 1993 are given as 3.2c a share, against 8.8c in the previous year and 11.3c in 1991.

Turnover was R358.2m (R321.0m) and operating profit was R79.4m (R43.1m). Attributable profit was R22.0m (R14m).

M-Net said recently it would raise R125m by offering 23.7-million new linked M-Net/MultiChoice shares at an offer price of 325c a share.
Parliament passes gambling Bill

Illegal casinos face new crackdown

POLITICAL STAFF

Cape Town — Illegal casinos that have resurfaced around the country now face closure and prosecution again.

This follows Parliament’s acceptance yesterday of the General Law Sixth Amendment Bill.

Government sources said that once President de Klerk signed the Bill into law, the police would be ordered to crack down on casinos. This could take place in early January, the sources said.

In October last year, Parliament passed the Gambling Act Amendment Act, which attempted to stamp out casinos.

Casinos were given until February 1 this year to get their affairs in order and to close.

This cleared the way for the Howard Commission to report to Parliament on April 27.

Within a few weeks, however, casinos began to open up again. They used a system whereby gamblers bought tickets, tokens, chips or credit slips from brokers.

Police were not able to stop this as prosecutors had difficulty proving a link between brokers and the owners of casinos.

A section of the General Law Sixth Amendment Bill specifically closes this legal loophole.

Now, the only thing gamblers will be able to win on any machine or in any game of chance will be the opportunity to play another game.

This means it will be illegal to win anything which directly or indirectly could be converted into money, property, cheques or credit.

A police crackdown on casinos would also help clear the way for the Lotteries and Gambling Board to advise the Government on how to implement the Howard Commission’s report.

Parliament yesterday accepted a Bill to create the board. This could lead to legal casinos, a national State lottery and sports pools in a few months time.

Democratic Party MP Tony Leon (Houghton) said few legislative measures had been so protracted and so messed up by the Government as gambling had been.
New casinos law ‘sidesteps vital issues’

THE new Lotteries and Gambling Board Bill, passed in Parliament this week, sidestepped controversial issues, Kessel Feinstein Consulting CE Delano Caras said.

The law dealt with the structures, and not the principles which would be applied when granting gaming licences. "The whole thrust of the Bill is mechanistic, rather than prescriptive or regulatory", Caras said.

The law said taxes and levies were likely to be imposed, but not how this would be done. While it contemplated the legalisation of casinos, it provided no criteria for existing casinos to become legal.

Caras said the law failed to elaborate on some crucial issues, many of which were mentioned in the Howard Committee's report, which was presented to government prior to the law being formulated. These included how many licences would be granted, whether casinos would be allowed in urban areas and the basis for taxing casinos.

The law also failed to say whether prospective casino developers would have to poll members of the local community and prove there was sufficient demand, or whether a casino had to include major new tourist facilities.

He was concerned the new board would not include anyone experienced in tourism.

"All that the Bill actually does is legalise the casinos in the independent TBVC states, and legislate for the establishment of a gambling control board in SA. It carelessly sidesteps anything controversial."

It did, however, resolve the problem of what to do with casinos operating in the TBVC states after reincorporation. The law provided that these casinos would not be in contravention of the SA Gambling Act, and would have 14 days to register with the new control board.

The law also defined the structure under which casinos, lotteries and other gambling and fund-raising pursuits would be regulated and managed, Caras said.
Art's councillors must strive to shed their parted bowl pasts

CAROL STEINBERG
27/11/79
SERVICES  SECTOR - ENTERTAINMENT & RECREATION
GENERAL
1994
Arts could give democracy real chance

charge, writers David acne

wondering what will happen to child under the don's shelter 12 and the ANG is in

here's a double act in the arts in South Africa - the DJ and the NAC. Both are

Edited by Mhr Suman
Africa — the DAC and the NAC. Both are "when the clock strikes 12 and the ANC is in"

T he arts were not among the many pressing issues batted about at the World Trade Centre. Though traditionally the Cinderella of government agendas, culture might have anticipated more at Kempton Park, given this country's history of co-opting the arts to shore up those in power. To avoid that possibility — or to seek to perpetuate it — really should have prompted negotiators to nudge the subject on to the Trade Centre stage.

Instead, the course of culture in the new South Africa has effectively been left to a new government to decide. Once again those in the performing and visual arts could be subject to the whims and interests of the government of the day, rather than being accountable only to the tenets of their disciplines.

The dangers and potential of this situation have been fully comprehended only by two groups — the ANC's Department of Arts and Culture (DAC) and the non-partisan National Arts Coalition (NAC), which comprises many of the country's arts institutions and organisations.

While it's appropriate that those involved and affected should be debating cultural policy, how much pressure either will be able to bring on politicians proper is a moot point; the NAC accords observer status only to political parties while the DAC is the one with other priorities.

Because of that, the DAC has waged a steady battle within the ANC to have the importance of culture acknowledged and even entrenched in political policy. In doing so, the DAC has used the word in its fullest anthropological sense, entwining language, ideas, beliefs, customs, rituals, ceremonies, institutions, abrahms (literally, humaneness) and the arts...

That has enabled the DAC to tout its concerns as every bit important as others in the ANC's agenda.

Speaking at the SA Institute of Race Relations (SAIRR) "Politics, Teaching and the Arts" conference last year, DAC media officer Mtutuzeli Mashoba raised the department's flag thus: "The DAC is very much aware of the delusion that there are more urgent priorities, like housing, education and job creation, in the reconstruction of our country, than cultural development."

"It's contention in that respect is that culture should be an integral part of development since the cultural aspirations and needs of people do not only arise after infrastructural or material development has been achieved but are part and parcel of human evolution."

The argument is persuasive and very inclusive but independent arts practitioners are wary of the DAC's motives. Those were elaborated by Mashoba at the same SAIRR conference: "... it should be borne in mind that the participation of cultural desks (ie the DAC being allowed a voice, not merely observer status, in the NAC-DA) ... while adding an element of all-inclusiveness in the formation of a future cultural dispensation, will also empower whatever organisation or party that may win, democratic elections with participatory insight into the collective cultural aspirations of all South Africans."

The NAC's general secretary, Mike van Graan, stressed the case for accepting unquestioningly the DAC's contents. At the SAIRR conference, Van Graan — a veteran anti-apartheid campaigner — put forward an extreme scenario: "I do not wish to have the same experience as a Zimbabwean writer who used his craft in support of ZANU against the Smith regime, campaigned for ZANU in the elections, which they won by a two-thirds majority and the constitutional right to do as they wished."

"Then the writer became disillusioned and exposed the corruption, lambasted nepotism and criticised the lack of democracy, only to then be treated as under Smith: censored and denied the right to travel internationally."

"It is to avoid that fate and to disarm and expose the arts that the NAC was established. Starting out in December 1992 as the National Arts Initiative, the NAC came finally into being after a year deliberating policy at a regional level, which culminated in a national convention in Durban last month."

The result of the four days of arts-speak was a reaffirmation that the arts should be free of any government or political control. Setting itself up as a consultative arts policy-making body, the NAC aims to advise — and monitor — future governments on cultural policy. Made up of practitioners, teachers and administrators whose lives are the arts, the NAC believes it is best equipped and most democratically constituted — to do the job.

Of course, the DAC has historical claims and a track record in applying for the job as well. It held its version of the NAPNAC congresses right in the middle of those, in May 1993. The DAC Culture and Development Conference was deliberately high-profile, being opened by ANC president Nelson Mandela.

Detractors said the DAC had stolen a march on the NAI by appropriating its agendas, and likened the move to the NP borrowing DP ideas. But that was a cheap shot; it is encouraging, rather than disturbing that DAC and NAC ideas on arts reflect many of the same concerns.

As Van Graan eloquently puts it: "This may be the one glorious moment in our country's history when a democratic movement of artists and independent thinkers flourishes ... who knows, we might just give democracy a real chance in our country, despite the politicians."
Azapo threatens Natalie

JOHANNESBURG. — The Azanian People's Organisation's central Witwatersrand region has threatened to disrupt Natalie Cole's concert tour at the Sun City Super Bowl next month.

An Azapo statement yesterday said it was irresponsible for the star to perform in an area of frequent police detentions and violence.

"The promoters of Ms Cole's tour are displaying acute insensitivity to the brutalities that our people are subjected to at the hands of Bophuthatswana authorities. Furthermore, we fear for the safety of Ms Cole and that of her entourage," the statement said.

Azapo asked Ms Cole to cancel the tour.

Ms Cole is expected to perform at Sun City on February 4, 5, 6 and 11.
Musician paid for silence

Own Correspondent

DURBAN. — Natal’s cash-strapped Performing Arts Council (Napac) is paying R15,000 for a musician to sit at home for three months.

Napac chief-executive Miss Rose Juby confirmed yesterday that Mr Lajos Nyiri, a horn player dismissed from the Natal Philharmonic Orchestra last year, was recently reinstated by an industrial court order and would be paid a salary for at least three months.

However, she said Mr Nyiri — an ANC member and shop steward for the SA Commercial Catering and Allied Workers’ Union — would not be “required” to perform with the orchestra, as he was regarded as “a disruptive influence”.

The decision had been taken with the full knowledge of the chairman of the Napac board.

Mr Nyiri said yesterday he could not comment, as his contract prohibited him from talking to the press.

However, sources noted that Mr Nyiri has challenged Napac management before on a number of issues.
Govt edits its role on film subsidies

PRETORIA — Government had decided to amend, rather than scrap the film subsidy system, for the 1994/95 financial year, Home Affairs Minister Danie Schutte announced yesterday. (242)

The system no longer linked the level of subsidy to a film's box office success. Loopholes that had made the system prone to abuse had been closed and quality filmmaking would be encouraged.

Schutte also announced that an SA Film and Television Trust and a Film and Television Foundation would be established.

The foundation would be able to grant bursaries, help with the development of scripts and sponsor promising directors. "Aid will be aimed particularly at the promotion of indigenous cultures, the development of young talent and in helping to expose it to the international market," Schutte said.

A Home Affairs spokesman said the maximum government subsidy was now R1.5m, down from R2m last year, while television films would qualify for subsidies of up to R250 000.

"The totally new dispensation for the SA film industry was comparable to that of Australia and aimed not at creating bureaucracy but at aiding the film industry."
Boost for film industry

BY NORMAN CHANDLER
(PRETORIA BUREAU)

The South African film industry has been given a shot in the arm with an announcement yesterday that the government is to continue with a R23 million subsidy scheme.

In addition, a South African Film and Television Trust, and a Television Foundation are to be established to help budding television and film producers.

The trust is to be financed jointly by the state and private enterprises.

"It is time we made pictures (films) of quality," Home Affairs Minister Danie Schutte told a media briefing.

The subsidy scheme was suspended several months ago, resulting in widespread dissatisfaction in the industry. This followed revelations that various film industry personnel were being investigated for fraud.

Schutte said it had been decided to amend aspects of the earlier subsidy scheme "to place it on a sound basis".

He said: "Additional security measures had been taken to ensure that the scheme is not misused."

The aim of establishing the trust was to assist with financing of the industry, while the aim of the foundation was to develop it "in the wider context", Schutte said.

The foundation, for its stage, would provide an opportunity for various cultural groupings to develop themselves.
ANC shows its hand on gambling

By Edward West

CAPE TOWN — An ANC-led government would not 'strangle gambling to death,' as the industry had for years held up the growth of resources and jobs, ANC economic head Trevor Manuel said on Friday.

Speaking at an ANC election and Hout Bay school development fundraiser at Kenilworth racecourse, Manuel said it would be presumptuous to think government could stamp out gambling. However, the ANC did not want every corner cafe turned into a gambling den.

The ANC was comfortable with a proper Howard commission report that recommended the relationship of casinos to distances of casinos from schools.

Future changes in the industry should take place over time with interaction and consultation between all interested parties.

For horse racing, Manuel said there was something wrong with the fact that 25% of the profits netted 25% of the pool. The Revenue Service of Revenue (SARS) further took 80% of the tax levied under gambling.

The ANC's economic department had been swamped with documentation from gambling, including gambling issues. The viability of greyhound racing needed to be explored, he said, as many pools were acceptable.

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Gambling

By Edward West

as they contributed to development of the sport, while welfare and sport bodies should be allowed to establish a single national lottery, with a percentage of funds allocated to their development.

Manuel said new regulations on gambling were required to provide the maximum opportunities. They should not strangle the industry.

Power over new gambling regulations would be vested in the nine new provinces.

Manuel said a national set of gambling standards was needed within which a broad regulatory framework could be developed. There would be new regulations and there would be licensing. However, the objective was not to stand in the way of enterprise.

He added that governments liked gambling because it was the only voluntary form of taxation.

Report by E. West, TM, 122 St George's St, Cape Town.
Unregulated casinos remain open

CLEMSON, N.J. — Despite uncertainty about the future of gambling in SA, the number of unregulated casinos currently stands at 300 to 400, according to industry sources.

They said most were doing well, particularly those in the Durban area, where most of the beachfront hotels had casinos.

In December, legislation was approved which pointed to stricter control of gambling operations. But since then, many casinos have reopened. Instead of exchanging cash, which is illegal, the casinos use broker's notes.

The Justice Department warned recently that these casinos would not be able to continue operating. A Grahamstown Supreme Court decision had found that the use of broker's notes was illegal.

But Gaming Association of SA joint chairman Grant Kaplan claimed that this was a civil matter. He said the judgment was made by a single judge and would be applicable only in the Eastern Cape — setting no precedent for the rest of the country.

According to Kaplan, the Bill introduced in December contained no sanction against private casinos in the interim and did not prescribe any penalties.

He said the Gaming Association believed that existing casinos operating "according to the broker system" should be allowed to continue operating until a lotteries and gambling board was established and consulted.

According to reports one casino in East London had been closed down and others could be asked to close in the near future.
Interleisure maintains profits

Interleisure, Sun International’s entertainment group, today reported unchanged earnings of 10.1c and dividends of 5.25c a share in the six months to end-December. The group says, however, that the results were not comparable since it had disposed of its sports division over the period. Turnover was marginally higher at R222.7 million (1992: R220.5 million) but would have shown a 20 percent increase if sport division revenues were excluded. Operating profits were six percent lower at R32.8 million.

The group said investments totalled R27 million and would rise by a further R20 million in the current six months. — Business Star (292)
Expansion costs put brakes on Interleisure

EXPANSION costs slowed leisure and entertainment group Interleisure's growth in the six months to December.

The group, in the Kersaf stable, yesterday reported unchanged earnings of 10.1c a share and maintained its interim dividend at 5.25c a share. It also announced it would establish its first Ster-Kinekor complex in Soweto.

MD Mike Egan said the 1% growth in turnover to R222,7m (R220,5m) was not a true reflection as the previous period had included revenue from the now disposed-of sports division.

Excluding sports revenue, group revenue grew 29%, with strong contributions from the cinema, food (Interface) and indoor amusement (Video Magic) operations.

Revenues from screen advertising company Cinemark were down as advertising from financial institutions and motor companies tailed off.

Egan said investments of R17m in new operations at Ster-Kinekor, Interface and The Magic Company "have served in the short term to dampen pre-tax profit through increased depreciation, additional operating costs and related financing costs.

Operating profit was 6% down at R32,5m (R35m), and after higher interest charges, pre-tax profit was 7% lower at R30,5m (R33,5m).

A lower tax rate enabled the group to maintain attributable earnings at R19,1m.

Egan said the results were "a bit disappointing", but had to be seen against the background of the high capex and consequent operating and finance costs.

He said the capex programmes were aimed at building for the future, and increased profits and cash flows were expected in the years ahead.

The film line-up for the next six months was good, and cinema attendances were expected to remain buoyant.

Expansion would continue in the second half, with a further R15m committed to new projects. Because of this, full-year results would not be much different from those of financial 1993.
Bop, Multichoicke close to deal

BOP Broadcasting is on the verge of securing a deal which would place it "strategically" in the market for television signal distribution, according to sources familiar with the negotiations. The deal would enable BOP to compete more effectively in the South African broadcast market.

MULTICOICE decoder owners across Africa could soon receive Bop TV following a deal between the two media groups, writes MANDY JEAN WOODS.

The deal is reportedly being considered by the two media groups, Multichoicke and BOP Broadcasting. The Multichoicke decoder system is currently available in South Africa, and the deal would allow BOP to broadcast its signal using the Multichoicke decoder system.

The Multichoicke decoder is known for its high-quality audio and video output, and the deal would give BOP a competitive edge in the South African broadcast market.

The Multichoicke decoder owners across Africa could soon receive Bop TV following a deal between the two media groups.
**M-Net, the fast-growing TV entertainment network, is in the news for three reasons. First, the change in ownership of Argus Newspapers means that Argus Holdings' stake in this venture might have to be held in a different form. The original shareholders agreed that only publishers of daily newspapers would be able to hold the original stakes of about 15%.**

Second, the company is about to embark on a cellular telephone venture that is going to require a substantial capital commitment. Third, since M-Net decided to buy into European pay-TV operator FilmNet in November 1991, it has committed about R400m and the capital demands are not yet over. FilmNet has budgeted to make losses for some years. While this situation is essentially within manageable limits, there are fears among some shareholders that its capital requirements could be substantially larger. This suggests there is a further capital injection from shareholders or a substantial partner, preferably an international one. CE Koos Bekker denies this.

The risks abroad have been largely isolated in a new development company, MultiChoice. Even so, can these projects be brought to fruition without adverse effects for M-Net shareholders?

Despite reassurances from management, some aspects give cause for concern. One is that FilmNet's capital requirements appear to have risen more rapidly than was expected, and losses may continue for longer than originally forecast. Another is the inadequate communication about FilmNet.

There is still no clarity on the freeing up of the 18% stake in M-Net through the upcoming sale of Argus Newspapers to Irish businessman Tony O'Reilly. This could be some time off. One possibility is for Argus Holdings to allow Times Media to exercise its preemptive right to the shares. TML MD David Kovarsky has said he would be a buyer at the current price, which would cost about R300m and double TML's stake in M-Net.

M-Net remains one of the most highly rated shares on the JSE, despite its expansion and acquisitions. Its split, late last year, into two companies places the development assets in Europe and SA into MultiChoice, which will have a vastly different financial profile to the mature M-Net business. That's given greater clarity to the different businesses. But if the European venture should turn sour, it is difficult to believe the local rival would be unaffected.

For a company in the communication and mass media business, M-Net's reticence about FilmNet is surprising. Apart from snatches of information which surface from time to time, minority shareholders and private investors know little more about the European business than its growing losses.

While M-Net management has consistently warned that heavy investment and initial losses were to be expected from the European venture, its warnings are not enough to allay investor concerns. The estimated turnaround time also seems to be lengthening. Bekker explains that pay-TV operations typically take two to three years to break even.

"In other words, FilmNet was bought as a business to substantially expand the business and make further, significant investments, mainly in extending FilmNet from one to four channels, swapping existing decoders for higher-quality technology, and improving customer service."

"Our plan was to invest heavily initially, and FilmNet reached top monthly cash consumption in the course of 1993. Thereafter losses have been diminishing — towards the end of 1996 we will break even, on a monthly basis, though the full year will show a loss." Coupled with what are going to be a few years' substantial investment in M-Net's profile has been well structured.

Management doesn't deny MultiChoice will pick up significant losses from both investments for at least the next year, possibly longer. And lack of disclosure about these investments makes investors wary. This concern has probably helped to take some of the shine off the share. Though its price has been firming since last October, it's really just keeping pace with the rest of the industrial market. That's a far cry from 1991 when it was the glamour stock of the year, appreciating from a placing price of R1 to 860c in just 14 months.

At the time, the FM noted it was apparently the then vague news of M-Net's going international that helped to push the share price way beyond fundamentals, something of which even M-Net management was nervous. Conversely, negative sentiment about FilmNet probably helped weaken the price when the first news of associated losses starting coming through in 1992.

Again, Pacak reminds investors that M-Net always warned of losses to be expected from FilmNet. But the share has also been weakened by M-Net's dismal earnings and dividends record (see table), and arguments that earnings are not important for pay-TV companies. Such arguments may well be true for some overseas examples, but won't necessarily stop investors applying traditional criteria to M-Net.

Bekker argues that M-Net comprises three distinct parts — the regular, mature pay-TV business, the cellular investment, and FilmNet. "Each separate business must be judged by itself. You can't cluster the three together. If the aggregate shows flat growth, it doesn't mean very much." Despite earnings declining over the past two financial years (and they will almost certainly fall again when annual results are published later this year), a dividend of 9c has already been announced. It's up 12.5%, emphasising the large cash generation.

But that's not in question, and neither is M-Net's operating performance, which has been strong. It is FilmNet that has depressed the bottom line. Stripping out M-Net's share of its offshore losses, earnings would have been 20.5c in 1992 (instead of 17.4c), 28.5c in 1993 (14.4c), and 18.4c at the interim (6.8c). It shows the soundness of M-Net's local operations, and the FilmNet effect.

Losses aside, FilmNet has also been absorbing other capital. A R250m rights issue in November 1991 helped fund the R277m or so M-Net paid for its share of the acquisition, which gave it an effective 45%-stake in FilmNet (since reduced to 33.75% through the introduction of JCI as a partner).

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**M-Net's earnings slow**

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<th>Year to</th>
<th>1991</th>
<th>1992</th>
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<td>Turnover (Rm)</td>
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<td>Operating profit (Rm)</td>
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<td>Earnings (Rm)</td>
<td>25.5</td>
<td>25.7</td>
<td>60.0</td>
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<td>Dividends (Rm)</td>
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**M-Net's losses grow**

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<th>1992</th>
<th>1993</th>
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<tbody>
<tr>
<td>FilmNet losses (Rm)</td>
<td>-16.5</td>
<td>-27.0</td>
<td>-8.98</td>
<td>-1.80</td>
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</table>
M-Net injected a further R130m into FilmNet. Pacak argues it’s not that significant in US dollars. It’s a rand hedge, so there will be the opposite benefit when FilmNet starts to pay. Until then, FilmNet is absorbing considerable management time, with Bekker spending much of the past two years in Amsterdam.

He says that with interests in 39 countries, including six in Europe, it makes sense for him to spend what he says is about two-thirds of his time in Europe. “The rest I spend at M-Net in Randburg, which is a mature business and is in good hands.” That may be so, but the perception is that his absence implies problems with FilmNet. This is the one consistent concern voiced by analysts, most of whom are bullish about the rest of the business.

It’s also argued that FilmNet should follow the financial pattern of M-Net, launched in 1986. FilmNet, launched about the same time in Europe, should be successful now that it has shareholders prepared to invest (the problem with former owner Esselte AB, a large Swedish stationery group).

But the environments are different. M-Net’s only competition when it was launched was the SABC; at that time competition was so weak as to make everything M-Net offered look good. Also, M-Net initially benefited from government’s reluctance to deregulate the broadcasting industry.

It shows in growth of M-Net’s subscriber base in SA, which has penetrated more than a third of all TV households. That’s very high by international trends, and won’t be repeated in Europe, where FilmNet, with about 680 000 subscribers, has only captured about 5.5% of the colour TV homes in the countries it operates in.

M-Net argues this shows potential growth for FilmNet, and certainly after initial slow growth in subscribers, FilmNet has increased its base from about 600 000 subscribers in September to 680 000 now. It has, however, been expensive growth so far.

And unlike Africa, which has about 1% of the estimated 1bn TV sets in the world compared to Europe’s 35%, FilmNet is up against real competition.

This is apparently limited, at the moment, to TV 1000 Succé, a pay-TV company which concentrates on Sweden while FilmNet’s focus is on the Netherlands. But some TV heavyweights in Europe are expanding beyond their traditional markets. For example Canal Plus, with 3.7m subscribers in France, has been venturing into Spain and has begun joint venture talks with German media group Bertelsmann AG about extending operations.

This is not an immediate threat to FilmNet because of its programme rights and other forms of protection in its target markets, but pay-TV is a fast changing industry. It would be unwise to discount serious competition.

After absorbing considerable costs and losses from FilmNet, M-Net is also diluting its ownership. The JCI investment was necessary after the SA Reserve Bank stopped offshore funding, but that reduced M-Net’s effective stake in FilmNet. When hard currency earnings finally start to flow, M-Net will get less.

Since M-Net’s split, Bekker has warned that MultiChoice is in for significant losses over the next two years. It could exceed M-Net’s after-tax profits, he says. That means two difficult years, and only if M-Net has its estimates right. The investments could become spectacular successes — certainly management has shown the ability to take calculated risks. If the worst should happen, its European activities would probably still fetch a good price.

For now, the dearth of information on these important investments is not doing the share price any good. Some analysts are nonetheless rating the share an outright buy, on the strength of continuing strong cash flow from local operations and the long-term potential of new investments. But the exposure to FilmNet and the cellular phone activities, with uncertainty about how long losses will continue, adds a distinct speculative element.

Shaun Harris
Official Pact at odds

By Victor Metsoamere

24/18/94

A STORM is brewing between the director of the Windybro Arts Festival, Mr Ismail Mohamed, and the publicists of the Performing Arts Council of the Transvaal.

Mr Mohamed claimed yesterday he was being barred from talking to the Press after he had given two interviews to a Sunday newspaper and criticized the ethics of certain journalists covering the festival at the Windybro Theatre Complex in Hillbrow.

"He said a Pact donor publicist told him: 'You're not allowed to talk to the Press about the festival or about Pact; we will do it for you.'"

On the other hand, head of publicity at the Windybro Mr Michael van Dyk told Sowetan the whole matter had been blown out of context. If anything, there had been a misunderstanding.

Mr Mohamed said he would not be muzzled from pinpointing some reviewers who were also consultants for some of the festival's projects.

Mr Mohamed said the publicist also said: "You can't criticize Pact if you work here." To which he had replied: "I haven't sold my soul to you."

Head of Windybro Centre for the Arts, Mr Walter Chakela, was not available for comment. However, Mohamed told Sowetan that Chakela had given him the green light to talk to the Press about the festival.
**Video firms merge in R60m deal**

STER-Kinekor Video has merged with SA's largest independent video distributor, the Daru Film Group, the company said at the weekend.

Sources said the deal was worth R30m and could give the new company — Ster-Kinekor Home Video — up to 45% of the total SA video market.

Chairman Mike Ross said the merger combined the strengths of the two companies. It would provide for a better marketing service to video dealers and enable Ster-Kinekor to lift market share.

He said the company had access to international studio releases and had recently tied up a deal with media mogul Ted Turner's Turner Pictures.

Daru's Russel Rottenburg, new joint MD with Daru colleague David Hadasin, said the company would be in a better position to serve the 1,000 video outlets nationwide.

Staff cuts were likely, he said, but declined to give details.

Competitor Nu Metro Video is said to have up to 47% of the market.

MD Robert Pagan said there was growth potential for the home video market once the election period had passed.

"The black consumer represents a big growth area. Now the barriers against marketing to blacks have been lifted, the video market could grow by 25% in the next three years," Pagan said.

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**AMANDA VERMEULEN**
international singer Sylvia Maphumulo is going places.

"I am not competing with anyone. I just try to do the best I can. I am not trying to be famous. I just want to be successful."

Sylvia Maphumulo is a multi-talented artist who has made a name for herself in the African music scene. She was born and raised in South Africa, where she grew up singing and playing the accordion. At a young age, she began performing in local talent shows and soon gained recognition for her unique style and powerful vocals.

After years of hard work and dedication, Sylvia eventually landed a spot on the South African television show "The Voice," where she impressed judges with her musical talent and won the competition. This led to her signing a contract with a major record label and releasing her debut album, "Sisyphus," which quickly became a hit in both South Africa and internationally.

Sylvia's music is a blend of traditional African sounds and contemporary styles, and her performances are known for their emotional depth and raw energy. She has been described as a true artist who is dedicated to sharing her music with the world.

In addition to her musical career, Sylvia is also a passionate advocate for social justice and equality. She frequently uses her platform to speak out against injustice and support causes close to her heart. Her dedication to her art and her commitment to making a positive impact on the world have earned her a dedicated fan base and a reputation as a trueighting force in the music industry.

With her talent and energy, Sylvia Maphumulo is sure to continue making waves in the music world for years to come. Her success is a testament to the power of hard work, dedication, and a true love for the craft.
Arts and culture set for shakeup

THE ANC has mapped out a broad arts and culture policy which includes scrapping existing provincial arts councils and redressing long-standing imbalances in the allocation of state subsidies.

It envisages the establishment of an arts and culture ministry with its own budget, supplemented by additional funding obtained through partnerships with business, non-governmental organisations and the international community.

The policy makes provision for tax incentives and rebates to encourage investment in arts and culture.

Arts councils organised under the ministry and other publicly funded bodies, such as museums, libraries and monuments, will be allocated subsidies on the basis of evaluation.

Among the ministry's tasks will be to ensure that resources and facilities are available to everyone, with priority given to the disadvantaged.

Other areas covered by the ANC's policy are the promotion of a unified national culture, the inclusion of art education within the national education curricula and in non-formal educational structures, and implementation of a language policy encouraging utilisation of all SA's languages.
CNA Gallo increased earnings 6.5% to 17.4c (16.1c) a share in the year to March as good results from its entertainment interests offset a weaker performance by its retail operations.

MD Dennis Cuzen said the bottom-line improvement was also boosted by the lower tax rate.

Turnover, up 12.7% to £1.1bn (R307.3m), benefited from the introduction of new products in retail operation CNA. New products achieved R31m sales for the year, and the group was expecting this to double in financial 1995.

Cuzen said the new products were, however, sold at a slightly lower markup to the average. This had only a marginal effect on the operating margin, which was affected by pressure on consumer spending and disruptive trading conditions.

As a result, operating profit was marginally higher at R57.6m from R55.6m. The increase in finance costs to R12.7m (R11.9m) reflected capital in CNA and Nu Metro and greater use of working capital.

Pre-tax profit increased 1.4% to R76.6m (R75.6m). But a reduction in taxation, and an increased share of associates' earnings — reflecting the good performance of Waltons — saw taxed profit rise 8.7% to R60.1m (R55.3m).

Attributable earnings were 9.1% higher at R58.4m (R53.3m). A final dividend of 5.8c a share was declared to bring the full-year dividend up 7.5% to 7.2c (6.7c) a share.

The entertainment division achieved a significant improvement on the back of a continued recovery in Gallo Music, off a low base, and further earnings growth in Nu Metro, Nu Metro Theatres and Nu Metro Video turned in pleasing results, while Nu Metro Distribution had a disappointing year.

Gallo's CD plant achieved a 26% volume increase, and improved its profit contribution to the group. Start-up losses had been absorbed, Cuzen said.

Sales at Teal Trutone surged in the last quarter, thanks to two Bryan Adams blockbuster albums and his SA tour.

Commenting on the performance since year-end, Cuzen said trading in April had been above expectations. The group was well-positioned to take advantage of an improvement in discretionary spending, and, it was therefore, hoping for real earnings growth.

In the current year, CNA would open a new store in Hyde Park, upgrade its Cresta store and revamp 31 others.

Nu Metro had new sites in Richards Bay and the Randburg Waterfront, and more screens would be opened in Hyde Park.
CNA Gallo does well

BY STEPHEN CRANSTON

After a slightly weaker performance in the second half, retail and entertainment group CNA-Gallo has reported a 9.1 percent increase in attributable earnings to R69.4 million and an 8.6 percent increase in earnings per share to 17.4c for the year to March.

The dividend is up 7.5 percent to 7.2c.

MD Dennis Cunen says that trading over Christmas and the January back-to-school period was disappointing in a competitive market, and contributed to a 3.5 percent fall in the CNA and Literary Group's earnings to R20.3 million.

But new products were introduced during the year, including Super save stationery, stamps and confectionery, which achieved sales of R31 million.

The group expects to double sales of these products in the current year.

CNA's turnover increased by 10.8 percent to R741.6 million and CNA's retail space increased by two percent to 137,000 square metres, with major new stores opening at the Westville Pavilion and Maritzburg.

Nu Metro Park was expanded.

The flagship Sandton City store was more than doubled to 1,000 square metres.

Earnings from entertainment rose 40.5 percent to R12.2 million.

Gallo recovered from a low base, and aggressively marketed compact discs. The start-up losses from the Midrand CD plant, in which Gallo, EMI and Tusk each have a third share, have now been absorbed and output increased by 26 percent.

Nu Metro improved earnings, thanks to a stronger film line-up, which included Jurassic Park and The Fugitive.

There was a good performance by video.

New cinema complexes were opened at the Westville Pavilion and Maritzburg.

Nu Metro Distribution had a disappointing year, but it expected to do better this year.

CNA Gallo as a whole has suffered from tighter discretionary spending but should do better if there is an upturn this year.

CNA Gallo has attracted some interest from foreign investors, and the share has performed well through the recent difficult years.

At 410c, it has a P/E ratio of 24, putting it in the same kind of territory as other cash retailers such as Pepkor and Metcash.

Given the opportunities from increased literacy and the potential of the music industry, it looks good for the long term.
Winnie, surprised at getting weird portfolio.

Yesterday an eviction. When I couldn't find

someone close to him, forcing the police to
evict with a present. His briefs in the window
caused a lot of trouble as we had
to clean it into the pool in front of the
west wing of the Mandela complex.
The Independent on Sunday said

Winnie was quite surprised at

LONDON—The appearance of
Ad hoc group for Winnie's ministry

By ANITA ALLEN
Science Writer

An ad-hoc committee will be appointed to create as a matter of urgency the structures of government falling under the new Ministry of Arts, Culture, Science and Technology. Deputy Prime Minister Winnie Mandela announced yesterday.

Its members will be drawn from non-government organisations, community structures, parastatals and industry, and will report to Mandela. It will have a co-chair and a secretariat to ensure that arts and culture, science and technology (S&T) receive equal attention, Mandela told a meeting of the Science and Technology Initiative (STI).

Mandela said there was an urgent need to orientate the arts and culture and S&T sectors to the goals of the Reconstruction and Development Programme and to the economic dimensions of a democratic SA.

Contribution

"The ad-hoc committee will have to begin this task immediately. We invite cultural and scientific organisations to contact us directly to make a contribution to the activities of the committee,"

She said the ad-hoc committee would build on the inclusive process on S&T policy development started by the STI. Three framework documents detailing possible structures of government, affirmative action and a national management system for S&T were tabled at the meeting.
The foreign music worldview
And the effects that it had on South Africa

Most of the people in the South African music industry were not well informed or knowledgeable about foreign music. They were not able to appreciate or embrace the influence that foreign music had on the music scene.

Participants

The effects of cultural imperialism

By Khama Mamela

NEWS FEATURE SABC

Wednesday May 30 1944 SOWETAN

22
Ngubane promises caution

The new government would make no " rash decisions," the new minister of science, technology and science, Dr. Ben Ngubane, said yesterday.

"We want to be understood in a realist manner and will be no rash decisions coming from us," he said.

Dr. Ngubane said there would be a "major" conflict of interest and would have to be understood in a realist manner.

"There will be no rash decisions coming from us," he said.
TORRENTS of rain failed to dampen the spirit of Mfuleni's Child Protection Awareness Day celebration last Friday.

Hundreds of children and older residents were treated to an entertainment programme organised by South African Police, social workers and teachers.

"This is the first time a programme like this has been run in Mfuleni. We aim to make children and adults in the area aware of a child's right to protection," said Constable Joseph Smith.

Pre-schoolers with painted faces performed a play which tickled the audience. Tottering around on stage, the five-year-olds portrayed good mummies and daddies who took care of their children. "More cases of child abuse are reported to the social workers in the area than to the police. We want children to know that they should not be afraid of coming to the police for help," said Constable Smith.

The police presence was most felt when the 30-member SAP band started blowing their trumpets and pounding their drums.

As the music boomed through the hall, children put thumbs and index fingers together while grey-haired old men beat their kettles on the ground.

"The turn-out is great. We are so happy that so many of the parents are here," said Miss Mhosewe Mthethwa, a social worker at Mfuleni health clinic.

"We are glad that the police agreed to host this event. We often have problems getting them to cooperate. Now, maybe, they will take us more seriously," she said.

IN TUNE: These two Mfuleni children got a chance to practise their musical skills with members of the SAP Orchestra at a Children's Day programme in the township last week. 

Photo: Vuyelwa Motlali
Beyond the growth in the year's sales, the results include a net loss of $1.6 billion for the year, compared to a net income of $1.8 billion in 2019. The company attributes this decline to lower revenue and higher costs, including a significant impairment charge. Despite the loss, the company remains confident in its long-term growth prospects.
M-Net comes in above expectations

MARCIA KLEIN

THE combined operations of M-Net and MultiChoice just broke even in the year to March, with a combined profit of R2,2m before extraordinary items.

This was above market expectations. Analysts said last week that the draining effect of European pay channel FilmNet — now housed in MultiChoice — could see the group as a whole show a loss.

The two companies, still listed together as M-Net, published their results for the year to March, the first time they reported since splitting into two separate businesses in October last year. Combined results would have been turnover of R965m (R727,7m) and taxed profits before associates of R70,5m (R56m). The R2,2m profit before extraordinary items would have compared with R28,8m in financial 1993.

M-Net, which houses the M-Net pay channel, reported bottom-line profit of R2,2m for the year, including six months of the MultiChoice business. A dividend of 9c (8c) was declared.

Directors said the subscriber base had grown steadily to 682,000 households. Group MD, Koos Bekker, said the southern African subscriber base could not continue to expand at the pace of the past few years, but there was significant potential elsewhere in Africa — there are subscribers in 32 countries across the continent.

Rebroadcast services had been established in Nigeria, Ghana and Botswana. M-Net's turnover was R520,9m and its earnings were 11c a share. Favourable extraordinary items of R47,7m included profit on the sale of Information Trust Corporation, and surplus on the introduction of JCI as a 25% partner in the company.

M-Net

From Page 1

company which holds FilmNet. M-Net expected to continue showing steady growth. MultiChoice, which includes the previous Subscriber Management Services, Communication Technologies and offshore Interests, showed a loss of nearly R20m in the six months to March — it started trading only in October — on turnover of R375,7m. (292) (292)

This was largely due to continued losses at FilmNet. Its subscriber base had grown to 690,000 households in Europe, and it had expanded from one to four channels. FilmNet was expected to break even by 1996.

During the year MultiChoice took a majority stake in MultiChoice Cyprus, and began an investment in cellular phones.

Subsidiary MultiChoice Africa announced yesterday it had concluded a subscriber management deal with Egyptian pay TV station Cable News Egypt (CNE). A new company, MultiChoice Egypt, will be formed with MultiChoice Africa as the majority shareholder. The new company will provide subscriber management services to CNE.
Picture blurring

The first view of results from the two new entities which comprised the old M-Net do not offer much scope for analysis. Essentially, M-Net, which now holds the television media operations, and MultiChoice, which bought from M-Net its subscriber management services, Communication Technologies (ComTech) divisions and European pay TV operator FilmNet, are two new companies.

To complicate matters, M-Net’s results include the first six months for the businesses sold to MultiChoice. And obviously there are no comparative figures for MultiChoice’s first six months of trading.

But while the companies are separate, the shares are linked and will probably remain so for at least another year. Considering the amount of red ink on MultiChoice’s income statement (culminating in a net loss for the six months of R19.9m) and the declining profit reported by M-Net, the recent price surge is hard to understand.

M-Net has been a volatile share, particularly susceptible to run on positive sentiment. Warning was given about the effect the separation of interests would have on results — still, it will be interesting to see how the share reacts now. With sustained losses ahead, appreciation should slow, even reverse. But the share has defied logic before.

More important than some of the hefty losses in the twin results — M-Net’s share of FilmNet’s losses was R22.8m — are the forecasts by chairman Tony Vosloo and MD Koos Bekker.

Regarding M-Net, they say steady growth should be achieved given a stable political and economic environment. Growth in the southern African subscriber base, now exceeding 842,000, is expected to slow. But the capacity for subscriber growth has fooled M-Net before and could again. Management also appears to have underestimated the time and money it would take for FilmNet to become profitable.

This, one imagines, is the reason for the separation of the companies — to get the development risk of FilmNet, and the more recent venture into cellular telephones, away from the more stable pay TV business.

A notable feature is the strength of both balance sheets. M-Net’s gearing has dropped from 27% to 7%; MultiChoice is ungeared and holds cash of just over R100m.

More tough years

It’s going to need it. Bekker says FilmNet is expected to post losses for the next two years before breaking even on a monthly basis. MTN, in which MultiChoice has a 25% interest, will absorb about R1bn over the next five years and should break even in about three years.

That spells at least two tough years for the company. Investors concerned about the fundamentals will need to see another set of results before making a decision, particularly as to which share to follow once the split occurs.

Shaun Harris
- but only one city

Tale of Two Orchestras

Cape Town operas: rival or being the cultural capital of the south Africa? But can it afford two orchestras?
M-Net share hardly pays its way

By JULIE WALKER

TO sell or not to sell is the question facing M-Net shareholders.

Is it worth holding a share priced at R10.50 until it makes decent profits, or would it be better to sell now and buy back later?

Although still trading as a single unit, M-Net was split in two limited companies six months into the year to March 1994.

The original M-Net sold to MultiChoice its subscriber management services and communications technology (cellular telephones) divisions as well as its investments outside South Africa. M-Net retained television programming, marketing, advertising sales and broadcast services.

Had it not been so split, M-Net would have earned R22.5 million, about a cent a share, and hardly enough to justify a price above R10.

In the year to March, the new M-Net earned R22.5 million, but MultiChoice lost R26 million. Managing director Koos Bekker says that at least another year's trading is needed before the two arms are floated separately.

Mr Bekker says M-Net provides subscription TV to 32 countries in Africa. There were 942 000 SA subscribers at March 31.

MultiChoice operates on behalf of M-Net and other subscription TV services throughout Africa. It established joint ventures last year in Nigeria, Ghana and Botswana. It also announced developments in Egypt this week.

In Europe, Richemont is the group's equal partner in Network Holdings, the biggest shareholder in Filmnet. Filmnet dominates subscription TV in north-west Europe and Scandinavia. The maximum investment point on the pay TV profit curve (shaped like a tick) was reached in December 1993 and monthly losses have since fallen.

Mr Bekker says monthly break-even is expected in 1996.

MultiChoice has R100 million in cash to see it through and to invest in cellular telephones in SA, from which a profit is not expected for three years.

MultiChoice will lose a lot for the next two years, but will one day bring home the bacon. It is coupled to M-Net, a handsome cash generator whose growth opportunities might not be as exciting as those of MultiChoice, in Mr Bekker's eyes at least.

In the group's favour, it has a good track record and the will to succeed, it thinks globally and is the third-largest pay TV company outside America.

Against it are potential competition from new networks, particularly when the Independent Broadcasting Authority grants licences in SA; a foreign-currency exposure risk because programmes are paid for in dollars and a possible rise in value-added tax in Norway.

Investors appear unable to decide. The share eased 25c to R10.50 this week, but there was no hurry to buy or sell and it is only 50c below its all-time peak in May.

M-Net is fully priced, and market knock will result in profit-taking.
Blow for film industry as subsidies cut

Cape Town — Subsidies to the local film industry had been cut from R245 million in 1993/94 to R55 million in 1994/95, the Department of Home Affairs has announced in an explanatory memorandum on its budget vote. The department’s 1994/95 budget has been cut by 65.9 percent or almost R18 million. However, the department’s budget showed a huge temporary increase because it funded the activities of, among others, the Independent Electoral Commission (R17 million), the Independent Broadcasting Authority (R54 million) and national peace institutions (R65 million). — Sapa.

■ Officially recorded unemployment went up 17.7 percent last year, during which the labour scene had been marked by fewer strikes and a slight improvement in productivity, according to the restructured National Manpower Commission’s annual report for 1993. — Sapa.

■ ANC Senator Sam Motloenyane has been appointed leader of the Senate. His deputy is Senator André van Niekerk of the NP. — Sapa.

■ The number of South African prisoners diagnosed as HIV-positive quadrupled in just two years, the Department of Correctional Services has revealed in its annual report. On December 31 1991 there were 94 diagnosed HIV-infected prisoners. On the same date two years later the figure was 419, with an additional 19 AIDS cases. — Own Correspondent.

■ South Africa’s two cellular phone networks, Vodacom and MTN, would pay R40 million towards the Government’s Reconstruction and Development Programme, Posts, Telecommunications and Broadcasting Minister Dr. Palo Jordan said yesterday. — Sapa.

■ South Africa’s two deputy presidents are to cost taxpayers more than R15 million in this financial year, according to estimates of their expenditure tabled in Parliament. Thabo Mbeki’s office will cost taxpayers R10 million. As part of his duties, Mbeki will take charge of the SA Communication Service and its R51.9 million budget. A total of R3.496 million will be spent on F W de Klerk’s office. He will be responsible for the administration of the National Intelligence Service. — Political Staff.
Napac to boost black culture.

DURBAN — Napac has set aside more than R500,000 for its newly established development department.

Announcing the programme yesterday, department director Mr. Glen Mashinini said the money would be used to help establish cultural institutions in black communities.

The Minister of Arts, Culture, Science and Technology, Dr. Ben Ngubane, said the project was in line with the government's Reconstruction and Development Programme.
Existing schemes to be scrapped

Naidoo plans govt lottery to fund RDP

CAPE TOWN — Government is set to close down existing lottery schemes in favour of a new national gambling and lottery dispensation which would benefit socioeconomic development.

Minister without Portfolio Jay Naidoo told the joint standing committee on finance yesterday that illegal gambling and lotteries amounted to "a massive racket" which enriched individuals and had to be "stamped out".

Government was considering setting up a national lottery to channel millions of rand into social development and reconstruction projects.

A Cabinet committee had been set up to probe gambling and lotteries and would report back soon. It would support the principle that gambling and lotteries support socioeconomic development.

Naidoo said lotteries should not exist for individual enrichment or to fuel the gravy train. The bulk of funds from a national lottery should go to the RDP fund.

Details are expected to be made known in government’s White Paper on the RDP to be tabled early next month.

Questioned about the R2.5bn RDP, Naidoo said the system of government tenders would also be changed. They would be awarded to institutions that could demonstrate that they would create the maximum number of new jobs. Employment opportunities would obviously have to promote the interests of unemployed blacks.

Deputy Finance Minister Alec Erwin said it was government’s aim to not increase spending in real terms over the next five years, thereby escaping the possibility of falling into a debt trap.

Future allocations to the RDP, which would increase by R2.5bn each year, would be drawn from further cuts in departmental budgets, in the same way as had been done in the current budget.

Reuters reports that red-faced police financial advisers were excused from the committee meeting when they were unable to answer questions about the R5bn allocated for police community relations in the R7bn police budget.

Committee chairman Gill Marcus said it was "very regrettable" that Police Commissioner Gen Johan van der Merwe had not sent staff who could deal with policy issues as well as financial ones.

SAPS financial head Brig Roy Opperman and financial manager Joseph Bezuidenhout had tried to answer questions about how the force hoped to regain legitimacy among black communities. But they were not able to explain what strategies would be used.

Marcus excused the men, saying she would ask Van der Merwe to provide qualified officials for another meeting.

© Comments Page 12
CNA GALLO

Broader repertoire

Activities: Supplies leisure, entertainment, information and knowledge products.

Control: Argus and Premier 64.9%.

Chairman: D O B Band; CE: A O L Cusen.

Capital structure: 333m ord. Market capitalisation: R1,2bn.

Share market: Price: 365c. Yields: 2.0% on dividend; 4.8% on earnings; p/e ratio: 21,0; cover: 2.4.

12-month high: 430c; low: 280c. Trading volume last quarter: 6,7m shares.

Year to March 31

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<td>19,6</td>
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</tr>
<tr>
<td>Turnover (Rm)</td>
<td>796</td>
<td>940</td>
<td>997</td>
<td>1,030</td>
</tr>
<tr>
<td>Pre-tax profit (Rm)</td>
<td>64,1</td>
<td>80,3</td>
<td>87,5</td>
<td>89,3</td>
</tr>
<tr>
<td>Pre-int margin (%)</td>
<td>10,2</td>
<td>9,3</td>
<td>9,3</td>
<td>9,2</td>
</tr>
<tr>
<td>Earnings (c)</td>
<td>6,7</td>
<td>6,7</td>
<td>6,7</td>
<td>7,2</td>
</tr>
<tr>
<td>Tangible NAV (c)</td>
<td>50</td>
<td>60</td>
<td>60</td>
<td>62</td>
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</table>

CNA Gallo survived the recession-riddled early Nineties without a decline in EPS and there is enough evidence to support forecasts of real earnings growth this year.

Last year, management focused on renegotiating the terms and conditions for the purchase of goods and services in the retail division. This, says CE Dennis Cusen, should help CNA’s performance. Also, new ranges and merchandise — including confectionery and competitively priced bulk stationery introduced to the stores — are proving useful in cushioning earnings depressed by lower discretionary spending.

The changing sales mix in products is, however, contributing to a squeeze on gross profit margins: retail’s attributable earnings fell 2% in financial 1994 on the back of an 11% rise in turnover. Nevertheless, new products in all the divisions contributed R30m to group R1,1bn turnover. Management is budgeting for this portion to increase to R65m this year.

Gallo continues to benefit from growth of the compact disc market, and stabilisation of the music cassette market after several years of decline. On a 17,6% rise in sales last year, earnings climbed 40,5%.

There are further opportunities to expand demand for CDs, including the imminent launch of CD singles. The continued intern
More research money planned

ARTS, Culture, Science and Technology Minister Ben Ngubane has pledged to increase research spending by almost 600%.

However, pure scientists can take a long vacation unless their work is a significant money earner. Science must show it uplifts society and the economy, he says.

Ngubane said SA spent only about $26 per capita a year on research and development while newly industrialised countries usually spent three times as much or more.

“Our most immediate task is to get from $26 to something like $110 per capita to meet our highest priority needs.”

Looking at the statistics as a percentage of gross domestic product makes the Minister even more unhappy. “Our 1% does not compare favourably with Taiwan’s 1.7%, Korea’s 1.6%, Australia’s 1.3% and Canada’s 1.4%.”

He said leading economies spent up to 3% of GDP on research and development, and SA’s urgent objective should be to reach a figure of 1.5%. However, Ngubane believed that science and technology would make a crucial contribution towards government’s reconstruction and development programme.

“To thrive economically we need to become competitive. To be competitive we need to develop an environment that is supportive of innovation. And for this we need education and training to create the best possible skills base.”

Between 11% and 14% of his budget would fund basic research; capital expenditure would account for another 12% to 15% and research development would account for 17% and 21%. He would not comment on the remaining 59%.

Projects already under way include Council for Geoscience surveying work to avoid sitting new settlements on unsafe ground; support of educationally disadvantaged students by councils such as Mintek and the Foundation for Research Development; the CSIR’s assistance to communities to enable people to obtain adequate infrastructure; work on air pollution, roads, drinking water and sewerage treatment.

While Ngubane is thin on figures, he makes it clear that projects that find favour will find funding.

His background as former KwaZulu health minister keeps Ngubane’s heart in medicine. He is proud of what he achieved in that position since April 1991.

A big push on immunisation reduced KwaZulu polio cases to only one or two a season and measles fatalities were sharply reduced. “It gave us a glimpse of what could be achieved.”

He also commissioned AIDS education in the province, which was one of the worst AIDS-hit areas in SA with one in 10 people infected and the rate doubling every 13-14 months.

A priority now is to deal with tropical diseases such as bilharzia and malaria, which he aims to eliminate rather than allow drug-resistant strains “to take hold”.

Ngubane believed SA’s edge over the rest of the continent would lead to a thriving medical and technology export market. Already the World Health Organisation was expected to award the polio vaccine contract for Africa to SA’s National Institute of Virology.

Ngubane and Deputy Minister Winnie Mandela had begun drafting frameworks for a new science and technology policy. As a first step, Ngubane had appointed four key advisors: Human Sciences Research Council vice-president (research) Lawrence Schlemmer; ANC co-ordinator of science and technology policy Roger Jardine; Science and Engineering Academy of SA chairman Gordon Sibbye; and National Arts Coalition general secretary Mike van Graan.

Ngubane felt political differences with Mandela would not affect the job “because this is a government of national unity and party politics should take a back seat. She’s a good politician. We get on fine,” he said.
Ngubane refuses to be embroiled in dispute.

JOHANNESBURG. — Arts, Culture, Science and Technology Minister Dr Ben Ngubane yesterday refused to become embroiled in a controversy with his deputy Mrs Winnie Mandela.

Mrs Mandela was quoted in a report as saying she did not approve of the appointment of Dr Koos Cauw as acting director-general. She also did not approve of the composition of a departmental advisory committee. She said the committee did not fulfil the requirement of democratising the department, nor did it reflect the country's population make-up. — Sapa
ments outside SA to MultiChoice in October, can’t be compared with past years.

Apart from the transfer of assets and liabilities, M-Net’s results include six months of businesses now housed with MultiChoice. MultiChoice, in turn, offers results for six months, with no comparative figures.

Obviously, the separation of the former M-Net (it retains the television operations, including programming, marketing, advertising sales and broadcasting services) has depressed its historical trends, from turnover to the bottom line. For example, the 15% decline in turnover comes from the removal of the subscriber management services division. Though the division raised turnover by nearly 15% to R423m, the removal of six months’ trading saw turnover from this source drop by about R106m to R198m.

The higher dividend, though, can be taken as an indication from management that all is well in the new-lock M-Net business. Chairman Tun Vosloo does provide figures to show what results would have looked like had the rearrangement not taken place. Turnover would have been up more than a third to R995m, taxed profit would have increased 26% instead of declining by 20% and EPS would have been 1.1c (29c).

In the actual results, an extraordinary profit of R47.9m raised attributable earnings 48.4% to R70m, but this is excluded from EPS because Vosloo says the gains “are neither part of the operating activities of the group nor expected to recur.” The profits come from the sale of Information Trust Corp (R16.5m) and the surplus on the introduction of JCI (R31.4m) as a 25% equity partner in MIH, holding company of offshore investment FilmNet. It is doubted the SA Institute of Chartered Accountants would agree with the way the profits have been accounted for.

Information on FilmNet, which is probably of great interest to shareholders, is scanty. M-Net’s income statement shows it cost R22.8m in financial 1994, compared with R27.6m the year before. MultiChoice’s annual report details how FilmNet has been customised for two regional markets and developed into four channels but is short on financial information. FilmNet’s subscriber base is almost 700,000 in the six European countries in which it operates. Vosloo says though European economies have been affected by recession, there are signs of an upswing.

Another note shows MultiChoice is committed to acquiring about R60m of shares in MTN, with R46.5m due in one year and the remainder thereafter.

The earlier R124m rights issue by MultiChoice has been earmarked for MTN, but additional funds will be needed, possibly from debt. In that regard, MultiChoice and M-Net are in good shape. MultiChoice holds cash, net of borrowings, of about R114m. M-Net has slashed debt (some transferred to MultiChoice) and is barely geared. It will ask shareholders at next week’s AGM to increase authorised shares through the creation of 50m new shares. That would normally indicate a rights issue is being considered, though company secretary Gillian Kisbey-Green says the two earlier rights issues used a lot of authorised capital and the proposed increase is just to ensure M-Net has enough share capital.

Preliminary results six weeks ago dented the price of the linked shares, though the effect appears to have been temporary. While the shares remain linked, prospects are obscure. But M-Net/MultiChoice remain an expensive share.

Shareholders probably have at least another year to consider the prospects of the companies before the shares are delinked. M-Net should remain a stable earnings and dividend generator, though the SA market is maturing and growth prospects in the rest of Africa depend partly on regional economies.

MultiChoice is the more exciting share and naturally carries greater risk. Management’s argument that FilmNet and MTN will have good prospects based on international experience is hard to fault. The problem is the timing of the two ventures. Both will make losses and absorb capital for at least the next two years. Should things go awry in either, shareholders could be called on to dig into their pockets again. But if all goes according to plan, earnings growth from MultiChoice, off a low base, could be spectacular in a few years.
Government subsidies to film industry fall

MARK ASHURST

GOVERNMENT subsidies to the SA film industry will have fallen more than 40% over the past two years, if the Home Affairs Department’s estimates for 1994/95 are correct.

Subsidies are calculated on the basis of box office earnings to reward ‘blockbuster’ movies.

Last year, Home Affairs paid out R432m from a budget of R1.2bn earmarked for subsidies. Department spokesman Eliza Mathebula said the budget had been calculated on the basis of “totally incorrect” information supplied by film producers.

Estimated spending on subsidies for 1994/95 is R13.5bn. This compares with actual spending of R20.6bn in 1992/93. The R13.5bn figure had been “interpreted as a cut in expenditure whereas it is a budgeted amount based on estimated expenditure,” said Mathebula.

The revenue-led system, which rewards box office takings in excess of R150 000, was designed to offset the huge costs of making major films.

Producers receive an additional 75c for every rand earned at the box office, to a maximum of R1.3bn. The subsidy is intended to encourage investors deterred by the relatively low percentage of box office takings earned by producers — generally 30%-35%.

But SA Film and Television Industry chairman Carl Fischer said the 1994/95 estimates highlighted the need for a review of government aid to the industry. “To justify an investment of R5bn, a film must gross R10m at the box office. That’s massive in the Jurassic Park or Aladdin category,” he said.

A revised system should strike a balance between revenue-led and cost-led subsidies to encourage greater cultural variety in the industry, he said.
Artists warn SABC

By Victor Metsoamere

HUNDREDS of angry musicians, who had dogs set on them by SABC security guards during a march on the corporation’s headquarters in Auckland Park yesterday, warned of a nationwide boycott of TV licence fees.

A spokesman for the musicians, Mzwakhe Mbuli, said if the SABC did not change its policy it would have to bear the consequences of its actions.

Mbuli warned that a boycott of TV licence fees was being contemplated.

The musicians were protesting against the flighting of “a high percentage of foreign music videos”.

The march was backed by the Musicians Union of SA, the SA Music Content Alliance, the Universal Brotherhood Consortium and the Dorakay House Trust. Included among those caught in the fracas yesterday are top musicians Mara Louw, Abigail Kuhuka, Thandile Klaasen, Hilda Thoubatlh of Mahlathini and Mahotela Queens and Ntemi Piliso of African Jazz Pioneers.

Singer Sello “Chicco” Twala said musicians planned to put pressure on the SABC through a worldwide call to overseas record companies and musicians’ unions to stop exporting their music to South Africa.

Mara Louw said she was angry that a young white man had the courage to “baton-charge” her in the so-called New South Africa.
Youths bridging the gap

By Joe Mthiheka

THE DIRECTOR of the Africa Cultural Trust, Beeny Francis, is engaged in empowering groups of black youths in the PWV area to improve their theatre skills.

The trust, with a long history of working among the disadvantaged communities, is nonprofit and nonsectarian, with a bias towards “developing the whole human being”.

“Our aim is to develop theatrical skills among groups of people,” says Francis.

Beeny Francis pointing at his centre.

Students are encouraged to read extensively, and often go through a rigorous routine to understand other peoples' culture.

The community takes the initiative of finding solutions to their own problems.

It is a question, if you like, of teaching communities to fish, and not giving them fish.

We are bridging the gap with teachers facilitating the learning process and ensuring that weaknesses are identified and remedied as soon as they are identified.

Games are part of the school programme. This often helps to stimulate the thinking capacity of children as they interact with one another in a relaxed fashion.

This space was made possible by the support of the Positive Development News Initiative, which seeks to document a unique development model that is evolving in South Africa where people from all walks of life — Business, Labour, Grassroots, Democratic Structures, Development Agencies and Communities themselves — are coming together in focused alliances, to play a powerful role in reconstruction and reconciliation to build a common future that will provide the foundation of a peaceful and prosperous inclusive society in this wonderful land of ours.

Core founders of this initiative are:

G. R. Kholo

J. Mthiheka

P. J. D. Mthiheka

J. P. J. Mthiheka

P. K. D. Mthiheka

R. J. Mthiheka

M. D. Mthiheka

J. S. Mthiheka

J. J. Mthiheka

J. M. Mthiheka

J. B. Mthiheka

J. N. Mthiheka

J. A. Mthiheka

J. G. Mthiheka

J. K. Mthiheka

J. H. Mthiheka

J. F. Mthiheka

J. E. Mthiheka

J. D. Mthiheka

J. C. Mthiheka

J. B. Mthiheka

J. A. Mthiheka
Objection to OTI petrol bid

THABA NCHU — The National Black Fuel Retailers' Association has written a memorandum to the government opposing the OTI petrol pump programme, a move that could frustrate the organisation's cheaper petrol scheme.

And the OTI, which is well on its way to achieving its mission of unifying the taxi industry, has again threatened mass action if its demand for petrol pumps at taxi ranks is not met.

A Mineral and Energy Affairs spokesman said yesterday the latest move by the black petrol retailers could delay the plan to erect 25 petrol pumps at taxi ranks nationally. He said Minister Pik Botha did not present the OTI's plan to Cabinet yesterday because the day had been set aside for financial matters.

The associations had objected last week to the taximen dispensing petrol, saying this would take a big slice from petrol dealers' business.

In its submission to government, the associations said the loss of the taxi fuel trade would undermine the viability of black service stations.

OTI co-ordinator Booite Letsela said his organisation had an agreement with the NFP on the cheaper fuel programme and could not go back to it as suggested by government.

He said black retailers were part of the NFP and had a chance to lobby against the programme at the time.

"The taximen are furious and we fear the worst," Letsela said.

Meanwhile, the conference held in Thaba Nchu to unite the taxi industry seemed to have found cause, with all associations — including those that had raised objections — agreeing on the formation of one body.

Final resolutions will be worked out today.

SAPA reports police reinforcements have been sent to the SA/Leosotho border post because of mounting tension among taxi drivers on the SA side.

Call for tighter security at PWV govt offices

SECURITY should be tightened at the offices of the PWV executive council in Johannesburg after an electronic listening device was discovered, spokesman Ronnie Mamoepa said yesterday.

He said the device had been found two weeks ago during an electronic "sweep" of the office occupied by MEC for education, Mary Metcalfe.

Mamoepa said sweeps of the offices of the premier Tokyo Sexwale and other MECs had detected nothing, although Sexwale's office was broken into recently.

Documents, some of them sensitive, had been accessed and others damaged.

Mamoepa said the executive council met to decide what steps to take. He attributed the breaches to "people seeking to undermine the PWV government".

SAPA.

' Talks needed' on Pact

THE future of the Performing Arts Council of Transvaal (Pact) and other arts institutions had to be discussed, if government's reconstruction and development programme (RDP) was to be adhered to, PWV sport, recreation, arts and culture minister Peter Sakoana said yesterday.

Sakoana said the RDP advocated in the arts and culture department "democratisation" of the performing arts councils, museums, libraries and archives.

According to the RDP, commissions had to investigate existing publicly funded and parasitical cultural and arts structures.

It also stipulated that "complete tasks of transformation within two years" of appointment had to be made.

A one-day conference on the PWV's public funding of the performing arts, held on Monday, was the beginning of a process in line with the democratisation of arts and culture, he said.

Pact did not attend the conference but sent Sakoana a dossier outlining its proposals and visions.

Sakoana said he was "sad" that Pact did not attend but a meeting with the council to discuss its future was planned.

Pact CEO Louis Bezuidenhout said the council's 50-page dossier "addressed everything the minister needed to know".

He added: "The time allocated at the conference was 20 minutes for every participant and Pact's detailed proposals could not have been fully explained in limited time."
Interleisure cashes in as more go to the movies

AMANDA VERMEULEN

ENTERTAINMENT group Interleisure lifted earnings by 5.5% to R37.1m for the year to June following a reduction in the tax rate to 30% (33%) and the disposal of its stakes in Mike's Kitchen and Video Magic.

Earnings increased to 19.6c (18.5c) a share and the total dividend for the year of 11c remained at last year's level.

Turnover remained almost constant at R439.6m (R436.1m) while operating profit declined less than 1% to R35.8m. Tax was reduced to R18.7m (R18.1m).

MD Mike Egan said comparisons with last year were inappropriate as last year's revenues included the disposal of the sports division.

In the current year, however, the group also disposed of its 16.9% stake in Mike's Kitchen, and it's 50% stake in Video Magic, for a total of R38.9m.

"The proceeds had a favourable impact on the balance sheet with gearing virtually eliminated," Egan said.

Egan said the group had narrowed its focus on its core operations which included Ster-Kinekor and film production company Toron Studies.

Ster-Kinekor experienced good growth, with cinema attendances up 7%, despite general violence which tended to keep people home. The growth was attributed to a number of big-grossing films such as Aladdin and Jurassic Park, and the opening of 24 new cinema screens.

Toronto reported substantial growth off a low base, with the most significant contributions coming from The Video Lab and Leon Schuster's.

There's a Zulu on my Stoop, which broke the SA box office record for local productions.

Ster-Kinekor Video merged with Daru Video earlier this year, and prospects for the coming year were good.

Cinemark and Computicket, however, experienced declines in profits as a result of cutbacks in screen advertising and tourism.

Egan said the group's prospects were good as the continued expansion of the Ster-Kinekor chain and a promising line up of good films were expected to produce acceptable growth.

He said, however, that the current draft regulations on tobacco advertising could have a negative effect on earnings growth as cinema remained the only audio-visual medium permitting cigarette advertisements.

"The board is making strong representations which, while recognising the state's right to regulate, propose that regulation should restrict rather than deny the cigarette advertising opportunity."
Kersaf rakes in earnings despite violence, unrest

AMANDA VERMEULEN

LEISURE and entertainment group Kersaf lifted earnings nearly 9% to R179m in the year to June despite unrest in the former Bophuthatswana and SA during the run-up to the elections.

Earnings a share increased by 8.6% to 225c and a final dividend of 81c was unchanged from 1993, bringing to 156c (176c) the total dividend for the year. Turnover increased by 8% to R2,32m and operating profit by 7% at R374,2m.

Pre-tax profits grew 5.6% to R541,7m. Taxation increased to R38,3m (R35,4m), with after tax profit up 3.7% to R443,4m.

Chairman Buddy Hawton said adverse conditions resulting from violence had seriously affected the group's performance, resulting in second half earnings increasing only moderately compared with 15% growth in the first six months.

Hawton said Sun International, the group's largest contributor to earnings and turnover, was hit by unsettled trading conditions in the second half of the year, with SunBop and Sun City most affected.

Revenues for the year were 11% higher, which included Lost City results for the full year compared with only seven months the previous year, and attributable earnings were 9% higher than 1993.

The hotel industry experienced a resurgence in occupancy levels as the year progressed but this was mainly restricted to lower graded hotels.

Resort hotels continued to be adversely affected by difficult economic conditions and unrest. Sun International resorts reported an average occupancy rate of 56% for the year, compared with 60% last year.

While the future of the gaming industry was still under consideration by local and national government, the group's resorts would be permitted to continue operating after re-incorporation into SA. Hawton added the estimated 2,000 illegal casinos in the country would continue to have a detrimental effect.

The harmonisation of the tax systems of SA and the former TBVC states would be undertaken by Inland Revenue in phases, commencing in the coming year.

Interleisure, in which Kersaf has a 37% holding, traded satisfactorily despite being negatively affected by unrest and elections.

A 6% increase in earnings was due mainly to a strong performance from Ster-Kinekor, the reduction in net interest costs and a lower tax rate which offset earnings declines in Cimex and Computicket.

The group acquired a 44% stake in City Lodge from January 1 for R18,8m. City Lodge reported a 36% increase in earnings for the 11 months to June — a change in its financial year to bring it in line with the Kersaf year end.

Hawton said trading conditions for the year were expected to show some improvement as the economic upturn gained momentum, and from higher levels of commodity exports.
Gambling issues open for debate

THE future of gambling in South Africa comes under the spotlight tomorrow when the Lotteries and Gambling Board, under the chairmanship of Nic Wiehahn, sits for the first time.

The 19-member board includes representatives from the Department of Justice, experts in welfare, community development, sport, socio-economic development, the health and finance departments as well as one each from the nine provinces.

The board will have the difficult task of deciding the future of the estimated 3,000 small casinos which have sprung up in recent years and on the various types of lotteries, horse racing and proposed sports pools.

The appointment of Professor Wiehahn to head up the board earlier this month follows the recommendation by the Howard Commission, which last year suggested that 10 new casino licences be granted, that they be linked to the development of tourist infrastructure and that they be situated at least one hour's drive from city centres.

The board will be required to shape policy, determine who should be granted a licence and advise government how to issue these licences. The provinces will have the authority to implement this policy and grant licences.

By DON ROBERTSON

Gambling through casinos has been welcomed by interested parties. Although it is important that enough time be devoted to drafting appropriate legislation, all agree that it should be done as soon as possible.

Ron Stringfellow, managing director of the Southern Sun Group, says the number of licences to be issued will be the major consideration facing the board.

The "illegal" casinos — those that have found a loophole in current legislation — simply want to be given the right to continue operating. Sun International, which has 17 licences in former Transvaal states, wants to delay competition for as long as possible, he says.

Potential investors have mixed views, but as long as there are enough licences, they will be happy, according to Mr Stringfellow.

If a limited number of licences were issued, say 25, it would mean only two or three for each province.

These licences could then be linked to the development of tourism. This would favour larger corporations.

If this policy was adopted, the larger groups would be committed to substantial investments, but would require guarantees that no new licences be granted for some years. It would also be difficult for provinces to determine which tourist-type casino would be the most beneficial when granting one of the few licences available.

Such a policy would exclude the aspirations of entrepreneurs and emerging small businesses.

If, on the other hand, perhaps 200 licences were granted, it would generate the maximum level of taxation for the reconstruction and development programme.

This option, however, could result in casinos opening up on every street corner, tax collection would be difficult and the long-term stimulation of tourism would suffer, says Mr Stringfellow.

To counter this, legislation could require bonds or guarantees from licence holders to ensure punters are paid, strict quality standards could be implemented, and a substantial price could be charged for a licence.

This would prevent a proliferation of "street corner" casinos.

If the recommendation of the Howard Commission is considered, that casino development be related to tourist development, an option would be to charge a tax on all casino operators. This tax could be allocated to the provinces for tourist development.

There are pros and cons for both alternatives, but as long as the allocation process is totally transparent, we will be satisfied and the sooner the legislation can be introduced, the better for all stakeholders — customers, employees, government and shareholders," says Mr Stringfellow.

NIC WIEHAHN
FACING THE ODDS... Ron Stringfellow, MD of Southern Sun and a major player in the gambling debate.

‘Arts ministry needs revamp’

By ANTHONY JOHNSON
Political Correspondent

Johannesburg.—Mr Shai Avisar, who bought a luxury Cape Town house for the use of Arts and Science Deputy Minister Mrs Winnie Mandela, made a brief appearance in court here yesterday on allegations of fraud involving R566,502.

Charged with him is Mr Eric Winston Twala of Sandton. The case has been postponed to November 1. — Sapa

The Ministry of Arts, Culture, Science and Technology needed to be “completely revolutionised” as it had “practically no clue into the arts and culture of our people,” Deputy-Minister Mrs Winnie Mandela said yesterday.

She told Parliament that while the personnel in her department were attempting to accommodate the demands of the Reconstruction and Development Programme, “if the truth be told, few have the stomach for it.”

She was “inundated” with requests to intervene in situations where “our own government departments” and officials were “clearly working to frustrate black advancement.”

In a hard-hitting speech Mrs Mandela said that 114 days into the new government “the peoples’ aspirations and collective determination” remained immobilised and there was “no sign of their energies being mustered to drive the RDP.”

“This is largely due to the fact that we have inherited a structure that has been isolated from the people and which, in its existing mould, is incapable of relating to them,” she said.

To turn the ministry around and make it people-centred “we will have to drastically change its policy and programme”, she said.

Two institutions serving the ministry, the Human Sciences Research Council and the Council for Scientific and Industrial Research, had to be overhauled.

“These institutions have a staff complement that is overwhelmingly white Afrikaner male, which is not surprising, for this is the direction in which Nationalists operated their ‘affirmative action’ policy.

“We do not intend to reverse this direction. We do intend to create an equitable balance in staff, reflecting the population at large, by race and gender within a stipulated time frame.”

She said the HSRC, where it examined arts and culture, had focussed on European tradition, while black art and culture had been ignored. “Black organisations working in these areas do not even know of its existence.”
PAY-television operator M-Net's massive share price increase during the past year has boosted the share price of Business Day parent Times Media Limited (TML), which traded at R37 yesterday after reaching a new peak at that price on Monday — 110% higher than its nadir a year ago.

M-Net closed yesterday at a R13.50 high, a 145.5% increase since September 23 when it traded at R5.50 a share. The printing and publishing index experienced similar growth, rising 38.4% to 17 818.41 since October 11.

TML MD Roy Paulson said M-Net's strong performance despite losses incurred by offshore operation FilmNet and the launch of cellular phone company MTN earlier this year was probably based on the long-term potential of these ventures. TML's balance sheet, cash-flush to the tune of R100m, put it in a good position to take advantage of new opportunities.

Analysts said TML's performance in the year to March, during which it lifted earnings a share 14% to R5.40, had also boosted investor confidence. Argus Holdings, which sold its stake in Argus Newspapers to Dublin-based Independent Newspapers earlier this year, had not performed as well. It closed at R5.75 a share yesterday, off its June high of R48.00.
CAPE TOWN — M-Net could become the biggest single contributor to the profits of Nasionale Pers, executive chairman Tom Vosloo said at an Investment Analysts' Society meeting yesterday.

The publishing, printing and distribution group — which has a 28.6% stake in M-Net — is to list on Monday. No additional shares other than those allocated to existing shareholders in the listing will be issued as the objective is a freer trading environment for the shares.

Vosloo said due to M-Net's heavy investments in growing existing operations and developing new ones here and overseas, Naspers was providing for a loss from M-Net this financial year.

He said, however, that in the 1996 financial year profits would "start trickling in" — a trickle which Naspers believes in time will become a stream.

In the year to March Naspers reported a R102m (R23m) profit before accounting for a loss from associates of R3.6m stemming from M-Net's investment in FilmNet in Europe and in MTN locally.

Vosloo said Naspers was investigating moving its Cape Town printing plant to larger premises at a cost of about R200m.

He said Naspers' diversified base could provide good opportunities in traditional and emerging markets.
M-Net chief optimistic

BY CHARLOTTE MATHEWS

M-Net's cautionary notice referring to "possible restructur-
ing" of some of the Multi-
choice assets would affect
Naspers's future profits, M-Net
and Naspers chairman Ton
Vosloo told the Investment
Analysis Society yesterday.

Vosloo said although "the loss
from M-Net was being provided
for, eventually it was likely to
be the biggest contributor to
Naspers profits.

He could not be specific
about future profits because of
the "cautionary", but "we don't
do these things unless we ex-
pect a healthy return".

Ed Hern, Rudolph analyst
Sid Vianello said the restruct-
uiring of M-Net with "linked
shares to Multichoice, which
houses the group's European
film channel and the MTN cel-
nular phone business, had not
achieved its original aim.

Profits from M-Net were
adulterated by equity-account-
ed losses in Multichoice. Those
wishing to do so could not buy
into the foreign film business
alone, but had to take M-Net
and MTN as well.

He said what should have
been done at the outset and
was probably being discussed
now was forming three sepa-
rates companies or even two.

M-Net should distribute its
holding in MTN/FilmNet to its
shareholders. M-Net share-
holders could then benefit from
the profitability of its core op-
érations and have the option
of retaining or selling their
MTN and FilmNet shares.
Changes in funding may affect PACT

BY JO-ANNE COLLINS

Although the Department of State Expenditure plans to set aside R118.5 million for the four performing arts councils in 1995/6, changes in funding could mean that PACT will not get its usual share, says PMV MEC for Sport, Recreation, Arts and Culture Peter Skosuna.

"Public funds must be used for the benefit of the full, rich spectrum of performing arts in the PWV," commented Skosuna in reply to a written question from the DP's Peter Leon.

He said PACT was currently virtually the sole recipient of State arts funding in the PWV. It had been allocated R425 million, and almost R19 million of this had already been paid out.

He said the funding of PACT would be influenced by several factors, one being the creation of "arms-length" arts councils at provincial and central level.

"Parliament would vote monies to the arts council, a body comprising primarily of members of the arts community which would then determine the funding decisions," he said.

This implied an end to the use of the "Stumpff formula" used to divide the cake among the four existing arts councils.

The Stumpff formula is, in any case, anachronistic. It makes provision for only four performing arts councils to the exclusion of all other performing arts institutions and, it does not take "audience building" into consideration," Skosuna added.
THEBÉ Investments has teamed up with entertainment group Interleisure to take cinemas to the townships, in the first stage of a move into the leisure industry that could see similar operations established beyond SA's borders.

The joint venture between Interleisure subsidiary Ster-Kinekor and Thebe subsidiary Moribo is called Ster-Moribo and has 26 cinema screens, making it the country's third-largest cinema chain.

Thebe MD Vest Kanyile said the deal reflected the group's interest in the entertainment and media industries, but this did not mean that Thebe was focusing solely on these sectors.

The company was recently involved in the takeover of Citizen Bank, the creation of a merchant bank, and the launch of regional airline SA Express with Canada's Laidel Holdings.

Interleisure MD Mike Akindeclined to put a value on the deal, but Ster-Kinekor MD Mike Ross said the cost of establishing each new cinema was about R6m. Ster-Moribo aimed to double cinema numbers within two years, representing an investment of about R76m.

The company launches its first cinema complex in Soweto today, and other established complexes include those at the Kings, Carlton, Hillbrow and Highgate centres.

The initial focus was on the Fupu, but Ster-Moribo hoped to move into Kwa-Zulu/Natal and the Cape within six months, and then beyond SA's borders.

Moribo chairman Mos Moshidi, who will be Ster-Moribo's non-executive chairman, said the expansion plans depended on the rate of development in black residential areas. The new company was talking to developers for new sites, and would also have an option to take part in all future Ster-Kinekor developments.

Ticket pricing policy had yet to be finalised, but Moshidi said this would depend on the location of each complex.

Moribo — which also has a stake in the gaming industry through its 16% holding in scratch card business Games Africa — plans to apply for casino licences, and a licence to manage a national lottery.

It was also interested in a stake in the local music industry, event management and the promotion of major concerts.
Big screen for the people!

Steve Jobs: 'Big screen migration
over the past few years is consolidate -
Stefan Renn, expanded Sunday


Business

33
R6m boost for new SA arts trust

ARTS and culture will receive a financial boost of more than R6m over the next three years through a joint funding venture by Nedbank, Sun International and the Arts, Culture, Science and Technology Department.

The Arts and Culture Trust, to be based in Durban, has been established to administer the money.

NMTV has pledged air-time support for the venture, and backing has also come from leading arts organisations such as the Barret Arts Trust, the Film and Television Federation, The Market Theatre Foundation, the SA Museums Association, FAK and the National Arts Coalition.

Initially the funds would be used to capitalise the trust and thereafter to fund development projects "that will reach into every corner of SA arts and culture," a trust statement said yesterday.

Nedbank, Sun International and government would each donate R1m this year and make a further contribution of R500 000 each a year for the next two years. Further financial contributions from companies, organisations and individuals are being sought.

Arts, Culture, Science and Technology Minister Ben Ngubane is patron of the new trust.

Trustees include representatives from supporting companies and organisations, as well as nominated individuals such as author Nadine Gordimer, actor John Kani, academic Prof Njabulo Ndebele and choreographer Dawn Weller-Ratcliffe.

To mark its association with the venture, Nedbank will introduce a new range of "arts and culture banking products", including special cheque books, credit cards and savings facilities carrying colourful images "representing the full arts and culture spectrum".

Sun International has still to announce details of an affinity programme.

"The primary objective of the trust is to advance arts and culture across all disciplines and at all levels," the statement read.

It further aims to address present imbalances in disadvantaged communities while devoting special attention to enriching cultural life by breaking down barriers and promoting mutual understanding and reconciliation among all South Africans.

Speaking at the launch of the trust in Durban yesterday, Ngubane said he was aware that numerous demands were being made on the business sector, and that it was under intense scrutiny from unions regarding the causes being supported. He therefore congratulated Sun International and Nedbank for taking the initiative in launching the trust.
State-run lotteries get the green light

Licensed lotteries, including State-run draws, and gambling should be legalised, the Lotteries and Gambling Board said yesterday.

Its interim report, released in Pretoria, says an "appreciable" percentage of funds accumulated from lotteries and gambling should be used for the Government's Reconstruction and Development Programme.

Deputy Justice Minister Chris Fissner said the Cabinet had not yet studied the recommendations.

"But I am very happy with them and my advice will be that this is the line we should follow," he said.

Fissner said the board's final report would be completed by January, enabling Parliament to pass new gambling legislation by mid-1996.

However, legislative amendments to close illegal casinos would become effective before month-end.

The report says a national State lottery would have "enormous income potential." The backlog which the RDP aims to catch up with virtually compels the establishment of a national State lottery.

The board recommends that ownership and control of the lottery be vested in central government.

The report also says sports pools should be legalised, subject to certain regulations.

Existing small lotteries, such as scratchcard systems, were in violation of the law and would have to be terminated. They might later be allowed to operate in a legalised gambling system.

On casinos, the report recommends that provincial legislatures postpone legislation until the Government has provided formal prescriptions and guidelines.

Board chairman Professor Nic Wiehahn said the existing Gambling Act no longer reflected the "true moral viewpoint" of the majority of South Africans.

Fissner said the report would be handed to provincial premiers today.

It would be presented on Tuesday to a Cabinet committee which would make a recommendation to the full Cabinet. — Sapa.
Exciting new body promote arts and culture

LIKE a breeze from the sea, it has injected fresh air into the heart of arts and culture.

On another level, the launch of the Arts & Culture Trust was a giant step to bolster artists by providing them with an oasis to quench their thirst for self-expression.

The trust was the first of its kind in the history of South Africa and marks the realisation of a dream by the National Arts Coalition.

The Bartel Arts Centre in the harbour in the Greater Durban area reverberated with applause as a range of diverse cultural voices cried in unison: 'At long last, artists are free!'

The launch of the Arts & Culture Trust (Act) - which sees the government and private sector enter a new partnership to nourish the arts - could take artists and their craft to unprecedented levels.

Act will be jointly funded by Nedbank, Sun International (SI) and the Department of Arts, Culture, Science and Technology with R6-million over the next three years.

Its board of trustees include Nedbank's Richard Laubscher, SI's Peter Bacon, as well as Barney Simon, Mike van Graan, John Kani, Nadine Gordimer, Njabulo Ndebele and Dawn Weller-Raistrick.

Act marks a turning point in the arts and culture struggle.

With the launch of the new body, indigenous artists who continue to work from backyards, studios, farms, small towns, big cities and offices will be able to channel their energies into creative projects.

Arts and Culture Minister Ben Ngubane is the first patron of Act.

Ngubane expressed his full support for the trust.

"Access to and participation in arts and culture are not luxuries, they are fundamental human rights which help nourish the human spirit and the soul of a nation," he said.

"I pray that this venture will be regarded as a positive signal to other companies about the creative and constructive partnerships, which government would like to build with the private sector and the arts community."

Bartel Arts Trust's Mike van Graan told City Press that the launch of Act marked a cultural milestone.

"The initiative supports the development of a vibrant artistic practice which celebrates our rich cultural diversity, and builds respect for artists and their role," he said.

Sun International's managing director Peter Bacon said his company was committed to keeping the flame of the arts alive.

Nedbank's managing director Richard Laubscher, whose bank has introduced a new range of arts and culture banking products, said they wanted to encourage society to appreciate local talent.

"Act will help fulfill one of the fundamental roles of arts and culture in our country, namely the creation of role models who will attract talented youngsters into arts and culture.

"The arts have proved one of the most effective channels for promoting harmony in this new democracy," said Laubscher.

The Act aims to:

- Advance arts and culture across all disciplines;
- Address present imbalances in disadvantaged communities;
- Enhance arts and culture in communities which have established facilities and structures, and;
- Break down barriers by promoting mutual understanding and reconciliation among South Africans.

Among the projects for which the Act has invited proposals are the identification of young artistic talent, training at all levels, building multi-purpose arts facilities, providing bursaries and introducing educational and arts-related projects, especially in schools.
New arts group to form rural links

FINDING ways of consulting with rural areas will be one of the priorities of the newly-formed Western Cape Arts and Culture Task Group advising Cultural Affairs Minister Mrs Martha Oeleke.

Dr Jacques De Vos Malan, director of the Cape Town Symphony Orchestra and Mr Gordon Metz, Fine Arts co-ordinator at UWC's Mayibuye Centre, were elected chairman and deputy chairman respectively at an inaugural meeting yesterday.

Mr Metz expressed reservations that most of the 15-person committee were Cape Peninsula-based.

The group will make recommendations for a "practical" arts and culture policy by March 1 next year.

Members are Dr Pieter Bingle, RSC Cultural Affairs director; Mrs Jo-Anne Duggan, National Gallery Education Officer; Miss Amanda Botha, media consultant; Mr H Glastra, Musical Director of MAP; Professor Pieter Kapp, Stellenbosch University History Department; Mr George Looepuyt, Cape director; Mr Peter Krumheck, African Community Theatre Service; Mr Petrus Louw, CPA lawyer; Mr Zayd Minty, CAP co-ordinator; Mrs Jennifer Morris, UCT Drama School; Mr Lulamile Siyo, UWC administration; Mr Pieter Toerien, Impressario; and Mr Louis Jensen, van Vauren, Michaelis lecturer.
Interleisure group sees good growth in the year ahead

BY CHARLOTTE MATHEWS

Ongoing expansion of the Ster-Kinekor chain, together with a promising line-up of good films, should produce strong growth in the core business of the Interleisure group in the coming year, says chairman Piet van der Walt in the annual report.

Other group activities are expected to show a reasonable growth in revenue and earnings, although this could be affected by the draft regulations on tobacco advertising if they are passed in their present form.

The board of Interleisure is making representations that regulations should restrict rather than deny cigarette companies the right to advertise.

Interleisure, whose majority shareholders are ultimately Servrog and Kearsel Investments, has five main divisions — Ster-Kinekor film distribution, Ster-Kinekor video distribution, Toron International film and TV production, advance ticket selling business Computicket and Cinemark cinema advertising.

In the year to June the group reported attributable earnings up 8 percent to R37.1 million from R35.2 million in 1993, equivalent to earnings of 19.8c (18.3c) a share. The dividend was held at 11c.

Van der Walt said the incidence of urban crime remained high, making consumers reluctant to go out at night, thereby hitting Interleisure's business, which was focused on activities away from home.

"The early indication of a pick-up in the economy will not translate into a sustainable period of growth unless the safety of people, both at home and away from home, is given priority," Ster-Kinekor films attracted 17.3 million people in the year to June, against 16.7 million the previous year.

In the current year it intends adding 32 new screens in six developments, including 15 at Sandton.

Prospects for Toron International in the coming year would be heavily influenced by the outcome of deliberations under way that would change the face of broadcasting in regulating both existing broadcasters and new entrants.

Although Ster-Kinekor Home Video had declined because of the introduction of Sunday film screenings, the merger with Doris Home Video in May and aggressive marketing had led to a resurgence of business.

The chain has begun investigating the multimedia opportunities presented for home entertainment by advances in technology.

Cinemark is only expected to benefit from a resurgence in advertising revenue in the second half of 1994, but in anticipation of an upswing in the economy it has expanded its marketing and sales team.

The entry into SA of international brands such as Pepsi, Kodak, Nike and Reebok is also positive because these are natural screen advertisers.

Computicket's prospects are positive and good revenue growth is expected as foreign performers resume their visits, consumer confidence and spending increase and the company benefits from reduced costs.

Negotiations to sell all its remaining food brands are at an advanced stage.

Without an investment in food, Interleisure's resources will be focused on its cinema operations and it will have more flexibility to select food operators for its Jumbo Centre.
the detriment of the share price.

Something else that could be upsetting the market is the emphasis placed in the annual report on the effects of social unrest on results. In fact, cinema attendances over the past two years have increased by 51%. This led to a 13% improvement in "trading density" at each of the cinemas, notwithstanding expansion of the chain from 254 screens in 1992 to 293 now.

Against this, the report tends to downplay the fact that the income statement has been under severe pressure because of the expansion programme, especially its effect on depreciation charges. These in 1994 increased by R6.5m and, over the past two years, have risen from 28% of total operating profit (including noncore activities) to 37%, fully accounting for the decline in operating profit over this period.

Fortunately, this phenomenon will abate once the expansion tails off. There may even be some relief this year owing to the agreement with Thebe Investment Corp, whereby cinemas in Black areas will be jointly developed and owned by Interleisure and Thebe's subsidiary, Moribo.

Though higher depreciation charges have flattened profits, there has not been the same carry over to cash flow — last year's gross figure of R73.4m was a record for the group and contributed to the improvement in the balance sheet.

Prospects of the group in its more narrowly focused form will depend more strongly than ever on something beyond its control — a steady supply of quality entertainment that will make people want to buy cinema tickets. As is obvious from attendance figures, it has had two good years in this regard, and chairman Peet van der Walt believes the current line-up is "promising," prompting him to forecast strong growth for Ster-Kinekor chain this year. By itself, that should be enough to lift earnings, notwithstanding a possible threat on discretions.

### INTERLEISURE

**Selling more tickets**

**Activities:** Film distribution and production.

**Control:** Jointly controlled by Karsaf and Servgro through Satabl (75%).

**Chairman:** P J van der Walt. MD: M P Egan.

**Capital structure:** 189.9m old. Market capitalisation: R645m.

**Share markets:** Price: 340c. Yields: 3.2% on dividend; 6.8% on earnings; p:a ratio, 17.2; cover, 1.8. 12-month high, 450c; low, 250c; Trading volume last quarter, 1.3m shares.

<table>
<thead>
<tr>
<th>Year to June 30</th>
<th>91</th>
<th>92</th>
<th>93</th>
<th>94</th>
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<tbody>
<tr>
<td>ST debt (Rm)</td>
<td>52</td>
<td>59</td>
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<td>1.4</td>
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<tr>
<td>Debt/equity ratio</td>
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<td>0.29 (0.02)</td>
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<td>Int &amp; leasing cover</td>
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<td>23.3</td>
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<tr>
<td>Turnover (Rm)</td>
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<td>427</td>
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<td>Pre-int profit (Rm)</td>
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<td>65.7</td>
<td>68.3</td>
<td>57.1</td>
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<td>Pre-int margin (%)</td>
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</tr>
<tr>
<td>Earnings (c)</td>
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<td>11</td>
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<tr>
<td>Tangible NAV (c)</td>
<td>59</td>
<td>58</td>
<td>55</td>
<td>51</td>
</tr>
</tbody>
</table>

**Intraleisure's decision** to refocus on its core film and cinema activities has had the desired effect of improving market perceptions, as reflected in a 24% net gain in share price over the past year. However, its failure to hold its 1994 high of 450c, and the fact that the share, now 340c, is still rated at a significant discount to the market suggests also that the ghosts of the past may not entirely have been laid to rest.

Signals from the group itself are somewhat contradictory — or could be interpreted as such. While the annual report is brimming with enthusiasm about the new course that has been set, and with the balance sheet greatly strengthened by the sale of noncore assets, the decision to hold the dividend at 11c for the fourth year could be seen as being at odds with the premise that the restructuring will restore growth.

Pursuits would probably argue that even a token increase in the 1994 payout was not warranted by earnings which, though up 6% on 1993, were 10% off the 1991 high when the dividend was first raised to 11c. The counterargument would be that in 1991 the group did not hold net cash close to R3m; nor could it look forward to a further cash inflow as it completes its asset disposals. It was then about to embark on a major expansion of cinema outlets, which would involve R39m in additional debt.

So far, the main visible benefits of the restructuring are confined to the balance sheet. Net proceeds from disposals (after minor acquisitions) of more than R60m have resulted in a turnaround from net borrowings of R38.9m two years ago to a net cash holding of R2.9m now — the balance of the funds received presumably having been absorbed in the expansion, which cost R95m over this two-year period.

The latest balance sheet is the strongest ever presented by the group, and the overall picture is further enhanced by that a reduced asset base (down from R286m in 1993 to R238m with disposals and debt repayment) has benefited most asset productivity and profitability ratios. Asset-turn, for example, has recovered from a 1992 low of 1.4 to 1.8 times; gross return on total assets, now 24%, is well above the 20.4% of 1993 when the asset base peaked.

The income statement is more difficult to assess without quantified divisional results. Performance of the core activities cannot be accurately judged at this stage, possibly
though these have come under pressure.

The squeeze shows in Kersaf's June year-end results, which saw earnings rise 9% to R175m. Though compound growth in earnings has been just 8% over the past five years, Kersaf, like most companies, needs more settled politics and a booming economy before its growth is likely to return to the 30%-40% of previous years.

It operates exclusively in leisure, mostly in southern Africa, though it holds a stake in Royale Resorts. The main investment is in 80%-held Sun International.

Group turnover of R2,22bn was up 8%, with Sun International the prime contributor (72%), followed by Interleisure (16%, see separate article), City Lodge (only for six months, contributed 2%) and unlisted Douglas Green Bellingham (10%). Chairman Buddy Hawton says the boost to turnover from the inclusion of The Lost City for the full year, compared with only seven months in 1993, was partly offset by the disposal of certain businesses by Interleisure as well as a decline in volumes at Douglas Green Bellingham.

Operating profit of R597m was 6% higher. Margin was maintained through cost reduction and efficiencies in most areas. But a marginal increase in the effective tax rate and a 41% jump in net interest costs constrained the EPS advance. So did a 2% increase in issued capital on the acquisition of an interest in City Lodge.

Seen against capex of more than R1,5bn over the past three years, Kersaf's balance sheet is in good shape. Debt is similar to 1993, though gross gearing has improved at 20%. Cash of R699m more than offsets R530m debt. Kersaf appears to have the will and the means to continue expanding without placing strain on resources.

Behind the lacklustre growth is the performance of 32%-owned SunBop, which contributes 42% of Kersaf's attributable profit. SunBop's 1994 earnings rose just 3%, affected by socio-political unrest and the expansion of illegal casinos.

The performance of Transkei Sun, in which Kersaf holds an effective 43% interest, improved substantially. Turnover increased 21%, thanks to successful casino promotions rather than revenue from hotel occupancies, which remained at the previous year's sluggish levels. A 13% increase in the tax bill — reflecting the transition levy and the allowances on capital expenditures — was more than offset by the reduction in net interest expenses and the improved operating margin. Earnings were up 19% to R52m.

At Ciskei Sun, earnings increased 20% on turnover up 8%. The same cannot be said for contributions from Royale Resorts, which have fallen for two consecutive years to around R65m, and Douglas Green, which Hawton concedes made a loss during the year. Aside from the tough trading in the liquor market, Kersaf incurred one-off costs in restructuring its liquor interests.

With Sun International and the offshore interests expected to perform better, analysts are forecasting EPS growth of between 10% and 15% this year. That puts the counter on a prospective p/e of around 14.5 compared with SunBop's estimated forward p/e of 11.4. Investors who are bullish about the future performances of Interleisure and Kersaf's unlisted interests should make use of the price weakness and buy. Marlene Craig

**KERSAF**

**Over the worst?**

*Movies are still, but only just, an affordable luxury and, surprisingly, so are trips to the tables of far-flung casino resorts,*
CNA Gallo shows earnings increase

AMANDA VERMEULEN

INCREASED consumer confidence helped CNA Gallo post a 13% increase in attributable earnings to R15.2m in the six months to September.

Earnings per share increased to 4.5c (4c) and an interim dividend of 1.5c (1.4c) was declared. The board said it would make a capitalisation share award with a cash dividend alternative.

Turnover showed growth of 18% to R394.7m while operating profit increased 27% to R25.2m. Net financing costs of R6.4m (R3.8m) and tax of R6.8m (R5.6m), combined with share of associates' earnings of R2.9m (R3.7m) and retained earnings of R4.9m (R5.7m), left taxed profit almost 13% higher at R15.3m.

The board said the increase in turnover had followed improvements in consumer sentiment and further success in developing new product opportunities.

Associate company earnings showed a 32% decline due to seasonal losses incurred in Heinemann Publishers and a reduced contribution from the group's interest in stationery manufacturing.  

While it was expected that Heinemann would report a profit for the financial year as a result of a higher level of sales during the scholastic season, the stationery manufactures had also opened at Hyde Park, while the Cresta CNA had been refitted. The group said these developments were trading ahead of expectations.

The music market had been particularly buoyant thanks to the many big-name music artists performing in SA.

The group's focus had been on reducing stocks, which had been the main factor in producing a R28.4m cash flow from operations. Borrowings decreased by R17m and the market value of listed investments increased 100% to R72.6m.

The board said the greater part of earnings would be achieved in the second half of the year, in line with tradition.
Restructured M-Net’s profit falls

M-Net

Finance costs dropped substantially to R42 000 (R47,7m), while the tax bill fell to R4,7m (R24,2m), which saw after-tax profit slide 6% to R14,3m.

No dividend was declared as it was company policy to pay a single dividend at the end of the financial year.

Chairman Ton Vosloo said the group’s penetration in the local market was high but there was potential for further expansion in other African countries.

Financial director Steve Pacak said M-Net was likely to show year-on-year earnings growth of 15%-20% for the year.

MultiChoice — which drew its income from subscriptions — reported an attributable loss of R32,6m (R56,6m profit). The directors said development costs at MTN, M-Tel and Filmnet had taken their toll.

Turnover for the period rose to R493,8m (R375,7m) on the back of “satisfactory growth” in subscriptions. The group showed an operating loss of R37,2m (R35,3m).

Finance income fell to R112 000 (R10,6m) and the tax bill was marginally higher at R22,7m (R22,5m).

This left losses after tax at R59,8m (R49,9m loss) and attributable losses rose to R33,6m (R19,9m). No dividend was declared and gearing was at 12%.

Cellular phone company MTN — in which MultiChoice had a 25% stake — showed “rapid growth” which had exceeded expectations, Vosloo said. But it would take about two years before it broke even owing to high development costs.

Cellular service provider M-Tel was also meeting expectations, the group said.

Nethold — the group’s European operation — had performed “satisfactorily” during the period. Filmnet was still reporting losses, but was likely to break even during calendar 1996.

There was “no question” that MultiChoice would continue to show losses over the next two years as it continued to develop its operations, Pacak said.

The directors cautioned shareholders that negotiations which could have a material affect on the shares of both M-Net and MultiChoice were still under way.
M-Net reaps benefit of more subscribers

BY CHARLOTTE MATTHEWS

Steady growth in subscribers and advertising revenue boosted M-Net's attributable profit to R14.5 million in the six months to September.

Comparisons with the previous year are meaningless since M-Net transferred some of its businesses to MultiChoice in October 1993.

The two companies now trade as a single linked share on the JSE.

M-Net's turnover was R282.7 million, on which operating profit of R24.3 million was made. Earnings per share were 66c.

The company's policy is to declare only a single dividend at the end of each financial year.

The number of M-Net subscribers at the end of September, was 900,000 and various M-Net channels are now available in 32 countries in Africa.

M-Net chairman Ton Vosloo said yesterday there was still some scope to expand penetration of the SA market, already high.

Elsewhere in Africa penetration levels were still low and there was substantial potential to expand the number of subscribers.

M-Net transmissions to Egypt begin next month.

MultiChoice, whose businesses are subscription management services, specialised, services and cellular telephones, made a bottom-line loss of R22.7 million, on turnover of R493.8 million.

The loss was mainly because of the investment of R131.6 million in new developments in pay TV and cellular phones.

Development losses are expected to continue for the next two years before overall profitability is achieved.

This translated into a loss of 14.7c a share compared with a loss of 9.6c a share in the six months to March 1994.

At the end of September, MultiChoice offered subscription services to 600,000 households.

FlamNet, which offers European subscription TV channels, had lifted its subscriber base to 715,000 from just under 700,000 six months previously and was targeting to reach 800,000 homes within the next year.

Cellular phone operator MTN, in which MultiChoice holds a 25% stake, has substantially exceeded budgeted growth.

Vosloo, who is also chairman of MultiChoice, said the company was gratified with this performance.

Cellular service provider M-Tel, 60% owned by MultiChoice, is also meeting expectations.
MINISTER of Trade and Industry Mr Trevor Manuel said yesterday Ster Kinekor had been prohibited from showing films at the Mascgrave cinema complex in Durban.

He said the directive, recommended by the Competition Board and published in a special Government Gazette yesterday afternoon, would apply until the board had completed an investigation.

It had been issued to prevent Avalon Cinemas suffering damages should Ster Kinekor be involved in restrictive practices. — Sapa
Servgro thrives on good times

A SURGE in tourism and leisure helped Servgro to lift earnings 16% to 25,2c a share in the six months to September, writes JULIE WALKER.

For the first time, the company gives a breakdown of contributions to attributable income. Risk consulting and insurance services (Price Forbes) is the biggest contributor with 31% of the R32-million earned, followed by 26% from cinema and film (Interleisure), 16% from travel and fleet services (Avis and Interpark), 13% from Teljoy and 9% from catering and hotels (Fedics and Protea).

Peet van der Walt, Servgro's executive chairman, says catering Fedics and car rental group Avis had a strong six months.

He says the travel business, at present, is "just booming. Hotel group Protea picked up from July.

Servgro is to buy another 14,7% of Price Forbes from an offshore seller to give it 55%.

It will place 7,5% of Price Forbes in a trust for future allocation.

Mr Van der Walt expects Servgro's earnings to climb at an even faster rate in the second six months -- this as a result of improving trading conditions.
Millions to flow into RDP with early-1995 lottery launch

Betting bonanza!

Legislators are considering a national state lottery, and the department of social development's paper on the matter will be published next week in the government gazette. The paper will outline the legal framework, the licensing system, and the potential revenue generated by the lottery. The lottery is expected to be implemented in the 1996 financial year.
Boomtime for restaurants as tourists stream through

COLIN DOUGLAS

CAPE restaurants are enjoying record-festive-season trade, thanks to a surge in tourism.

Most restaurateurs interviewed by Weekend Argus reported peak season turnover increases well above budget.

Many predicted that good times would last right through to the Rugby World Cup in May.

"The Christmas weekend produced our highest turnover ever," said Deon Jobeart, manager of Blues in Camps Bay. "The tourist trade is unbelievable. At night, 90% of our customers are foreigners."

And a spot survey suggested visitors were pleased with the fare. Visiting British yachtsman Tony Lynes, who spends most of the year in Antibes, France, said the quality of food and service offered by the Cape's upmarket restaurants equalled that of the South of France.

Confirming the buoyant season for restaurants, St. Elmo's managing director Ian Halton said: "The season has been tremendous so far. Our turnover is up at least 20% on last year, while turnover at our Sea Point delivers is up at least 30%.

Mr. Halton attributed the boom to tourism, less wind this year, than last and improved socio-political conditions.

He said he was hopeful that strong trading would last right through to the World Cup.

Joint chief executive of the Steers chain, John Komitis said the chain had experienced a 20 to 25% increase in festive-season turnover on last year, with some outlets enjoying upswings of as much as 80%.

While Mr. Komitis was positive about the opportunities offered by the World Cup, he warned that Cape Town needed to do more to sustain the growth in tourism.

"There isn't enough to do in Cape Town. Unless things change, tourists won't come back."

Spur Steak Ranches' Trevor Wyborn also reported "a very substantial increase in turnover in 90% of our stores.

Most restaurants reported that the surge in trading had started only in mid-December.

"It really started pumping from the 20th," said Steers' John Komitis.

Blues and the Waterfront's Morton's were the exceptions, reporting very strong trading in November and earlier.

Both restaurants have large numbers of foreign customers and were well positioned to capitalise on the foreign tourist season, which runs for longer than the school holiday-restricted domestic tourist season.

The restaurant boom has also made itself felt in Hout Bay, where Mariner's Wharf reported waiting lists late into the afternoon, and Blouberg, where the Blue Peter almost doubled turnover from its normal trade.

But, Hilary Flachhoff, owner of Muizenberg's Shrimpton's restaurant, said the tourism surge had not reached Cape Town's False Bay coastline.

"I've hardly seen a foreigner. Trade is very erratic - there's no guarantee of being full on any night."

"Everybody on False Bay says there's no tourist trade. We're the Cinderella of Cape Town..."

"I'm still confident that we'll get busy later on, but it does get depressing."
Anger over interpretation

MEC denies he plans to replace PACT

BY JO-ANNE COLLINGE

PWV MEC for Arts and Culture Peter Sosana is outraged that his moves to restructure the board of the Performing Arts Council of the Transvaal (PACT) have been presented as a ploy to attack Afrikaner culture by selling off the State Theatre in Pretoria.

"If I wanted to kill PACT, why would I bother to have the board restructured?" he asked yesterday.

Sosana was reacting to a report in an Afrikaans weekend paper which claimed he was "obsessed" with the State Theatre and wanted to kill Afrikaners in Pretoria a hefty blow.

Sosana said it was to pre-empt any possible selling-off of PACT's property that he had linked the question of control over its assets to the restructuring exercise.

He confirmed that he had sought approval from the PWV government last week to reconstitute the board and to empower the new board, in consultation with himself, to alter its articles of association and to buy or sell assets.

Uncertain

A decision was not taken, he said, because there was uncertainty whether the proposed moves were within provincial powers.

The restructuring of the PACT board was simply part of a process in which many publicly funded structures were being reconstituted to make them more representative, Sosana said.

"We can't say we are absolutely forbidden to go beyond PACT," Sosana acknowledged.

"But we need to find a reasonable formula for sharing it."
Police raid casino, arrest woman

Staff Reporters

POLICE raided at least one Cape casino last night and arrested a woman as they enforced the Supreme Court order this week outlawing illegal gambling.

The raid was carried out on Caesar's Palace in the Strand. No punters were arrested.

The raid followed the rejection earlier this week by the Supreme Court of an application by three city casinos for an order preventing police action against them until their legality had been decided by the Constitutional Court.

Caesar's Palace casino was the first to be raided since the court case.

The woman arrested was later released on written warning and will appear in court soon.

Earlier yesterday, Caesar's Palace owner Mr Pip James, said he was "not closing" his casino. "I am shredded by the banning but the police are decent and reasonable and they will give us time to wind up our business affairs," he said.

Police spokesman on casinos, Colonel Raymond Dowd, was not available for comment last night despite several messages left for him by the Cape Times.

Other city casinos contacted were still operating as usual.
Township cinema franchise venture

AMANDA VERMEULEN

The launch of a new cinema exhibition franchise company this week will lead to the establishment of at least 100 cinemas in black townships at a cost of up to R400m during the next five years.

The company, Maxi Movies, was set up by former Nu-Metro MD Sven Nothard and would be financed by NedEnterprise, part of the Nedbank group.

Nothard said the concept, which provided opportunities for black entrepreneurs and would provide affordable entertainment for the communities in which they operated, involved 94-seat theatres using high-technology video projection equipment to show films. It had been implemented successfully in Japan.

"The cinemas will be relatively inexpensive to establish and run, and tickets can be sold at a fraction of the cost charged by traditional cinemas."

The cost of setting up would range from R200,000 to R480,000, depending on site and building costs.

Each franchisee would put up R40,000 and the balance would be supplied in loans by NedEnterprise. A six-year repayment period was envisaged.

The first Maxi Movie cinemas would open in Mabopane on Friday.

A Nu-Metro, SA's second largest cinema chain, announced recently it was considering the franchise option to take cinemas into the townships. However, Nothard said talks with Nu-Metro had fallen through.