

TRANSPORT- PRIVATE-GENERAL

1992

MAY - DEC,

# Flitestar gets go-ahead to fly to Bahrain

FLITESTAR has been granted permission to fly to Bahrain in the Persian Gulf, making it the second SA airline — after SAA — to get the go-ahead for intercontinental flights.

The return fare would be less than R2 000, an airline spokesman said.

The National Transport Commission yesterday approved Flitestar's application — which was not opposed by SAA — to fly to the tiny Gulf state. The airline has already secured landing clearance.

131 Dec 14/5/92  
**STEPHANE BOTHMA**

At this stage, the licence is for a non-scheduled service.

Flitestar MD Jan Blake said that initially there would be one flight a week, at weekends. A 131-seater Airbus A320 would be used and flights were expected to be about 70% full.

"We intend to start this service in October to coincide with the Dubai Trade Show, a Safto-organised event," said Blake.

332  
The service was expected to attract a mix of tourist and business passengers in both directions, the airline spokesman said, adding that local game park and casino resorts held particular appeal for visitors from the Gulf.

The spokesman said Flitestar was still awaiting the outcome of its application to fly to Mombasa and for approval to fly to Bombay, Delhi and to the Seychelles.

It was not looking to fly to the Americas or the Far East and Australia.

# Industry's ship is coming in

Bloody 18/1/72

332

DURBAN could be at the centre of a revitalised SA shipbuilding industry.

When the 10 000 dwt container ship Cape Bonavista was delivered to its German owner in February, it heralded SA's return to international shipbuilding. Since then another vessel has been launched in Durban for fitting out and delivery during September.

Both ships were constructed by Dorbyl Marine.

MD Joe Bullough is confident that the industry can be used as a catalyst for economic growth.

Says Bullough: "Korea began its shipbuilding at the same time we did, 1969, and used the employment multiplier effect to stimulate its economic drive.

"It is generally recog-

nised that between five and seven jobs are created for every one on the actual ship construction, if the sub-contractors, manufacturers and suppliers that support the industry are considered."

## Upgraded

After being awarded a R300m contract for three 10 000 dwt container vessels, Dorbyl Marine not only upgraded its Durban facilities but also employed a larger workforce and embarked on an intensive training programme. This training includes skills upgrading, job enrichment, literacy and basic skills training.

During the sanctions years the company diversified into dished end manu-

facture and the provision of fabrication and mechanical engineering facilities. Now the company looks set to place Durban on the shipbuilding map.

Bullough says: "There are several factors in Dorbyl Marine's favour.

"The world's fleet is aging and apart from the ship repair work that will result, ships are going to have to be replaced.

"The Eastern Bloc countries used to build ships regardless of cost in an effort to earn foreign exchange. Now they are having to compete on the same basis as everyone else. Furthermore, it looks as if the EC is set to scrap subsidies to the European shipyards."

Durban's geographic po-



JOE BULLOUGH

sition allows Dorbyl Marine access to the shipping lanes off the east coast of Africa and the weather enables it to build all year round.

"Our workforce is experienced and we enjoy an international shipbuilding reputation for good ships," says Bullough.

# Taxi drivers score a victory

332

By DAN DHLAMINI C/P 10/5/92

TAXI operators scored a partial victory this week when Transport Minister Piet Welgemoed temporarily suspended the new regulation to phase out the indefinite period taxi permits and the implementation of the Road Transport Quality System.

This follows a serious clash between taxi operators and the Road Transportation Boards which announced that the indefinite period taxi permits were to be scrapped with

immediate effect.

More than 4 000 minibuses with more than 5 000 operators from various taxi associations from the Vaal, Orange Free State and the western Transvaal, temporarily brought Potchefstroom to a halt on Friday when taxi operators marched to the RTB offices to demand the resignation of the board's secretary, J Terre'Blanche.

The operators from various taxi organisations forgot their differences this week when

they spoke in one voice accusing Terre'Blanche of having initiated the move to phase out the taxi permits for which they paid R100 each and regarded as lifetime investments.

Western Transvaal Taxi Association chairman TS Seekane said a mass meeting would be held this morning at Sasolburg's Boiketlong Community Hall where the operators would get feedback and be briefed about new developments.



**Up to 5% growth possible, —Toyota chief**

SI Times (BUSS) 10/5/92

By DON ROBERTSON

POLITICAL stability could be achieved in SA in the next five years and a growth rate of between 3% and 5% is possible.

But it will depend on the foreign investment and SA's access to international borrowing, says Toyota SA Marketing managing director Brand Pretorius.

Accepting an honorary professorship of business economics at the University of the Free State this week, Mr Pretorius said businessmen should be aware of the social, political and economic changes taking place.

They should not adopt a wait-and-see attitude. This, he said, often translated into "corporate paralysis".

## AIDS

A mixed economy was likely to develop and government intervention would take place on a wide front with the aim of achieving a more even distribution of wealth.

The government of tomorrow would be aware, however, that the key to long-term stability lay in sustained economic growth.

Mr Pretorius said urbanisation was expected to increase. By the end of the century 10-million South Africans would depend on informal housing. By the same year, 370 000 people would suffer from AIDS and the population would be 45-million.

Blacks would make up 10% of the A income group and 45% of total disposable income would be in their hands. The shortage of white management skills would increase.

Blacks would make up 84% of secondary school pupils.

# Taxi sales slump as bad debt rises

SI Times (BUSS) 10/5/92

332

By DON ROBERTSON

GROWTH in the black taxi industry has come to a virtual standstill because of high finance costs and an increasing incidence of bad debt.

In the past 18 months to two years, minibuses were snapped up at a rate of about 600 a month for use as taxis. Sales virtually dried up in January and February this year.

Members of taxi associations and the finance houses are not confident about the future.

## Size

A spate of payment defaults has forced some institutions to demand much higher deposits than before and reduce repayment periods. This makes it extremely expensive for aspirant taxi owners to enter the business. A 16-seater minibus costs about R65 000.

The Southern African Black Taxi Association (Sabta) and the Federation of African Business and Consumer Services (Fabcos) operate the Sabta Foundation, a stokvel group to which members contribute. Traditionally, taxi operators pay about 30% of the value of the vehicles into a fund which is used to cover bad debts by members.

Philip Van den Heever, marketing director of Futurebank which administers the foundation, will not disclose the size of the fund. But sources say it has been whittled away from R60-million to about R17-million.

Futurebank, which took

over the taxi financing book of Wesbank towards the end of March, says business is dead. Most minibus purchases are now mostly for replacement.

Wesbank was by far the largest financier in the taxi market.

Sabta marketing director Cyprian Lebesse says he is not confident about the future.

Because of the foundation's past success, Sabta members are able to buy minibuses with a deposit of between 15% and 20%. Non-members put down between 40% and 50%.

The decline in minibus sales has been a severe blow to motor manufacturers.

Mr Lebesse says that in previous years, minibus sales to members totalled about 400 a month. This represents about two-thirds of the taxi business, he says.

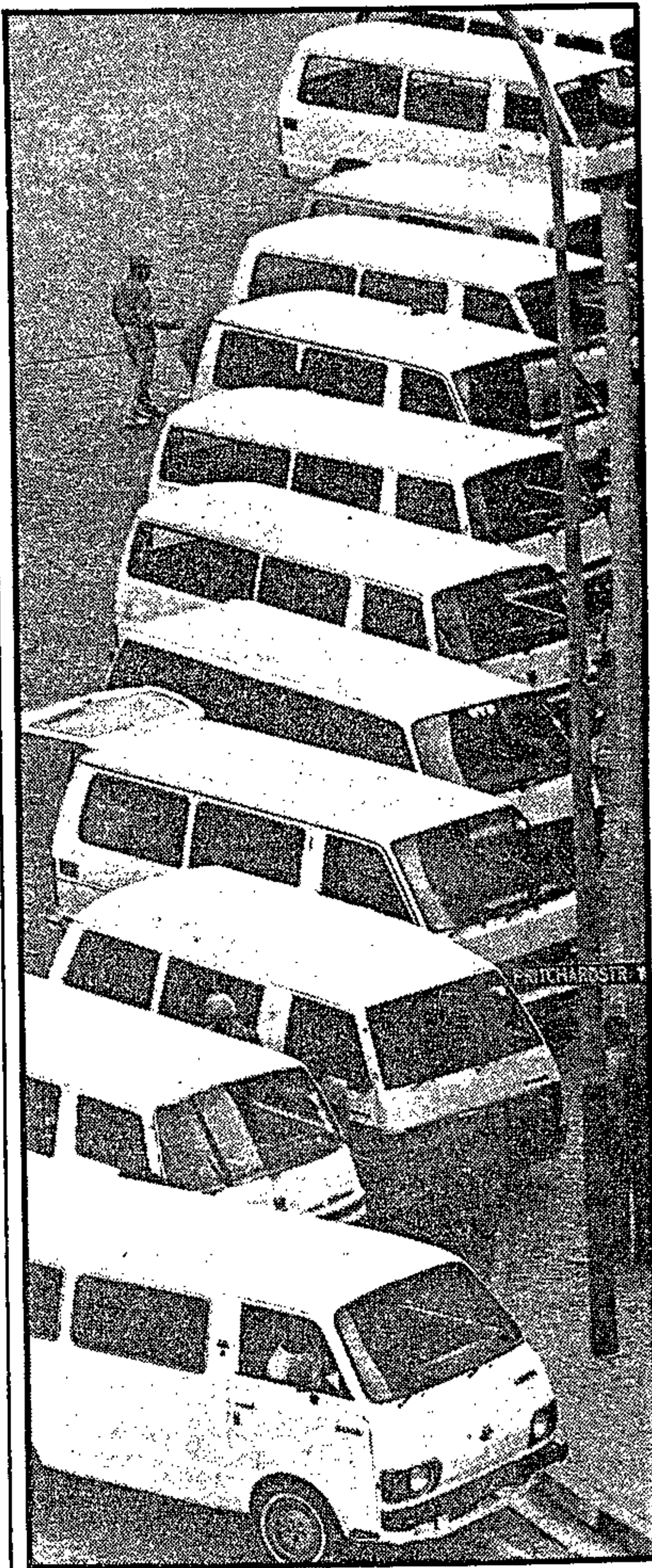
## Steadily

"Since January last year, purchases have fallen steadily. They dropped to about 80 in the first two months of this year."

He blames high interest rates, the cost of finance and a general decline in the economy.

Futurebank, owned 49% by First National Bank and 44% by Fabcos, has about 4 500 taxis on its books.

Although Mr Van den Heever is reluctant to appear too confident, he says sales have picked up since his organisation took over financing from Wesbank. Purchases in April rose by about 60%.



OLDER AND OLDER: The taxi fleet ages and minibus costs soar

## Nestle sells dairy arm

NESTLE is selling its refrigerated dairy division Chambourcy.

This follows the disposal of its Lecol beverage interests to Royal Beechmut. Nestle corporate affairs manager David Upshon says the group is focusing on market areas which offer the best growth potential — confectionery, instant drinks, milk powders and condensed milk.

"Nestle has been operating in SA for 76 years and it is our intention to continue expanding our operations and seek other areas of opportunity to fit in with our overall strategy," says Mr Upshon.



Staff Reporter

332

Commuters have claimed that despite a call for lower minibus taxi fares during a six-day boycott of trains on the Reef, Soweto Taxi Services (STS) members continued to charge higher fares.

Minibus taxi fares were raised in some cases by nearly 70 percent, three days before the boycott came into effect. Sabta said the increases had been scheduled before the call for a train boycott.

The Star has learnt that the STS was an independent organisation which did not hold itself bound by Sabta's decisions. Organisations such as the Diepmeadow, Witwatersrand and Bara-City Taxi Associations which are affiliated to Sabta and serve parts of Soweto

including Emdeni, Pheteni, Diepkloof and Dube did lower their fares. This was confirmed by commuters on queues to those routes. Most Alexandra taximen also heeded Sabta's call, the survey revealed.

The call was also honoured by taxi drivers from East Rand townships. "The whole thing is a confusion. Some drivers just won't heed the reduction call and we've got no choice but to pay for what they ask," said James Mkhwanazi, a resident of Spruitview, near Vosloorus. The boycott of trains was called by ANC-allied organisations to pressure Spoorneet to step up security on the trains to ensure the safety of commuters. Sabta and the STS could not be reached for comment.

## Taximen blasted for climbing on bandwagon

STAR 11/5/92

## Taxi drivers turned blind eye 332

THE call by the Soweto Taxi Association for taxi fares to be reduced by 20 percent during the train boycott period was ignored by most taxi drivers.

The STA had decided, at its meeting held at Orlando East on Thursday, to cut fares in solidarity with the plight of thousands of stranded commuters.

*C.P. Press 10/5/92*  
A City Press reporter boarded a taxi from Orlando to Johannesburg this week, a trip which normally costs R2. In paying, he gave the driver R1,60 but the driver shouted at the reporter, saying he should not try to be smart. After a long heated argument, backed by most passengers, the reporter gave in and paid the usual amount.

# The killers still stalk taxi rank

By MONWABIS  
NOMADOLO

POLICEMAN Wellington Deyi - identified as the notorious "taxi-war hitman" - is dead, but the almost year-long Springs taxi war is far from over.

Taxi drivers believe Deyi was framed for the violence while the real culprits are still on the loose.

A group of drivers has called for the intervention of the Goldstone Commission of Inquiry to help stop the violence.

Deyi was fatally shot by policemen in his bedroom during an early morning raid at his home in Kwa-Thema on Monday April 13 after he allegedly pointed a firearm at a policeman.

## 'No firearm'

His family has denied that he had a firearm.

Police said they had a warrant for his arrest after he was implicated in an attempted murder involving a taxi vehicle.

So far, 33 people have been killed and more than 100 injured since war erupted between the Springs Taxi Association and the Sinamuve Long Distance Taxi Association.

East Rand police spokesman Lieutenant Wikus Weber confirmed Deyi was shot by police after threatening them with a firearm.

"He was really a bad man," Weber said, adding that he had been suspended from the force at the time of his death due to his alleged involvement with a gang which spread terror in the townships.

Weber said when Deyi was shot, police had a warrant for his arrest. This followed an incident in which he allegedly fired on a taxi from a car on the N17 freeway on April 11, injuring the taxi driver and a passenger.

The spokesman said police had to force entry into Deyi's house after he refused to open the door. Police had no option but to shoot after he pointed a firearm at them.

Police found a baby Browning pistol and another pistol allegedly stolen from police, he said.

However, Weber could not confirm that Deyi's wife was also arrested by police and later released on R500 bail for possession of an illegal firearm.

## Scapegoat

Deyi had several cases against him allegedly involving murder and attempted murder.

Deyi was buried in the Transkei last weekend.

A taxi driver, who wished to remain anonymous for fear of his life, said police wanted to make Deyi a scapegoat now that he could not speak for himself.

## Shipping merger 332

THE Transvaal and Natal operations of TRT Shipping have been merged with the national ones of Circle Freight International. The new company, Circle Freight International SA, a division of Barlows Shipping Services, will use the resources of Circle Freight and its international associations.

American-based Direct Container Lines, whose transactions were previously handled through TRT Transvaal, will now control its affairs from its own offices.



# Taximen fume over permits

CLM 25/92

By DAN DHLAMINI

MORE than 3 000 taxi operators united on Friday against the Road Transportation Board, which has scrapped indefinite taxi permits.

Operators from several, often warring organisations, met in Potchefstroom where they called for the resignation of RTB secretary J. Terre Blanche.

The RTB has demanded that operators produce their vehicles' certificates of fitness within 21 days, failing which, they would be cancelled.

Operators have threatened to bring Potchefstroom to a halt on Friday by blocking all the streets.

## COMPANIES

### Longrail benefits from new law

LOCAL and long-distance road haulier Longrail improved profits in its financial year to February 1992 by investing in custom-designed trailers and converting existing trailers to improve utilisation.

Longrail financial director Andre Pretorius said the conversion of trailers and the building of new trailers with improved efficiency was made possible by the passage of increased combination vehicle and trailer dimension legislation towards the end of 1991.

Longrail's 1991 annual report predicted that if the maximum vehicle dimension allowances became official, the group's carrying capacity could increase by 15%. Longrail operates a fleet of about 150 mechanical horses and more than 250 trailers.

Its results published today do not disclose turnover.

Income before interest and tax was maintained at R6,4m. Interest paid declined marginally to R2,1m from R2,3m bringing pre-tax income marginally higher at R4,2m compared with R4m last year. Taxation was lower at R1,8m from R2,3m.

EDWARD WEST

After including outside shareholders' interest of R90 000, net income before extraordinary items was 46,5% higher at R2,3m from R1,6m. (332)

A R1,6m extraordinary item written off brought net income to R716 000, up from the R131 000 loss reported last year.

The item — related to an adjustment to the carrying value to subsidiaries caused by the divisionalisation of the group and on consolidation — represented a write-off to goodwill. B10<sup>00</sup> 4/5/92

Directors forecast earnings growth in the year ahead.

They also hoped to maintain current favourable industrial relations which were essential to the efficient operation of the haulier's business.

Earnings a share increased 46,2% to 7,6c from 5,2c a share.

Dividends amounted to 1c a share at the interim period and 3c a share, paid to shareholders in November 1991 and April 1992 respectively.



# London for under R500 Virgin's aim

STAR 415792

By Garner Thomson  
Star Bureau

332

LONDON — Flamboyant Virgin Atlantic chief Richard Branson is planning to fire the first shot in South Africa's forthcoming "open-skies" air ticket war with promotional fares from Johannesburg to London of less than R500.

And the move — just one with which Virgin hopes to net people who don't normally fly — is bound to renew the clash between Virgin Atlantic and British Airways, both of which are now involved in legal action over claims of "dirty tricks".

Mr Branson is enthusiastic about cost-cutting charter companies rushing into the South African market, and his senior staff ensure inquirers that he has no intention of poaching existing passengers from established airlines, but would find about 160 000 new passengers every year.

However, R495 — the magic figure which captured a huge

slice of the UK-US route — compared with BA's cheapest return ticket of about R3 600 is destined to make competition from the major carriers pretty slight.

Outside of Virgin promotions, fares to and from London are expected to be up to 40 percent less than the norm — and Mr Branson is predicting that new competition should not only serve passengers better, but "increase the size of the market two or threefold".

Although final discussions still have to take place between the British and South African governments on the deal, Mr Branson is proceeding as if everything is already in the flight bag.

A senior executive confirmed at the weekend that airlines had been bought and other arrangements were going ahead on the understanding that the message in a week or two will be a final official thumbs-up.

The mood inside the Virgin Atlantic empire is excited. "It has been a tremendous challenge trying to break the mo-

nopoly and we've been keeping our fingers and toes crossed," Mr Branson said.

Virgin Atlantic is confident that a five-times-a-week service will be in operation between London and Johannesburg before the end of the year.

● Transport and aviation officials from Malaysia and South Africa will meet in Kuala Lumpur from May 18 to 22 to discuss a bilateral air services agreement, Transport Minister Ling Liong Sik said at the weekend.

The meeting had been set during talks with Transport Minister Dr Piet Welgemoed in Cape Town last week.

Mr Ling said agreement had been reached in principle to grant Malaysia Airlines the right to fly to South Africa and carry passengers and cargo to other destinations.

The South African national airline would be granted Malaysian landing rights and be allowed to take passengers from Malaysia to other points.

● Europe's 'snowbirds' key to boom — Page 9

## Winnie re-elected Women's League head

Staff Reporter

STAR 415792

Winnie Mandela was yesterday re-elected as chairman of the ANC's PWV Women's League, the region's publicity secretary Ronnie Mamoepa said last night.

It is believed that Mrs Mandela, recently estranged from ANC president Nelson Mandela, was unanimously proposed by delegates from most — if not all — branches of the league in the PWV.

Other members of the region's executive elected yesterday are Gwendoline Mahlangu as deputy chairman, Lindiwe

Maseko as general-secretary, Maria Mojapelo as assistant general-secretary and Marjorie Nkomo as treasurer.

Sapa reports that Mrs Mandela was not available for comment, but other executive committee members said her re-election was unopposed because of the unselfish efforts she had made on behalf of women who needed her for direction.

Two other nominees for chairman, Amina Cachalia and Mavivi Manzini, chose not to stand for the position.

The elections were run by the Independent Mediation Services of SA.

Mrs Mandela quit her post as

head of the ANC's welfare department shortly after her husband announced their official separation at an emotionally charged press conference in Johannesburg last month.

She came under the media spotlight again recently when new allegations emerged linking her to the murder of Azanian People's Organisation health secretary Dr Abu Baker Asvat, as well as the murder of young activist Stompie Seipei.

Mrs Mandela is currently out on bail pending her appeal against her conviction for kidnapping and as an accessory to the assault of five youths in Soweto in 1989.

In the comp

## 'dangerous' former attorney

member of fraud cases, capped from Pretoria central police station. Captain Louw described the suspect as

was rearrested in Johannesburg but managed to escape.

He was again arrested on Wednesday in Pretoria.

police appointment certificate in the name of a Sergeant Venter as well as identity and credit cards in the name of J.C.

# Hauliers' figures reflect road transport decline

8/10/92 5/5/92 332  
THE continuing decline in road transport activity has been reflected in the recent poor results of many of SA's listed road hauliers.

Furniture transport specialist Laser Transport reported a slide in earnings to 2,6c a share in the six months to March 1992 compared with 15,9c a share in same period a year ago. The group managed to increase market share in spite of "severe price competition" in a business environment "littered with casualties".

Cargo Carriers failed to realise forecasts made at its half year and saw its profits free-fall to a R3,5m loss in its financial year to February 1992 from a R867 000 loss in the previous year. It blamed the drought, the recession and industrial action for the declining profitability.

In its six months to end-September Unitrans cited falling profit margins to 14,1% from 17,4% as an indication of the difficult trading conditions. A surplus of equipment in the industry and the diminishing availability of new work had put pressure on profit margins. It reported a sluggish 5,4% increase in earnings to R15,3m.

"If you plan to go into business, forget about starting a road transport company," National Association of Private Transport Operators (Napto) executive director Andre Jacobs said yesterday.

He said hauliers were operating with input cost increases far higher than the rate of inflation. For example, hauliers' fixed capital cost increases amounted to an average of 31% over the past three years. A major input in this percentage

EDWARD WEST

was trucks, the cost of which nearly doubled every three years, he said.

Referring to a recent study conducted by the Rand Afrikaans University, Jacobs said hauliers were averaging a return on investment of 3% to 4% a year.

His view was supported by Road Freight Association spokesman Hugh Sutherland who said industry tonnages of goods transported were at the same levels as in 1988.

Central Statistical Service statistics show the total tonnage carried in 1991 by non-government hauliers and Transnet fell by 4,5% to 413,8-million tons when compared with 433,3-million tons transported in 1990. Total transport earnings in 1991 increased by 11,3% to R4,47bn compared with R4,02bn in 1990.

## Increases

Sutherland said most hauliers operated in a variety of markets and because profit margins were thin, any disruption in a particular market sector, such as the effect of the drought on maize tonnages, had a major impact on profitability. He said transport rates were relatively low in comparison to operating cost increases.

He believed there could be a reshuffle of transport contracts with the introduction of the first phase of the road transport quality system on July 1. Shippers generally shopped around for better rates and service with the introduction of a new phase of government's plans to deregulate road transport, he said.



over to the police.

## Contracts for SA firms cause row <sup>332</sup>

HARARE — Some Zimbabwean hauliers are upset that South African firms have been awarded contracts to move a third of the maize shipments coming to Zimbabwe by road from South Africa.

The Zimbabwean road transport companies say they have been refused permits to operate in South Africa.

Most of the maize, about 75 percent of the 1.2 million tons for Zimbabwe, will be transported by rail, — Star Africa Service. *STAR 5/5/92*

in  
dis  
re  
the  
m  
m  
ag  
F  
sc  
ele  
w  
m  
den  
sho



# Suspend taxi fare hike says Sabata

Sowetan 6/5/92

332

**THE Southern Africa Black Taxi Association (Sabta) yesterday called on all taxi owners to suspend the fare increases which came into effect on the first day of the Reef train boycott.**

The call from the country's largest taxi organisation came amid an uproar over the fare increases of up to 70 percent.

Passengers have complained they are being charged up to R6 from Soweto to Johannesburg.

The boycott was called to protest against train kill-

**By Sowetan Correspondent**

ings and for the introduction of adequate security for commuters.

Thousands of commuters continued to support the boycott yesterday, with many early-morning Soweto trains empty.

A Spoorneet spokesman was reported as saying the passenger load on Reef trains had increased to 85 percent on the second day of the protest.

Shots were fired at a commuter train between Braamfontein and Springs

stations around 7am yesterday, according to police spokesman Warrant Officer Andy Piek.

He could not elaborate as blood was only found in one of the coaches and there was no sign of wounded people or witnesses.

Piek said this was the first shooting incident involving a train on Witwatersrand routes, except Soweto, so far this week.

Meanwhile Mr Cyprian Lebesse, Sabta's marketing director, yesterday also admitted that the taxi industry could not cope with huge commuter queues in the

black townships during the train boycott called by the Boycott Co-ordinating Committee (BCC) comprising Cast, ANC, PAC, SACP, Cosatu, Nactu and ICT.

Lebesse said: "We're not coping with the influx of commuters. We've had a few problems with our own ability and capacity, which is limited for the long taxi queues."

"The taxi industry cannot replace any other mode of transport. We ask for co-operation from taxi operators and commuters."

Lebesse denied reports that his organisation, by

increasing fares, exploited the train boycott.

"The increases have nothing to do with the train boycott. This increase was discussed in February with Cast."

Asked how much time his organisation gave to commuters before introducing the taxi increases, Mr Lebesse said: "Our prescription is 60 days' notice, but I cannot say whether this was done by all taxi operators."

"I know that taxi operators did notify commuters through stickers placed on taxis." - *Sapa*.

# SA and Zimbabwe agree on transport of relief food

PRETORIA — An agreement has been reached between the SA and Zimbabwe governments on the transportation by road from SA ports of some of the 1,8-million tons of food needed to feed Zimbabweans.

This follows discussions last week between SA Transport Minister Piet Welgemoed and his Zimbabwe counterpart Denis Norman.

The talks centred on how much of the multimillion-rand operation would be undertaken by SA hauliers and how much by Zimbabwean operators.

SA hauliers feared they would be frozen out of the lucrative operation, Road Freight Association spokesman Herman Lemmer said yesterday.

He said the association had objected to Zimbabwean hauliers receiving an "excessive" number of permits.

It was agreed in the discussion between the two governments that the SA operators would get a third — about 100 000 tons — of the total to be carried by road and the

Zimbabweans the remaining two-thirds.

Lemmer said the total to be transported to Zimbabwe, Malawi, Botswana and Zambia was expected to amount to about 5-million tons.

A large percentage of the 3,5-million tons destined for the other southern African countries would be contracted out to SA operators.

Lemmer said that at least some of the 4,5-million tons of maize needed for SA's domestic market would also have to be transported by road.

Meanwhile a meeting of all parties involved in the massive food distribution effort will be held in Pretoria on May 12 to finalise the logistics of the operation.

Parties will include Transnet, the SA government, government officials from the receiving and donor countries and the road transport industry.

GERALD REILLY

# Anger mounts as taxi operators rake in cash

STAR 6/5/92

By Brian Sokutu (332) and Thabo Leshilo

Taxi drivers are raking in the money as a result of the train boycott.

Many drivers stand to take in more than R2 000 each from passengers, amid rising anger over fare increases introduced on the eve of the six-day boycott, which entered its third day today.

Drivers ignored yesterday's call by the Southern Africa Black Taxi Association to drop the taxi fare increase. Taxi operators in Senaoane, Soweto, this morning continued charging the higher fare of R3 to ferry passengers to Johannesburg.

One taxi operator said he was making nine trips daily in his 14-seater minibus from Soweto to the city. This means the taxi operator could earn from R378 daily, or a possible R2 268 over

the six-day boycott if he does not overload.

Peter Matlaku of Protea, Soweto, in a letter to The Star, complained that taxi operators were "committing plain robbery with the fare increase they have introduced. For example, an increase from R1,60 to R2,20 from Baragwanath to Protea and from Naledi Extension to the city is unreasonable".

The organisers of the biting Reef train boycott met the country's two major taxi bodies, Nafto and Sabta, yesterday in an urgent bid to win their support for the ongoing protest.

The meeting came after many commuters complained of the scant regard the organisers had given to the issue of alternative transport, especially their failure to persuade the taxi owners to postpone the fare increases.

The boycott was called by the ANC, PAC, Cast, Cosatu, SACP, Nactu and the Institute for Contextual Theology.

According to Spoornet southern Transvaal spokesman Ian Bleasdale, yesterday was "worse than Monday" and train occupancy rates had dropped to 10 percent on the Soweto line compared to 20 percent on Monday and the number of passengers on the East Rand routes stayed at between 40 and 50 percent.

ANC PWV spokesman Ronnie Mamoepa said at yesterday's meeting all local associations affiliated to the National African Federated Transport Organisation and the Southern Africa Black Taxi Association backed the boycott.

At the meeting it was said that the Soweto Sabta region, due to communication problems, would only be able to address the steering committee's request to reduce fares by up to 20 percent at a meeting in Dube, Soweto, today.

At the meeting, Randfontein Taxi Association accepted the request to reduce fares. How-

ever, taximen at the Johannesburg-Randfontein taxi rank continued to charge passengers the higher fare of R5.

Earlier, Sabta issued a statement appealing to all taxi operators "to continue observing the traffic regulations, not to overload and not to increase prices during this boycott".

● Sapa reports that Sergeant Paul Jansen Oosthuizen of the Unrest Investigating Unit in Katlehong told a committee of the Goldstone Commission yesterday that 48 people had died and 52 were injured in violence on trains in the Germiston area from July 1 last year to April 27 this year.

Johannesburg Chamber of Commerce and Industry president Stuart Morris also appealed to taxi associations not to increase fares.

"We appeal to taxi associations to recognise the difficulties faced by commuters and to consider suspending the implementation of fare increases," said Mr Morris.



## Natal University senate reaches a verdict

Own Correspondent

DURBAN — The student leader at the centre of the Natal University controversy, Knowledge Mdlalose, is out for good, and that is final.

The verdict was reached by the university senate after a day-long debate.

Earlier yesterday, police baton-charged about 150 students during a demonstration in support of the demands for Mdlalose's reinstatement.

The violence erupted outside the administration building before lunchtime as a bus passed between police and the protesting students.

Although accusations flew from police and students afterwards, it appeared that students moved forward and were baton charged.

People scattered, damaging several cars and one car window was smashed.

Durban campus vice-principal Prof Christopher Cresswell attempted to placate the students who were incensed by the police action. However, while he was surrounded by the students, police moved in and several people were beaten.

Two students were arrested but were released soon afterwards.

The university was brought to a standstill for the second day running as hundreds of students gathered to watch the demonstration.

Campus affairs director Dirk Kemp said the university senate voted against a motion proposed by students representative council president Glen Robbins that the case of Mdlalose be reopened "on procedural and substantive grounds".

Black student leaders appealed for calm while they decided on a new course of action following the vote.

## Taxis to decide on boycott support

3/0 am 7/5/92

GAVIN DU VENAGE

SOWETO taxi drivers will decide today whether to give "unqualified support" to the Reef commuter train boycott following an appeal from the boycott steering committee yesterday.

Committee spokesman Ronnie Mamoepa said Sabta had been asked to postpone increasing taxi fares. Drivers would also be asked to cut fares by 20% for the week of the boycott, which was called to protest against violence on trains.

The committee also wanted drivers to allow private vehicles to ferry commuters during peak hours.

Delegates from nine taxi affiliates and Knox Matjila of Sabta's national office agreed in principle to support the boycott.

Putco Soweto spokesman Fred Stamp said yesterday the bus company was "pushed, but coping" with the extra passenger load. He said buses which normally carried 60 to 70 people a trip squeezed in more than 90 passengers.

Stamp said ticket sales for the Johannesburg routes had trebled since Monday.

Meanwhile, Mamoepa said yesterday that the death of a man near Dube station on Tuesday lent justification to the boycott. "This is precisely why we called the boycott — to prevent any more dying like this."

Spoornet said peak-time trains from Soweto to the city centre yesterday were up to 95% empty, Sapa reported.

Soweto police reported no incidents of train-related violence yesterday.

Spokesman Col Fanyana Zwane said a 35-year-old man was found dead outside Meadowlands Hostel yesterday morning with a gunshot wound in the back of his head. Another man was hacked and burned to death in Meadowlands.

Two men were injured outside Dube hostel after a grenade they were handling exploded yesterday morning.

Sapa reports a Goldstone commission committee heard in Pretoria yesterday that witnesses and complainants in most cases of violence on trains in the Johannesburg and Germiston areas failed to come forward to give statements, but newspaper reports indicated they spoke to reporters.

Col William John Henry Benn told the committee it had been difficult for the police to investigate most of the cases because witnesses had disappeared.

He said injured commuters gave false names and addresses to the police and hospitals, making it difficult for the police to trace them.

Soweto Internal Stability Unit commanding officer Col Alexander-Stapelberg told the committee it was impossible to search for dangerous weapons during rush hour when about 358 000 commuters used trains.

Meanwhile, a delegation from five Organisation of African Unity countries will arrive in SA next week to conduct a fact-finding mission on violence, PAC secretary-general Benny Alexander said yesterday.

## Tensions run high in Maritzburg stayaway

Own Correspondent

MARITZBURG — There was a heavy security force presence in and around Maritzburg as tensions ran high and many people stayed away from work.

The ANC-initiated stayaway continued into its third day yesterday and few minibus taxis operated between the townships and the city.

The Chamber of Commerce and Industries reported the stayaway had been more effective yesterday than on Tuesday. Employers said workers had been intimidated.

Sapa reports thousands of Maritzburg township residents vowed yesterday to continue the stayaway because of alleged police intransigence

and Inkatha threats to act against protesters if they did not end their work boycott.

About 5 000 people from townships around Maritzburg converged on Market Square in the city centre throughout yesterday and undertook to continue their stayaway to force riot police, KwaZulu police and 32 Battalion soldiers out of Imbali.

In the course of the day a soldier was killed and eight others injured when their Buffel troop carrier overturned in Imbali township, outside Maritzburg.

Police said the vehicle apparently went out of control after its brakes failed. One of the occupants, a rifleman from 3 SA Infantry Battalion, died in the accident. His name was not released.

Police reported yesterday that a bus passenger was killed when a KwaZulu Transport bus was ambushed on the Taylor's Halt road near Edendale on Tuesday evening. The unidentified woman, aged about 45, was shot in the head.

The bus carried on after the attack although one tyre had been hit. There were five other bullet holes in the side of the vehicle.

# Cut taxi fares, commuters plead

TAXI operators will meet in Soweto today to address appeals by commuters that fares be reduced during the train boycott.

The meeting, called by the Southern African Black Taxi Association, will be held in Orlando East.

Organisers of the boycott have proposed that taxi fares be slashed by at least 20 percent.

They will also ask taxi operators to allow private car owners to transport commuters to and from work.

A member of the steering committee, Mr Ronnie Mamoepe, said he was optimistic Sabta would take a 'positive decision' at the meeting.

By ABBEY MAKOE

"They are in an absolute support of the boycott. No one wants to see the train slaughter going on and on," he said.

The boycott has been called by, among others, the African National Congress, Pan Africanist Congress and the Azanian People's Organisation to protest against violence on Reef trains.

Cosatu applauded commuters for staying away from the trains.

It said this "should send a clear and sharp message to Transnet and the Government that enough is enough - end the train massacres."



Sabta cuts taxi fares in support of train boycott

Police also reported that an extensive anti-crime operation was launched in Phola Park squatter camp yesterday afternoon. They were searching for weapons and stolen vehicles, a spokesman said.

The CP has strongly objected to the visit saying it was "an assault on the sovereign integrity" of SA.

# Waste disposal rivals in court

The case resumed for argument yesterday with Waste-Tech seeking further relief pending the outcome of a court action for final orders and the institution of action for damages.

Argument continues today.



## Taxi fares to be cut until STAR 8/5/92 boycott ends

By Peter Davies

Soweto taxis have finally decided to cut their fares by 20 percent today — only a day before the end of the six-day boycott to protest against Reef train massacres.

The Train Boycott Steering Committee met the Southern African Black Taxi Association (Sabta) Soweto region representatives yesterday, and it was agreed that fares would be cut by 20 percent from this morning until the boycott ends at midnight tomorrow.

Sabta's Moferefere Simelane said his association would ensure all taxi drivers were notified of the reduction in fares.

Some commuters have accused taxi owners of cashing in on the boycott. Taxi fares rose as much as 70 percent just three days before the protest began.

Mr Simelane said the fare increases had been implemented before the dates of the train boycott were known.

"If we'd known the dates, we could have delayed the increases. I know it looks bad."

Cosatu's Amos Masondo said the boycott may be extended.

"We will evaluate the progress after Saturday, and a decision will be taken then."

The ANC's Ronnie Mamoepa said unless the Government took "decisive action" to address the train violence problem, the community would be forced to adopt further "extreme measures" to ensure its own protection and safety.

A spokesman for the metro division of the South African Rail Commuters Corporation said yesterday: "We can only determine exact figures later, but based on the premise that passengers would have bought weekly tickets, we estimate a daily loss of R130 000 in fares alone."

# OAU mission to investigate violence in SA

By Esther Waugh  
Political Reporter

In what is being seen as a breakthrough for foreign involvement in South Africa — although limited — an Organisation of African Unity mission is arriving in the country next week to investigate township violence.

The five-man delegation, which comprises members from Algeria, Congo, Uganda and Zimbabwe, will be led by Nigerian Foreign Minister Major-General Ike Nwachukwu.

The ANC and Inkatha Freedom Party have welcomed the announcement that the task group will visit the country, while the Government has said it "was prepared to request the relevant South African authorities to assist the team in making an assessment".

Conservative Party spokesman on foreign affairs, Tom Langley, strongly objected to the visit, saying it was "an assault on the sovereign integrity" of South Africa.

"The visit of the OAU is an ANC plan and an invitation to intervention in South Africa's domestic affairs," he said.

Foreign Minister Pik Botha said that while the Government was opposed to any form of foreign control of the South African security forces, it was not opposed to bona fide missions visiting the country to inform themselves of the facts.

"Not only has the SAP nothing to hide, but it would welcome an objective assessment

of the facts and realities surrounding the violence," he said.

The matter had been discussed between President de Klerk and Egypt's President Hosni Mubarak in Windhoek on March 20 1990 and was again raised during discussions between the State President and the Nigerian head of state and OAU president, General Ibrahim Babangida, in Nigeria last month.

In its reaction, the ANC noted that an estimated 15 000 people had been killed as a result of violence, but efforts to expose the source of the violence had met with limited success.

The ANC earlier called on the international community to send independent monitoring groups to South Africa with the specific task of observing and investigating the violence.

The OAU group would complement efforts by the National Peace Committee and others to put an end to violence.

IFP leader Chief Mangosuthu Buthelezi has appealed to his party and the KwaZulu legislature to do everything to assist the OAU group.

Chief Buthelezi said: "We are totally opposed to international monitoring teams during the process of negotiations."

But he supported the visit notwithstanding a concern that the OAU regarded the ANC and PAC as representing all black South Africans.

His other concerns were that the ANC and PAC had training camps in some of the member states of the OAU and that the IFP had never been able to give its version of the violence to the OAU.

## Creditors 'seeking Chiavelli's fall'

By Susan Smuts

Oil tycoon Marino Chiavelli's creditors were trying to bring about his fall and that of his companies by "keeping up the pressure" with concurrent litigation in Italy and South Africa, the Rand Supreme Court

Mr Levin said if Orconsult had a proper case, it should "marshal its facts" and bring a proper application.

Mr Justice R T van Schalkwyk dismissed the application with costs, and stood the matter down until today.

A Mostert SC appear-

had numerous assets, he could not find the "small change" to pay Orconsult, Mr Mostert said.

Referring to Dr Chiavelli's affidavit, he said Dr Chiavelli's net assets were R67 million, and those of Marchia Estates were R65 million.

Dr Chiavelli had taken

Mostert said.

Mr Levin questioned whether the "true son" for the postment had been established. A lot of money was involved, serious allegations of insolvency had been made against "a man of means and public figure," he said.

**SOWETAN**  
Building the Nation

**RADIO METRO**  
**TALKBACK**

# Fares hike under fire

332  
Sowetan  
8/5/92

## Sowetan Reporter

MOST callers to the *Sowetan*/Radio Metro Talkback Show yesterday criticised this week's increase in taxi fares which came at the same time as the boycott of trains.

Callers told Radio Metro DJ Tim Modise that taxi owners were insensitive. Others defended the hikes, saying commuters had been informed even before the train boycott was announced.

Sam of Soweto said people were informed in good time and they had no reason to complain.

Hope of Soweto said taxi owners had been unfair to customers.

Jerry of Phiri, Soweto, said it was unfair for taxi fares to be increased. Because the price of petrol had been reduced there was no reason to increase taxi fares.

Other callers complained about what they termed "the disgusting manners" of taxi drivers.

Justice of Soweto said taxi owners were exploiting the crisis. Taxis should be taxi-oriented instead of solely being business-minded.

# Cab boycott follows fare increase

332

APR 9/5/92

**BEVERLEY GARSON**

Weekend Argus Correspondent

**PORT ELIZABETH.** — A taxi boycott is being launched today against the Port Elizabeth Black Taxi Association over a fare increase.

This was confirmed yesterday by the general secretary of the Port Elizabeth People's Civic Organisation, Mr Michael Tofile.

Mr Tofile said the decision was made at a general community meeting following Pebta's refusal to maintain the normal fares.

At the beginning of the week Pebta increased fares by an average of 30 cents. After a community outcry Pepco intervened and began negotiating with Pebta to drop prices. — Ecna.



By ROGER MAKINGS

COMAIR has entered the jet age by buying a R36-million twin jet for use on its daily service from the Rand to Skukuza.

Managing director Piet van Hoven says the decision to buy the jet was sparked by an expected influx of foreign tourists to South Africa, especially to the game parks of the Eastern Transvaal.

Mr Van Hoven expects Comair to carry 200 000 passengers this year — an increase of 25% on last year's figures. He attributes the increase to the growing number of tourists to SA.

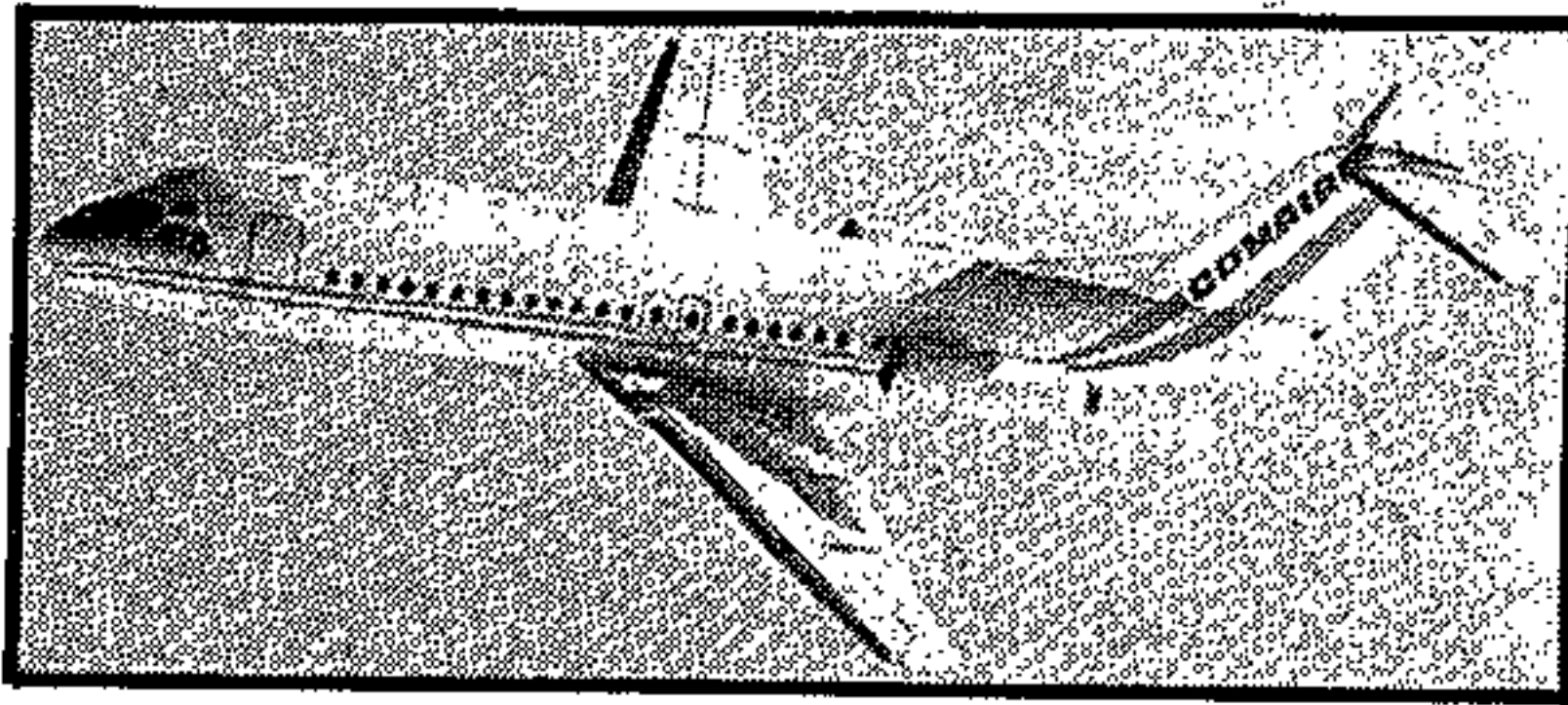
"A total of 95% of the passengers on our daily Skukuza flights are foreigners who have taken advantage of our inclusive fly-in packages."

### Fares

Mr Van Hoven says foreigners are more demanding about flying standards, believing that jet travel is the most acceptable.

The 80-seater jet, which will replace the airline's two turbo-prop aircraft serving the route, is the first of its kind in SA and was designed for operation on high-density, short-haul routes.

# Comair gets its first jet



JET AGE FOR COMAIR: the Rolls-Royce powered 80-seater aircraft

Although the aircraft, which arrives in October, would cut flying time to Skukuza by 25 minutes, there will be no increase in fares.

Mr Van Hoven says the Rolls-Royce powered F28 is the first of its kind in SA and it will be maintained by the airline's technical staff who are in the Netherlands undergoing conversion courses.

Its short take-off and certificated rough-field capability — due in part to its landing gear and braking system — enables it to operate as efficiently from airfields with limited facilities as from modern airports.

Apart from the daily frequency to Skukuza, Comair's fleet of five also offer 100 departures a week to and from Richards Bay, Margate and Phalaborwa, as well as flights to Swaziland and Botswana.

The airline is considering other regional destinations after the announcement this week that private carriers will be allowed to enter these markets in terms of the Government's new deregulation policy.



# Port gears up for an increase in traffic

SUBSTANTIAL growth in the use of Durban's port is expected as sanctions lift and both exporters and importers make greater use of its facilities.

In the immediate future the drought is expected to result in an additional 3,5-million tons of maize moving through the port. This may increase by a further 500 000 tons if a maize shipping deal being negotiated with Malawi is successfully concluded.

Port manager Captain Jan Mors says Durban handles around 25-million tons of cargo each year and this level of traffic has remained relatively static over the past three years.

"While volumes have remained constant, container traffic increased by around 12% in 1991 indicating a shift towards containerisation," says Mors.

"Maize imports will substantially increase cargo flows through the port this

year. Later this year we expect the effects of sanctions being lifted to further increase traffic.

"As the world economy picks up so will traffic through the port. Therefore we expect traffic to increase by around 5% in 1993."

He expects growth to be concentrated in container cargo but conventional traffic increases to be marginal.

"The bulk of SA exports has traditionally been in raw materials. However, there is a shift taking place as more producers add value to the raw materials before exporting. These products are better suited to container transportation," says Mors.

The port is also marketing itself as a transshipment port, catering to cargo which might come in

from countries such as Australia for onward shipping to other countries in Africa.

Says Mors: "Our geographic position is well suited to this type of traffic and it provides substantial benefits in terms of additional employment as well as business for the firms providing supporting services such as fuel, repairs and ships' chandlers."

The port handles around 3 000 commercial ships each year and may have 30 to 40 ships in port at a time. The container depot occasionally gets a little congested but there is surplus capacity at the other wharfs.

Around R206m has been earmarked for upgrading SA's ports and by far the greater portion will be spent on Durban.

The upgrades include the purchase of replacement straddlecarriers and two additional container wharf cranes at R25m each.

Also on the cards is the construction of a specialised steel terminal which is expected to enter the planning stages later this year.

The port will extend its specialised wharfs, deepen berths and expand its chemical storage capacity.

## Reverse

Mors says the port has been forced by the past realities of sanctions to distance itself from the city. Given the changing political climate the port is determined to reverse this process and bring people back into the port.

In addition, two major property developments at Victoria Embankment and a joint venture with the City council at the Point are planned. Both developments are expected to include hotels, shopping and recreational facilities as well as a residential component at the Point site.

Shift 332



JAN BLAKE: Hopes for a third of domestic passengers in five years

## Flitestar wings way to profit<sup>332</sup> in 18 months<sup>STimes 8455 17/5/92</sup>

FLITESTAR has reached break-even point on its domestic routes and expects to be profitable in 18 months.

It is also confident that its application for additional international routes will be approved in the next few months.

The company received permission this week to fly to Bahrain in the Persian Gulf. It believes its request to fly to the United Arab Emirates (UAE), India, Germany and Mombasa will be approved by October.

SA Airways has opposed Flitestar's application for more international flights, although it does not operate on most of the routes.

By DON ROBERTSON

about 18 months with the recoupment of all start-up costs.

"We intend to increase the fleet of Airbuses and turbo-props and hope to account for about a third of all passengers on domestic routes in five years."

Mr Blake describes SAA's opposition to Flitestar's plan to fly to India and the UAE as a "shotgun approach because they do not operate on these routes".

Flights to Bahrain will begin in October with one a week, increasing to two by January.

### Fees

Managing director Jan Blake says Flitestar achieved a 60% loading on its 26 domestic daily flights in April — a break-even level.

"The load factor in the first half of May looks good, although we may not be able to maintain it every month."

Earlier indications were that the company could break even on a 52% loading, but a 16% rise in landing charges and fees in April lifted the figure.

The new airline has 20% of the domestic market and Mr Blake is confident that passenger numbers will grow for the rest of the year.

"Initially we expected to reach profitability in about five years. If we continue to grow at the present rate, we could reach this point in



# Attorney-general calls for 'one-stop justice'

WITWATERSRAND Attorney-General Klaus von Lieres und Wilkau wants a "one-stop" justice system where criminal courts could order the payment of damages in appropriate cases.

The Criminal Procedure Act provided for a magistrate to order an accused to pay compensation when appropriate, but the system was not often used, Von Lieres said at the weekend.

"The application of the system will lend credibility to criminal courts, and victims will feel they have been compensated for their losses," he said.

The Act was recently amended to allow regional magistrates to make damages orders up to R20 000.

In terms of the Act, complainants in a criminal matter could approach the State prosecutor to ask the magistrate for a compensation order.

In most cases, where the accused was charged with crimes like malicious damage to property, theft, fraud or reckless driving, a damages order could be suitable.

STEPHANE BOTHMA

But not all cases were suitable for compensatory orders, Von Lieres said.

The use of the system would take a great load off the small claims and civil courts.

Complainants currently claimed damages from civil courts years after the completion of a criminal trial — with the resultant cost of two trials relating to the same incident.

Von Lieres said the the Act also made provision for an order to pay damages on suspension of sentence. In most cases, he said, this type of order was the most effective.

"If the one-stop justice idea is to be implemented successfully, the police will have to be trained to take down the details of damages sustained as a result of criminal action when a police docket is opened.

"This method will ensure the amount of damages sustained is recorded on official court documents, and the prosecutor can argue for the appropriate damages order," Von Lieres said.

## Sabta calls for derailing of Masstran

THE SA Black Taxi Association (Sabta) has rejected the proposed R1,5bn light rail transit system for Johannesburg as a costly, technologically intensive venture which would deny people much-needed job opportunities.

Sabta public affairs manager Cyprian Lebesé said the Masstran system would directly affect the taxi industry, but the Johannesburg city council had not consulted this sector.

"The cost of the venture was R600m at the time of designing and by the time they have put up everything it will be more than R1bn. The council will be

THEO RAWANA

looking up to government for funds and that is unfair on the taxpayer at a time of economic downswing," Lebesé said.

"SA should reject a venture whose setting up would mean bringing in technology when labour intensive schemes are called for," Lebesé said.

Meanwhile, ADRIAN HADLAND reports that the city council has not agreed to the system going down Louis Botha Avenue.

Chairman of the council's management committee Ian Davidson said: "I can also state that no further

detailed planning has been undertaken by the council since the Transport Department released the Masstran feasibility study," he said.

Davidson was reacting to claims made at a public meeting in Johannesburg that the Masstran proposal had excluded public participation and that properties would be expropriated.

Davidson said an urgent meeting would be held with the Masstran Action Group, who organised this week's public meeting, as well as other representatives, "in order to clarify the position and to hear and address their concerns".



# Inquiry into taxi war

Sowetan 20/5/92

332

THE Goldstone Commission committee investigating taxi feuds will be asked to investigate the taxi war in Tembisa and Ivory Park on the East Rand, the Midrand Taxi Forum said yesterday.

Forum spokesman and Midrand mayor Alan Dawson said the forum - formed recently with 12 participating organisations - found it difficult to con-

tain the feud between members of the Tembisa United Taxi Association and the Ivory Park Taxi Association.

The feud, apparently stemming from conflict over the routes used by taxi drivers of the rival organisations, has already claimed the several lives.

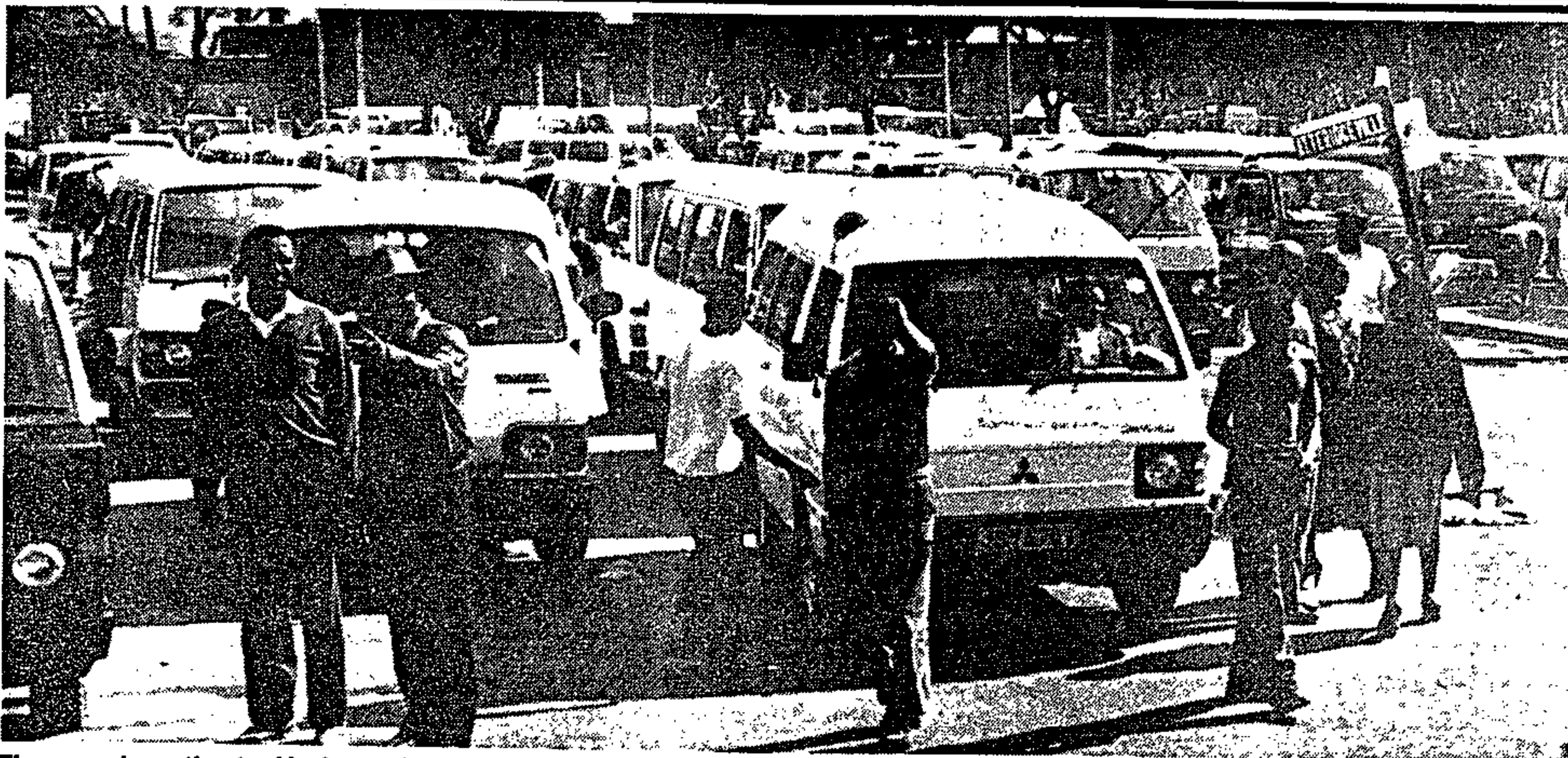
Mr Dawson said the conflict was "getting out of hand".

He said certain people were fanning the violence, and this could not be allowed to continue.

Shootings of taxi drivers are reported almost weekly. A police spokesman in charge of a unit investigating the taxi feud described the situation as serious.

Officials of Tuta and the Ivory Park Taxi Association could not be reached for comment.

## SOWETAN BUSINESS



The once lucrative taxi industry is in jeopardy as financial institutions demand higher deposits and shorter repayment periods due to a high level of repossessions.

# Taxi industry takes a knock

*Sowetan 21/5/92* *332*

**THE black taxi industry is facing a bleak future as a result of high finance costs and a surge in the incidence of bad debt.**

According to members of taxi associations and finance houses, minibus

**By JOSHUA RABOROKO**

sales have dropped from an average of 600 to 400 a month in the past two years.

A large number of payment defaults has also forced some financial institutions to demand much higher deposits and reduced repayments periods than before.

The Southern Africa Black Taxi Association has expressed concern at the taxi sales slump.

Nafto's secretary gen-

eral, Mr Ntisi Mathloko, said the Nafto Foundation had helped the majority of its members to buy minibuses.

He said, however, that as a result of the decline in the economy, there had been a drop in the earnings of operators.

### Exact figures

He attributed this largely to the rate of repossessions. He, however, could not furnish the exact figures of members who have been affected.

Financial institutions

have also been reluctant to finance taxi owners. They also demanded higher deposits.

Sabta's marketing director, Mr Cyprian Lebesse, said the decline in minibus sales had had serious repercussions on taxi operators and the vehicle manufacturing industry.

He said the sales dropped to about 80 in the first two months of 1992.

He added that higher interest rates, the cost of finance and general slump in the economy had contributed to the decline.

Lebesse, who is also a board member of Futurebank, said potential first-time minibus buyers were not in a position to enter the industry because of huge deposits demanded by financial institutions.

Second-time buyers had "a favourable chance", he said.

A spokesman for Toyota South Africa said the easing of hire purchase agreement earlier this year had little effect on buying patterns because banks were cautious about new transactions.

**VIEW**  
**EXT 23**

XCITING

Don't (30)



# Convenient but not candid

232

**Last year** the Johannesburg Stock Exchange lost its boots. This year it experienced a stunning reversal of fortune, despite low volumes. It is amazing what accountants can do.

We are proud to report that the JSE outperformed most of the companies listed on its boards. It came bouncing back, after a loss of R8,7m last year, with a surplus of half-a-million rands.

It did manage to contain costs a little. Income was up by nearly 12% — but by only 6% if a doubtful debt recovery of R3,4m is deducted. This relates to the controversial bond and futures floors. Obviously those who opposed these floors have been persuaded of the greater good of the institution — pay up and play the game. Remember, the committee used the kneecap method over a uniform accounting system, too.

Chairman Humphrey Borkum says in his annual report that the JSE was the best performing major stock market in the world.

The surplus was helped along, too, by doubling the transfer of income from the JSE Guarantee Fund (that is what it's for) from R1,7m to R3,2m; but transfers to reserves were also increased, though by a lesser amount.

In essence, the JSE has been able to reduce the impact of its past mistakes, when it indulged in capital expenditures and grand schemes that trading conditions did not bear out, by some convenient transfers and by persuading those unhappy about its new trading floors to pay up.

But whether it is in a healthy financial position, or has learnt from its past extravagance, is open to question. Clearly there is more sanity in the present committee — but just how much remains to be seen.

It would be interesting to know how the brilliant young analysts among the members would react if similar accounting methods were used by those companies that they keep under such close scrutiny.

We have no doubt that it is all within accounting convention — everything is.

New president Roy Andersen says: "At the heart of every strong economy is a healthy stock exchange." Perhaps he knows more about the SA economy than most of us. But if he doesn't, then by implication the JSE is still in need of some intensive care. Perhaps the annual report should have been more candid. ■



# 'Killer' taxis targeted by enraged squatters

By MOSES MAMAILA C (Prel 24/5/72

VIOLENCE against taxi operators would not cease until taxis stopped taking residents to the hostels where some were killed, a squatter camp leader said this week.

Secretary of the Phola Park community, Eric Siwani, said residents had vowed to continue their violent "protest" against kidnappers whom, he said, had claimed at least nine lives in the last two months.

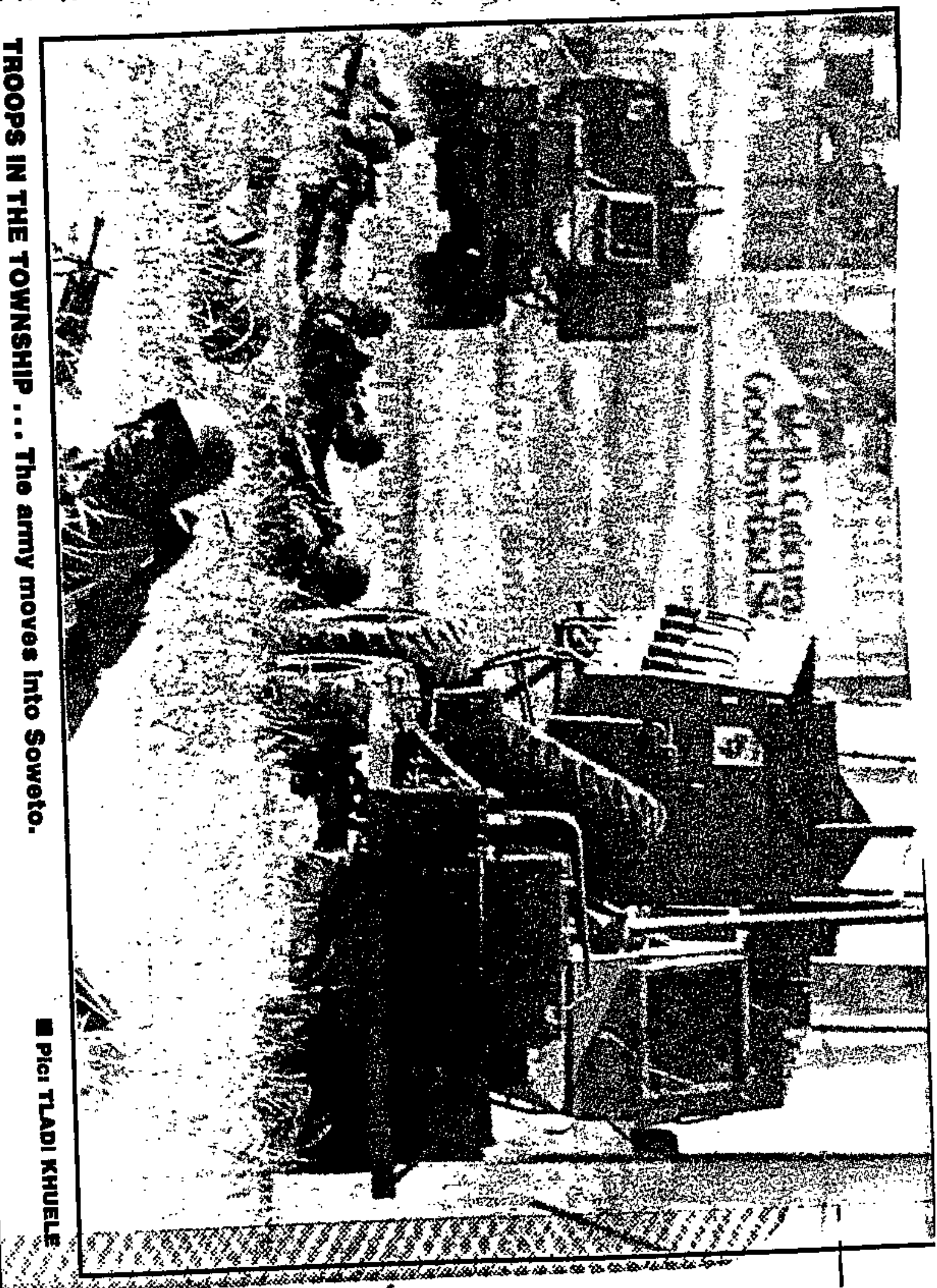
"Taxi drivers take commuters to the hostels where they are forced to identify themselves, and Xhosas are killed immediately. The others are allowed to leave," explained Siwani.

But Siwani conceded that some of the taxi drivers were forced at gunpoint to drive passengers to the hostels.

Eight minibuses have been burnt since last week Friday, he said, adding that several trucks and buses had also been burnt by angry residents.

He said "white-owned properties" had been attacked to force the government to stop "police brutality" in Phola Park.

Asked why white businessmen were being targeted, Siwani said: "The government has the interests of whites at heart and if they (whites) complain about their losses the regime will use its might to end the violence."



TROOPS IN THE TOWNSHIP ... The army moves into Soweto.

■ Pic: TLADI KHUELE



# Continuing recession now hurts larger firms

RECESSION is regarded as an excellent mechanism for sorting out the weak companies from the strong.

However, both the depth and length of the current recession is causing casualties amongst even the strongest firms.

Kreditinform MD Ivor Jones says company and closed corporation liquidations are up dramatically and expects 1500 to 1700 companies and closed corporations to fold this year.

## Mismanaged

He says in the early stages of a recession all the mismanaged, undercapitalised businesses, particularly the smaller companies, get knocked out very quickly, leaving the sound, well managed firms.

Says Jones: "However, if the recession continues for a long period there may be fewer but larger liquidations."



IVOR JONES

"As interest rates remain high, unless the company has the ability to change its gearing — destock quickly, get its book in and cut down on overheads in direct proportion to the loss of sales — the company is left with a financing problem and falling sales."

"What usually happens is

that the company has taken corrective action too late. It is then a matter of time before the company fails. The longer the interest rates remain high the more companies get into this position. If rates were to drop a couple of percent it would change their position materially."

"They would have less of a burden, their repayments would drop slightly, all their overheads would drop if their plant and equipment are leased."

"I would like to see interest rates come down to just around 15% to see the insolvency curve peak and then drop dramatically."

There has been a real increase in consumer judgments.

Information Trust Corporation's David Rosin notes the number of summons against individuals have not increased dramatically, but the rand val-

ue of those summonses against both businesses and individuals has increased substantially.

"There is no doubt inflation is playing a part in the increase. Another factor is changing buying patterns. Twenty years ago we did not have television or video recorders, now all these items exist, and have added to the actual debt burden. In addition, high interest rates have contributed substantially," says Rosin.

## Increase

There is a large increase in the number of summonses being issued to businesses, but comparatively few judgments flowing from those summonses.

"Businesses will do anything to avoid a judgment against them. Letting the debt go through to the summons stage is yet another way of drawing out the period before repayment," says Rosin.

certain transport elements.

By Louise Burgers  
Municipal Reporter

Plans for an impressive R173 million multi-modal transport, retail and entertainment centre — to be known as Metromall — were unveiled by the black taxi industry, property developers and the Johannesburg City Council yesterday.

The ambitious project will be partly owned by, and mainly operated by, the black taxi industry. Metromall will combine shopping, office and entertainment fa-

# Blacks to have big stake in new centre

Star 28/9/92

clities with the core transport elements and facilities for commuter convenience.

More than 100 000 people, 8 000 taxis and 1 600 buses are expected to use the centre in the north-western CBD — straddling Sauer Street, bordered by Bree, West, Plum and Shinnonds — daily.

The Foundation for African Business and Consumer Services (Fabcos) and the Southern African Black Taxi Association (Sabsa) will be the anchor tenants with an initial 40 percent ownership

stake in the taxi and vehicle services operating company — the Transport Utility Corporation — with an option to up that stake to 60 percent.

Gower Properties has appointed Ampros as project managers for the construction of Metromall and will then cede its rights in the development to Transcentre Developments Limited (TDL), an unlisted property stock company.

TDL will be owned by institutional investors, primarily pension funds, with

no single investor holding more than 20 percent.

It is envisaged that ground floor level pedestrian networks will connect with Fraser and Diagonal streets and a skywalk and underpass will provide safe crossing at the busy Sauer/Bree intersection.

A total of 19 200 sq m of retail space will be provided for facilities such as supermarkets, restaurants, banks, clothing stores and fast-food outlets.

The Metromall site is on

3,6 ha of council-owned land in the north-western CBD and includes the existing Newtown and Kazerne bus and taxi terminuses and the Kazerne parking garage, which will be revamped and upgraded. The taxi operators will be granted a 50-year lease by the city council.

Tom Ngcoya praised the city council for sticking to its promise to plan along with the taxi industry.

"The council has shown a willingness to share what it has to offer, and so become

party to the very important task of economic upliftment by giving the taxi industry a stake in a major property development," he said.

Johannesburg transport and utilities committee chairman Paul Asherson said the council had become involved on condition the black taxi industry became a stakeholder.

"Metromall is a vital opportunity for black economic empowerment which also enables financial institutions to invest in a socially responsible project based on sound financial criteria, harnessing the largest and most dynamic element of the informal sector," he said.

THE COMPLETE GUIDE TO HUMAN

BUS/COACH FARE

ONE MILLION RAND CAN GET IT



# Tollgate keeps up its return-to-profit trend

Monday 29/5/92

332

LINDA ENSOR

CAPE TOWN — Tollgate Holdings (TGH) chairman Julian Askin and his team have sustained the return to profitability of the leisure, tourism and distribution group — 1991 annual earnings a share were in the black for the first time since June 1988.

The first profits were made at the interim stage and this momentum was maintained for the full year to end-December, despite the recession.

Fully diluted earnings amounted to 34,2c a share compared with the previous year's loss of 88,3c. Undiluted earnings were 13c (loss of 138,6c). A 10c final dividend was declared, bringing the total dividend to 13c. An amount of R46,5m was written off last year as a result of the disposal of Gants and Norths Industries assets. This brought total write-offs in 1990 and 1991 to R104m. Director Alex Wilmot-Sitwell said there would be no further write-offs.

He said the final restructurings and rationalisations of the group were in the process of being completed and would be announced shortly. These would have a positive impact on group debt and earn-

ings. Wilmot-Sitwell added that negotiations under way for the sale of City Tramways properties would bring in about R48m and help to cut further TGH's interest-bearing debt.

Particularly noteworthy were the gains made at operating level and the slashing of interest-bearing debt. Gearing at year-end stood at about 94%.

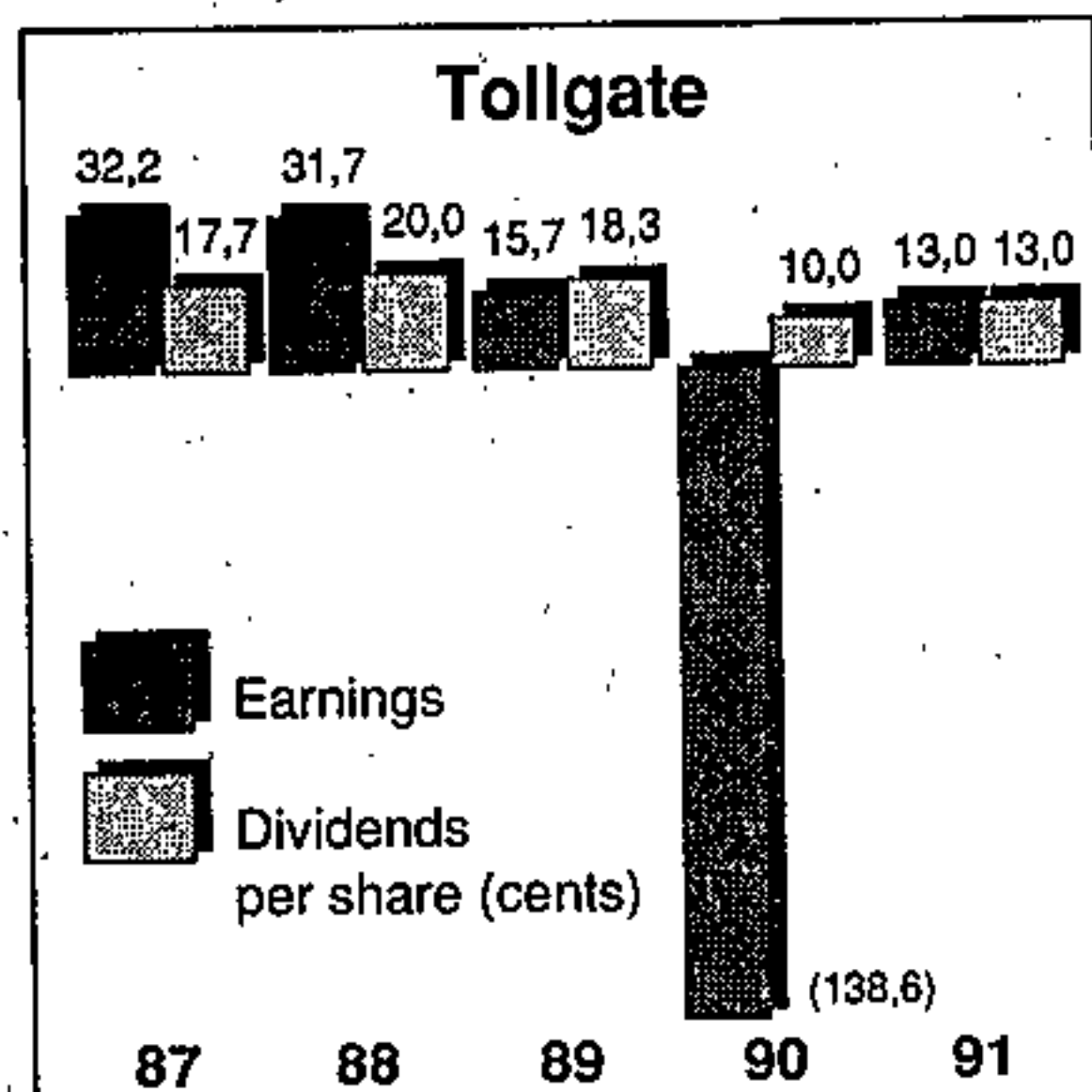
Interest-bearing debt was cut to R192,3m (R224m). On a pro forma basis interest-bearing debt fell to R156m, if the proceeds of the R71,5m sale of City Tramways was included retrospectively.

Turnover dropped 8% to R551,5m (R598,5m), but the operating margin soared to 7,9% (4,3%) to produce a 68% growth in operating income to R43,5m (R25,9m). Interest paid fell to R36m (R47,7m), so that pre-tax income before abnormal items showed a profit of R7,9m compared with the previous R21,8m loss. A R3,8m abnormal gain, compared with the previous abnormal loss of R8m, and a higher contribution from associated companies, further strengthened performance.

An attributable profit of R3,6m (loss R25,3m) was produced.

Askin said in the profit announcement the restructuring of the group, which involved the sale of non-operating assets and retrenchment, had taken longer than originally foreseen because of the severity of the recession. The group was now well-structured and well-focused and had a firm base from which to follow a policy of expansion and growth into areas of leisure and tourism and distribution.

All operating divisions were trading profitably and a continued recovery was expected. The UK company Jatons Holdings, acquired in December, would make a contribution this year.



Graphics: RUBY-GAY MARTIN Source: TOLLGATE

# Azapo plea to end taxi war

*Sowetan* 29/5/92

THE Azanian Peoples Organisation yesterday appealed to warring taxi associations in the Nebo district in Lebowa to end the killings which have claimed more than 100 lives.

More than 300 taxis in the area have been inoperative since the outbreak of violence in April, with taxi drivers fearing for their lives and commuters being left stranded.

This week, two taxi drivers were abducted from separate locations and hacked to death by unknown men.

Their bodies were found near Madibong village with stab and gunshot wounds. Azapo Northern Transvaal media liaison officer, Mr Mmutle Phasha, said the or-

ganisation was dismayed at the continuing bloody feud and the ever-growing black taxi industry would gain nothing at the end.

Phasha said enough blood had already flowed through the senseless violence in this country and it was time the black downtrodden people stop taking arms against each other to settle their differences.

"The cruel thing about this taxi war is that innocent people are caught in the cross-fire and this is unacceptable. We are tired of this fighting and if this is not resolved immediately, we will do everything in our power to end it," Phasha said.

332  
31/5/92  
**Unicorn**  
*Si Times (Buss)*  
**container**  
**service**

UNICORN Lines and CMB Transport of Antwerp have launched an express container service between Southern Africa, East Africa, the Arabian Sea and Indian sub-continent.

Ships will call at Durban, Nacala, Dar es Salaam, Mombasa, Dubai, Karachi and Bombay.

Through-bills of lading will be offered to inland destinations in Southern Africa, East Africa, Pakistan and India.

Initially a 21-day service will be provided with two Neptune-type vessels. As trading opportunities increase, a third vessel will be brought into service, providing sailings every 14 days.

Basic cargoes from Durban will include food, general engine and machinery spares, white goods, vegetable oils, chemicals and paper. Imports will be mainly electronic goods, textiles and rice.



## Crime-hit underwriters warn of uninsurable cargo

11/6/92  
MEREDITH JENSEN (332)

THE marine insurance industry, already suffering from a stagnant economy, has been hard hit by the crime wave sweeping the country, says Association of Marine Underwriters in SA (Amusa) chairman Garvitte Lombard.

In his annual report, Lombard said the extent of the crime wave was beyond the scope of any reasonably optimistic forecast and said truck hijacking was the most serious of the problems.

"Many insurers have taken stringent steps to force clients to become involved in protection of their vehicles and their cargo, but the claims are quickly turning hijacking into an uninsurable risk."

Lombard said the problem could get worse as sanctions were lifted and the economy began to recover. "An increasing number of foreign airlines and vessels will be calling into SA bringing a greater volume of goods."

To counteract this problem, Amusa has started discussions with various officials at airports, harbours and railroads calling for increased emphasis on security.

"Such liaison has resulted in thefts from Jan Smuts Airport being virtually stopped, with no new fraud cases having been reported for months."

The privatisation of national transport has meant more goods were being moved inland by private road transport. According to Lombard, smaller operators tend to overlook security measures, thus increasing the risk of hijacking.

# Bus drivers protest over Arrow layoffs

ARG 2/6/92

332

**SHARON SOROUR**  
Labour Reporter

POLICE monitored proceedings as Golden Arrow bus drivers from depots in Paarl, Strand and Malmesbury gathered outside the company's Woodstock headquarters to protest against pending retrenchment.

About 70 workers, members of the Transport and General Workers' Union, took part in the protest, with union leaders demanding a meeting with management.

Golden Arrow general manager Mr Fred Mayoss said 274 staff members would be retrenched from June 28 when the company

closed its Boland operations.

Mr Mayoss said the Boland commuter division had been operating at a "very substantial loss" and careful forecasts for the 1992 operating year indicated that it stood to lose more than R6 million in spite of "rigorous cost-cutting measures".

Mr Mayoss said a fair retrenchment package was negotiated with the union during the last wage negotiations.

However, union branch secretary Mr Harald Harvey said the union condemned the decision to retrench the workers and the manner in which it was taken.

Mr Harvey said it was clear management had been "toying"

with the decision to close all its Boland operations "for some months", but the workers were informed only last week.

"At no stage were either workers, their union or the organisations of the Boland people consulted," Mr Harvey said.

Company PRO Mrs Jeanne Welsh said in terms of the agreement with the union, the company was required to give employees only a week's notice of retrenchment.

"The company decided it was in the best interests of all concerned to announce the decision now and not wait until a week prior to the end of June," she said.

## Children want to be heard at Codesa

ARG 2/6/92

**ANDREA WEISS**  
Staff Reporter

CHILDREN from throughout South Africa have demanded to be placed firmly on Codesa's agenda.

"We have been left out. We want to be heard by all the political parties. We want to be involved," said Jennifer, who chaired a press conference at the close of a four-day summit in Somerset West attended by 200 children from 20 regions.

"Children will no longer remain silent about their rights, but will speak and even shout out about their needs and demands," a resolution at the end of the charter reads.

Children are also sick of "boring teachers", in the view of a delegate from the southern Cape.

Rejecting Jan van Riebeeck and NP Van Wyk Louw as "boring", she exhorted teachers to "teach us what we want to know".

The children have demands

ranging from the right to citizenship, education and health to the right to be protected from abuse.

The charter, which carries the United Nations Children's Fund blessing, is to be presented to a policy conference on children to be held from June 10 to 13 under the auspices of the University of the Western Cape's community law centre.

The children are also demanding that the Children's Charter be taken up in a future constitution.



# Six bus routes to be axed

CT 3/6/92 (332)  
Staff Reporter

FIVE bus routes in the southern suburbs, and one in the northern areas, are to be axed by Golden Arrow Bus Services.

The City Tramways successor has almost shut down its operations in the Boland, retaining only the Macassar-Strand and Macassar-Somerset West routes.

June 13 will be the last day for bus services on six routes: Wynberg via Meadowridge to Westlake, Wynberg to Constantia Nek, Claremont to Rondebosch via Wyndover, Claremont to Fish Hoek, Retreat to Lavender Hill and Parow to Panorama.

STAR 4/6/92 (332)

## 10 taxi deaths linked to boycott

Attacks on taxi commuters, which left at least 10 people dead in Soweto on Tuesday night, could be a result of the train boycott implemented last month, said ANC PWV spokesman Ronnie Mamoepa.

The ANC would soon meet the Southern African Black Taxi Association to discuss the violence, he said.

At a brief meeting of working groups of the Train Peace Accord yesterday, the SA Rail Commuter Corporation committed itself to increasing its internal security force.



# Taximen agree to talks

4/6/92

POSSIBLE bloody fighting was averted yesterday when rival taximen agreed to discuss their year-old dispute.

There was alarm when between 40 and 50 Sinamua Taxi Association drivers, allegedly armed with guns and knobkerries, arrived at the Springs Taxi Association ranks in the morning and started redirecting passengers.

The incident seemed likely to end in a blood, but ended in hope when two rival taxi associations agreed to seek a meeting to end their year-old dispute.

HLIM

Old Spice

Old

22

SI

PRICES VALID  
UNTIL SUND  
STORES MAY

Since the couple married in 1977, police raids and

Coelzee did not collect

# Train thugs targeting taxis now, says ANC

Blom 4/6/92

3320

WILSON ZWANE

THOSE responsible for train violence had changed tactics and were now targeting taxis, an ANC official said yesterday.

ANC PWV official Wally Mbele said yesterday violence had resulted in a large number of commuters deserting trains in favour of other modes of transport.

It was suspected now that perpetrators of train violence had changed tactics and were bent on "striking terror into taxi commuters", Mbele said.

There had been no attacks on train commuters on the Reef in the past three weeks but, said Soweto police spokesman Capt Joseph Ngobeni, there was no evidence to link the present upsurge in taxi violence with "the lull in train violence".

On Tuesday seven people travelling in a minibus taxi were killed in the Soweto suburb of Orlando West when four fellow passengers, believed to be Inkatha-supporting hostel dwellers, opened fire on them. Police said the incident had resulted from an argument over the taxi's route.

Mbele dismissed that theory. He said that had the shooting been sparked by an argument over the taxi's route, "only the driver... and not the other passengers would have been shot".

Another ANC PWV official Floyd Mashele was reported as saying the attackers had demanded to be taken to a single-sex hostel in Meadowlands — scene of fighting between residents and hostel dwellers.

Inkatha official Musa Kubheka dismissed as "nonsense" the allegations that Inkatha-supporting hostel dwellers were behind attacks on taxi commuters.

Another police spokesman Lt-Col Tienie Halgryn said police were investigating possible involvement of hostel dwellers in the incident.

In another development, the establishment of five working groups by the SA Rail Commuter Corporation (SARCC) and community leaders failed yesterday when representatives from Cosatu and churches did not turn up for a meeting.

The working groups were to be set up in terms of an agreement which Spoornet, Transnet and the SARCC reached with representatives from the ANC, Cosatu, churches and the Civics Association of Southern Transvaal (Cast) last month. Yesterday's meeting was attended by representatives of only the ANC and Cast.

The working groups' objective is to find ways of curbing train violence.

□ Sapa reports the controversial 32 Battalion has been withdrawn from Imbali in Maritzburg and the internal stability unit — formerly the riot unit — will be replaced by ordinary SAP members.

This was announced after a meeting yesterday between the SAP, the ANC and the Maritzburg Chamber of Commerce and Industry.



# Attacks

## Shift from trains to the taxis

Weekly Mail Reporter

A REFUSAL by taxi drivers to use routes which run through Soweto war zones was the spark which ignited the spate of taxi killings in the township.

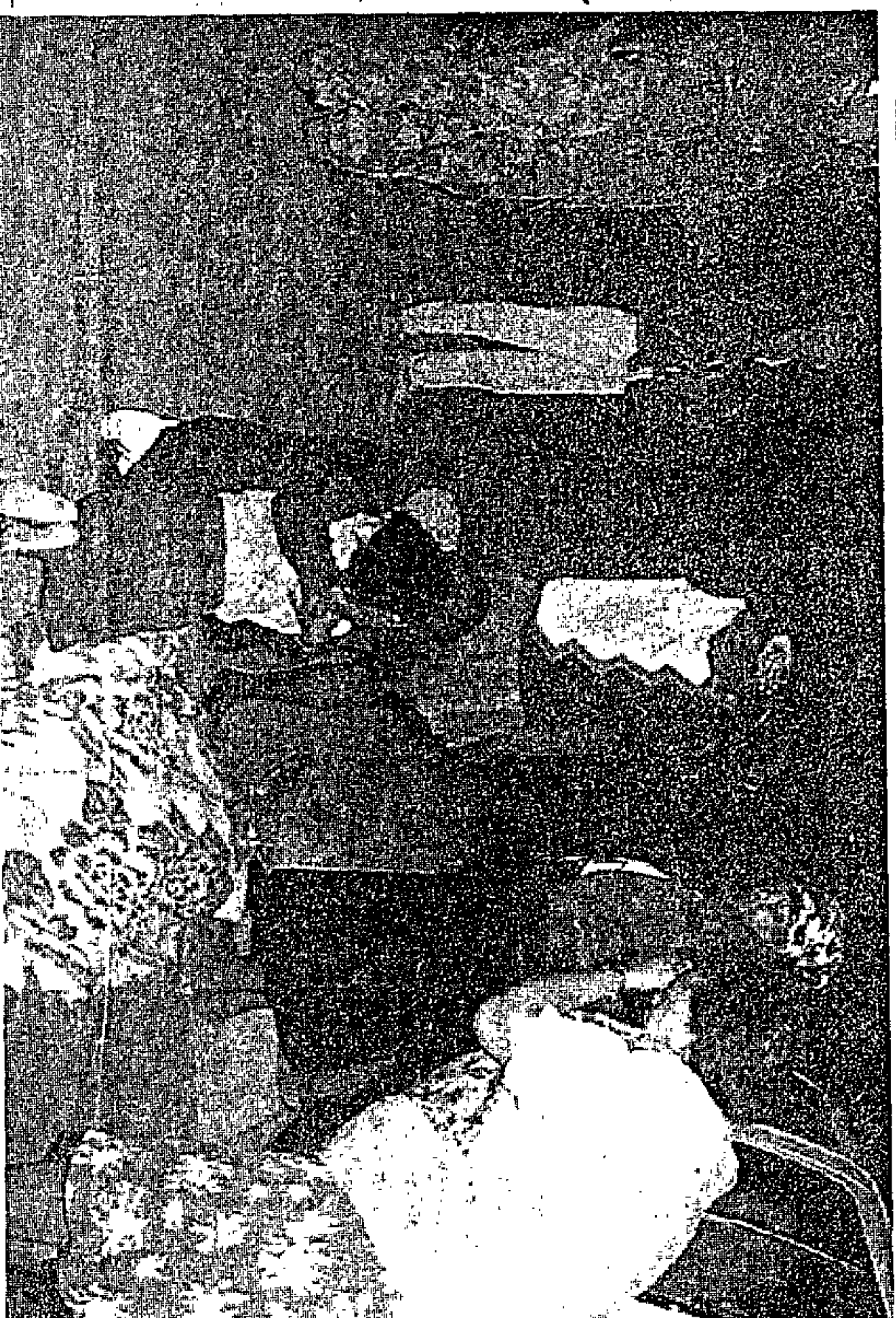
At least nine Soweto residents have been gunned down in taxis this week, although the toll may be as high as 17.

There are signs that hostel-based attacks on Soweto commuters are shifting from the trains, where security has been tightened following last month's train boycott, to taxi operators.

Two weeks ago, Soweto taxi drivers staged a one-day strike to demand taxi owners take measures to ensure the safety of drivers on routes running past the Meadowlands and Mzimhlope hostels.

On Tuesday, a taxi driver and six passengers were killed when the driver refused to take two men to the Meadowlands hostel. The men climbed out of the taxi and then sprayed it with automatic gunfire.

According to police reports, later the same night, a driver and two passengers were killed when their taxi crashed into a wall during a struggle to prevent a number of men from hijacking the vehicle. Two of the hijackers were caught, beaten and handed to the police by residents. They are under police guard in hospital.



**The family of a slain taxi driver grieve at the scene of a bloody shooting spree which left seven people dead dead**

Photo: GREG MARINOVICH/AP

Last Saturday, residents claimed a taxi headed for Kagiso was taken to the Meadowlands hostel by its driver. At the hostel entrance, passengers overpowered the driver and the taxi was later burnt by residents.

The African National Congress has reported that one of its members, Alfred Buka, was killed in Mshayazate hostel, Thokoza, when the taxi in which he was riding was forced into the hostel by unidentified men. The men allegedly threatened the survivors with similar attacks in the future.

These, and other incidents over the past few weeks, have convinced many

residents of Witwatersrand townships that attacks on commuters are shifting from trains to taxis.

"Attacks on taxis have increased since the successful train boycott last month. Since then there has been a tremendous decrease in train attacks and the perpetrators have turned on taxis," said the ANC's PWV region.

The organisation condemned the inability of the police to end the recent spate of killings.

The ANC (PWV region) plans to convene a meeting with the South African Black Taxi Association and other organisations to develop a joint response to the growing problem.

Sabata was not available for comment.

In a response to the ANC statement, the South African Police accused the organisation of "seizing on purely criminal acts to further its political agenda". The SAP said the circumstances of the killings indicated they were committed by criminals. "While the police are doing everything in their power to stop the taxi war, it is impossible for them to be on every taxi."

Meanwhile, with both trains and taxis regarded as moving deathtraps, Witwatersrand commuters are rapidly running out of transport options.



# New airline in wings

Staff Reporter  
and Sapa

The launch of a third domestic airline offering significantly reduced ordinary fares on main routes is expected to be announced within a week, NedTravel Holidays revealed yesterday.

NedTravel managing director Eric Thorne said the low-cost domestic air fares would stimulate the local tour-

ist industry.

"Under the present discount system, many passengers are either too old or too young to qualify for special fares or have to fly at irregular hours," he said.

The return economy class air fares could be offered at prices of up to 20 percent less than current fares, he added.

The move, Mr Thorne said, could pressure the established airlines to reduce their fares.

## KROKO (amson lion

AVAILABLE FROM YOUR PHARMACY  
Kroko Corn and Callus Remover. Appl. No.  
(Act 101/1965). Each 15g contains: Salicyl

cific conditions by Alan  
Fourie of the farm Little



# Cape seen leading economic recovery

B1 Day 5/6/92

332

CAPE TOWN — The exceptional growth in cargo handled by Cape Town harbour over the last three months has led port authorities to believe that the Western Cape economy is showing signs of recovery ahead of the national economy.

In April the container terminal handled the largest number of containers since it opened in 1977, port manager Rudi Basson said yesterday. He added that cargo handled was an even mix of exports and imports and included coastwise goods.

Basson said the main reason for the growth was increased chemical imports and high fruit exports — March, April and May were the peak fruit exporting months.

"I would like to think that the figures indicate that Cape Town is leading the recovery of the economy," Basson said.

He pointed out that Cape Town harbour only handled imports and exports for the Western Cape economy, except for this year's exceptional maize imports for southern African countries.

Portnet commercial manager in Port Elizabeth Eddie Hill also re-

ported an increase in containers handled in March, April and May but was unable to pinpoint specific causes except for Volkswagen's export programme. Durban acting port manager Kallie Haupt said Durban had not experienced much change in container or bulk cargo volumes.

National figures provided by Portnet showed that between January and April this year total imports and coastwise cargo handled by SA ports increased slightly to 4,9-million tons from 4,8-million tons last year while exports declined to 29,7-million tons (30-million).

This included the 300 000 tons of maize imported in April which resulted in a 24,2% increase over the April 1991 figure.

In Cape Town additional casual labour had to be employed to cope with the increase in container traffic, Basson said.

The terminal had adequate capacity to cope with future growth but the port was investigating the acquisition of additional cargo handling equipment.

LINDA ENSOR

# Surprises some analysts

## TREADING WATER

Year to March 31	1991	1992
Investment inc (Rm) .....	1 526	1 654
Equity-acc earnings (Rm) .	2 591	2 607
Earnings per share (c) ...	1 118	1 124
Dividend (c) .....	325	345
NAV (R) .....	132,12	152,55

"unwise." They could result in some companies laying off more staff — at a time when unemployment is critical.

Deputy chairman Leslie Boyd confirms that the Columbus stainless steel project is well on track and that recommendations to the various boards will be made in July. Columbus, a multibillion-dollar project, is expected to catapult SA into the first league of stainless steel producers.

Questions about prospects for Minorco were turned aside at the press briefing. Referring to reports that De Beers is on the verge of opening new mines in Russia, deputy chairman Nicholas Oppenheimer confirmed that ties with Russian producers have strengthened. However, he says "there are no immediate plans by De Beers for the development of new mines in Russia."

On economic prospects, Ogilvie Thompson said SA has experienced an extraordinary decade, including a major debt crisis, a substantial fall in the gold price, a significant war in Angola and a relatively dry decade which impeded agricultural output. Since these factors, weather excluded, are not likely to recur, he feels there is scope for "a nice pickup in the economy."

The intimation of satisfactory growth in the 1993 year suggests that dividends may increase to about 380c. Some analysts have a contrary view, however; since the group is powered primarily by precious metals and diamonds, prospects for which are relatively dull, they do not expect exciting results. Indeed, they point out that equity-accounted earnings in 1991 are no better than for 1989 and see no reason for 1993 to be exceptional.

At R122,50, Anglo is on a p/e of 10,9 (equity-accounted) and 17 (attributable) and effectively a future dividend yield of 3,1%. It trades at a discount of about 22% to NAV, which must be some comfort to investors. But it looks fully priced. *David Gleason*

## TOLLGATE HOLDINGS

### End of the beginning?

The first phase of correctional procedures is almost over. Most entities that were either hopelessly unprofitable or required too much

time or resources have been ended or sold.

But neither chairman Julian Askin nor the other members of his consortium anticipated that their plans to resurrect the group would have to be carried out in the worst recession since World War 2. So results for 1991 are not as good as they had hoped for but show signs of significant potential.

The 67% rise in operating income to R43,5m is encouraging. It indicates that someone is doing something right. Granted, much of the improvement comes from eliminating unproductive expenditure but there is clearly a core of quality earnings. The year coalesced much activity.

UK-based Jatón Holdings, a wholesaler of



**Tollgate's Askin ...**  
*must be doing something right*

industrial fasteners and wire mesh products (*Leaders* November 15), was effectively acquired in December. The balance sheet includes Jatón, but its earnings will accrue only this year.

The assets of Gants Holdings and Norths Industries were finally disposed of. These transactions involved the write-off of R31,2m in 1991 and R46,1m in the previous year. Complex negotiations finally led to the sale of Cape Town bus company Tramway Holdings soon after year-end.

The Tramways sale will cut interest-bearing debt from R224m to R156m but came too late to have any effect on interest paid, of R35,6m (R47,7m). After various write-backs and adjustments, attributable earnings of R3,6m show a swing of R28,9m.

On a weighted average 28,1m ordinary shares in issue, nominal EPS is 13c, but this is such a gallimaufry of normal and abnormal items that it has no real meaning and is no indicator of this year's prospects. Divi-

FOX FM 5/6/92

dends are also 13c.

The balance sheet shows permanent capital at R163m, R7m higher than at end-1990. Write-offs were offset by the issue of 12m shares in the Jatón acquisition. The balance sheet does not separate goodwill; so tangible NAV cannot be calculated.

It is more relevant to read the pro forma balance sheet after the Tramway sale (but not the sale of Tramway properties). But even then, debt remains too high. Only when the properties have been realised for about R50m — a deal is understood to be imminent — will net interest-bearing borrowings fall to a more acceptable level.

Additional rationalisation under way should reduce debt even further. Askin and his board can then get on with running the operation to produce the efficiencies that will make it a desirable share.

In SA, the group is poised to focus on tourism and leisure, both areas of great potential. In Britain it distributes fundamental necessities of industry, which should be in strong demand as that economy improves. It should also not be forgotten that Askin was successfully involved with the pools/lottery industry there and may pursue the possibilities of this activity in SA.

Tollgate is a very different organisation from what it was two years ago. At 410c, the historical earnings and dividend yields are not attractive but the potential is such that it deserves thorough investigation. Maybe the annual report will allow a more realistic appraisal of the outlook.

*Gerald Hirshon*



# Ultra-bulls too eager to be realistic on investment

Star 6/6/92

232

**D**ESPITE a multitude of negative factors in our market, there are still optimists who are hailing the coming of a new, better and more prosperous South Africa.

While such prophecies may be accurate in the longer term, their contention that this will occur by year-end is far too eager to be realistic.

These ultra-bulls are, effectively, asking existing and prospective investors to overlook that the country is in a disastrous

financial state and to go ahead and buy shares.

Despite a host of adverse factors, they highlight a number of issues they believe will push our economy into an upswing.

The stock exchange has had excellent growth since the start of the year and — being a 12-month leading indicator — reveals that the upswing will start at the end of the year.

The bulls point to the industrial index's recent all-time high levels as confirmation that investor

JACQUES MAGLIULO

sentiment is strong. This, they say, should filter through to the economy.

Another positive factor is the introduction of a trade union unit trust, which is probably the most promising new indicator — for the stock market — to be announced in recent years.

Rumours also persist that interest rates will be cut by two percentage points. The speculation centres on the appoint-

ment of Derek Keys as Minister of Finance.

A Cape-based research analyst says: "While the consumer price index is proving stubborn, other indicators are well within the Reserve Bank's targets." This includes the producer price index, bank credit and money supply.

Some analysts believe the US elections in November could force the Bush administration to reduce interest rates, which should be stimulatory for the economy and should

have a domino effect on trading partners.

There is a solitary problem with the logic displayed above. While these indicators are positive, ultra-bulls do not analyse the extent to which these indicators will influence the economy.

For instance, there is no doubt that the JSE is a leading indicator, but the current high indices are due to a shortage of scrip (caused by institutional buying) rather than general bullish sentiment. Therefore, the introduc-

tion of a new unit trust will cause greater shortage of blue chips, thus unrealistically maintaining the JSE at high levels.

Economic variables are also being misused. A cut in interest rates and a reduction in the CPI would not lift the country out of a recession — not until these rates became far less prohibitive.

Even a recovery in the US would have little effect on South Africa, as it is no longer our main trading partner.



# Taxi killings provoke war talk

By THEMBA KHUMALO

THE brutal killing of at least 15 Soweto taxi commuters this week may force taxi owners to join in the interethnic township violence to defend themselves and passengers, Southern Africa Black Taxi Association (Sabta) communications manager Molefe Rapo-dile warned yesterday.

He said: "The attacks will ultimately force the industry to enter the unnecessary and unwarranted war we dearly hate."

He said it was unfortunate that such attacks happened at a time when taxi owners were still recovering from taxi feuds, which had claimed many lives. *Clips 7/6/92*

"We strongly condemn the indiscriminate attacks on our drivers and innocent passengers. These are cowardly, savage deeds orchestrated by a group of terrorists who would hate to see peace and stability prevailing in our community."

"Our commuters have suffered unprovoked attacks. This damage and suffering is intolerable."

The ANC (PWV) said the killings appeared to be well-orchestrated from certain quarters.

# Durban

332  
ST. Times (BASS)  
chosen 7/6/92

SHIPBUILDING group Kvaerner Deutschland has appointed Zakrzewski Wiseman of Durban its after-sales service and spare parts centre in SA.

Kvaerner makes and supplies marine equipment, including cargo pumping and fire-fighting systems, diesel spares and refrigeration plants.

The agreement is said to indicate growing confidence in the future of the SA maritime industry.



# Police fan taxi battle claim

332

Sowetan 10/6/92

WHITE police and town councillors in Springs have been accused of encouraging the fight between two rival black taxi associations that recently seemed on the verge of a truce.

Members of the Springs Taxi Association say the cops and councillors are not impartial because they own taxis in the rival Sinamuva Association.

Springs members claim police restrain them and not the rival faction and that cases of violence against Sinamuva members are never investigated.

# Caught in the middle of the elephants' war

W/MC 12/14-18/6/92

332

"WHEN two elephants fight, the grass suffers." For Thokoza taxi owner Paul Ngobeni, it's ordinary people like himself and the passengers who catch his taxis each day who bear the brunt of the relentless factional violence between supporters of the African National Congress and Inkatha.

Ngobeni (37) is lucky enough to have an office in town, where he conducts his other business on housing alterations, to retreat to now and again. But as a Thokoza resident and owner of three taxis, he cannot escape the conflict.

He is, in fact, something of a crusader, an honest oddball in the shadowy world of taxi wars and political rivalry, fearlessly criticising the "two elephants" for not controlling their members and the Thokoza Taxi Association (TTA) for entering the fray.

A member of neither the ANC nor Inkatha, Ngobeni is a Methodist, guided by his religious beliefs. Some ignore him because he's non-aligned but others are fired of his ceaseless criticism of the TTA leadership, which in his view is involving itself in the factional violence to further its aims.

Ngobeni, who resigned from the executive in disgust early this year, but continues as a member, is convinced that his own days are numbered. "I have heard," he says, "that my own taxis will never again operate in Thokoza."

His own son, 19-year-old Solly, was killed two months ago when he and three others were abducted into the Kwesine hostel, an Inkatha stronghold in Kaitshong. They were all made to run from the hostel and inmates fired at them to "test their guns", says Ngobeni. Solly, a matric student, and another youth were killed.

"They don't know me and they don't know my child. Why did they do it?" he asks.

Turning to the TTA, Ngobeni says the association is plagued by internal division stemming from the leadership of TTA chairman Piet Mbele and his strongmen.

Mbele, whose house is heavily guarded, is said to support Inkatha and maintain extreme-

*Taxi owner Paul Ngobeni is one of the ordinary people caught in the crossfire of the Thokoza violence. He spoke to PHILIPPA GARSON*

ly close links with the police. Over the past few months he has apparently recruited hostel dwellers and his "friends and cousins" as taxi drivers, keeping legitimate drivers on the waiting list and those on existing routes out of work.

Many drivers and taxi owners in the TTA have been harassed and intimidated to pay exorbitant fines for refusing to pay their weekly rate of R13,50 — money they withheld because they believed it was being squandered on arms to fuel the war and protect Mbele. Several drivers have died and scores of taxis have been gutted since members began their boycott.

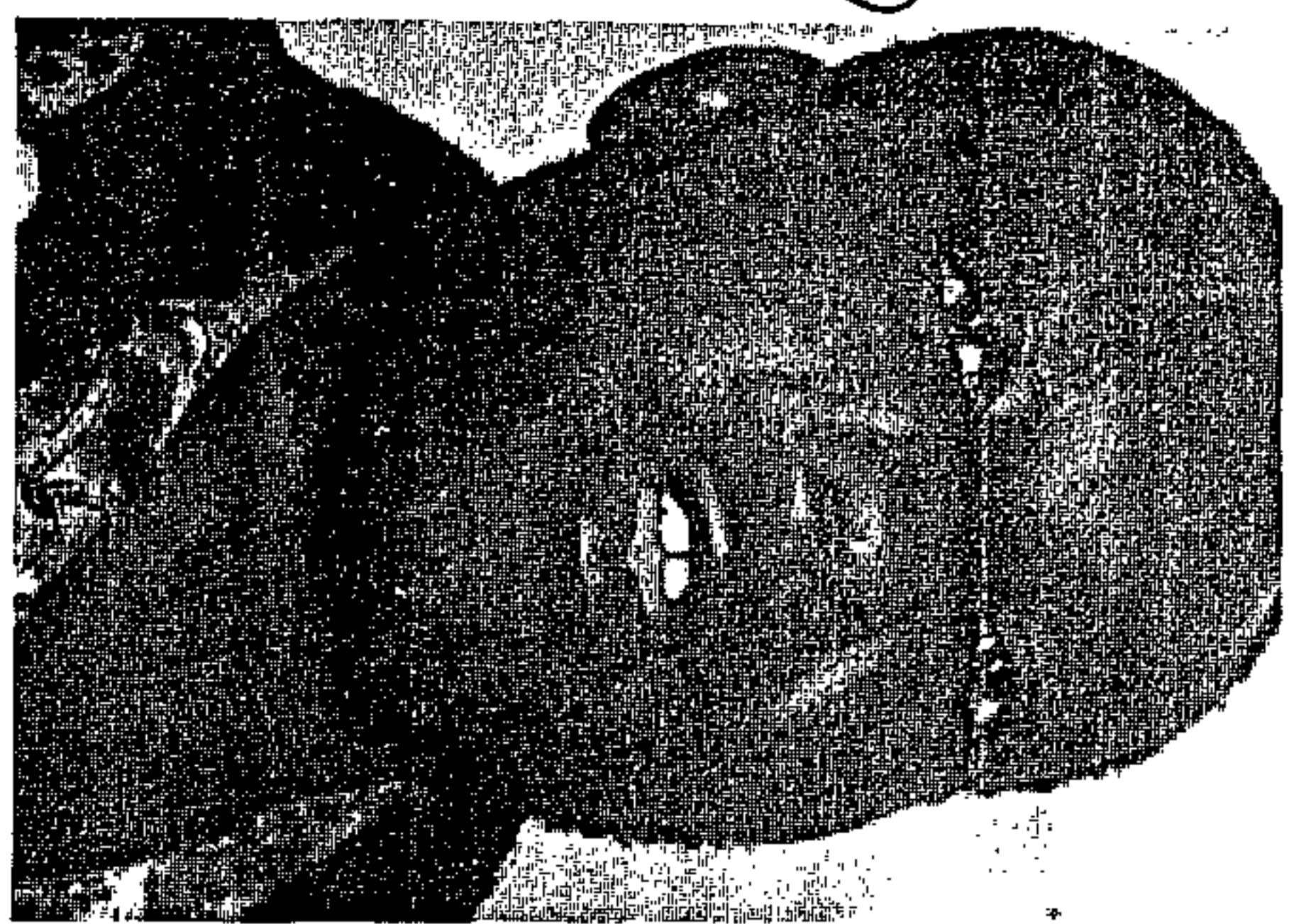
Mbele denies the allegations levelled against him, though admits to staying on the right side of the police. "Of course I work with the police. I cannot deny that, it's my protection."

Ngobeni has just received news that yet another driver was gunned down this week. Most have begun to pay again, after being urged to do so by the Local Dispute Resolution Committee, to avoid a potential bloodbath.

"We find our taxis in the hostels — they are being used by both sides for gun-running. There are rumours that those cars with more Zulus are taken to Phola Park and those with more Xhosas to the hostel," he says.

Last month, numerous taxis were stoned and set alight near Phola Park.

For most, the explanation was simple: Xhosa-speaking Phola Park residents were retaliating against drivers for dumping them in the Thokoza hostel at the mercy of Inkatha hostel-dwellers. But in Ngobeni's opinion, elements in the TTA leadership were paying youths in Phola Park to target certain taxis in an attempt to wipe out mutineers in its ranks.



Paul Ngobeni ... Slams the climate of intolerance

"Everybody's wondering who's next in this taxi war. Owners and drivers are being targeted, we are both in danger."

He adds: "I hear rumours all over that they want to discipline me. There is lots of intimidation going on and we no longer trust each other." Many TTA members support Mbele simply because they want to operate their taxis without hindrance, Ngobeni says.

He claims he has given evidence time and again to the police to help them apprehend those he believes are fuelling the violence. "But when the very same man you are accusing is a policeman, do you think the investigation will go any further? I'm not a politician but I can see how things are happening."

In his view, the police invest all their time and manpower in crime-ridden Phola Park, leaving Thokoza wide open to lawlessness. He rages against the climate of intolerance that prevails in the townships, and the fact that he was labelled a sell-out for attending rallies across the political spectrum.

"I've got the right to listen to anyone, even De Klerk if I want to — and everybody else selling their material," he says. "But some people began to call me a sell-out and a spy. They just don't understand this concept."



**Activities:** Road transportation.

**Control:** Bolton Industrial Holdings 34,6%.

**Chairman:** G H Stein; MD: P E Murray.

**Capital structure:** 20m ords. Market capitalisation: R24m.

**Share market:** Price: 120c. 12-month high, 240c; low, 120c. Trading volume last quarter, 110 000 shares.

Year to Feb	'88	'89	'90	'91
ST debt (Rm) .....	7,1	18,7	29,1	20,8
LT debt (Rm) .....	15,1	10,9	7,5	7,2
Debt:equity ratio .....	0,40	0,51	0,65	0,49
Shareholders' interest	0,50	0,46	0,47	0,52
Int & leasing cover ..	9,0	3,31	0,93	0,13
Return on cap (%) ..	8,8	12,4	6,4	0,9
Turnover (Rm) .....	142,5	174,6	180,3	181,9
Pre-int profit (Rm) ...	9,7	15,7	7,6	1,0
Pre-int margin (%) ..	7,2	9,0	4,2	0,5
Earnings (c) .....	26,0	37,3	0,5	(15,4)
Dividends (c) .....	9	13	3,5	nil
Net worth (c) .....	275	291	283	284

Most trying last year were 11 000 man-days lost to industrial action, eroded margins as deregulation increased competition and lower tonnage in the poor economy exacerbated by the drought, Stein says.

The industry is hurting — total tonnage carried by private hauliers fell 4,5% from the year before — but, among listed companies, Cargo seems to be hurting the most. It seems there is little Cargo can do but try to consolidate. Asset management has been tightened. A number of operations have been discontinued and subsidiaries deregistered.

Cargo, one of the more substantial companies that came to the market at the start of the listings boom in 1987, should not go the same way as so many others that listed then. But shareholders are not likely to receive dividends this year and there is little to suggest the 35% slump in the share price to its low will be turned in the short term.

#### Unattractive industry

A year ago, the share was at a 37% discount to NAV. Now it is at a 58% discount to almost unchanged net worth of 284c. The transport industry does not look attractive now. Investors already on board must decide whether to cut losses and bail out or sit tight for what is likely to be a bumpy ride back to better times.

For Cargo's shareholders, all will depend on management's ability to see the group through current problems. Margins have been declining since 1990 but the group has

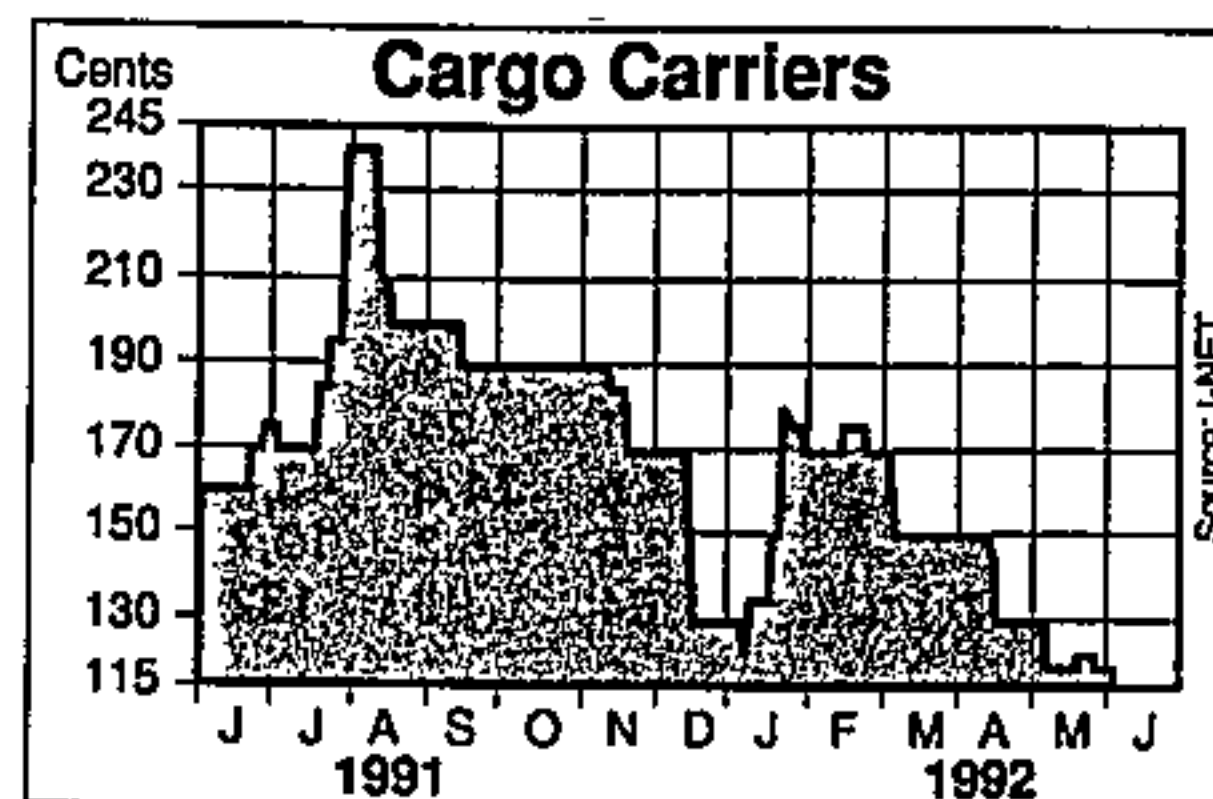
## CARGO CARRIERS FM 12/6/92

### Bumpy road ahead (332)

But for a slight strengthening of the balance sheet, investors could be forgiven for thinking the group is careering downhill out of control. As it is, Cargo managed to put the brakes on debt, reducing the interest-bearing burden by 23,5% to R28m and bringing gearing down from 65% to 49%.

But it was a difficult year, with EPS going negative for the first time. It seems the climb back to profitability will be as long and steep as the road winding up the picturesque Lesotho mountains on the cover of the report.

Chairman Gerald Stein takes little comfort in prospects, saying that Cargo has taken the steps needed to change its fortunes but it is "difficult in these trying times to be optimistic, particularly when past optimism has not been realised."





# Comair offers cheap Cape Town flights

COMAIR is to introduce two flights daily between Johannesburg and Cape Town with fares 20% less than those offered by the major airlines, it was announced yesterday.

The flights, which will depart from Johannesburg at 7am and 3.15pm on weekdays at a cost of R678 return, will commence on August 3.

Special fares at R530 return will be available for married couples, the military, senior citizens and children.

SAA and Flitestar charge R860 and R852 respectively for economy returns, though

both offer special discounts.

Both companies said they welcomed competition on the lucrative Johannesburg/Cape Town route which carried more than a million passengers a year.

Comair MD Piet van Hoven said Comair would be aiming at the average cost-conscious consumer, rather than the business or first class sector.

Comair's new B737 would not have business or first class cabins.

A Boeing 737, together with cockpit

crew, had been acquired on a three-year lease from SAA for the new route.

SAA representative Leon Els said any move to stimulate and broaden the market was to be welcomed.

SAA had been offering discount fares at up to 40% below the economy rate for more than two years and did not believe its market share would be affected.

A Flitestar spokesman said Comair was targeting a different sector and would not present a competitive threat.

Van Hoven said the B737's 108 passengers would receive a "no frills" service.

ADRIAN HADLAND

# Taximen delighted but hawkers dubious

By Peter Davies

13/6/12

Those who regard the present Bree Street taxi and bus ranks as a dishevelled, dangerously overcrowded magnet for muggers will welcome the ambitious new Metromall transport, retail and entertainment complex.

The complex hopes to cope with 100 000 people, 8 000 taxis and 1 600 buses daily.

The multimillion-rand centre has 19 200 m of retail space available for shops, banks and fast-food outlets. The perimeter of the proposed hi-tech rectangle extends to Simmonds, Bree, Pim Extension and West streets.

But others are less enthusiastic about the development.

The corner of Bree and Sauer streets — where jostling throngs of commuters swarm during peak hours — is the street-hawker's domain.

Stalls range from multi-

coloured tarpaulin tents to a simple sheet of plastic on the ground. Wares include fresh fruit, snuff, bubblegum, cigarettes, toiletries and bags of coloured popcorn.

Some hawkers are afraid the new centre will put them out of business.

"This development is both good and bad," says Augustine Tshuma, who has owned a hawking stall since 1987.

"More shops would create work for more people. But what if it puts us hawkers out of work? Nobody asked us about this. They should give us first choice for a supermarket or fast-food place if we can afford the rent. Our customers know us well. We have helped develop this place."

Taxi driver M J Zwane welcomed the new complex.

"As long as I know I can pick up my passengers safely, I welcome this move. It will make the city look beautiful

and healthy. Sometimes this rank here can be dangerous."

The Bree Street taxi rank has long been regarded as a notorious area for muggings.

But a visit to the rank showed that perhaps it does not deserve such a reputation.

At the head of the queue for taxis destined for Randburg is a novel "lost property office": a piece of yellow string tied to a pole. Attached to the string are two bunches of keys, an ID book, a worker's access card, a purse and a baby's blue leather shoe.

"People lose things, so we just leave them here until they find them. Sometimes the items hang here for weeks. Nobody ever tries to steal them," said one taxi driver.

So stop searching, Marjorie Busisiwe — your ID document awaits collection from the Bree Street taxi rank marked Randburg-Jan Smuts.

# R250m fraud cases

S(Times) (Buss) 14/6/92

Business Times Reporter 232

THE Office for Serious Economic Offences — set up this year to ensure the speedy investigation of serious white-collar crimes — will have handled fraud cases involving R250-million by October.

Cape Town office head and assistant director Tommy Prins disclosed these figures this week in the wake of the office's first successful prosecution.

Among those still to be handled are the Gilbey's case, the JSE-Old Mutual investigation and Repfin.

This week the OSEO secured its first conviction in the Supreme Court in a R3-million fraud case involving prominent Pretoria liquidator Manie Rheader. He was sentenced to fines totalling R100 500 and given a seven-year prison sentence suspended for five years.

The OSEO investigation, headed by J C Gerber, began last August.

Mr Prins says: "We are ex-

cited that our first case has resulted in a conviction and I guess you could say that we have a 100% success rate at this stage."

A second case, involving former Gilbey's bookkeeper Margaret Harding, is being heard in the Supreme Court, Cape Town, and is expected to end in a week or two.

The R134-million fraud hearing involving former Repfin managing director Andrew Prakke and Nic Griesel and Alan Latham will begin in the Cape Town Supreme Court on August 10.

High-profile stockbroker Greg Blank goes on trial in the Witwatersrand Supreme Court in September for his alleged involvement in the JSE-Old Mutual case.

The trial of two other people involved in share dealings, Andre Fourie and Ken-

ny Fouché, will begin in October in the Witwatersrand Supreme Court.

The efficiency of the OSEO in bringing complex cases to trial is shown by the Margaret Harding case, for example, says Mr Prins.

"That case was brought to the attention of one of our investigators, Petrus Marais, last November. An indictment was handed down in March and the trial began in May."

The more complicated JSE-Old Mutual inquiry took 18 months, an indictment being served on Greg Blank eight months after his arrest.

"I don't doubt that it would have taken much longer to bring these cases to trial if they had to go through the normal channels of investigation and preparation," says Mr Prins.



## SOWETAN BUSINESS



GEORGE NEGOTA...made call for an end to violence

# Call to rescue

# SA from anarchy

*Sowetan 15/6/92*  
**BLACK business has called on all South Africans to rescue the country from anarchy.**

Addressing the fifth conference of the National Transport Policy Forum in Johannesburg at the weekend, its chairman, Mr George Negota, said taxi killings should be stopped immediately.

The meeting, attended by about 60 delegates from community-based organisations, including transport-user groups, expressed concern at the continuation of violence, especially the killing of innocent people on taxis.

Negota called on all people to contribute in ending the violence. He said black business was put under virtual siege by elements that sought to destroy the economy.

Similar calls have been made by business organisations in the PWV-area where entrepreneurs have been robbed, vehicles stoned and shops attacked by thugs.

On the East Rand, the treasurer of the Daveyton Chamber of Commerce and Industries, Mr Derrick Madiba, said one businessman was killed and 25 others were shot and robbed of their money in the past two months.

Mr J Makaya, who owned a shop in the township, was shot dead by gunmen and robbed on his money, last week. Madiba, who was also a victim of an attack, said he was closing his shop when gunmen pounced and threatened to

**By JOSHUA RABOROKO**

shoot him. He said he was robbed of R8 000.

Madiba said even businessmen in the informal sector, such as spaza shop-owners, had become victims of unruly elements. He did not know the motive of these attacks.

"We are forced to close our shops as early as 5pm because we fear for our lives," Madiba said.

In the Vaal Triangle townships of Sebokeng and Evaton, streets have been barricaded. Delivery vehicles have been looted and set alight by youths.

"When dust falls, we become edgy because we fear of being attacked," a businessman who did not want his name published said at the weekend.

A spokesman for a beverage company in Vereeniging said: "We stop on the borders of the townships where business people come to collect their goods. We can no longer afford this. Calm must return," the spokesman said.

The general secretary of the Soweto Independent Shopkeepers Association, Mr Thami Skenjana, said business was on the decline as a result of violence.

The association, together with other concerned people, has formed an interim committee aimed at fighting "this total onslaught on black business" by criminals.



# Flitestar signs on broader network

By AUDREY D'ANGELO  
Business Editor

AS competition between airlines intensifies Flitestar and Italy's international carrier Alitalia have signed an interline agreement providing for greater co-operation.

Flitestar marketing and sales manager Paddy Murphy, and Alitalia marketing manager in SA, Dimetrio Cassa, explained that both airlines expected to benefit from the growing traffic between the two countries.

"We're hoping that passengers flying into SA on Alitalia will automatically select Flitestar to take them on to other local destinations," said Murphy.

Flitestar will encourage its passengers to fly Alitalia when going to Europe.

Murphy said Flitestar's current domestic schedule offered convenient connections with Alitalia

arrivals and departures, cutting time spent in transit.

"Alitalia's three weekly flights into and out of Johannesburg coincide almost perfectly with Flitestar's scheduled flights between Jan Smuts and Cape Town or Durban.

Cassa said Alitalia had increased its weekly flights between Rome and Johannesburg from two a week in each direction to three. And the number of economy class seats available on each flight had risen from 176 last year to 251.

Although the normal economy class return fare to Rome was R3 367 Alitalia was offering a promotional fare to other European destinations including London — by way of Rome — of R2 760.

Cassa said that, as traffic between the two countries increased, Alitalia would consider introducing a direct flight to Cape Town "maybe in 1994."

Meanwhile, Flitestar was yesterday granted permission by the National Transport Commission to fly to Mombasa in Kenya, ending a three-month legal tussle between the company and SAA.

In a statement, Flitestar said SAA's objection to Flitestar's application to fly to Mombasa was lodged in January.

Sapa reports that the permission applies to non-scheduled flights which must include accommodation and other arrangements, and package holidays are being negotiated.

According to Flitestar the service will be started in September using an Airbus A320, and the company's research indicates it will attract only five per cent of SAA's passengers on the Johannesburg/Nairobi route.

The National Transport Commission's decision follows the uncontested granting to Flitestar of a service to Bahrain.



# Flitestar wins the air route to Mombasa

FLITESTAR was granted permission by the National Transport Commission yesterday to operate non-scheduled flights to Mombasa in Kenya.

The ruling ended a three-month legal debate between Flitestar and SAA — which strongly contested the application by the privately owned airline.

Flitestar said the ruling was a watershed decision as it was the first time in years an opposed application had been granted. The permission applies to non-scheduled flights which must include package holiday deals, and which were current-

ly being negotiated with the travel trade, a Flitestar spokesman said.

Price details would be announced as soon as packages were finalised.

SAA opposed the application on the grounds that its passenger loads to Nairobi would be affected if Flitestar was given the go-ahead. Flitestar's research showed that it would attract a maximum of 5% of SAA's current passengers on the Johannesburg/Nairobi route.

Flitestar planned to start a weekly ser-

vice to Mombasa in September, using a 130-seater Airbus A320.

It has also applied to fly to the Seychelles, Bombay, Delhi and Dubai — all applications contested by SAA. No hearing dates have been set for the applications.

Last month, Flitestar was granted permission to fly to Bahrain in the United Arab Emirates. It was considering using Mombasa as a stop-over on this route.

Air Supply MD Bradley Amoils, who also opposed Flitestar's Mombasa application, could not be reached for comment last night. SAA had no comment.

STEPHANE BOTHMA



## Flitestar aims for Victoria Falls

By John Miller 332

Following Flitestar's successful application this week to fly to Mombasa, Kenya, it has now set its sights on Victoria Falls.

Managing director Jan Blake yesterday said he expected South African Airways to lodge an objection, as it had done with all previous applications.

Mr Blake said he hoped to start the Mombasa service in September. "The excursion to Mombasa should cost around R2 400 a person — inclusive of air-fare and bed and breakfast in a top hotel."

Other destinations applied for included India, Germany, the Seychelles and Dubai. He expected SAA to lodge objections against all of them.

## Taxi project on course <sup>332</sup>

PROPNET, Retail International, the Vereeniging Town Council and the Vaal Taxi Owners' Federation recently celebrated the roof-wetting at Taxido Junction, the multimillion-rand transport node and commercial centre development at Vereeniging station. *B. Day*

When completed in September 1992, the 4,2ha site will have extensive bus and taxi ranks, shops and offices as well as facilities for hawkers. *17/6/92*

The land is jointly owned by Transnet and the Vereeniging Town Council. The financier is Transnet's Transhold Properties.

Almost all of the 8 000m<sup>2</sup> of commercial space has been let, with key tenants including Pep Stores, Score Furnishers and a supermarket. Some of the taxi owners will run their own shops within the centre and the Vaal Taxi Owners' Federation will arrange for a sale of shares to taxi owners in a company that will operate the service station.



1411

Hansard

WEDNESDAY, 17 JUNE 1992

1412

(b) R11 322 940-00.

(c) 2 044;

(2) no.

Mr R M BURROWS: Mr Speaker, arising out of the hon the Minister's reply, can he inform us whether all persons who were eligible to receive such a bonus did receive such a bonus, or whether the executive directors were selective in their distribution of these bonuses?

The MINISTER: Unfortunately, Mr Speaker, I do not have that information available. If the hon member wishes to have that information, I shall get it for him.

†Adv J J S PRINSLOO: Mr Speaker, arising from the hon the Minister's reply, may I ask him whether all the members of the profession had been informed of the intention to implement such a system before this system was implemented?

†The MINISTER: Mr Speaker, I made it clear in my reply that this exercise did not apply to members of the teaching profession only but that it was an action launched by the Commission for Administration for the whole public sector, and as far as I know from my experience with my other departments, all the officials knew about it.

Mr R M BURROWS: Mr Speaker, further arising out of the hon the Minister's reply, could he inform us whether the executive directors have informed all the teachers in their departments that such a bonus has now been awarded? The MINISTER: No, Mr Speaker, I see no reason why they should have done that.

#### Building of new schools: Cape/Parow School

##### Board areas

\*3. Mr K M ANDREW asked the Minister of Education and Culture:

Whether approval has been granted for the building of any new schools in the Cape and Parow School Board areas; if not, why not; if so, (a) (i) what are or will be the names of these schools and/or (ii) where will they be situated and (b) when was the original decision made to build such schools?

B804E

HOUSE OF ASSEMBLY

†The MINISTER OF EDUCATION AND CULTURE:

No. The existing schools can at present still accommodate the pupils, although some already are under pressure and decisions regarding this will have to be taken in the foreseeable future in the light of available funds.

(a) and (b) fall away.

For written reply:

General Affairs:

#### Bus companies receiving State subsidies

245. Mr M J ELLIS asked the Minister of Transport:

Whether he will furnish the name and address of each of the bus companies in the Republic currently receiving State subsidies; if not, why not; if so, (a) what are their (i) names and (ii) addresses, (b) what total amount was paid to each in 1991, (c)(i) what is the longest subsidized route and (ii) what amount was paid per kilometre on this route and (d) what amounts have been awarded to contractors to operate bus services other than school bus services?

B578E

The MINISTER OF TRANSPORT:

(a) (i)

and (ii) Bahwadaba Bus Services (Pty) Ltd

P.O. Box 1505

PIETERSBURG

0070

Boland Passenger Transport Ltd

P.O. Box 2393

CAPE TOWN

8000

Braatvedt Bros

P.O. Box 18

ESHOWE

3815

Bophuthatswana Transport Holdings

(Pty) Ltd

P.O. Box 16719

PRETORIA NORTH

0116

City Tramways Ltd

P.O. Box 2393

CAPE TOWN

8000

1413

Hansard

WEDNESDAY, 17 JUNE 1992

1414

Darnall Motor Transport

P.O. Box 97

MANDINI

4450

Durban Transport Management

Board

P.O. Box 1746

DURBAN

4000

EAL Transport Services (Pty) Ltd

P.O. Box 1666

VRUYHEID

3100

Eastern Bus Lines (Pty) Ltd

P.O. Box 79

WITBANK

1035

Estate Late K H Maraj

v/a Doornkop Bus Service

P.O. Box 105

STANGER

4450

Gazankulu Transport (Pty) Ltd

Private Bag X4048

TZANEEN

0805

G Phadiri & Sons

P.O. Box 301

LOUIS TRICHARDT

1760

Ikageng Bus Service (Pty) Ltd

P.O. Box 5374

VANDERBILPARK

1900

Impendle Bus Service (Pty) Ltd

P.O. Box 26

HOWICK

3290

Interstate Bus Lines (Pty) Ltd

v/a Jakaranda Bus Service

P.O. Box 1343

BLOEMFONTEIN

9300

Knyasa Bus Service

P.O. Box 438

KNYSNA

6570

Kwazulu Transport (Pty) Ltd

P.O. Box 427

PIETERMARITZBURG

3200

Laevel Bus Service

P.O. Box 413

ELLISRAS

0555

Lebowa Transport (Pty) Ltd

P.O. Box 1839

PIETERSBURG

0700

Mabirimisa Bus Service

P.O. Box 50

LOUIS TRICHARDT

0920

Mats Trans (Pty) Ltd

P.O. Box 1319

NELSPRUIT

1200

Maphumulo Mail Service (Pty) Ltd

P.O. Box 105

STANGER

4450

Marimpine Bus Service (Pty) Ltd

P.O. Box 386

PINETOWN

3600

Mayibuye Transport Corporation

P.O. Box 1392

BISHO

Midland Bus Service CC

Poste Restante

PAULPIETERSBURG

3180

Northern Cape Bus Service

P.O. Box 593

KIMBERLEY

8300

PE Tramways Ltd

P.O. Box 225

PORT ELIZABETH

6000

Putco Ltd

Private Bag X3

WENDYWOOD

2146

Owa Owa Bus Service (Pty) Ltd

P.O. Box 141

WITZIESHOEK

9870

Risaba Bus Service

P.O. Box 96

LETSTELE

0885

HOUSE OF ASSEMBLY

South Coast Bus Service  
P.O. Box 23052  
ISIPINGO  
4110

Southern Cape Passenger Transport  
P.O. Box 225  
PORT ELIZABETH  
6000

Lenasia Bus Service  
P.O. Box 71  
RANDFONTEIN  
1760

City Council of Brakpan  
P.O. Box 215  
BRAKPAN  
1540

Washasha Bus Service  
P.O. Box 118  
ESHOWE  
3815

Comuta Services (Pty) Ltd  
P.O. Box 39355  
BOOYSENS  
2016

Davids Bus Service (Pty) Ltd  
P.O. Box 10437  
STRUBENVALE  
1570

Chetty's Coach Lines (Pty) Ltd  
P.O. Box 50845  
RANDBURG  
2125

Newtra Holdings (Pty) Ltd  
P.O. Box 50845  
LYNNWOOD RIDGE  
0040

Johannesburg Transport  
P.O. Box 1787  
JOHANNESBURG  
2000

Empangeni Transport (Pty) Ltd  
P.O. Box 7050  
EMPANGENI RAIL  
3910

(b) The total amount paid to each in 1991 was as follows:

	R
Bahwadu Bus Service (Pty) Ltd	1 645 524,55
Boland Passenger Transport	1 910 993,90
Braatvedt Bros	416 021,45
Bophuthatswana Transport Holdings	97 957 118,95
Chetty's Coach Lines	1 425 541,58
City Tramways Ltd	43 717 136,43
Darnall Motor Transport	624 271,20
Davids Bus Service	1 422 801,24
Doomkop Bus Service	11 944,75
Durban Transport	
Management Board	43 822 993,94
EAL Transport Services	2 134 204,25
Eastern Bus Lines	5 539 637,00
Empangeni Transport (Pty) Ltd	33 936 836,90
Gazankulu Transport	1 149 014,37
G Phadzi & Sons	1 218 532,75
Ikageng Bus Service	178 890,85
Impendle Bus Service	1 174 113,06
Jakaranda Bus Service	17 081 639,85
Johannesburg Transport Directorate	172 205,37
Kynsna Bus Service	9 026,73
Kwazulu Transport	49 402 117,80
Laevel Bus Service	1 141 461,70
Lebowa Bus Service	14 942 336,32
Mabimisa Bus Service	943 872,50
Mats Trans (Pty) Ltd	26 665 534,70
Maphumulo Mail Service	649 231,45
Maripine Bus Service	625 227,00
Mayibuye Transport Corporation	1 554,00
Midland Bus Service	371 921,07
Newtra Holdings (Pty) Ltd	2 958 041,42
Northern Cape Bus Service	
PE Tramways Ltd	1 508 670,07
Putco Ltd (including Comuta Services (Pty) Ltd)	10 474 377,60
Owa Owa Bus Service	192 933 190,66
Risaba Bus Service	5 771 651,32
South Coast Bus Service	1 181 670,50
Southern Cape Passenger Transport	1 375 125,10
Lenasia Bus Service	25 004,00
City Council of Brakpan	504 621,77
Washasha Bus Service	691 995,80
	109 499,70

(c) (i) The longest subsidized route of 190,3 km is that of Putco, Pretoria, with the following route:

Toitskraal—  
Rathoke—  
Uitvlucht—Keerom—Vlak Plats—  
Driefontein (KwaNdebele)—Group  
CCC (Pretoria)

(ii) The total subsidy paid out for this route cannot be determined easily; therefore the subsidy amount per ticket type is submitted:

TICKET TYPE	PASSENGER FARE	SUBSIDY	TOTAL FARE
5-DAY	36,20	95,00	131,20
6-DAY	43,40	114,04	157,44
22-DAY	159,30	417,98	577,28
26-DAY	188,20	491,04	682,24

(d)

CONTRACT NO.	CONTRACTOR	AMOUNT R
1/88	Comuta Services (Pty) Ltd	4 156 730,25
2/88	Davids Bus Service (Pty) Ltd	509 526,95
3/88	Comuta Services (Pty) Ltd	858 537,69
4/88	Davids Bus Service (Pty) Ltd	922 434,30
5/88	Comuta Services (Pty) Ltd	351 412,42
6/88	Newtra Holdings (Pty) Ltd	876 804,75
7/88	Chetty's Coach Lines	1 062 952,39
8/88	Newtra Holdings (Pty) Ltd	800 829,06
10/88	Chetty's Coach Lines	362 589,21
1/91	Empangeni Transport (Pty) Ltd	5 763 719,20
2/91	Empangeni Transport (Pty) Ltd	3 759 954,32
3/91	Empangeni Transport (Pty) Ltd	3 507 813,58
4/91	Empangeni Transport (Pty) Ltd	670 644,93
5/91	Putco Ltd	236 722,23
6/91	Putco Ltd	1 395 690,00
7/91	Johannesburg Transport Directorate	32 515,37
TOTAL		25 268 876,65

Your attention is drawn to the fact that all the above amounts are as yet unaudited and are therefore possibly not the final figures. Final figures for each financial year are published in the Department of Transport's annual report.

Conference: American and British ambassadors

263. Mr L F STOFBERG asked the State President:

- (1) Whether he held a conference in the Republic in December 1991 in which American and British ambassadors were involved or during which such ambassadors were present at any stage;
- (2) whether during this conference (a) certain ministerial portfolios were offered to

The STATE PRESIDENT:

B628E



1419

*Answered*

WEDNESDAY, 17 JUNE 1992

*Answered*

1420

No. The mere suggestion that the State President or the Government would involve themselves with such activities is far-fetched.

on each of these two routes in this financial year?  
B763E

The MINISTER OF TRANSPORT:

**Subsidies paid to companies transporting commuters**

306. Mr W U NEL asked the Minister of Transport:

- (1) What total amount was paid out in subsidies to companies transporting commuters between (a) Owaqwa and Harrismith and (b) Owaqwa and Bethlehem for the 1990-91 financial year;
- (2) how many commuters were transported

- (1) (a) Owaqwa to Harrismith—R1 796 208,70  
(b) Owaqwa to Bethlehem—R 170 522,75

(2) Owaqwa to Harrismith—29 710 subsidized commuters per day (1 356 638 commuter trips during 1990-91).

Owaqwa to Bethlehem—3 078 subsidized commuters per day. (135 572 commuter trips during 1990-91).

1421

*Answered*

WEDNESDAY, 17 JUNE 1992

*Answered*

1422

**HOUSE OF REPRESENTATIVES**

**QUESTIONS**

†Indicates translated version.

*For oral reply:*

*Own Affairs:*

*Questions standing over from Wednesday, 10 June 1992:*

**Provision of educational facilities/mobile units**

\*1. Mr P J BERGMAN asked the Minister of Education and Culture:†

What steps he or his Department is taking in the interests of education in the Orange Free State regarding the (a) provision and erection of educational facilities and (b) (i) provision of mobile units in, (ii) transportation of such units to, and (iii) erection thereof in, areas where they are needed?

C30E

†The MINISTER OF EDUCATION AND CULTURE:

(a) At present a primary school in Welkom and a secondary school in Bloemfontein are being erected in the Orange Free State.

(b) (i), (ii) and (iii)

Applications for mobile units are considered on merit and the availability thereof determines where and when such units are being provided. As far as the Orange Free State is concerned, there are already 171 mobile units in use to address the education needs of this region.

**OFES: school buildings made available**

\*2. Mr P J BERGMAN asked the Minister of Education and Culture:†

(1) Whether the Department of Education and Culture of the Administration: House of Assembly has made school buildings in the Orange Free State available for use by his Department; if so, which school buildings;

(2) whether his Department has taken any steps to take possession of these buildings; if not, why not; if so, (a) how many

school buildings (i) have already been and (ii) are in process of being taken over by his Department and (b) in respect of what date is this information furnished;

(3) whether he will make a statement on the matter? C31E

†The MINISTER OF EDUCATION AND CULTURE:

(1) Yes. Paardeberg Primary School and Tweespruit Technical School.

(2) The Paardeberg Primary School Building has already been taken over by my Department but the offer for the Tweespruit Technical School has been withdrawn by the Administration: House of Assembly. This information is furnished in respect of June 1992.

(3) No. A statement is not deemed necessary.

**New questions:**

\*1. Mr P A S Mopp—Local Government, Housing and Agriculture. [Discharged.]

\*2. Mr P A S Mopp—Local Government, Housing and Agriculture. [Discharged.]

**Education colleges: Coloured population group**

\*3. Mr A J ROPER asked the Minister of Education and Culture:†

(1) What is the situation countrywide in respect of education colleges for members of the Coloured population group;

(2) what, with a view to the future, is envisaged in respect of the (a) Rand Education College in particular and (b) other education colleges under the control of his Department in general;

(3) whether he will make a statement on the matter? C38E

†The MINISTER OF EDUCATION AND CULTURE:

(1) Presently there are 13 colleges of education countrywide under the control of the Department of Education and Culture: Administration: House of Representatives. Of the 13 colleges, 11 are in the Cape and one each in Natal and Transvaal.

1419

Answered

WEDNESDAY, 17 JUNE 1992

Answered

1420

No. The mere suggestion that the State President or the Government would involve themselves with such activities is far-fetched.

on each of these two routes in this financial year?  
B763E

The MINISTER OF TRANSPORT:

#### Subsidies paid to companies transporting commuters

306. Mr W U NEL asked the Minister of Transport:

- (1) What total amount was paid out in subsidies to companies transporting commuters between (a) Owaqwa and Harrismith and (b) Owaqwa and Bethlehem for the 1990-91 financial year;
- (2) how many commuters were transported

(1) (a) Owaqwa to

Harrismith—R1 796 208,70

(b) Owaqwa to

Bethlehem—R 170 522,75

(2) Owaqwa to Harrismith—29 710 subsidized commuters per day (1 356 638 commuter trips during 1990-91).

Owaqwa to Bethlehem—3 078 subsidized commuters per day. (135 572 commuter trips during 1990-91).

(269/332)

1421

Answered

WEDNESDAY, 17 JUNE 1992

Answered

1422

#### HOUSE OF REPRESENTATIVES

#### QUESTIONS

†Indicates translated version.

For oral reply:

Own Affairs:

Questions standing over from Wednesday, 10 June 1992:

#### Provision of educational facilities/mobile units

\*1. Mr P J BERGMAN asked the Minister of Education and Culture:†

What steps he or his Department is taking in the interests of education in the Orange Free State regarding the (a) provision and erection of educational facilities and (b) (i) provision of mobile units in, (ii) transportation of such units to, and (iii) erection thereof in, areas where they are needed?

(50) (257)

C30E

†The MINISTER OF EDUCATION AND CULTURE:

(a) At present a primary school in Welkom and a secondary school in Bloemfontein are being erected in the Orange Free State.

(b) (i), (ii) and (iii)

Applications for mobile units are considered on merit and the availability thereof determines where and when such units are being provided. As far as the Orange Free State is concerned, there are already 171 mobile units in use to address the education needs of this region.

#### OFS: school buildings made available

\*2. Mr P J BERGMAN asked the Minister of Education and Culture:† (254) (50)

(1) Whether the Department of Education and Culture of the Administration: House of Assembly has made school buildings in the Orange Free State available for use by his Department; if so, which school buildings;

(2) whether his Department has taken any steps to take possession of these buildings; if not, why not; if so, (a) how many

school buildings (i) have already been and (ii) are in process of being taken over by his Department and (b) in respect of what date is this information furnished;

(3) whether he will make a statement on the matter? (257) (50) C31E

†The MINISTER OF EDUCATION AND CULTURE:

(1) Yes. Paardeberg Primary School and Tweespruit Technical School.

(2) The Paardeberg Primary School Building has already been taken over by my Department but the offer for the Tweespruit Technical School has been withdrawn by the Administration: House of Assembly. This information is furnished in respect of June 1992.

(3) No. A statement is not deemed necessary.

#### New questions:

\*1. Mr P A S Mopp—Local Government, Housing and Agriculture. [Discharged.]

\*2. Mr P A S Mopp—Local Government, Housing and Agriculture. [Discharged.]

#### Education colleges: Coloured population group

\*3. Mr A J ROPER asked the Minister of Education and Culture:† (53) (323)

(1) What is the situation countrywide in respect of education colleges for members of the Coloured population group;

(2) what, with a view to the future, is envisaged in respect of the (a) Rand Education College in particular and (b) other education colleges under the control of his Department in general;

(3) whether he will make a statement on the matter? C38E

†The MINISTER OF EDUCATION AND CULTURE:

(1) Presently there are 13 colleges of education countrywide under the control of the Department of Education and Culture: Administration: House of Representatives. Of the 13 colleges, 11 are in the Cape and one each in Natal and Transvaal.

cont



# Taxi drivers warn against heavy fines

Sowetan 18/6/92

332

**ABOUT 500 Pretoria taxi drivers marched yesterday to protest against alleged harassment by police and traffic officers and the jailing of colleagues for traffic offences.**

The drivers, all members of the South African Taxi Drivers Union (Satdu), marched from Struben and Prinsloo streets to submit a memorandum to the Minister of Transport and Telecommunications, Mr Piet Welgemoed, at the Union Buildings.

Police monitored the march and no incident had been reported at the time of going to press.

SATDU co-ordinator

By Monk Nkomo

Mr Stephen Seelane, whose union boasts of 4 000 members in Pretoria, said they asked the Minister to intervene and release about 2 000 of their members who had been jailed for traffic offences.

## Traffic tickets

Seelane said most of the tickets collected by their members were for stopping, loading and off-loading passengers at illegal areas.

"We have requested the Minister to allow us to have access to the roads just like municipal buses without having to be issued tickets

for traffic offences," he said.

Seelane alleged that taxi drivers were being harassed by police and traffic officers, who issued four to five tickets daily.

"Our members end up in jail because they cannot afford these fines. We presently have a member who has collected ticket fines worth R3 000 during the past two weeks and he only earns R180 a week."

Seelane said they had given the Minister two weeks to respond, failing which "we will go on to the next step."

He added that the union's objectives included the settlement of disputes by conciliatory methods.

## Bus subsidy cut 'disgrace'

CT 18/6/92 Municipal Reporter 332

IT was "disgraceful" that the R12 million-a-year passenger fare subsidy which the government provided to Golden Arrow (formerly City Tramways) would now have to come from the Regional Services Council instead.

This was said last night by the Cape Town Mayor Mr Frank van der Velde at an Idasa seminar on Local Government Administrations in Transition.

"The government's budget looks good, but there is R12 million less for upgrading," he explained.



# Peace declared in taxi war

## Plan for single association — 'all obstacles overcome'

(332)

R&amp;G 1/16/92

**EDWARD MOLONYANE, Staff Reporter**

PEACE in the township taxi conflict has been declared by the Convention for a Democratic Taxi Association (Codeta), which says moves to form a single operator association are succeeding and all obstacles have been overcome.

At the Cape Showground in Goodwood yesterday, hundreds of minibus taxis were still sporting the old Webta and Lagunya taxi association logos but were also emblazoned with a new logo — a white dove with a white leaf in its beak.

There to witness the occasion was the Mayor of Cape Town, Mr Frank van der Velde, representatives of the ANC, the PAC and Azapo and hundreds of township residents.

Codeta was formed in March after a ceasefire and the emblem was adopted last month after numerous behind-the-scenes meetings.

All the speakers at the truce ceremony, especially representatives of the two former warring associations, emphasised there was "no looking back" and that peace would reign.

Saying he was not opening old wounds, Codeta chairman Mr Kidwell Magwayi said the "war" had turned some of the taxi men, including himself, into monsters.

"I remember listening with satisfaction to news bulletins when the numbers of those of my enemies who had been killed were mentioned. I ask for forgiveness," he said to applause.

Codeta had not been plain sailing and problems had been encountered because of lack of trust, he said.

"I have personally walked out of some meetings but because we all yearned for peace in our industry, we ultimately found each other and here we are today."

He said all obstacles had been overcome and what now remained to be found was a new name



for the unified body. This would be decided soon.

Former Lagunya and Webta chairmen Mr H Nongwejanya and Mr J Mafuya emphasised that there was no "turning back".

Mr Van der Velde, whose efforts to restore peace during the taxi war often foundered, said he was the "happiest man".

Picture: DOUG PITHEY, The Argus.

**PEACE LOGO:** Mayor Mr Frank van der Velde with Codeta chairman Mr Kidwell Magwayi, holding the new taxi logo. Shaking hands are, left, former Lagunya chairman Mr H Nongwejanya and his former Webta counterpart, Mr J Mafuya.



# Smiles end bitter war of the taxis

CT 19/6/92  
(332)

By DANIEL SIMON

PEACE was officially declared in the Peninsula's vicious taxi war yesterday.

Hundreds of minibus taxi drivers in the two warring groups, Webta and Lagunya, converged on the Cape Showgrounds near Goodwood to attend a Convention for a Democratic Taxi Association (Codeta) ceremony.

Declaring the long and bitter taxi war over, both Lagunya chairman Mr Headman Nongwejana and Western Cape Black Taxi Association (Webta) chairman Mr James Mafuya shook hands and beamed when they placed the first unifying logo on a Webta taxi.

To symbolise the peace, taxis will now carry an emblem depicting a white dove with a twig in its beak.

## Codeta control

Hostilities between the two organisations over the past few years have claimed numerous lives and cost millions in damage to property.

Dignitaries at the ceremony included Cape Town Mayor Mr Frank van der Velde, the ANC's Western Cape secretary Mr Tony Yengeni and other guests, including speakers from the PAC, Azapo and the ANC Women's League.

With the ceremony, Webta and Lagunya were assigned to the past, and both organisations will now fall under the control of Codeta, which brokered the peace pact.

Displaying the emblem on minibus taxis will allow taxi drivers from both organisations to ply all formerly disputed routes without fear of violence or intimidation. Taxis which do not display the new logo will not be allowed to do business.

## SABC man 'threatened'

Codeta will now work on establishing a new controlling taxi association and aim to restructure ranks and routes as speedily as possible.

● An SABC radio journalist was confronted and allegedly threatened by Codeta chairman Mr Kidwell Magwayi yesterday afternoon when he (Mr Magwayi) demanded a cassette tape containing interviews with taxi officials and dignitaries.

The journalist alleged that Mr Magwayi threatened to take action against the SABC if it aired the interviews as Codeta did not want to be seen to be dealing with the SABC while the Media Workers' Association of SA wage strike was on.



## MK 'w

From CHRIS BATEMAN

LONDON. — THE ANC's m uMkhonto we Sizwe (MK) won over 1 000 members by the time it began in South Africa.

second test match between England and Pakistan

Transvaal (Report)



FM 19/6/92  
FM 19/6/92

COMPANIES

332

ton Footwear. So it reflects the misery which has beset particularly the transport business and, to a lesser degree, the clothing, footwear & textile sector.

Turnover in 1992 improved by a bare R10m, or 2,9%, to R380m. But this small achievement was destroyed by a plunge in trading margins, which nearly halved to 3,9%. Indeed, doing things by halves seems an unpleasant pattern of the past few years: earnings, which halved in 1991 to 71c a share, nearly halved again in 1992, this time to 40c. Earnings are now a mere 28% of 1990's level.

The dividend has fallen as an inevitable consequence, though not quite so drastically, and at the expense of cover which is now down to 1,9 times from a peak in 1990 of 3,1. MD Stan Chilvers is at some pains to point out that dividend cover is not a matter of concern to directors since the policy is to pay out as much as it can from the proceeds from its two major investments. Nevertheless, shareholders, who received 46c a share two years ago, will get 21,5c for 1992. That illustrates the sacrifices being made.

## BOLTON INDUSTRIAL A year of misery

**Activites:** Holding company for Cargo Carriers and Bolton Footwear.

**Control:** Cargo Carriers Holdings — 65,5%.

**Chairman:** G H Stein; MD: S G Chilvers.

**Capital structure:** 5,2m ords; and 175 000 5,5% prefs. Market capitalisation: R15,6m.

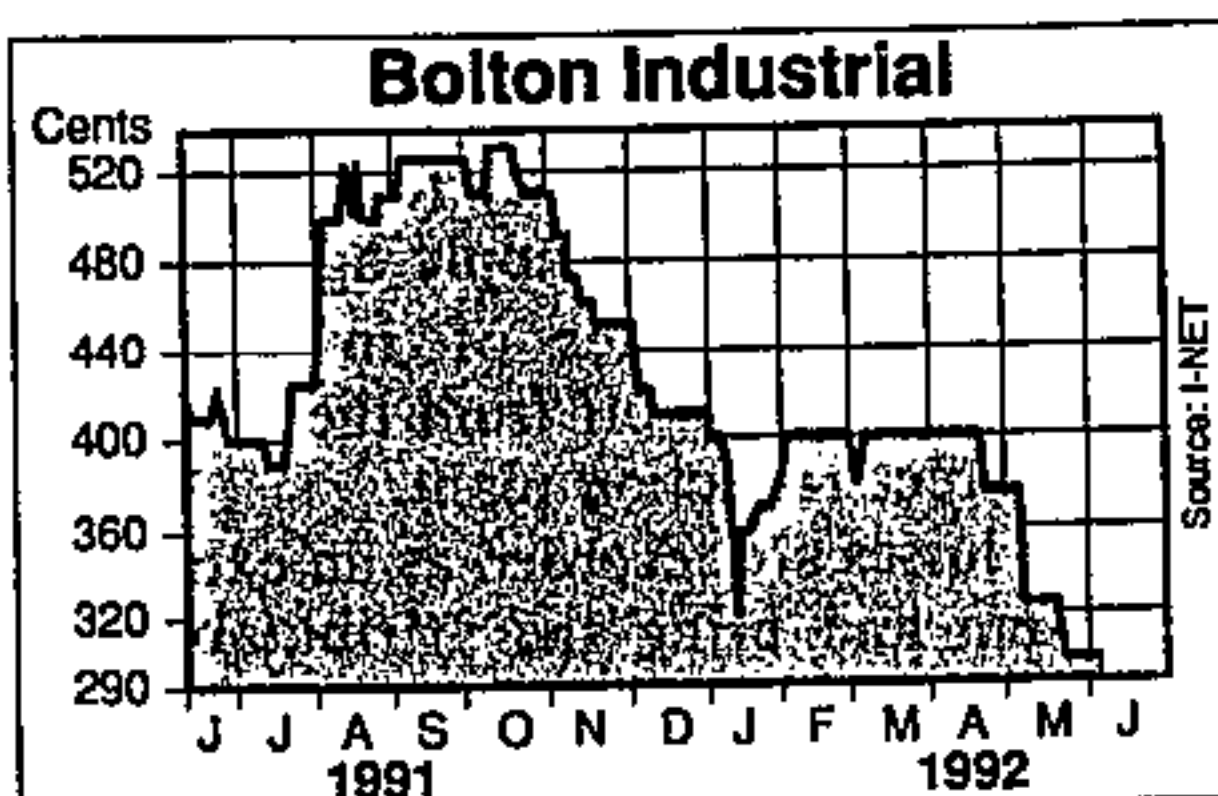
**Share market:** Price: 300c. Yields: 7,2% on dividend; 13,3% on earnings; p:e ratio, 7,5; cover, 1,9. 12-month high, 530c; low, 300c.

Trading volume last quarter, 16 615 shares.

Year to Feb 28	'89	'90	'91	'92
ST debt (Rm) .....	12,9	38,6	45,6	45,1
LT debt (Rm) .....	11,5	15,7	8,4	8,9
Debt:equity ratio .....	0,25	0,49	0,48	0,47
Shareholders' interest .....	0,56	0,51	0,52	0,53
Int & leasing cover ..	11,4	3,8	1,9	1,3
Return on cap (%) ..	12,64	16,7	11,65	6,98
Turnover (Rm) .....	258,2	362,6	370,2	380,8
Pre-int profit (Rm) ...	21,6	37,0	25,3	14,8
Pre-int margin (%) ..	8,4	10,2	6,8	3,9
Earnings (c) .....	121	144	71	40
Dividends (c) .....	38	46	26	21,5
Net worth (c) .....	1 034	1 034	1 058	1 096

In few other companies reviewed in recent weeks has the attrition of the past two years been as acutely highlighted as in Bolton Industrial. Earnings have plummeted, the dividend has been cut yet again and trading margins are under such pressure that now there is nowhere left to hide.

The company is purely a depository for effective control of Cargo Carriers and Bol-



Bolton's Stein ... difficult to be optimistic

The company's Achilles heel is Cargo Carriers (Companies June 12) which it controls through a 34,6% holding. EPS turned negative for Cargo Carriers in 1992. A gloomy chairman Gerald Stein said in his annual statement it is "difficult in these trying times to be optimistic, particularly when past optimism has not been realised." Cargo's problems are excessive competition in a constricting market, itself brought about by recession and compounded by the drought, and by severe industrial action.

Chilvers says 11 000 man-hours were lost last year to stayaways, go-slows and other forms of action. "It cost us an almost unquantifiable sum in lost revenues," he says. Of course, it doesn't help that the Transport and General Workers' Union is known as one of the more militant. Chilvers says every

COMPANIES FM 19/6/92 . 332

effort is being made from management's side to restore good working relations but he declines to say how successful these attempts have been.

Next year will be another difficult year for Cargo. Chilvers says a significant downsizing has been undertaken, involving the closure of some branches and a reduction in the labour force. This took longer than expected but "Cargo is now lean and hungry," says Chilvers. He expects another year of consolidation before benefits are seen.

Bolton Footwear (Bolwear), held 65%, looks in better shape. But it is the same story: the recession is hurting, disposable incomes have retreated and Bolwear's positioning at the upper end of the market hasn't helped. Neither has a 5% drop in national sales volumes. Bolwear managed to contain the fall in EPS to 14% and nearly held its dividend distribution at the 1991 level.

Director Cedric Novis says the concentration this year will be on exports and Bolwear has specifically targeted Africa as its primary growth area. The devalued rand, with the General Export Incentive Scheme, provide the stimulus to increase exports to about a tenth of output, from the current 3%. But, despite the upbeat tone of Novis's comments, the market has down-rated the share to a new 12-month low of 90c.

Chilvers is reluctant to be drawn on prospects for Bolton Industrial over 1993, saying there are too many imponderables.

At 300c, Boltons is on a p:e of 7,5 compared with a sector average of 14,7, a strong indication of how the market thinks. For the time being, and at least until management of the operating companies prove they have restored their businesses and balance sheets, this is a stock to avoid.

David Gleason

# 'Closer look' still needed at taxi war

By KURT SWART

THE bloody Western Cape taxi war had its roots in commercial competition and it was still premature to say to what extent politics had played a role in the related violence and intimidation, the Goldstone Commission found this week.

The committee of the commission set up to investigate taxi-related violence in the Western Cape consists of Cape Attorney General Mr. Niel Rossouw and attorney Mr. Louis van Zyl.

## Mediate

An interim report, aimed "at informing the commission of the investigations up to now and what still needs to be done", was tabled in Parliament this week.

The cost of the war up to the first quarter of this year was "awesome" with some 66 deaths and damage to property amounting to R3,6 million, the report says.

On allegations that policemen had participated in the violence, the committee found that there was evidence "to the contrary".

"There has been evidence that the South African Police have tried to mediate in the war on a continuing basis," the report stated.

It added, however, that the role of the police and

their influence on the level of violence had "not been fully explored" and would be investigated further.

The committee had been hampered by the unavailability of witnesses, including representatives of the taxi organisations, resulting in the hearings being punctuated by postponements.

The record of evidence had already reached 790 pages, however. The committee had also held private hearings with witnesses unwilling to testify in public.

The report sketched a brief history of the two taxi rivals, the long-established Lagunya (an acronym for Langa, Guguletu and Nyanga), and the former "pirate" operators, the Western Cape Black Taxi Association (Webta).

One of the factors contributing to the conflict was "deregulation", which resulted in more permits being granted by Local Road Transportation Board, leading to greater competition.

Other factors included taxi operators' lack of business and driving skills, the absence of ranks and stops, and inadequate or non-existent shelter and toilet facilities at ranks.

ed	Audited
92	31.3.91
100	R'000
129	58 659
100	10 000
635	843
108	8 085
372	77 587
216	54 998
802	56 515
018	111 513
646	33 926
372	77 587
93	81
39%	42%
1,8	1,7
720	72 548

the majority of  
continued to culminate

recommended.

## Report on taxi violence

(332) LINDA ENSOR (245)

CAPE TOWN — There was an acute lack of business training and driving skills among taxi drivers and this had contributed to the carnage on SA's roads, the Goldstone Commission said in an interim report on taxi violence which was tabled in Parliament on Friday.

The report said this same shortage had contributed to the competition for business and to the conflict between taxi drivers.

"The high rates charged by financial institutions on hire-purchase contracts and ever-increasing running costs collectively contribute to the need on the part of taxi operators to convey as many passengers as possible as often as possible. Traffic rules are ignored in the contest for patronage."

Up until the first quarter of 1992, about 66 people had been killed in Cape Town's taxi war, the report said.



# Tom Boya calls for end to taxi warfare

Sowetan 23/6/92 (332)

FORMER mayor of Daveyton Mr Tom Boya yesterday appealed for unity in the transport industry in the wake of growing violence.

In an address at the launch of the Federated National Transport Organisation in Johannesburg, Boya said violence and the inability of political figures to reach settlement had drawn criticism of the developing taxi transport.

He said: "The unnecessary killings have a serious effect on running an effective and well developed transport industry such as the passenger transport."

Delegates at the launch observed a moment of silence and paid tribute to people killed - in particular the Boipatong massacre - in acts of violence.

By JOSHUA RABOROKO

Boya, who based his talk on "Unity and opening opportunities for black entrepreneurs in transport", said that the formation of Fento should not cause rivalry in the transport industry, but must be regarded as a "breakthrough towards creation of job opportunities and wealth."

The formation of the organisation would bring new entrepreneurs into the transport industry.

"The establishment of Fento shows commitment to black economic empowerment by providing transport services that will address inequalities of the past."

He urged Fento to co-operate with other organisations, including the

Southern Africa Black Taxi Association, the National African Federated Transport Organisation, political organisations and trade unions.

"We must forget our ideological differences in transport and learn to build the nation," he said.

He emphasised the need for education and training in the transport industry so that "we can manage our businesses properly in the new South Africa."

President of Fento, Mr. Lennox Magwaza said that it was his wish that one day there would be a single, unified taxi organisation.

His organisation would invite other taxi associations to a summit where unity would be discussed.

"Together we can stop taxi warfare," he said.

Tom Boya - calling for an end to the taxi wars.



## Drop in tax rate pushes up profit

DUMA GOUBULE 25/6/92

TRADE Finance group GDM Finance has reported a 12,6% advance in attributable profit in the year to April, helped by a sharp drop in the tax rate. (332)

Attributable profit increased to R9,7m (1991: R8,6m) which translated into earnings of 38c (33,7c) a share. The total payout for the year rose to 15,5c (13,5c).

MD John Cowper said business conditions had deteriorated in the second half of the year, which was reflected in the fact that second-half earnings were only 1c a share ahead of the first half.

He said group pre-tax profit and tax payable had been reduced by the need to write off bad debts incurred during the year.

The tax rate fell to just under 6% from 20% last year.

Cowper said the group's 64%-held subsidiary African Shipping had showed a 68% increase in after-tax profit to R2,4m, reflecting the company's growing market share and economies of scale.

The turnover figure was not disclosed in the preliminary report, but pre-tax profit slipped marginally to R11,5m (R12m).

The sharp drop in tax paid boosted after-tax profits by 14% to R10,9m (R9,5m).

Looking ahead, Cowper said he expected difficult trading conditions to continue for some time.

Notwithstanding this, management believed the company could deliver a further satisfactory performance in the new financial year, he said.



# Taxi drivers 'must toe the line'

By MARTIN CIPRIEN  
NTSOELENGOE 28/6/92

A CONFRONTATION is looming between the Mohlakeng Black Taxi Owners Association, and local migrant taxi owners who "refuse to obey" the laws of the association.

Since 1986 MBTOA has had an agreement with residents to offer aggrieved families four or five taxis during funerals.

The migrant taxi owners are refusing to offer their taxis saying it is not their responsibility, and that their parents and children are not in Mohlakeng, but in the homelands.

MBTOA chairman Douglas Ndaba told City Press this week that the attitude of the migrant taxi owners was causing problems which may have serious consequences for taxi owners who refuse to toe the line. (332)

## 'Inhumane'

He warned that if the men refused to support the community by coming up with "inhumane" utterances, his association would be forced to take disciplinary action against them.

Ndaba said for the migrant taxi owners to say they could not help because they do not have immediate family in Mohlakeng, was very unfortunate.

He added that it would be unfortunate if they were forced to tell the migrant taxi owners to go and operate their taxis in the homelands where their immediate families were.

Ndaba said they were earning their money from Mohlakeng and were therefore obliged to serve the community.

## Trade right

Said Ndaba: "If they continue their greedy behaviour, we will have no alternative but refer the matter to the local civic association and the community."

"They cannot expect to reap money from the community and not plough back part of their gains."

"They became businessmen because of the Mohlakeng community, not because of their homeland ties," he said.

Randfontein traffic chief Boet Nel said: "We have no authority to refuse the migrant taxi owners licences, because such laws were scrapped some time ago."

"We are moving into the new SA, and discriminatory laws have long been done away with," said Nel.

# Taxi group in safety campaign

By Stan Hlophe

In a bid to cut down the high death rate on South Africa's roads, the African United Long Distance Association (Afulda), an independent taxi body, will, in conjunction with Mercedes-Benz SA, embark on a national "Save Life" campaign from next month.

The campaign includes educating the public and drivers, a retraining programme, and the establishment of a burial and disability insurance fund.

Afulda has also organised a 17-day trip for its members and Radio Metro deejay Bob Mabhena to visit Mercedes plants in Germany, Venice, Paris and London in September.

On their return, the or-



**Drive  
alive!**

ganisation, in conjunction with Radio Metro, will run a series of educational and road safety awareness programmes.

Afulda public relations officer Charmaine Modjadji said the organisation believed that the attitude of drivers towards passengers had to improve.

"Afulda is committed to curbing the carnage on the roads and will liaise with all taxi bodies and the transport industry to contribute to safety on the roads."

Interested people can contact Ms Modjadji at (011) 834-7362.



## Putco fares rise

*Sowetan 30/6/92*  
Commuters in the homelands began paying increased fares on Putco buses yesterday.

A company spokesman said the fares had been increased by an average 12,5 percent. (332)

The increase followed negotiations with the commuter organisations in the affected areas. Putco had initially wanted to increase the fares by 16,9 percent but scaled down after negotiations. - Sapa.

## NEWS IN BRIEF

### Putco raises fares <sup>332</sup>

HOMELAND commuters began paying Putco's higher fares yesterday, marking the start of an average 12,5% increase for 150 000 passengers nationally from July. *6/10/92 30/6/92*

A Putco spokesman said the company had sought a 16,9% increase during negotiations with commuter organisations but had settled for 12,5%. It operates in the PWV, Natal and KwaNdebele.



# Bass Airways' Durban service nears takeoff

PRIVATE airline Bass Airways would start operating scheduled flights for businessmen between Johannesburg and Durban early next year — using the more readily accessible Grand Central Airport in Midrand as a base, Bass MD Mike Basson said yesterday.

The air service would be unique to SA. It would take the average traveller two minutes from the time he or she arrived at the terminal building until embarking.

The opening of a new and longer runway at Grand Central today was seen by Bass as the first step in the planned air service.

30/6/92  
STEPHANE BOTHMA

In addition, the terminal buildings and navigational facilities at the airport would be upgraded in the next few months, and car hire, underground parking, catering and baggage-handling services would be introduced to facilitate the Bass flights.

He stressed he was not intending to compete with SAA and Flitestar, but was offering a different service. Fares would be similar to those charged for economy class on other airlines, he said.

"The war in the air is going to be won on

the ground," Basson said.

Bass intended to operate eight flights between the two cities each day using four 50-seater De Havilland Dash 8-Series 300 aircraft obtained from De Havilland of Canada, Basson said.

Bass was the first private airline in SA to obtain a licence to operate scheduled flights.

The licence, Basson said, was totally unrestricted, which meant Bass could expand with any required frequency to any domestic route within the country at any market-related fare.

332

# ANC seeks new transport policy

16 (Day) 30/6/92

EDWARD WEST

COSTS in the transport industry had risen disproportionately to inflation resulting in declining gross domestic fixed investment in the sector, ANC spokesman Jane Barret said at the Annual Transport Convention in Pretoria yesterday.

She said the state should adopt a clear policy on transport which would form part of a broader economic policy.

Such a policy should develop new transport infrastructure supporting economic development, reduce the cost of transport, ensure the narrowing of regional imbalances and regulate the industry regarding wages and working conditions.

## Backlog

Labour had to be assisted by providing accessibility to employment sites, training and research support.

Barret said the transport sector accounted for about 6,5% of GDP and taking into account the contribution of ancillary transport, possibly as much as 10%. About 5,6% of the workforce was engaged in transport in some form.

Identifying areas in which new transport policy was required, she said, in spite of the relatively high proportion of GDP spent on road construction, there remained a massive backlog of rural road infrastructure.

The loss of nearly all off-peak bus markets to the taxi industry and government's cutting of subsidies had plunged the bus industry into crisis. The effective disinvestment of bus companies — for example Putco's R81m dividend payment to shareholders in 1991 — further compounded the crisis.

She said the decentralisation of

commuter transport planning and funding to regional authorities left unanswered questions about how revenue would be raised even to meet scaled-down subsidisation.

In the context of an overall tax review, she questioned whether licensing and fuel tax revenues should not be channeled into a dedicated transport fund rather than into general state revenue coffers.

Barret also argued for the development of low technology multi purpose vehicles for SA's subsistence and semi-subsistence farmers whose transport needs were neglected.

Two-stroke engine vehicles modelled on a type produced in Taiwan could improve the quality of life and productivity of subsistence farms.

She also mooted the subsidisation of agricultural vehicles.

Manufacturing distribution costs added up to 25% of the cost of some products. She said that through relatively simple modification to heavy vehicle design, up to 16% fuel savings could be achieved.

Diesel-saving innovations would also have to be accompanied by the encouragement of the use of diesel vehicles because SA had an oversupply of diesel due to the imbalance between diesel and petrol demand.

Barret said as much as R100m a year could be saved by supermarket chains if they adopted more efficient delivery systems, such as centralised warehousing, roller pallets and improved information technology.

However, the savings would be passed on to consumers in the form of lower grocery prices. A policy on the conglomeration of businesses and on food prices would come into play in this regard, she said.

## Alex carnage accused <sup>331</sup> walks free <sup>STAR</sup> 1/7/72

One of five men accused of murdering 13 mourners at an Alexandra night vigil was yesterday acquitted of murder, attempted murder and illegal possession of arms and ammunition.

Mr Justice H. Daniels said after the closing arguments that there had not been enough evidence to convict John Zakwe (56).

Gibson Mbata and Christopher Mbata have been remanded for judgment on August 10.

Derek Majosi and Petrus Buthelezi were warned to appear on that date.

The men allegedly opened fire with AK-47 rifles on mourners at a vigil on March 26/27 last year. Thirteen people died and 17 were injured.



# Station deck taxi rank progressing

Municipal Reporter

THE first steps have been taken in establishing a permanent minibus taxi rank on the Cape Town station deck. Cables have been laid and traffic-light poles installed by the city council at the Oswald Pirow Drive entrance to the deck.

However, an interim taxi rank is in the pipeline as it is not certain how long it will take to complete the permanent rank, part of a R400 million redevelopment at the station, which would include shops and fast-food outlets.

Deputy city administrator Mr Alan Dolby said the council wanted to plan the rank with taxi drivers.

He said it was difficult to consult them during the taxi conflict. However, now that peace was achieved, talks took place with the taxi forum Co-deta and another meeting would be held.

Mr Dolby said the interim rank would probably not be established before the end of the month. He said kerbs, signs and shelters would have to be laid on. "This must be done in consultation with the taxi associations," he said.

# Magistrate rules in ANC's favour

ALLEGATIONS of the existence of a special ANC unit to kill policemen, soldiers and spies, were made during a bail application in Cape Town's Wynberg Magistrate's Court on Friday.

The claims were made by ANC member Fumane Kile "Feti" Booi, of Gugulethu, who was arrested in January for the murder of Sgt "Kulu" Els in an ambush at Nyanga in July 1990.

He alleged the unit had been deployed as part of the ANC's "Operation Dragon" against security forces and ANC spies before July 1990. After that date, the ANC high command had given no more assassination orders, he said.

Former Umkhonto weSizwe chief of staff Chris Hani told the court he and Booi had been part of ANC forces who had fought Unita in the Angolan bush war.

"I know him well and respect him as a courageous young man and a good soldier," Hani said.

However, he stressed his office had never issued orders for Booi to kill Els, as the armed struggle had been suspended in March 1990.

## Political tasks

On Booi's allegations, Hani said: "I regard the SA Police and the army as criminals. Will I be guilty and Kat Liebenberg (Chief of the SADF) not guilty?"

"What is considered a crime was not considered a crime by 70 percent of the country. We must look at the special circumstances. Activists were killed in this country and though we killed far less than the SAP, there are certain things we are not proud of."

Under cross-examination, Booi admitted being part of "Operation Dragon". He added that at no stage did the ANC High Command issue him with orders to kill policemen during July 1990, saying his chief tasks were "political."

Booi said he was trained in Angola, Botswana and Yugoslavia.

He was granted bail of R10 000 on Friday although the money could not be raised in time and he was taken to Pollsmoor Prison.

Magistrate JG van Zyl, in granting bail, said: "The winds of change are blowing in SA. This changes the perceptions and goals of people and I have no reason to rule that this change did not come about within the accused."

The trial was postponed to July 23. — Sapa



# Bombings: CP MP, three others in court

Pretoria Correspondent

In a show of moral support, 10 khaki-clad, flag-waving members of the Afrikaner Weerstandsbeweging arrived at the Pretoria Regional Court yesterday for the hearing of Koos Botha, rebel CP MP for Wonderboom, and three other men allegedly linked to several explosions in the PWV area.

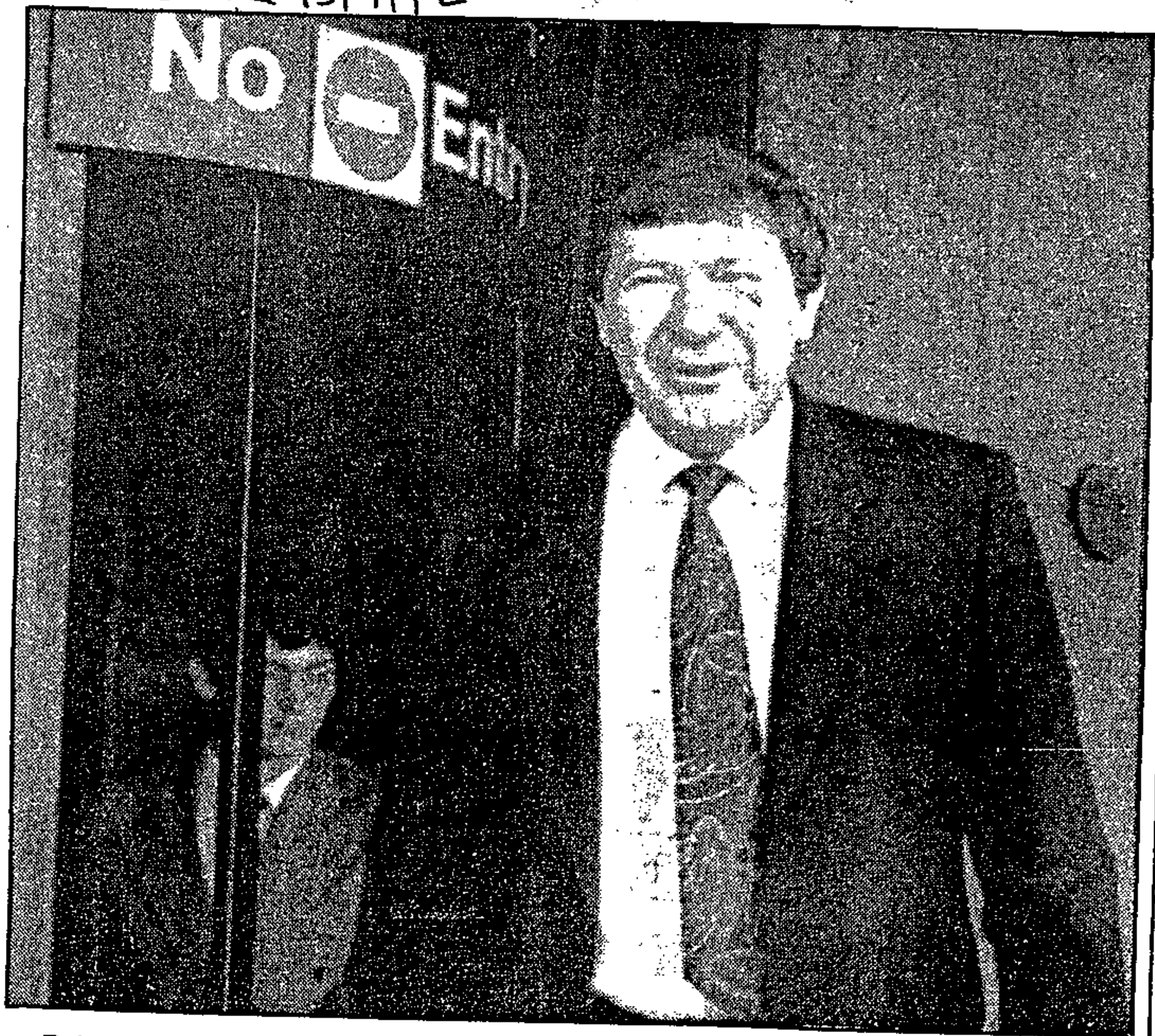
Mr Botha; Petrus Judeel, of Brits; and Andries Cornelius Odendaal and Dirk Jan Hattingh, both of Pretoria, appeared briefly before R de Vos.

They were arrested in connection with the bombing of the Verwoerdburg and Krugersdorp post offices and Pretoria's old Hillview high school. A fifth suspect, Andries Stephanus Kriel, is still on the run from police.

No charges were put to the men and they were not asked to plead. The case has been postponed to September 14.

Bail of R1 500 was extended for Mr Botha, Mr Hattingh and Mr Judeel. Mr Odendaal was remanded.

Among the AWB supporters was Jeremia Jesaja Bezuidenhout, who was rearrested last week after successfully applying for a passport.



Rebel CP MP . . . Koos Botha leaves the Magistrate's Court in Pretoria yesterday.  
Picture: Mark Wolhuter



STAR 16/7/92

## Right-wing pair apply for bail

By Susan Smuts

Two rightwingers, wanted in Namibia to stand trial on various charges — including murder and sabotage — following an attack on an Untag building in 1989, yesterday brought an application for bail pending extradition.

Mr Justice M J Strydom stood the matter down until today for additional papers to be filed.

Orde Boerevolk members Leonard Veenendal and Darryl Stopforth brought the application against the Namibian government, represented by the Witwatersrand Attorney-General's office, and the SA Minister of Justice.

Johannesburg magistrate R le Roux ruled earlier this year that the men were to be kept in custody pending the Minister of Justice's decision whether to extradite them.

Namibia has asked South Africa to extradite the men to stand trial for murdering a policeman, arson, sabotage, possession of explosives, and car theft.

## 'Hit-man' <sup>331</sup> jailed over <sup>STAR 17/7/92</sup> illegal gun

Returned ANC exile Kgatso Branden Samson (25), who was allegedly under instructions to kill policemen, was yesterday sentenced in the Ermelo Magistrate's Court to 18 months in jail for the illegal possession of a firearm and ammunition.

Nine months were suspended.

A police spokesman said Samson was first arrested in Piet Retief over illegal arms. He then admitted in a statement he had been instructed by a member of the ANC's executive committee, John Nhlanhla, to obtain information about certain policemen in Piet Retief.

Samson said he was instructed to return to Johannesburg on July 5, where he would be told to kill the policemen.

He said he would be killed for not obtaining the information and was convinced that Mr Nhlanhla would now send other people to complete the mission.

● Mr Nhlanhla has rejected the allegation. "It is a complete fabrication," he said yesterday. He believed a senior member of the security forces was behind it. — Sapa. 17/7/92.



# Easing of HP terms has not benefited taxi sector

THEO RAWANA

THE taxi industry has not benefited from the hire purchase relaxations announced by government in March and this has left owners with a burden of higher deposits and shorter repayment periods.

And for a taxi operator who barely makes R5 000 a month on his vehicle, it is an uphill struggle when expenses such as fuel, labour and maintenance are taken into account, says one bank official.

Instead of the new 10% deposit and 54-month repayment period set by government, taxis have to pay an average 25% deposit and settle their debt within the old 42-month period, in line with finance scheme arrangements with banks.

This leaves them with a higher monthly repayment burden than they would have had under the longer period.

Banks with taxi finance schemes cite the minibus taxi's short life span as the reason for the different terms.

"The taxi will have run up a high mileage at 54 months and we are guarding against default," says FutureBank GM Phil van den Heever.

Because the bank is conducting the scheme for business purposes, it is

not governed by any stipulation regarding the repayment period.

FutureBank has taken over the Sabta Foundation scheme and requires a first-time buyer to put up a guarantee of 30% of the purchase price and vehicle insurance into a fund. He then has to pay R3 000 as a first instalment.

A taxi operator who has been with the fund for three years puts up 20% and R3 000, while a client with a proven record of good payment has to contribute 15% and pays no deposit.

## Confidential

Money deposited into the fund is a safeguard against default, is surety for the individual member and is refundable at the end of the repayment period, Van den Heever says.

On minibuses ranging in price between R55 000 and R70 000, owners paid between R3 500 and R3 700 monthly.

Van den Heever says the rate of defaulters had been constant, but he refuses to give a percentage.

"That is confidential information," Stannic passenger transport finance manager Veli Mokoena says his bank, which deals with the National African Federated Trans-

port Organisation (Nafto), requires an applicant to pay 15% of the value of his debt, including finance, into the finance fund. This works out at between R10 500 and R11 000.

"To lessen his debt burden, we ask him to pay a R3 000 deposit including insurance," says Mokoena.

"The 15% is refundable once the account has been cleared."

Interest is put into a separate interest account, which covers any defaults.

"We have to make the repayment period 42 months because of the short life span of a taxi," he says.

Mokoena says the default rate is not too high.

"We have a bad debt of 18% which we hope to recover, and have written off only 2%."

Asked if, in his opinion, the taxi operators could manage under these terms, Mokoena says: "The taxi industry has been oversold as the industry and has attracted a lot of people, including a host of consultants bent on making a fast buck. The operators are far from making money and the maximum monthly income for a taxi operator is R5 000.

"So, with all the expenses he has to contend with — from fuel to labour and the repayments — the man is left with precious little at the end of the month."



## Jo'burg plans a healthier environment

A CITY health plan to reduce worker absenteeism and medical care costs was being investigated by the Johannesburg City Council, environmental health director Yvon Schirnding said last week.

The ultimate goal of the plan, the Healthy City Project, was to improve the health of all people living or working in the city, Von Schirnding said.

The project is part of a World Health Organisation initiative to improve city communities' awareness of health and environmental issues. The WHO scheme includes technical and cultural exchanges between different cities of the world.

Possible programmes include community action to clean up streets, finding better



ADRIAN HADLAND

methods of waste disposal and food and nutritional advice schemes.

Von Schirnding said a project office staffed by professionals from different disciplines would be established to develop and implement health plans for Johannesburg. Surveys would also be conducted on health and environmental issues to establish the needs of different social groups.

"The time is right in Johannesburg for the launching of a healthy city project, with increasing community concern about the impact on the environment, the housing crisis, rapid urbanisation and industrialisation," Von Schirnding said.



## Minibus taxi 'races' pose danger

332

Staff Reporter

MANY minibus taxis were trying to beat one another to pick-up points, driving dangerously and disregarding traffic laws, Cape Town traffic manager Mr Wouter Smit has told a committee of the Goldstone Commission.

He said: "Any legal requirement that may impede the economic spoils of a trip is considered to be an unfair restriction and likewise any action by a traffic officer."

Recently a female traffic officer was assaulted. Taxi operators often interfered when a colleague was being booked for a violation, he said.

Mr Smit said the number of minibus accidents in the Western Cape had increased by 28 percent from 2 541 in 1988 to 3 256 in 1989.

Mr Smit told the committee yesterday that 16 499 traffic violations occurred in 1989 and of these 5 093 were for vehicle defects and 4 236 for driving without public permits.

But, he added, identifying taxi drivers remained a problem. "Often drivers will hide documents such as the public driving permit and accept a prosecution for no public permit to avoid identification, particularly if he may have driving or other violations outstanding against him."

He said a random selection of 12 of the more than 3 500 taxis operating in Cape Town showed that one admission of guilt fine was paid, 40 cases were struck off the roll, 67 cases were withdrawn and 954 warrants of arrests were outstanding.

STAR 23/7/92.

## Rightwingers fear unfair trial in Namibia

Court Reporter

(22/7) (331)

Orde Boerevolk members Leonard Veenendal and Darryl Stopforth feared they would not get a fair trial in Namibia, where they are wanted for murder and sabotage, the Rand Supreme Court was told yesterday.

The two men have applied for bail pending a decision on a Na-

mibian extradition application.

The Namibian government wishes to try the men on charges arising from an attack on an Untag building in 1989.

The two men's defence counsel told the court the men would not flee if bail were granted, adding that Minister of Justice Kobie Coetsee appeared sympathetic to their plight and may

not order their extradition.

Mr Justice MJ Strydom replied there was no doubt that anyone standing trial in Namibia would be given a fair trial.

Counsel appearing for Mr Coetsee said the minister would decide later on whether to extradite Mr Veenendal and Mr Stopforth to Namibia.

Judgment was reserved.

# Permits given 'overloaded' taxi facilities

CT 24/7/92

Staff Reporter

332

THE Local Road Transportation Board (LRTB) had issued permits to taxi operators despite objections by the Cape Town traffic department that there were not enough facilities, traffic manager Mr Wouter Smit told a Goldstone Commission committee yesterday.

The committee, chaired by Cape attorney-general Mr Niel Rossouw SC, is investigating the taxi conflict in the Western Cape.

Mr Smit said there were 48 taxi ranks in the Cape Town municipal area, with facilities for 792 vehicles. Given the turnover of vehicles, the ranks could accommodate 2 400 taxis but 2 834 route and radius permits had been issued.

Asked by Mr L S van Zyl, a committee member, if there were cases where permits issued led to violence, Mr Smit referred to Strand Street and said the number of permits issued had had an adverse effect on traffic yet the LRTB continued issuing permits.

Mr J A le Roux, for the Department of Transport, said that up to 1989 the LRTB had respected the objections of the traffic department but later investigated ranks and found no overcrowding as alleged.

In practice and in law the LRTB was not entitled legally to refuse a permit if the only problem had been a lack of ranking facilities, he said.

Mr Smit said he was unable to say whether the absence of illegal operators would have had a significant effect on the level of violence.

The hearing continues today.



# City traffic boss questioned on taxi permit claims

LIBBY PEACOCK, Staff Reporter

ARG 24/7/92

COUNSEL for the Department of Transport has strongly disputed claims before a committee of the Goldstone Commission that the Local Road Transportation Board issued too many taxi permits and that this had contributed to the taxi war.

The committee is investigating the causes of the Western Cape taxi violence.

Mr J A le Roux, for the department, yesterday cross-examined Cape Town traffic chief Mr Wouter Smit.

Mr Smit testified that he did not support deregulation, but did support legalising pirate taxis because they were already rendering a service and would use existing or officially planned ranks.

Mr Le Roux told Mr Smit that the Department of Transport disputed claims that too many permits had been issued by the Local Road Transportation board and that it led to taxi violence.

He told Mr Smit there had been "a serious onslaught" on the permit system. He was not representing illegal operators and accepted that at any particular rank there might have been too many operators, but that was totally different from too many permits having been issued.

Mr Le Roux said "wild allegations" that permits have been issued on a "willy-nilly basis" was "a myth".

He put it to Mr Smit that there were no official taxi ranks in the townships, excluding one set up at Site C by the Lingeletu West Town Council.

Mr Smit conceded this, but said taxis used bus terminuses.

Mr Le Roux said there was no evidence that there had been taxi violence among legal permit holders entitled to use a particular rank and suggested that violence took place between people without permits and those with permits operating at ranks they were not entitled to use.

The inquiry continues today.

332

# ANC pair acquitted of possessing Makarov

By Bronwyn Wilkinson

Eastern Transvaal ANC regional secretary Joe Nkuna and regional organiser Veli Sekgobela were acquitted in the Nelspruit Magistrate's Court yesterday on a charge of being in possession of a Makarov pistol.

The State failed to prove that the two men were the only people who used an ANC car in which the pistol was found in January.

It was proved that the pistol was found in the car when Mr Nkuna took it for a service at a garage but, because the car was registered by the

ANC, it was impossible for the State to link the weapon to the two men, the prosecutor told The Star yesterday.

After the gun was found, Mr Nkuna allegedly telephoned the garage and threatened to call a boycott of the service station, shoot the manager and blow up the garage. The conversation was allegedly taped.

The prosecutor said it was impossible to prove the caller was Mr Nkuna.

● Four ANC members were arrested as they tried to occupy the court as part of the ANC's mass action campaign.

# MK men in court for murder

TWO alleged trained Umkhonto weSizwe members are to appear in the Rand Supreme Court tomorrow on 15 counts, including murder.

Bathandwa Godlo, 24, of Dobsonville and Stanley Wanyane of Meadowlands are charged with five counts of attempt murder, robbery with aggravating circumstances, murder, unlawful possession of arms, ammunition and explosives.

The State alleges that the two attempted to murder; Karel Lebethe, Isaac Denga, Ezekiel Moletsane, Gert Jacobus Botes, Leon Van Heerden - all employees of the TPA - on September 27 last year near Krugersdorp. It is also alleged that they assaulted Pieter Johan Barbas and robbed him of his BMW car.

Reports by CP correspondents and Sapa

331



## Three Azanla men get 7 years for bomb attack

331

STAR 2717192

POTGIETERSBURG — Three members of the Azanian Liberation Army — the military wing of the Black Consciousness Movement — were found guilty of sabotage on Friday and sentenced by the District Court to an effective seven years' jail each.

The three, plus a fourth accused who was acquitted, were charged in connection with a bomb attack on a Transvaal Provincial Administration camp about 10 km outside the northern Trans-

vaal town last year.

Samuel Maluleka (22), Anthony Palagangoe (21) and Michael Mothoagae (24) were found guilty of sabotage and sentenced to seven years' jail each.

They were further sentenced to 18 months' jail for assaulting security guards at the camp.

The sentences are to run concurrently.

Cornelius Kekana (24) was acquitted. — Sapa.

DENNIS CRUYWAGEN  
Staff Reporter

# Minibus taxis 'lawless'

TAXI violence was caused by a lack of law enforcement, a committee of the Goldstone Commission has been told.

Deputy Director of the Department of Transport Mr Pieter Geringer said under cross-examination yesterday that minibus taxi drivers did as they pleased.

"There is no law enforcement. People are doing as they please. They assault us if we try to apply the law," he said.

Last year one of his inspectors was assaulted and since then "we don't enter black townships without the permission of the police".

He added: "If we go in we do it in co-operation with police."

In January, minibus taxis mounted a blockade of the department's Bellville offices.

"Subsequently we were asked by police to stop law enforcement".

Asked by Mr John van der Berg if law enforcement had ground to a halt in the Western Cape, he replied that it was difficult to apply the law in townships.

He added: "It is difficult to get police back-up at all times because police are busy with other activities."

Questioned by committee chairman Mr Niel Rossouw, he said some of his inspectors had been warned that they would not be safe from Cape Town to Transkei.

Asked by Mr Rossouw if there was any hope that law enforcement would be resumed, he said law enforcement could only be applied with the help of police.

Mr Geringer said traffic police did not enter Khayelithsa because it fell outside their jurisdiction. They were issuing tickets to offenders but summonses could not be served.

He told Mr Van der Berg that the South African Black Taxi Association had told the department that political differences were the root of taxi war in the the Western Cape.

He said the department had realised in 1987 that violence in the taxi industry was a serious problem.

Proceedings continue today.

● Mr Van der Berg, instructed by Malinichs, appears for the ANC, the Black Sash and the Cape Town Peace Committee.

# Apla case Sowetan 27/7/92 resumes

■ Sequel to alleged attempted murder of three policemen: (331)

## Sowetan Reporter

THE trial of two alleged Apla members resumes in the Bloemfontein Regional Court tomorrow after an adjournment of three weeks.

Lebogang May (23) and Velile Mxhosana (20), have pleaded not guilty to the main charge of the attempted murder of three policemen.

They face an alternative charge of bombing Batho police station in Mangaung township and one of malicious damage to property.





Picture JOHAN SCHRÖNEN, The Argus.

**MINIBUS MAZE:** Strand Street grinds to a halt at rush hour today as taxis block the road after a dispute with traffic authorities.

## Traffic snarl as taxis block street

**SHARKEY ISAACS  
and JOHAN SCHRÖNEN**  
Staff Reporters

PEAK-HOUR traffic from the Eastern Boulevard into the city was brought to a standstill for about 20 minutes today when taxi drivers blocked Strand Street Extension with their vehicles.

The action, between Buitenkant and Plein streets, was apparently in retaliation for traffic department ticketing of taxi drivers.

It was apparently sparked by drivers clashing with traffic officials about "strange tickets and summonses" arriving in

the post and "harasment" at the Strand Street rank.

Traffic police diverted motorists on the Eastern Boulevard to Hertzog Boulevard and the elevated highway across the Foreshore to Buitengracht Street.

A police representative and a spokesman for the drivers, Mr Fuad Abrahams, held brief discussions and the drivers agreed to clear the road when the policeman agreed to arrange a meeting between aggrieved drivers and the city council.

Assistant traffic manager Mr Noel van Rooyen said that

while the traffic department had an agreement with taxi associations not to stop taxis for routine vehicle checks, it could not turn a blind eye to definite offences, especially moving violations such as going through red robots.

He said: "This is nothing new. It has been going on for months."

Mr Basil Nagel, Western Cape chairman of the South African Black Taxi Association, said discussions would be held today with representatives of the Cape Town municipality, the traffic department and the Local Road Transportation Board.



# State defends taxi policy

332

Aug. 29/7/92

**LIBBY PEACOCK**  
Staff Reporter

THE Department of Transport "bent over backwards" in an attempt to help the SA Black Taxi Association combat taxi violence, a committee of the Goldstone Commission has heard.

The committee is investigating the causes of the Western Cape taxi war.

The deputy director of road transport administration in the Department of Transport, Mr Pieter Geringer, was cross-examined yesterday by Mr John van der Berg SC, counsel for the ANC, the Black Sash and the Cape Town Peace Committee.

Replying to a question, Mr Geringer said the department did not know what caused the violence, but suspected political factors were among the reasons.

That suggestion had also been made by Sabta, he said.

Mr Van der Berg later put it to Mr Geringer that Sabta executive member Mr Jabu Mabusa had told the inquiry that in his opinion 95 percent of the violence was caused by non-political factors.

He also put it to him that Mr Mabusa had alleged that the department had ignored Sabta's complaints at times.

Mr Geringer said: "The department bent over backwards to help Sabta."

In an attempt to address the taxi violence the department had established a law enforcement committee and a national taxi committee.

Seminars to educate taxi drivers had also been organised.

Mr Geringer said Sabta had thanked the department for the

## Vaal train violence — no party blamed

### Political Staff

THE Goldstone Commission has been unable to lay the blame on any party for Transvaal train violence — but has criticised the lack of control at stations as one of the main contributory causes.

The report also criticises the police for failing effectively to prosecute perpetrators of train violence.

A special committee of the commission probing train violence released an interim report yesterday.

Mr Justice Richard Goldstone, chairman of the Commission of Inquiry Regarding the Prevention of Public Violence and Intimidation said he agreed with the findings of the committee.

The committee said it was unable on the evidence before it to apportion blame.

"Whenever a group of attackers was identified, they turned out to be hostel dwellers. There were, however, other unidentified groups."

"Victims were members of various black ethnic groups.

No definite pattern could be established."

Train violence could not be separated from general township violence and the primary causes and participants seemed to be the same.

The committee agreed with the Goldstone Commission's second interim report of April 29 which identified a wide range of causes of violence, including political rivalry between the ANC and the Inkatha Freedom Party, a history of security force complicity in violence and deeper socio-economic factors.

The train violence committee found that between July 1991 and April 27 this year, 138 people died and 261 were injured in train violence.

There were about 27 hostels in the area under review, most near the rail lines and near townships and squatter camps. The violence between hostel dwellers and township residents, among others, had recently begun spilling over on to trains.

a suggestion by Mr Van der Berg that after Sabta told the department that political factors might have caused violence, it (the department) had "washed its hands of it (the problem)".

Mr Geringer said: "In my opinion a lot had been done (by the department)".

The hearing continues today.



Picture: OBED ZILWA, The Argus.

**TOWNSHIP MARCH:** Watched by some of the 300 members of the ANC Youth League who took part in a march yesterday, Mr Nkosana Makaka, secretary of the Lusaka branch in Nyanga, right, hands a letter to Warrant Officer Henry Styles at Nyanga police station. Marchers also went to the Department of Manpower offices and the Home Affairs offices in the airport industrial area. The letter demanded a meeting within 10 days. At the other two offices Mr Makaka handed over a memorandum calling for the offices to be moved back into the township. It also proposed a meeting between the departments and the ANC Youth League.



mal inquest." However, if the documentation

lowered. Another letter from Gluckman, which De Klerk received early last

stances surrounding the death of prisoners," the SACC said. ● Comment Page 10

## Pupils warned about stayaway

LAST year's disastrous matric results could be repeated if pupils heeded the call to join the campaign for mass action, the Department of Education and Training (DET) said yesterday.

The warning followed a call by the ANC-aligned Congress of SA Students (Cosas) earlier this week for pupils to boycott classes in support of the general strike scheduled to begin next week.

At a news conference yesterday the DET's Johannesburg regional chief director Richard Motau said there were many teachers and officials in his department who looked towards the end of the year "with feelings of fear and trepidation".

ANC education department spokesman Lindelwa Mabandla said his organisation had concluded at its national conference earlier this year that education had suffered greatly as a result of pupil participation in mass action.

KATHRYN STRACHAN  
and RAY HARTLEY

While the ANC would not actively go against the call made by Cosas, his department believed that it was the role of pupils to learn.

The Inkatha Youth Brigade condemned the boycott as unrealistic.

Other mass action plans aimed at reviving the flagging campaign in the PWV included a call on traders to close shops on Monday and numerous rallies across the Reef early next week, ANC regional spokesman Ronny Mamoepa said yesterday.

CHARLIE PRETZLIK reports that the National Education, Health and Allied Workers' Union (Nehawu) yesterday said it would start occupying private institutions this week.

Nehawu general secretary Phillip Dexter said last night that this would affect private hospitals as well as shops and factories. The action would form part of mass action as well as being in support of the hospital strike.

## Trials may be held on camera

Political Staff

CAPE TOWN — Trial by television is poised to become a feature of the SA legal system early next year, following this week's approval of proposed legislation by the Parliamentary standing committee on justice.

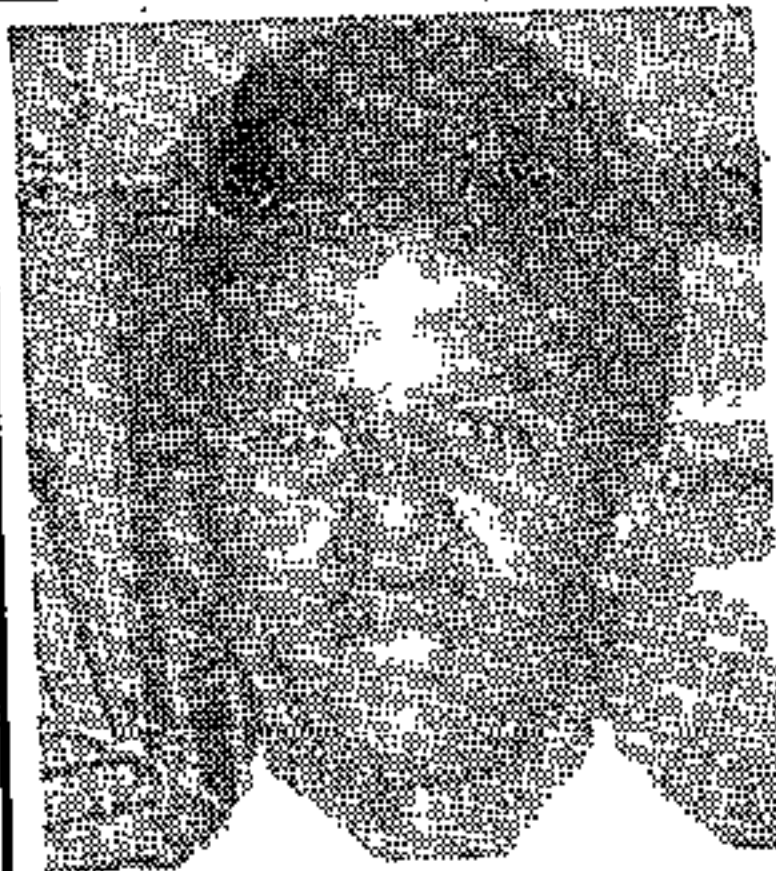
The time-saving system will use video linkups between courts and prisons and will be used to facilitate petty cases where the accused plans to plead guilty, and remands.

It will be used for people in custody who plead guilty to charges carrying a fine of not more than R1 000 or imprisonment of not more than three months.

TV courtrooms will be installed in prisons around the country and linked to magistrates' courts.

The magistrate will be able to see the prisoner on his monitor while the prisoner will be confronted by the presiding officer on his screen.





**STABBED ...**  
Mr Dudu Mkhize

## Police to protect Wynberg taxi users

Staff Reporter

POLICE are to take a hard line against gangsters intimidating taxi drivers and passengers at the Wynberg rank, following the murder of a 25-year-old Newlands man there.

Mr Dudu Mkhize, 20, was stabbed to death at the Bexhill Road taxi rank on Monday.

His assailant was later arrested at Victoria Hospital. He had

been injured when witnesses attacked him, police said.

Police said taxi drivers at the Bexhill Road rank had said they were being asked to pay protection money to outsiders and had been warned not to talk about Mr Mkhize's murder.

Mr Mkhize's distraught mother, Mrs Thelma Mkhize, and her employer, Mrs Janine Greaves, were comforting each other at

their Newlands home last night.

Mrs Mkhize said Mrs Greaves and her husband, ophthalmologist Dr Brian Greaves, had taken her son as their own.

Mrs Greaves, who put Mr Mkhize through private technical college and helped him obtain his qualifications as a mechanic, said: "He worked hard and everything I had dreamt for him was starting to happen."



# Banks take a big interest in taxis

Mail 31/7 - 6/8/92

*Minibus taxi owners, hit by high and rising costs, pay high finance charges to buy their vehicles — despite special arrangements with the banks.*

**REG RUMNEY reports**

**P**ITY the poor minibus taxi owner looking for vehicle finance. He is likely to pay a high (though not the highest) rate of interest available — despite having to deposit large “fail-safe” funds upfront to get vehicle finance.

Two special financing schemes operate in the taxi industry, one in conjunction the South African Black Taxi Association (Sabta), the other with the National African Federation of Taxi Owners (Nafto).

The Sabta scheme was taken over from Wesbank by the Federation of African Business and Consumer Service Organisations-linked Futurebank.

It is estimated that only about one-fifth of taxi owners actually use bank finance. Those who do now pay interest charges at a rate of around 25,25 to 26,25 percent a year.

That is only a few percentage points less than the highest rates allowed in terms of the Usury Act for amounts over R6 000, effectively 28 percent (plus a “VAT” charge of 0,25 percent).

To put these interest rates into perspective, a client who is a good banking risk (for example, with property and a record of being able to handle credit) can negotiate a rate of 19,25 to 20,25 percent.

Banks use the “prime rate” as a benchmark — the rate that banks are supposed to charge their best customers, usually big corporations.

Prime rate now 18,25 percent rises or falls depending on demand for credit and the monetary policy of the Reserve Bank. These days the level of inflation determines the level of interest rates.

One should also look at deposit rates — the



**Economics keeps the taxis moving so fast to pack in the maximum number of fares** cost to the bank of raising money to lend out. Most banks pay depositors 12,5 to 14 percent for deposits of six months or longer. The difference between those rates and the rates charged borrowers, minus costs, is how banks make their money.

Nafto's scheme uses Standard Bank's leasing arm Stannic to finance the purchase of taxis.

Stannic assistant general manager Brian Hardie says the going rate in terms of the Nafto scheme is prime plus seven percent. This works out at 25 percent, a similar rate to that paid by members of the Sabta Foundation.

Buyers must stump up a 15 percent deposit, and repayments are made over 42 months. In addition, 15 percent of the price of the vehicle is paid into a special fund, refundable when the vehicle is paid off.

This compares with the normal hire purchase terms of a 10 percent deposit and 54 months to pay. Businesses or individuals using vehicles for

business can lease them over 60 months with no deposit at all.

Hardie agrees that lower rates can be obtained by private customers with a good track record, but cites the high cost of administration in dealing with taxi buyers.

Also, in theory the special fund system encourages greater participation by taxi buyers in ensuring accounts are paid. In practice that hasn't happened, and there has been intimidation of members not to pay. Hardie says the scheme has only been running for two years, so it's hard to gauge the bad debt ratio, “but one-third of our accounts are in some kind of arrears”.

Futurebank managing director Neville Watchurst says his bank charges those who participate in the Sabta Foundation scheme prime plus eight percent.

Again, the repayment period is 42 months. The Sabta scheme requires a payment into a pool of 15, 20 or 30 percent of the price of the vehicle.

This is repaid at the end of the 42 months, the amount depending on the rate of default. For first-time buyers there is an extra R3 000 actual deposit.

The pool system is supposed to encourage collective responsibility. However, Watchurst says the default rate is quite high now because of the recession.

He won't quantify the rate of default, but says: “If you put in a rand you won't get a rand back.” Since the pool money must have been earning interest, which could be used to cover losses through defaults, the rate of default must be substantial.

Watchurst echoes Hardie when he says the interest rate is high because of both the high risk and the high cost of collecting repayments. “We don't have the luxury of putting through a debit order on the buyer's account to collect the monthly repayments.” In most cases the collection is physical.

Sabta public relations manager Mike Ntlatleng explains that eight years ago no banks would give minibus taxi buyers finance. Hence the setting up of the Sabta Foundation scheme. He says the interest rate is reasonable in the light of a high rate of default, repossessions and abandonment of buyers. Around 40 vehicles a month are repossessed, he notes.

Most members of the scheme are first-time buyers, he says, and often have less than three years experience in running taxis.

The rising price of vehicles also adds to taxi owners costs. A Nissan 16-seater now costs R62 000, a Toyota R72 000.

The cost of insurance, because of theft and a high accident rate, is another burden. Hardie says insurance rates vary between 14 and 18 percent of the cost of the vehicle.

On the other hand, pressure from communities not to raise taxi fees, especially in recessionary times, puts a lid on how much the taxi owner can recover from customers.



100 000

# minibus taxis on the road to 'anarchy'

ARL 30/1/92

DENNIS CRUYWAGEN  
and LIBBY PEACOCK  
Staff Reporters

THEY changed the face of public transport in South Africa, but in the process minibus taxis have wrought havoc and caused anarchy and bloodletting on the roads.

Their actions have come under the spotlight during an inquiry into taxi violence in the Western Cape by a committee of the Goldstone Commission which has yet to complete its investigation.

Statistics given to the committee by Cape Town traffic manager Mr Wouter Smit tell their own story.

● Minibus taxi accidents in the Western Cape increased by 28 per cent from 2 542 in 1988 to 3 256 in 1989.

● Drivers committed 16 499 traffic violations in 1989. Of these 5 094 were for vehicle defects and 4 236 for driving without permits.

● A random study involving 12 of the more than 3 500 taxis plying their trade in Cape Town showed that 120 prosecutions were pending, one admission of guilt fine had been paid, 40 cases were struck off the roll, 67 cases were withdrawn and 954 warrants of arrest were outstanding.

Identifying culprits was a headache as drivers would hide documents and accept prosecution for no public permits to avoid identification, Mr Smit said.

Some of the accusations levelled at

ic spoils of a trip as an "unfair restriction".

Actions by traffic officers were seen in a similar light.

A woman traffic officer was recently assaulted.

Deputy director of road transport administration in the Department of Transport, Mr Pieter Geringer, said under cross-examination that minibus taxi drivers did as they liked.

"There is no law enforcement. People are doing as they please. They assault us if we try to apply the law," he said.

Last year one of his inspectors was assaulted and since then "we don't enter black townships without the permission of the police".

He added: "If we go in we do it in co-operation with police."

"He said there was a general 'lawlessness' in the local taxi industry and a culture of lack of respect for officials."

He told committee member Mr Niel Rossouw some of his inspectors had been warned they would not be safe from Cape Town to Transkei.

Asked by Mr Rossouw if there was any hope that law enforcement would be resumed, he said only with the help of police.

Mr Geringer said traffic police did not enter Khayelitsha because it fell outside their jurisdiction. They issued tickets to offenders, but summonses could not be served.

Mr Jabu Mabuza, SA Black Taxi Association executive member, said the anarchy on the roads was caused



**GET READY:** Filled with another load of passengers, this minibus taxi begins its journey from the Strand Street rank to the Cape Flats. Others edge into the queue at the back, while some just double-park to wait for the rush.

Pictures: ANDREW INGRAM, The Argus.



vestigation.

Statistics given to the committee by Cape Town traffic manager Mr Wouter Smit tell their own story:

- Minibus taxi accidents in the Western Cape increased by 28 per cent from 2 542 in 1988 to 3 256 in 1989;

- Drivers committed 16 499 traffic violations in 1989. Of these 5 094 were for vehicle defects and 4 236 for driving without permits.

- A random study involving 12 of the more than 3 500 taxis plying their trade in Cape Town showed that 120 prosecutions were pending, one admission of guilt fine had been paid, 40 cases were struck off the roll, 67 cases were withdrawn and 954 warrants of arrest were outstanding.

Identifying culprits was a headache as drivers would hide documents and accept prosecution for no public permits to avoid identification, Mr Smit said.

Some of the accusations levelled at the minibus taxi industry by witnesses include intimidation and allegations that their internecine wars threatened the future of the state.

They are also alleged to disregard traffic laws, drive dangerously and take the law into their own hands.

Last week irate minibus taxi operators blockaded the N2 for half an hour to protest against vehicle safety checks.

On Tuesday they caused a peak hour snarl-up by blocking Strand Street Extension, apparently in protest against "strange tickets" and summonses arriving in the post and "harassment" at the Strand Street rank.

Mr Smit told the committee minibus taxis regarded any legal requirement that might impede the econom-

Last year one of his inspectors was assaulted and since then "we don't enter black townships without the permission of the police".

He added: "If we go in we do it in co-operation with police."

He said there was a general "lawlessness" in the local taxi industry and a culture of lack of respect for officials.

He told committee member Mr Niel Rossouw some of his inspectors had been warned they would not be safe from Cape Town to Transkei.

Asked by Mr Rossouw if there was any hope that law enforcement would be resumed, he said only with the help of police.

Mr Geringer said traffic police did not enter Khayelithsa because it fell outside their jurisdiction. They issued tickets to offenders, but summonses could not be served.

Mr Jabu Mabuza, SA Black Taxi Association executive member, said the anarchy on the roads was caused by law enforcement agencies being unable or unwilling to enforce the law.

"This amounts to a breakdown of discipline and control by policymakers and creates anarchy."

He said more and more taxis — there were about 100 000 on the road — were entering an already shrinking market.

He slated the system of subsidising white-owned bus companies and not minibus taxis.

He said government was talking about phasing out subsidies but was taking no real action.

Mr Mabuza added that political organisations were all fighting for political territory, trying to influence events in the taxi industry and politicising the issue of fares.

**GET READY:** Filled with another load of passengers, this Street rank to the Cape Flats. Others edge into the queue at the rush.



**FILL HER UP:** When it's time to start the homeward journey there's always a rush among commuters for a seat in the nearest minibus taxi. On some of these occasions, elbows and knees become handy weapons in the rush for seats. Because of the heavy demand, minibus taxis are often overloaded.

# Taxi permits 'not issued willy-nilly'

332# CT 31/7/92

THE Local Road Transportation Board had not taken the availability of rank space into account when evaluating taxi permit applications in 1989/90, but it had not issued permits "willy-nilly", a Goldstone Commission committee heard yesterday.

Mrs Cathryn Busby, the Cape Town LRTB secretary, was testifying before the committee investigating taxi violence in the Western Cape.

In 1989 there had been a directive from the Department of Transport that permits should also be issued to pirate taxi operators because of the large number of illegal taxis.

"We are aware that ranking facilities were not taken into account," she

said. Since 1986 there had been a decrease in the number of successful applications, and permits had not been issued "willy-nilly".

In 1991 the LRTB had reverted to first considering the availability of ranks when deciding on applications.

Responding to claims that the LRTB was a "remote issuing body" that acted unfairly when issuing permits, Mrs Busby said: "We try to be as helpful as possible. We tell them to find out about ranks and to get support for their applications."

The number of permits issued per taxi rank was readily available from statistics kept by the board.

The LRTB did not want to issue more permits than were necessary.

The hearing continues on August 31.

## Rightwingers refused bail

By Susan Smuts (331)

Rightwingers Leonard Veenendal and Darryl Stopforth have to stay in jail until the Minister of Justice decides whether they should stand trial in Namibia, because there was no guarantee they would not try to escape, a Rand Supreme Court judge said yesterday.

Refusing an urgent bail application by the Orde Boerevolk members, Mr Justice MJ Strydom said it remained "an open question" whether the men would stand trial.

They face seven charges, including murder and arson, after an attack on an Untag building in Namibia in 1989 and their subsequent escape from custody when they allegedly killed a policeman.

The judge said the men faced lengthy jail sentences. They were heavily in debt and had escaped custody before. Their only tie to South Africa was their families — both their wives are pregnant — and it was an open question whether they would stay until the Minister had decided.



NEWS

Witness disappears after promising to testify against friends

● Cops promise peace

# Cops shown Apla OFS arms cache

*Sowetan 31/7/92*  
**Cops uncover arms while investigating murder:**

AN arms cache of two AK-47 rifles, a Scorpion machine pistol, ammunition and four Chinese handgrenades were pointed out by an Apla cadre, the Bloemfontein Regional Court heard yesterday.

Two police officers testified that an Azanian People's Liberation Army cadre, who they identified as Mr Ledogang John May, took them to a house in Mangaung township where they found the arms cache.

Sergeant AP Muller told the court that the house belonged to a Mr Veille Phillips, an alleged member of the Pan Africanist Congress. Apla is the PAC's armed wing.

Muller claimed Phillips, who was in detention at the time, disappeared after

his release from police custody although he had promised to give evidence against Mr Veille May (20), another accused in the trial.

May and Mr William Mxhosana (23) have pleaded not guilty to a charge of attempting to murder three policemen on December 14 last year.

They also face alternative counts of malicious damage to property and unlawful possession of weapons, ammunition and explosives.

The second police officer, Captain Jacobus Besler, told the court that May and Mxhosana were arrested on December 19 last year, five days after Apla had launched armed attacks on two police stations in Mangaung.

The case is proceeding. - Sapa.

332

STAR

2-7-92

Cont



All aboard . . . the minibus taxi industry has grown beyond expectations in recent years. Safety has become an issue of paramount importance. As a result, the South African Black Taxi Association (Sabta) has launched a project to teach drivers defensive driving.



# Tips on making South African roads safer

About 150 000 taxis operate in South Africa, covering about 500 billion kilometres a year. As these numbers increase, so do the number of accidents.

That is why the South African Black Taxi Association (Sabta) is taking steps to make sure drivers and passengers travel more safely.

Sabta has a project, the Sabta Programme for Education and Advancement of Road Safety (Spear) which has been created to train commuters, drivers and owners to obey road safety rules.

Henry Serfontein runs Spear. He says in an industry which has boomed in the last 10 years there are a lot of drivers who need more skills in how to do their job better.

---

With more South Africans using and driving taxis, everyone needs to know how to make this way of travelling safer. **Learn and Teach** investigates.

---

One way of improving road safety is to encourage defensive driving, which means the driver must be ready for what other drivers might do on the road and know how best to react in an emergency. So far Sabta has trained 2 000 drivers on defensive driving.

The two-day intensive course costs R360 but drivers only have to pay R75. Sponsors such as the Department of Transport and the National Road Safety Council give the remaining R285. There are 22 centres around the country offering the course.

Passengers have a role to play to make taxis safer, Mr Serfontein says.

## TIPS FOR PASSENGERS: Avoid overloaded taxis

Too much luggage on the roof and too many people inside make the taxi harder to control. There is a bigger chance that the taxi will crash.

## Avoid drunk drivers

If you can see that a driver is drinking or is drunk, he cannot drive safely.

Avoid taxis that are in bad condition. If the tyres are worn and the lights and indi-

cators do not work, the taxi is not safe.

When you are in a taxi:

- Check that the driver puts on his headlights when it starts to get dark or it is raining.

- Make sure that he does not overtake on a solid white line.

- When you want him to stop, tell him early so he has time to indicate and stop safely.

If the taxi breaks down:

- Make sure the taxi's flashing hazard lights are on.

- Check that the taxi is pulled well off the road.

- Stand on the side of the taxi away from the traffic — stay off the road.

- Be helpful if you can.

*Learn and Teach is available at street corners and book stores at R1,95.*

## Taxi services halted after shooting

By Mabelane  
East Rand Bureau

332  
Taxi transport in KwaThema on the East Rand has been suspended indefinitely after the treasurer of the Springs Taxi Association (STA) was shot dead on Tuesday.

Hundreds of KwaThema residents walked up to 12 km to work yesterday as transport ground to a halt.

The death of STA treasurer Philemon Mahlan-

gu brought the ongoing taxi feud between the Springs Taxi Association and the long-distance Sinamuva Taxi Association to a tragic climax.

STA spokesman Daniel Motaung said the taxi service had been suspended "to save the lives of passengers and taxi drivers".

He said Mr Mahlangu had gone to the Top Centre taxi rank in Springs on Tuesday to investigate allegations that members of the rival or-

ganisation had tried to remove taxi drivers of the STA.

Police spokesman Captain Ida van Zweek said one person was fatally wounded and another injured during a shootout between members of the two taxi associations at the First Street taxi rank in Springs.

Police found a number of spent 9 mm cartridges at the scene. Two people were arrested and investigations were continuing, she said.



# Bid to end taxi feud

*Scarecrow*  
COSATU and the KwaThema Civic Association are to tackle the continuing taxi feud which is crippling commuter transport in the Springs/KwaThema area, the union federation said yesterday.

The two bodies held emergency meetings dur-

*317192*  
ing the past two days to try and resolve the bloody taxi feud which has so far claimed one life. (332)

"This conflict is continuing without any resolution in sight. For the last two years there has not been a single conviction of the perpetrators of this vio-

lence despite the fact that aggressors have been seen waving AK-47 rifles in public," the two groups said in a joint statement.

They added that the conflict had resulted in a transport crisis as some taxi operators had allegedly interfered with commuter buses and commuters using private transport. (248)

A mass meeting is to be held on Sunday to try and bring about peace between the feuding taximen. - South African Press Association.

current national wage dispute but the TPA has promised that should be referred to arbitration or mediation. it will not begin hiring until after all representations have been considered.  
The strike by general assis-

## Taxi services resume as STAR 31/7/92 police promise protection 332

By Abel Mabelane  
East Rand Bureau

the KwaThema Civic Association and the Springs Taxi Association.

Taxi operations in KwaThema — suspended on Tuesday after a shooting at a Springs taxi rank — were resumed on Wednesday afternoon after police promised to protect passengers and taxi drivers.

On Tuesday the treasurer of the Springs Taxi Association, Philemon Mahlangu, was shot dead when fighting broke out between members of his taxi organisation and the Sinamuva (long distance) Taxi Association.

The promise of protection was given in Springs at a meeting which was attended by members of the police, the Springs Town Council, the Springs Chamber of Commerce,

The organiser of the KwaThema Civic Association (KCA), Kennedy Madalane, said the police had undertaken to provide security at the Springs taxi rank from 5 am to 7 pm daily for seven days until the negotiating parties had the opportunity to meet again.

Meanwhile, representatives from Cosatu and the KCA met yesterday to discuss the situation and resolved to call for a mass meeting on Sunday — at a venue still to be announced — to discuss, among other things, ways to arrange peace between the two taxi organisations, guarantee transport services and involve employers in the crisis.



# Footwork in Clermont

By FRED KHUMALO

5/17/92

332

THE transport crisis in Clermont near Pinetown – where every day thousands of people walk five to 10 kilometres to the nearest town to get transport – deepened further this week when the Durban Transport Management Board refused to resume its bus service in the township.

The crisis started last month after a “steep” taxi fare hike which led commuters to boycott the taxis, the only mode of public transport in the area.

Those defying the boycott have been hauled from taxis and beaten. Intimidation is rife, raising fears that a taxi war will break out.

Clermont KwaDabeka Taxi Association and Clermont Civic Association officials have voiced concern that if violence escalates the “third force” will take advantage of the situation, bringing death to a township which so far has escaped the worst of the political violence.

Taxi operators increased their fares by 50 cents across-the-board with effect from June 1.

“That is just too steep an increase. There was no consultation whatsoever with community structures before the increase was implemented,” said a CCA spokesman.

Attempts by the civic to bring DTMB buses back into Clermont have not been successful, according to the CCA chairman Archie Gumede.

DTMB executive director Marshall Cuthbert said he had had met with various delegations from the Clermont community.

“What I’ve told them – and what I’m telling you now – is that we have no intention of going back to Clermont,” said Cuthbert.

He said the DTMB had been operating in Clermont since 1958, and by 1988 the board’s fleet in the township had soared to 200 buses.

“But because of the loss of patronage in 1990 the operation was reduced to only 110 buses and as a result DTMB was forced to discontinue its service in view of the fact that costs could not be recovered with only 110 buses in operation.”

When community support for the bus network dwindled, the general feeling was that the community was turning its back on the DTMB.

With the latest taxi fare increase the community feels its loyalty to taxi operators has not been appreciated.

Taxi operators said low fares were making their business unprofitable and not viable.

## Brighter prospects for strike-hit Sun Couriers

SHIPMENT volumes at United Services Technologies (Uniserv) subsidiary Sun Couriers were climbing monthly while Burlington Air Express and Burlington Ocean Express were expected to continue performing steadily, Uniserv's 1992 annual report said.

Directors of the British Virgin Islands incorporated group said in their review to February 1992 that Sun Couriers had been restructured to include "contract couriers" in the collection and delivery of shipments. This system would allow remuneration to be dependent on productivity.

51044 6/7/92 (332)  
EDWARD WEST

Sun Couriers was budgeting a return to previous levels of profitability after a difficult year characterised by industrial action.

Burlington Air Express and Burlington Ocean Express were expected to continue to perform well and were well positioned for an economic upturn. However, organisational changes in the Burlington Air Express network in the US since the end of the financial year could adversely affect this division's results.

Positive changes were made in the export division and Karibe, but the effects of the drought in Africa, and financial and political instability could adversely affect this performance.

After a difficult year of strikes at Mounties, the division expanded its operations and was expected to make a positive contribution in the coming year.

Uniserv was well positioned to benefit from an expansion in trade between SA, Africa and their traditional and new trading partners which would occur with an upturn in the world economy, directors said.



# Motor industry to crack down on tow-truck malpractices

332  
MAG 6/7/92

**NORMAN JOSEPH**  
Staff Reporter

THE motor industry has moved to clamp down on "undesirable practices" by tow-truck operators, some of whom it believes are giving the industry a bad name.

The Motor Industries' Federation (MIF) has asked the Business Practices Committee, which operates in terms of the Harmful Business Practices Act, to investigate the industry and recommends that operators be subjected to a set of regulations.

Federation spokesman Mr Cor Faling said they were "keen to collar those towing operators whose undesirable practices are tainting the image of the whole industry".

One of the practices which has upset the federation is the removal of vehicles from accident scenes without the driver's permission.

Mr Faling said a motorist who was injured or in a state of shock could be coerced into signing a document allowing a tow-truck operator to take his damaged vehicle from an accident scene without realising what he or she was doing.

Mr Vic Fourie, an executive director of the federation, said: "The towing industry provides a vital service to the motoring public.

"However, it urgently needs some basic rules and regulations to ensure a fair deal for operator and consumer alike."

The federation recommends that tow-truck operators be registered and be required to:

- Maintain proper business premises;

- Provide adequate storage facilities and security for towed vehicles; and

- Operate during normal business hours as a minimum and not merely after hours or at weekends.

In his submission to the Business Practices Committee, Mr Fourie said unsavoury practices of some towing operators in collusion with some panel-beaters could go unhindered because there was no legislation to protect traffic-accident victims who were unable to protect themselves.

"The federation believes the free-market concept should apply to all types of businesses.

"By the same token, proper statutes should exist to serve the interests of the motorist..."

The federation believed work should be allocated on a roster system and in demarcated areas to avoid the unpleasantness when two or more tow vehicles arriving at an accident and the operators fought over the business.

Once a system was implemented, operators of unsolicited towing vehicles should be penalised substantially and this would act as a deterrent.

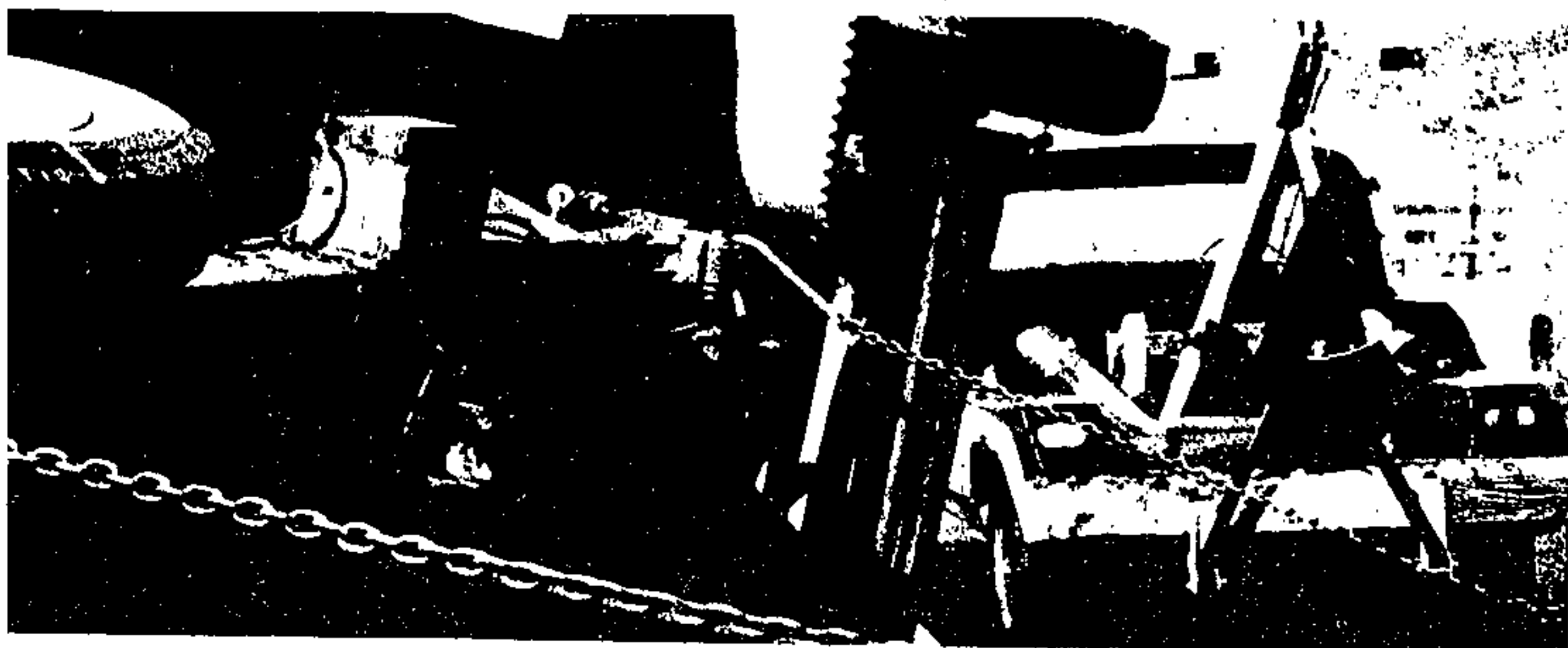
A spokesman for Singh's Breakdown Service said his company no longer did accident work.

"The barbaric behaviour and constant fights among tow-truck operators were becoming a danger. Some men are armed on nightshift.

"Agreements with panel-beaters, who pay R200 to R300 a car, force these men to tune in to police and emergency frequencies and race to the scene of an accident," he said.

A spokesman for Speedy Breakdown Service said: "We are only doing our job. Everybody has his own way of making a living."

Other tow-truck operators approached for comment refused to speak to The Argus.



**CRASH SCENE:** A familiar sight on our roads — the damaged vehicle and the tow-truck at the ready.

National Civic Organisation executive members announce their  
Max Mabasa, Moses Mayekiso, Henry Fazzie and Kgabisi Mosun.

## AK attack at offices of taxi body in Springs

STAR 7/1/92 332  
A man died and five people were wounded when three gunmen armed with two AK-47 rifles and a pistol opened fire on the offices of the Short Distance Taxi Association in Springs yesterday morning.

Police said the shooting occurred at 9.45 am.

A man, mortally wounded in the chest, died on the way to hospital.

The injured were admitted to Pholosong Hospital in Tsakane near Brakpan.

Police said the name of the dead man will be released when his next of kin had been notified.

The wounded are: Snowy Tshuloane, who was shot in the thigh; Louis Mkhaza, wounded in the leg; Colin Mohlabane, who was shot in the thigh and hip and was later transferred to Baragwanath Hospital where he is in a serious condition; Johnson Sehlabele, wounded in the leg; and Simon Mashishi, wounded in the left side.

Police found AK-47 and other cartridges at the scene of the crime, which is linked to a taxi dispute in Springs.

Minimal damage was caused to the offices. — East Rand Bureau.



## BUS INDUSTRY

(332)

**Ready for the tourists?**

**How good** are the R1m locally made luxury coaches? Tour bus operators say the quality is poor and they want the duties scrapped on the cheaper — and they say better — imported coaches. But local coach builders say that, while they may cost more, their products meet a high standard and they want the effective 88% tax on imports left alone.

The operators took the issue to government a few months ago and Trade & Industry Minister Derek Keys cut the 110% tariff in half. But the gesture doesn't mean much because, after the import surcharge and VAT are added, imported coaches still cost about R300 000 more than those made locally. The operators plan to plead their case for a second time with Tourism Minister Org Marais.

But Keys, who must approve all tariff changes, is not expected to reduce the protection further; he believes that the tourism-industry jobs created by more satisfied overseas travellers would not offset the jobs lost if SA stopped making the small number of coaches it produces now. For the time being, however, most operators are not buying lo-

cally made coaches; instead they're hanging on to their ageing fleets and hoping that soon they'll be able to buy European, American or Japanese units.

The debate is important because, if the impasse isn't resolved soon and operators don't begin buying more coaches, they may not be able to cope with the flood of overseas tourists expected after October when Europeans flee south to escape their winter, says Riccardo Dell'Erba, MD of Springbok Atlas, one of the biggest operators.

Hotels, now operating at about 50% occupancy, and other under-used tourism facilities, will not be strained by an influx of tourists. But according to the National Association of Automobile Manufacturers of SA, there are only about 400 coaches on the roads in SA now, probably not enough to cope if hordes of British and German tourists, with their hearts set on Garden Route or wine country tours, materialise.

"Unfortunately, some operators own outdated and unreliable fleets and will not cope with the demand when tourism picks up," says Christo Bester, GM of Autonet's Coach Express, a Transnet subsidiary and probably the biggest SA touring-coach operator. "Those that have been updating their fleets continuously will cope with any increase in demand."

Dell'Erba says Springbok Atlas's business was up 90% in the first quarter of this year, compared with the same period last year, "and 99% of those who boarded our buses were from overseas." The SA Tourism Board's latest figures show a 20 990, or 15,6%, increase in the number of overseas visitors in the first quarter of the year, compared with the same period last year. It expects a 12% increase in overseas visitors overall this year. This outlook has dimmed slightly in recent weeks because of the wide international publicity given to the Boipatong massacre and the ANC's break off of talks at Codesa; some visitors may decide to cancel their trips.

Dell'Erba would like to buy European coaches, at R650 000-R700 000 apiece. But the duties put the imported price out of reach. "We would have to charge fares that would be unacceptable to foreign tourists, and certainly to local tourists, to get a decent return."

But he doesn't see an alternative in buying locally made coaches. "There isn't a coach in SA that a European would regard as a luxury coach. They are luxurious by SA standards, but not by European standards, and tourists compare them with what's available overseas."

"Our products are poor adaptations. We cannot expect people skilled in building commuter buses to be skilled also in building luxury coaches. And the chassis they use here for our semi-luxury buses are meant for other uses and have been modified."

He says five coaches that Springbok Atlas had built in SA were too heavy over their front axles and had to be redesigned and rebuilt. A competitor's locally built double-

decker touring coaches don't have enough luggage space, so they haul trailers. Builders say this is because the vehicles were built for inter-city commuter work, not to take tourists around game parks.

His scathing criticism has understandably met with a fierce reaction from builders, who construct the coaches over chassis and engines supplied by manufacturers such as Mercedes-Benz. Rob Duff, MD of Dorbyl Transport Products, which owns Busaf, the biggest coach builder, says the local industry makes coaches that are every bit as good as any imported used coach — which he fears tour operators will buy if duties are eliminated — "and very close to the quality level of any new imported coach."

He adds: "Considering the small local demand, the industry has taken quantum leaps forward in its own quality levels."

Neville Roome, a spokesman for Mercedes-Benz SA, says that, though the bodies obviously differ, a large percentage of overseas coaches "are built on the same Mercedes-Benz 0303 chassis we use in SA."

ERF MD Di Davies agrees that price is an obstacle to buying locally made coaches, that's why he believes operators want to import used equipment. Builders say they could reduce their prices if they had greater volumes.

"However," Davies says, "the vehicles the industry is producing now are far superior to the older coaches that tour operators are offering to tourists." Springbok Atlas's fleet, for example, is three to 12 years old.

Coach Express, for its part, is siding with the locals — last week it took delivery of 12 new locally built units. Says Bester: "Their quality has improved so much that they now compare favourably with the imported products."

## BUSINESS Big plans for Sabta's Sun City meeting • Employers seek affiliation

# Sabta to spread its wings wider

Sowetan 10/7/92

332

■ **JOB OPPORTUNITIES** National taxi body plans to diversify into fields like tourism and hotels services.

By Joshua Raboroko

THE Southern Africa Black Taxi Association (Sabta) will reveal new plans at its annual meeting to be held at Sun City on September 2-4.

### Unemployment rate

Sabta executive member Mr Cyprian Lebesse said the organisation was looking at branching out into other fields like tourism and counter and hotel services.

The aim was to create job opportunities at a time when

the rate of unemployment in the country was high. The theme of the conference is Professionalism, Diversification and Growth in the Taxi Industry.

Speakers will include ANC president Mr Nelson Mandela, PAC president Mr Clarence Makweu, Azapo president Mr Pandelani Nefoloyhodwe and KwaZulu Chief Minister Mangosuthu Buthelezi.

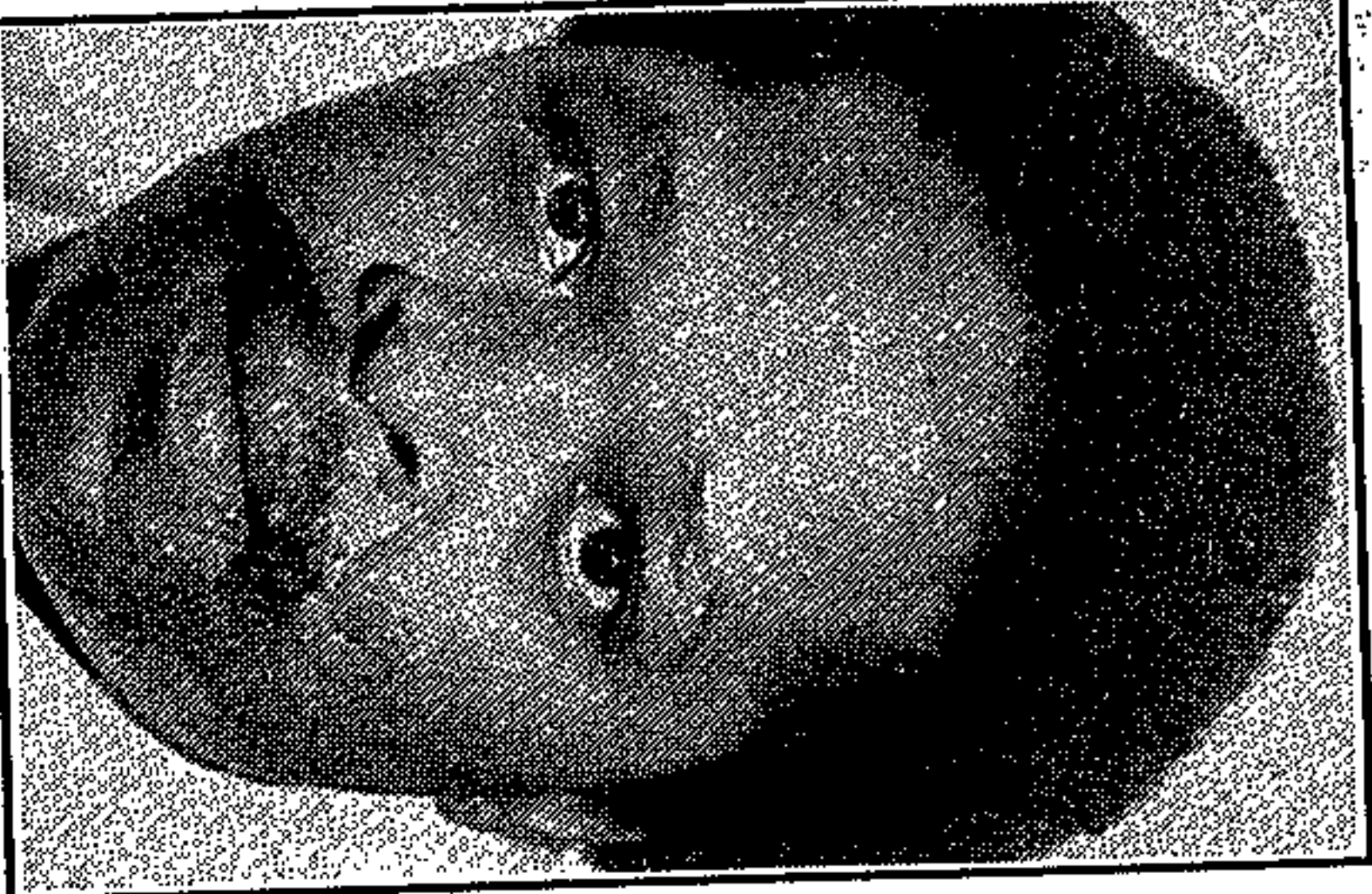
### Keynote address

The editor of *City Press*, Mr Khulu Sibiyi, will deliver the keynote address.

Lebesse said as South Africa moved into the future, it was essential to introduce changes to develop the industry.

"The industry needs men of clear vision who can identify their priorities."

Issues likely to come up at the conference include the rising rate of unemployment, interest rates, poverty, a stalled economy, the political impasse, violence and increasing crime, Lebesse said.



CYPRIAN LEBESE

“The industry needs men of clear vision who can identify their priorities”



# Transport costs 'block SA export growth'

10/11/92 332  
THE cost and availability of transport is rated as a major obstacle to SA's export growth, a recent SA Foreign Trade Organisation (Safto) survey has found.

The survey, which polled SA's leading exporters, also cited uncompetitive prices, lack of foreign demand and the unfavourable rand exchange rate as obstacles to export growth.

Some exporters complained that inadequate physical infrastructure added to their transport costs. Future investment in infrastructure would be critical to long-term export growth if likely future trends in the distribution of SA's external trade were taken into account.

National Association of Private Transport Operators executive direc-

EDWARD WEST

tor Andre Jacobs said the transport sector had not been utilised effectively to maximise export-led economic growth. Protectionist policies had allowed too many inefficiencies. A cohesive strategy was needed to export at as low a cost as possible.

SA's transport input costs were among the highest in the world. Factors which contributed to the sector's 28%-30% annual inflation were taxes, labour costs, and vehicle costs which had doubled every three years.

Road Freight Association spokesman Mike Alistoun said monies collected from fuel and other transport taxes were not reinvested in transport infrastructure. Nothing short of subsidisation could lower the cost of

transport to the coast.

Jacobs said Transnet had also adopted a strategy to maximise its returns in the transport of commodities where there was no other competition. A ton of coal could be mined for R12-R13, but cost R15-R16 to rail to the coast from the Transvaal.

□ The transport of goods by non-government institutions during February 1992 fell 2,6% against February 1991, latest Central Statistical Service figures show. The number of carrier units fell 8,9%, the number of operating days fell 3,3% and the number of employees fell 7,3%. However, the total number of kilometres travelled increased 19,3% and total transport earnings rose 13,2% to R376,5m from R332,5m.

cases — Lewis Skweyiya, Gilbert Marcus and B Mabandla.

Sapa-Reuter reports the ANC yesterday formally handed over to the Tanzanian government its camps and farms there.

The handover in Mgorogoro marked the

"It was the people of Tanzania who made a great sacrifice for the liberation of southern Africa. It is only fair that the complexes be handed over to them and not to CCM," civil rights lawyer Mabere Marando said. — Sapa-Reuter.

## Taxi 'war' over Zimbabwe route

THEO RAWANA and WILSON ZWANE

SA's taxi operators were using strong-arm tactics in an attempt to force Zimbabwean bus companies to abandon the Beit Bridge-Johannesburg route, a source said yesterday.

These tactics included abduction and intimidation. 31 Day 10/7/92

SA Long Distance Taxi Association (Saldta) president Peter Rabali said he could not say if Saldta members were involved, but confirmed his northern Transvaal region had been in dispute with Zimbabwean bus operators.

Rabali gave the names of three Zimbabwean bus companies involved on the route as Shoeshine, Countryboy and Matambanazo.

The source, who wanted to remain anonymous, said taxi operators had attacked Zimbabwean bus drivers in central Johannesburg three times this week. Three days ago, a Zimbabwean bus driver and his conductor were abducted by taxi operators, while another attempted abduction was foiled by police intervention on Wednesday.

Rabali was non-committal on the incidents, but said Zimbabwean bus operators had reneged on an agreement with his organization.

This agreement stipulated that only one bus should run the route each day.

"Now the Zimbabweans have flooded the market and left our men with no fares on a route they initiated," said Rabali.

## Forum cancelled after police raid

ADRIAN HADLAND

THE proposed establishment of a joint negotiations forum including the Pretoria City Council and the Central Transvaal Civics Association (CTCA) was cancelled this week after a police raid on the parish church of CTCA president Father Smangaliso Mkhathshwa.

Mkhathshwa, who is also general secretary of the Institute of Contextual Theology, was awarded R25 000 by the Law and Order Minister in 1988 following allegations of torture. 31 Day 10/7/92

Civic representatives said at a Central Witwatersrand Metropolitan Chamber meeting this week that the raid on Monday, as well as alleged intimidation of other civic leaders in the PWV region, was threatening the local government negotiation process.

Civic leaders in the Metropolitan Chamber said they had asked government officials to put pressure on the police to stop the alleged victimisation of civic leaders.

CTCA general secretary Star Vilakazi said up to 50 police officers and soldiers had taken part in the three-hour raid on the St Charles Lwanga Catholic Church in Soshanguve.

He claimed a number of people had been assaulted.

A police spokesman said a pistol and ammunition had been found in the living quarters of a Catholic church in Soshanguve after a raid on Monday afternoon.

There had been no arrest during the incident, he said, although police were looking for the owner of the weapons.

## SAAF takes off to help in Angolan election

THE first of several SA Air Force aircraft, which would assist the Angolan government with an air structure for that country's general election in September, left Waterkloof in Pretoria yesterday.

The three Hercules C-130s and two light planes would prepare the installation in Angola from where the SAAF would operate before a contingent of about 60 members with helicopters and light aircraft joined them, an SAAF spokesman said.

The operation was the largest assistance task conducted by the SAAF to an African country, he said.

STEPHANE BOTHMA

The SAAF would assist officials in registering voters living in remote areas. The move followed a request by the Angolan government supported by the UN representative in Luanda, Margaret Anstee.

The SAAF's task mainly would consist of communication flights. The contingent would be rotated monthly.

The election on September 30 would be conducted under UN supervision and great effort was being made to get voters registered in time.



# Bus depots close but commuters reprieved

THOUSANDS of commuters, faced with losing their only means of transport when several loss-making Boland bus depots were closed by Golden Arrow Bus Services at the end of last month, have been granted a reprieve.

The company has negotiated a deal with two independent bus companies to take over most of the affected routes, which are used by 12 000 commuters on 27 major routes covering more than 100 000 km a week.

Golden Arrow's Boland Commuter Division had been operating at a "very substantial" loss and the company had to close its depots in Malmesbury, Paarl and Strand, a spokesman said.

This week Golden Arrow said it had arranged with Dagbreek Busdiens of Montagu Gardens and Elwierda of Stellenbosch to take over the routes, ensuring that few bus services in the Boland towns of Malmesbury, Wellington, Paarl, Franschhoek, Stellenbosch, Somerset

By JESSICA BEZUIDENHOUT

West, Strand and Gordon's Bay would be affected by the closure of depots.

Elwierda will also take over Golden Arrow's school contracts and many of its industrial contract services in the Paarl and Stellenbosch areas.

Dagbreek will take over school contracts and some commuter routes in the Malmesbury and Somerset West areas.

Golden Arrow is to continue its Macassar service in the Hottentots Holland basin, as well as the services between Malmesbury, Mamre and Darling and Cape Town.

● Hundreds of unhappy Golden Arrow bus drivers and support staff held a mass meeting at the Tollgate on Friday to demand a moratorium on proposed retrenchments arising from the cutback in services.

A number of routes in the suburbs are to be scrapped on July 27.

## Now cut-price Comair joins the air fray

COMAIR, the Johannesburg-based airline hitherto involved in short-haul routes, is entering the national airline race — and undercutting its competitors' prices.

The airline has announced it will start a daily service on August 3 between Johannesburg and Cape Town at fares well below normal SAA and Flitestar rates.

The normal fare for economy class on SAA is R860 and Flitestar R852. Comair's will be R678.

SAA and Flitestar Apex excursion fares are R689 and R639 compared with Comair's R530.

Comair will use a one-class, 108-seater SAA 737 in Comair Citiliner livery manned by an SAA flight crew, but staffed with Comair's own cabin crews, and will make two return flights a day, Monday to Friday. There will be one return flight on a Saturday and a Sunday.

Western Cape Asata chairman Mr Leon Singer said he welcomed the new service.

● South African Airways has slashed return fares from Johannesburg to London to 1986 prices on its new weekly daytime flight.

From August 29 until December 1 and from January 21 to February 28, 1993, all economy seats on the daylight flight will cost R1 990.

During the peak season from December 2, 1992, to January 20, 1993, economy tickets will cost R2 590. The flight will leave at 10am on Saturdays and arrive in London at 8.30pm.

Anyone travelling from Cape Town will have to fork out more — ranging from R518 return for a midnight flight to Johannesburg to R860 for a standard economy fare.

"With new aviation policies, it's time for SAA to review its products," SAA's chief executive Mr Gert van der Veer said announcing the new deal.



# Commuters offered a chance to hop on board

BIDAY 13/7/92

332

NEWCASTLE's black community was being offered equity in the town's new bus and taxi rank development, which was soon to be extensively upgraded and improved, Taxi City Centres director Norman Boxshall-Smith said in an interview.

The bus and taxi rank in use at present had already been acquired from the municipality and a company had been formed to offer all users equity in the development, a move which could help prevent boycotts of the facility.

A million linked units at R10 each will be offered. They comprise par value shares of one cent at R4 each, each linked to 19% unsecured redeemable debentures at a par value of R6 each.

"The shares offered are only linked with the debentures for subscription purposes, after which they can be traded separately at the discretion of the shareholders," director Matt Olivier said.

While the debentures would be redeemed at the discretion of the directors, this would only occur after five years. The debentures guaranteed a 19% return and would probably be redeemed once the shares were producing a similar return, he said.

However, the directors were looking for a private placement of at least 200 000 shares or 20% of the scheme. If this did not happen, they would probably refund the money to subscribers and retain a 100% interest.

The offer was not underwritten as the directors had sufficient funds of their own for the development.

Negotiations had been under way for more than four years with Kwazulu Transport, the SA Black Taxi Association (Sabta), the SA Long Distance Taxi Association (Saldta), the local Hawkers' Associ-

ation and the more formal end of the retail business sector.

The final design for the development had been approved by all of these and was now out to tender. Construction should start in the next two months.

Some 800 taxis now use the rank, for which they pay the municipality about R20 a month. "We have advised the various associations that members can pay them this contribution, but in return for this users would have to see to basic security and the cleanliness of the area," Boxshall-Smith said.

The 7,2ha site, three blocks from Newcastle's CBD, would offer 4 500m<sup>2</sup> of retail space, including a butchery, bakery, general dealer and other shops.

An open plaza has been incorporated in the development to cater for hawkers, while slightly more formal trading kiosks will be provided along the eastern boundary of the complex.

Net average rentals of about R25,80/m<sup>2</sup> are being asked, with an additional R3/m<sup>2</sup> for operating costs. All of the leases have 12% escalation clauses, while about 40% of the shops have turnover clauses.

"About 72% of the retail space is already let, while BP has put in R1,3m for its petrol station. The station will only cost between R400 000 and R500 000, but BP has donated the rest towards upgrading," Boxshall-Smith said.

A return on the R10 investment of 15,1% was predicted for 1994, rising to 16,1% in 1995 and hitting 19,8% in 1998. These figures were based on revenues expected from leases after expenses at 90% occupation and had been confirmed by auditors Ernst & Young, Olivier said.

deaths as a bus was destroyed near Greytown in the Natal Midlands. He said police were victims of bomb attack.

## Putco buses worth R2,8m destroyed during unrest

PUTCO has lost R2,8m in destroyed buses this year, but the company is not planning to ask the police for help.

Putco MD Jack Visser said at the weekend that 14 buses had been destroyed in unrest-related incidents in the PWV region this year.

Of these, three were destroyed in the East Rand township of Vosloorus last week after Umkhonto we Sizwe member George Mashole allegedly blew himself up with a handgrenade during a police raid on his house.

Another three buses were destroyed in the township this year. Five were destroyed in the Vaal area, two in the Pretoria area and one in Soweto.

Visser estimated the replacement cost of the buses at R2,8m.

Although he could not readily give figures of last year's attacks on his company's buses, he was convinced there had been an escalation.

Putco has 2 000 buses

WILSON ZWANE

countrywide.

Visser stressed that Putco was not considering withdrawing from the areas where the buses were coming under attack "because we are rendering an essential service".

Asked what the company could do to stave off the attacks on its buses, Visser said little could be done short of enlisting the help of police.

But the company would not have policemen deployed on its buses as such a move was bound to cause friction between the company and commuters.

"Since we want to remain at peace with our customers, we would rather render the services as best we can than get policemen in our buses."

Visser said there had been no pattern to the attacks on the Putco vehicles. They seemed to depend on the mood of the townships.

## ANC in breach of arms deals

PRETORIA — The stockpiling of arms in Angola by Umkhonto we Sizwe, the ANC's military wing, contravened agreements reached by the SA government and the ANC, an SADF spokesman said.

"These agreements stipulate that the ANC was to have pointed out all their arms caches and they were to have ceased recruiting people for MK as well as training MK personnel."

The spokesman said in a statement to Sapa on Friday it was surprising the ANC dismissed the issue of what it intended to do about these weapons as "not being in the public interest".

Weapons similar to those stored in Angola were being used in SA against innocent people.

The Sunday Times reported yesterday that the cache included 2 188 AK-47s and 2,2-m rounds of ammunition, 22 machineguns and hundreds of pistols and revolvers.

Heavy weapons included five Soviet tanks and five light armoured troop carriers.

The dispute began when Russia's par-Heuter.

## Many crimes 'the work of suspects granted bail'

SA's lenient attitude to the granting of bail resulted in a high number of suspected criminals committing more crimes while awaiting trial, legal sources said at the weekend.

Recent research by the SAP over a nine-month period showed that of a total of 61 306 accused released on bail, 10 353 breached their bail conditions and 3 850 committed crimes while on bail.

This situation not only placed a massive burden on police, but also caused growing dissatisfaction among the public, who suffered under a wave of crime, police said.

"In particular the black population finds it difficult to come to terms with this type of administration of justice and they take the law into their own hands or turn to people's courts," the police said.

Witwatersrand Attorney-General Klaus von Lieres and Wilkau, SC, said: "It is a well known fact that SA criminal law has a very liberal view on the granting of bail to accused."

The granting of bail to accused should be seen against the background of the presumption in SA law of an accused's innocence until he or she had been proved guilty, he said.

Other factors played an important role in courts' consideration of whether to grant bail.

STEPHANE BOTMA

These included the limited prison facilities for awaiting trial prisoners.

"One must always keep in mind that bail applications by accused are brought at a very early stage of police investigations," Von Lieres said.

Therefore, it was not always easy to convince a judge or magistrate that there was a strong case against an accused.

Depending on the facts of the case — the seriousness or nature of the crime, or the possibility that the accused might commit another crime — State lawyers would do their best to oppose bail, said Von Lieres.

Until 1977, attorneys-general had the jurisdiction to issue a certificate prohibiting bail in serious cases.

Since then, it has been in the discretion of the courts to grant bail, or not, after an accused has satisfied the court that he should be released.

Recently the Law Commission recommended that, at hearings on whether to grant bail, the onus should be moved from the accused having to prove why he should get bail to the State having to prove why the suspect should not be released on bail.

If the recommendation was accepted, it would be even easier for courts to grant bail, informed legal sources said.

AR

THE



# Heathrow upsets Virgin plans

**B1 DAY 1517192**  
LONDON — Virgin Airlines' prospects of starting flights to Johannesburg this January dimmed further yesterday when the man responsible for slotting in new flights at Heathrow Airport said he was unable to accommodate them.

Peter Morrisroe, MD of Airport Co-ordination Limited, which handles flight scheduling at British airports, said Heathrow was unable to accommodate the arrival slots that Virgin had applied for.

Heathrow was the most congested airport in the world and Morrisroe said "it probably won't be possible for us to offer Virgin the slots" by January.

Heathrow had a "primary shortage" of

**CHRIS BATEMAN**

early morning arrival slots — which Virgin required in terms of the SA "market window".

The situation at Gatwick and Stansted airports was identical, he said.

Virgin had applied for 14 slots at Heathrow — a daily landing and a take-off.

Morrisroe said: "The process of allocating slots is continuous — we've allocated the available slots to Virgin from November this year to March 1993."

Virgin spokesman Will Whitehorn said "at the moment we could not operate a

☐ To Page 2

## Virgin

**B1 DAY 1517192**  
service to SA". Virgin would hold a news conference in London this morning.

"They (Heathrow) have offered us one morning slot — we'd lose hundreds of millions of pounds doing that," he said. But Virgin was trying to "use everything we can to pressure" the Heathrow authorities.

Jan Smuts Airport posed no slot problems for Virgin, he said.

Morrisroe said he doubted whether the situation would improve by the next British winter season, November 1993 to March 1994. But he hoped changes planned at Heathrow, and an overhaul of the scheduling system, might enable Virgin to be accommodated. He would meet Virgin officials on Monday.

Meanwhile, STEPHANE BOTHMA reports that hundreds of prospective passengers who rushed out to make use of SAA's cut-price tickets to London were unsuccessful when all the seats on the first eight flights were sold minutes after bookings

**332**  
opened on Monday morning.

SAA spokesman Zelda Roux said by late yesterday all SAA economy class seats, except for a few on October 24, on the R1 190 daylight flight for this year, were sold.

Even the seats available at R2 590 on daylight flights during December were sold out by yesterday. The demand for the cheaper fares was much higher than SAA had expected, she said.

Roux said the first eight flights with cut-price fares (2 400 seats) were sold in the first half-hour after bookings opened on Monday. However, seats were still available for January and February.

When he announced the offer, Van der Veer said SAA had waited months for a daytime landing slot at Heathrow. The airline had been unable to obtain a daytime take-off slot, so discounted prices were not available from London to Johannesburg.

☐ From Page 1

# 'Cops paid me to kill'

By DAN DHLAMINI

AN alleged hitman from Randfontein, has stirred up a hornets' nest for the western Transvaal police, whom he has implicated in the Klerksdorp taxi violence which has claimed at least three lives.

Despite the fact that police were given a clear description of the vehicles and individuals involved in the murders of taxi driver George Finini, and passenger Williard Mareko, as well as the fatal shooting of July Mpambaniso and the attempted

murder of Kortman Makana, the police - who are alleged to have a finger in the pie regarding the incidents - this week said no one has been arrested.

Now Jack Mthembu has opened a can of worms for the police by making a sworn affidavit saying that he was paid R2 000 to kill prominent Klerksdorp taxi men who were involved in a taxi faction clash. (332)

Klerksdorp lawyer Puna Moroko, to whom Mthembu has confessed, has sent the affidavit to the regional commission-

er of police in the Western Transvaal, Brig SP Nienaber, the ANC and the PAC. (225)

In his affidavit Mthembu claims that in May this year, he was at his home in Luipaardsvlei when he was approached by a member of the block committee of a Jouberton squatter camp, who said taxi men Shakes Tshwaedi, Brand Balete and Khalipe wanted to see him.

He said he joined the men and they proceeded to Capt Viljoen's office in Potchefstroom.



**NEWS** Bid to turn Cosatu into a 'barbel in a dry river bed' • Rival taxi bodies to merge

## Accord to end feud

■ Rival taxi associations in Springs, watched by the local Civic Association, have agreed to merge: **332**

TWO rival taxi associations on the East Rand will unite, ending a year-long dispute over the allocation of taxi stands in Springs. *Soyetian 23/7/92*

The Springs Taxi Association and the Springs Long Distance Taxi Association said in a joint statement on Tuesday the new association would control all taxi stands within the Springs magisterial district.

They also agreed that an interim committee comprising members of both

sides and the KwaThema Civic Association (KTCA) would draft a new constitution for the new association within three months.

The interim committee would also address possible grievances of the two associations and see to it that agreements were adhered to.

Officials of the Springs Town Council, the Springs Chamber of Commerce and KTCA acted as witnesses at the signing of the agreement. - *Sapa*



# The 'invisible' airline

Thousands of people have flown Regional Air and have never heard of the airline.

The company started as a charter firm, South African Air Tours, catering to tourists wanting to visit the less accessible spots in Southern Africa.

The arrival of current managing director Leigh Thompson resulted in the purchase and total refurbishment of a 28-seater DC3, which took larger charter groups to destinations such as Kariba and Victoria Falls.

"It was during this time that we noticed a gap in the market for an airline to provide services on behalf of other carriers, an airline's airline," says Mr Thompson.

"Air Botswana was having problems with one of its aircraft and could not service one of its routes.

"We supplied a crewed aircraft for the airline to service the route. That was the beginning of Regional Air."

The flight has one Air Botswana hostess and one Regional Air hostess. All the crockery and leaflets are from Air Botswana. Aircraft announcements designate the flight as Air Botswana.

The company realised there was a good chance other airlines were experiencing similar difficulties to Air Botswana's.

Regional Air bought a 55-seater Convair, approached Transkei Airways and suggested it could service the daily Umtata/Johannesburg route at a cheaper rate.

"We fly the route as Transkei Airways in the same manner as we serviced Air Botswana," says Mr Thompson.

Flushed with success, Regional Air approached the Ciskei authorities. Ciskei had a R57-million airport in Bisho which was not being used. Ciskei did not have an airline at all so it lacked all the airline infrastructure.

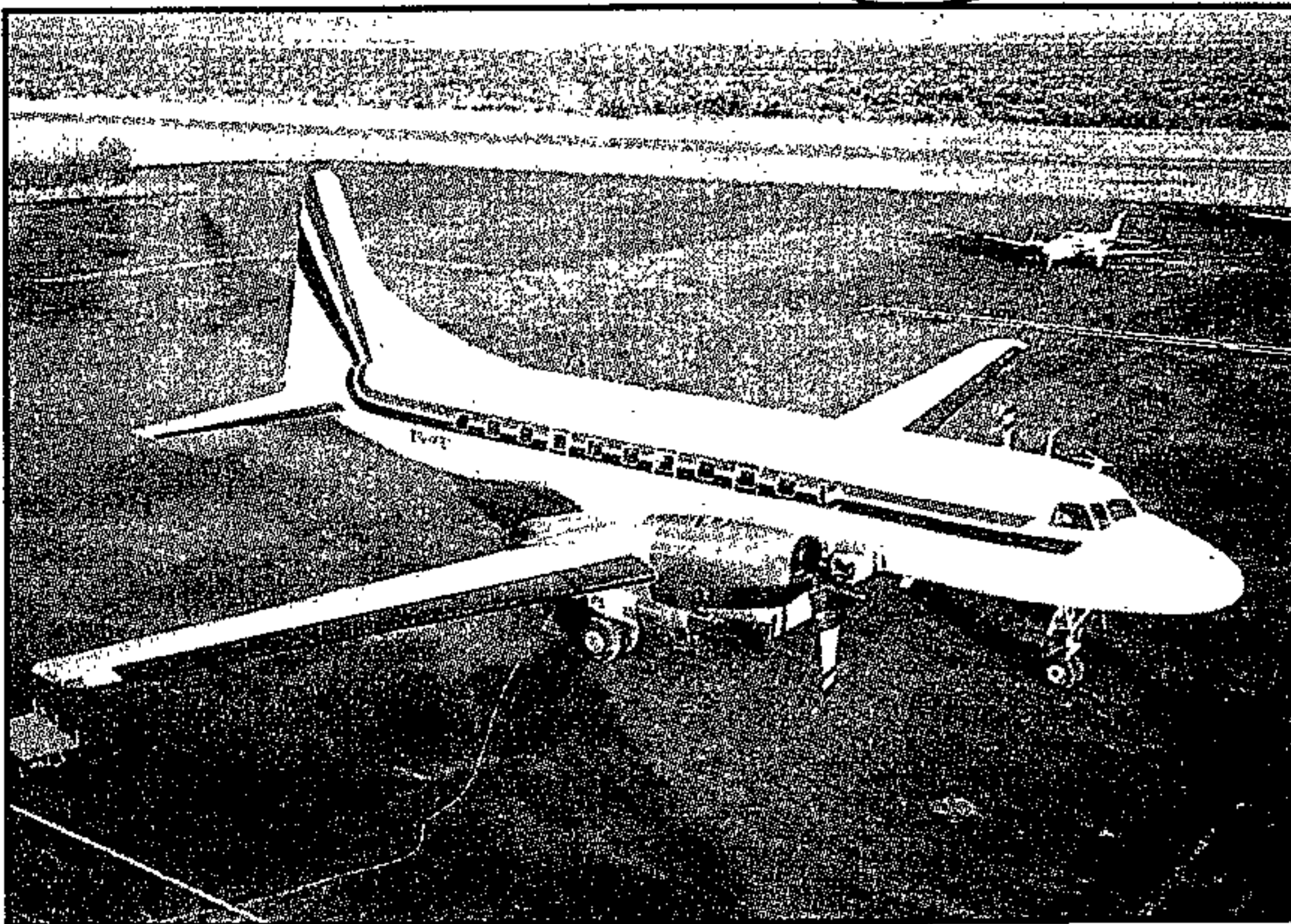
Regional Air supplies everything from ticket sales service to catering and crew. The service is flown as South East Airways and Regional Air has acquired another Convair to service the route. Now the company is turning its eyes further north and is buying a BAC 111 jet.

It has signed agreements with Kenya's African Airlines and Rwanda Airways and it is holding discussions with Luanda Airways.

Mr Thompson sees the company operating a network of services throughout Africa, all on behalf of other airlines.

The idea makes sound financial sense. As many smaller countries have discovered, it is one thing owning a national airline, but it is another trying to run it at a profit.

An airline should use its aircraft for upwards of 150 hours per month and it must fill its seats. Too often, the air routes to a country do not generate sufficient traffic to fill the flights nor do they justify frequent flights. This is where Regional Air comes into its own. The company is able



Regional Air . . . cost-effectiveness is the key to the airline's success.

to use its aircraft to cover a number of different routes.

Says Mr Thompson: "The client is able to budget as it knows exactly what the service will cost.

"We are able to operate very economically as we are getting better aircraft utilisation. There are a number of fixed costs such as salaries, capital and insurance, which are there whether the aircraft is on the ground most of the month or not.

"The cost of the aircraft per hour is relative to the number of hours you fly, so the more you fly the lower the proportional cost per hour."

In addition, Regional Air is building up a range of aircraft and is able to employ the aircraft best suited to the level of passenger traffic, distance and airport runways involved.

Says Mr Thompson: "We are not competing with any airline. Instead we are providing a cost-effective service where one was not possible before."

Regional Air is determined to maintain this policy as it realises there are substantial benefits to be gained both at home and further afield.

## Top condition

"Some of the shorter, low-density routes are better suited to the smaller turbo-propeller aircraft and there is no real increase in flying time. Once again we would be looking for the chance to provide a more cost-effective service for the airline concerned — under its colours, not in competition," says Mr Thompson.

Providing services for other airlines, as if the company was that airline, is a huge responsibility. Regional Air has to maintain its aircraft in top condition.

An advantage is that it is based in South Africa, where sophisticated service and maintenance facilities are available. Regional Air's aircraft are serviced on a 24-hour basis by Safair.

The perfection which the company must always attain is reflected in the demands which it places on its cabin and air crew.

Regional Air is soon to take to the air in its own right. It has

obtained an agreement which allows it to fly the Johannesburg/Kariba route. It will start these flights within two months.

Mr Thompson believes there is demand for the route as there are some 2 000 beds available in Kariba but no scheduled direct flight.

"Currently the traveller must take either a charter flight or a route via Harare or Victoria Falls. The airfare is higher, there is the cost of the overnight stopover in both directions as well as the loss of two days' holiday.

"The runway at Kariba is quite short and this restricts the field to aircraft such as our Convairs, which are over-powered for their size and have a short take-off requirement."

In addition to being an airline and an airline's airline, Regional Air also offers charter services.

Charter is not an area which the company emphasises, as it prefers to fit its charters in between its scheduled flights.

Regional Air has proved to be very successful moving from a turnover of zero to around R1 million a month in less than a year. The company has already fully paid for its first Convair.

Mr Thompson says the company could have continued to finance the purchase but clients like to see that the company has substance and confidence in its own future.

The company's rapid growth has not been restricted by a lack of suitable people. The airline started with some of the most experienced people in the industry, with a particular knowledge of African operating conditions. As it has grown it has been able to find the air crew it needed.

The military have cut back, releasing air crew on to the market, and SAA has not been taking on many people.

"There is a large pool of suitable people. Flitestar has absorbed some of these but there are still plenty available."

The company looks for people who will fit into its existing team. It prefers people with experience in African aviation but having the right character is the most important criterion as the company has the ability to train most staff. For more details, phone (011) 974-8351.



## Flitestar cuts off-peak domestic fares

FLITESTAR has introduced lower domestic fares to stimulate off-peak travel, with effect from next month.

The airline would offer return fares from Johannesburg to Cape Town at R638 and to Durban at R360 — among the lowest fares available on the market, a Flitestar spokesman said yesterday.

An SAA economy class, daytime, Johannesburg-Cape Town return flight costs R860, and R518 at night. Business class costs R1 076 and R622 respectively.

Flitestar's cut-rate fares followed Comair's earlier announcement that it would start flights between Johannesburg and Cape Town next month at a return fare of R678.

332  
STEPHANE BOTHMA

Due to the increasing demand for night flights, Flitestar would also introduce early morning Johannesburg-Durban flights at return fares of R300, and increase its Johannesburg-Cape Town early morning flights, at R510, a spokesman said.

An extra 10 flights weekly between Johannesburg and Cape Town would be introduced, and a new Johannesburg-George route via Port Elizabeth at R644.

MD Jan Blake said although domestic fare structures were already too low by world standards, Flitestar saw the need to extend the range of promotional and off-peak fares.

FM 24/7/92

**Activities:** Engineering, construction, project management and development projects in all disciplines throughout southern Africa.

**Control:** Anglo 50%, Amic 22,6%.

**Chairman:** H K Davies; MD: C J M Wood.

**Capital structure:** 26,6m ords. Market capitalisation: R96m.

**Share market:** Price: 360c. Yields: 9% on dividend; 31,7% on earnings; p:e ratio, 3,2; cover, 5,7. 12-month high, 450c; low, 300c.

Trading volume last quarter, 1,1m shares.

Year to Mar 31	'89	'90	'91	'92
ST debt (Rm) .....	4,29	28,2	10,5	15,3
LT debt (Rm) .....	18,5	13,2	4,4	31,8
Debt:equity ratio .....	0,55	n/a	n/a	7,3
Shareholders' interest .....	0,16	0,19	0,2	0,21
Int & leasing cover ..	3,1	2,5	7,7	n/a
Return on cap (%) ..	3,7	6,4	7,0	6,6
Turnover (Rm) .....	1,66	1,83	1,87	1,88
Pre-int profit (Rm) ...	20,0	36,3	40,1	47,4
Pre-int margin (%) ..	1,0	1,9	2,1	2,5
Earnings (c) .....	48	53	88	114
Dividends (c) .....	nil	20	20	20
Net worth (c) .....	422	485	412	562

owns Rapp & Maister. However, if one is to have a big daddy, it may as well be the biggest, particularly as Anglo's projects are able to keep both LTA's civil engineering and building arms busy. Liberty's projects, on the other hand, relate more to building activities.

Cash flow is particularly material to construction groups and LTA's was strong last year, thanks to the R77m drop in working capital. This is only R5m short of the R82m cash generated by the operations.

A drop in working capital is not always good news to construction groups, particularly where the decline comes through a decrease in "contracts in progress and contract debtors" — in LTA's case, dropping to R130m (1991: R158m). This increases where work has been done but no payment has been received and would rise if LTA were given more work.

Wood comments that LTA has followed a policy in this recession of "only taking work with a reasonable profit margin and has accepted the resultant decline in turnover as being a good strategy." Working capital fell mainly because of the surge in creditors.



LTA's Davies ... should maintain earnings

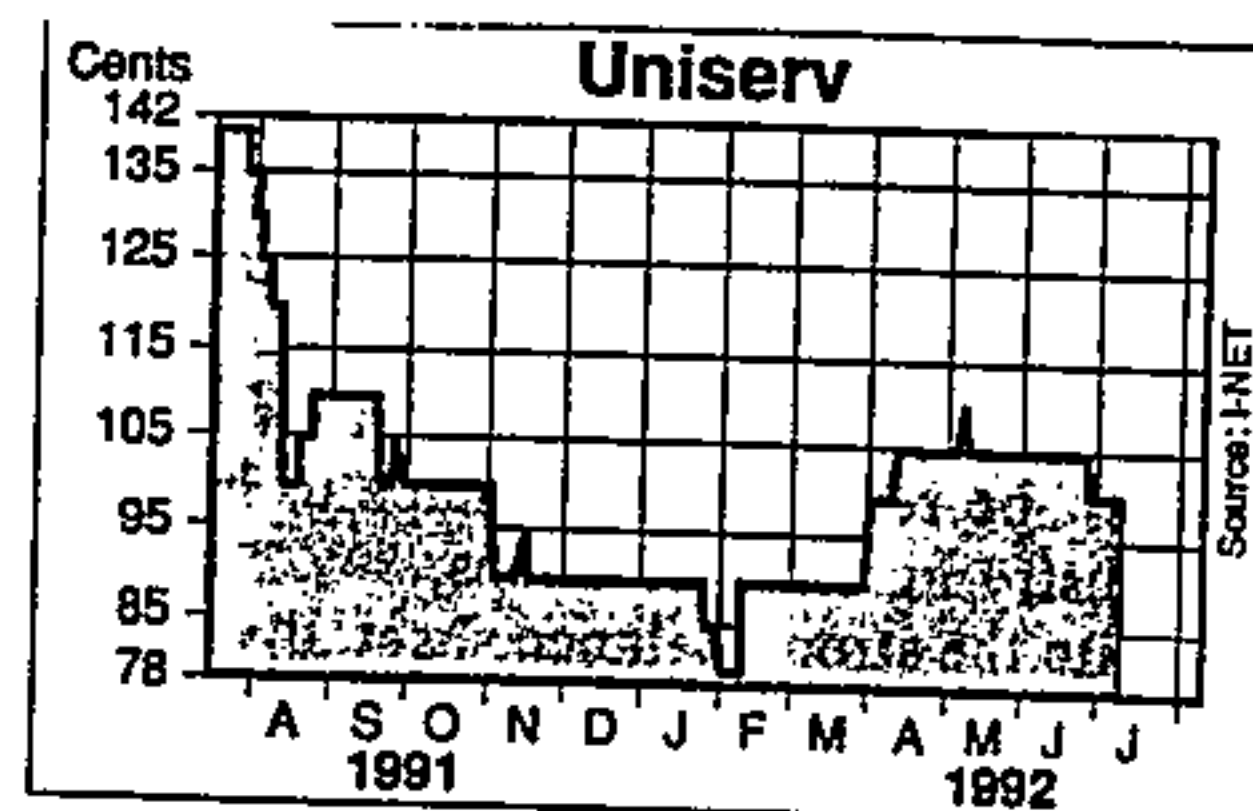
LTA FM 24/7/92

## More selective

Having Anglo American Corp as the major shareholder seems to make a difference to LTA. Newly completed and current Anglo-related projects include: work undertaken at FNB's Bank City; JCI's Arthur Taylor Colliery; AECI's Sua Pan mine in Botswana; JCI's Sandton office development; a central city office block for Southern Life in Bloemfontein; Anglo's Marshall Street office block in Johannesburg; and a new winery at Somerset West's Vergelegen Estate.

MD Colin Wood points out that work on Bank City, Arthur Taylor Colliery, the Botswana soda ash mine and JCI's Sandton office development was tendered in competition and won on the basis of being the lowest tender. He adds that most work undertaken by LTA is "non-Anglo operations."

Still, as an industry source says, the Anglo backing reduces LTA's risk profile. Most, if not all, the big local construction groups are backed by large institutions, with Murray & Roberts in the Sanlam stable, while Liberty



ern African states resulted in a disappointing performance from the export division. This required management changes to improve use of assets managed.

The acquisition and restructuring of Overnight Express and the expansion of operations in Mounties are expected to make positive contributions during the coming year. Gundelfingers Travel has been sold.

Attributable earnings declined to R764 000, from R12,2m in 1991. The dividend was passed.

The first tranche of the "B" convertible prefs was converted on June 30 1992 (the last stretches through to June 1994), raising the total issued ords by 6% based on the 46m in issue at year-end.

Prospects are mixed. While restructuring in the divisions may prove successful, the group's sensitivity to labour unrest and changes in the political climate suggest a return to previous levels of growth is unlikely, at least in the near term. Uniserv's close business link with the motor industry suggests any strikes in the industry will affect Sun Couriers' performance.

At 95c, the share stands on a p:e of 55,9 and is well off the 12-month high of 140c. It cannot be expected to perform until the political climate improves and management has demonstrated that the restructuring in Sun Couriers is working.

Marylou Greig



# UNISERV

## Off course

332

**Activities:** Freight courier and travel services.

**Control:** Anubis Trust 58,5%.

**Chairman:** M J Wessels.

**Capital structure:** 46,1m ords. Market capitalisation: R44m.

**Share market:** Price: 95c. Yields: 1,7% on earnings; p:e ratio, 55,9. 12-month high, 140c; low, 80c. Trading volume last quarter, 660 483 shares.

Year to Feb 28	'89	'90	'91	'92
ST debt (Rm) .....	10,8	16,9	10,5	14,0
LT debt (Rm) .....	4,6	5,3	6,9	6,2
Debt:equity ratio .....	0,76	0,34	n/a	0,33
Shareholders' interest .....	0,23	0,27	0,33	0,26
Int & leasing cover ..	5,0	5,8	5,6	3,1
Return on cap (%) ..	13,6	17,1	17,1	6,5
Pre-int profit (Rm) ...	11,4	19,0	18,4	8,7
Earnings (c) .....	20,3	27,0	27,0	1,7
Dividends (c) .....	6,0	8,0	8,0	nil
Net worth (c) .....	21,0	41,4	56,6	54,6

**Uniserv's claim** to having been the fastest-growing company from the 1987 listings boom, with fivefold growth in taxed profits in the four years to 1991, was hit by the depressed economy and labour unrest in financial 1992. Pre-tax profit fell 84% to R2,2m.

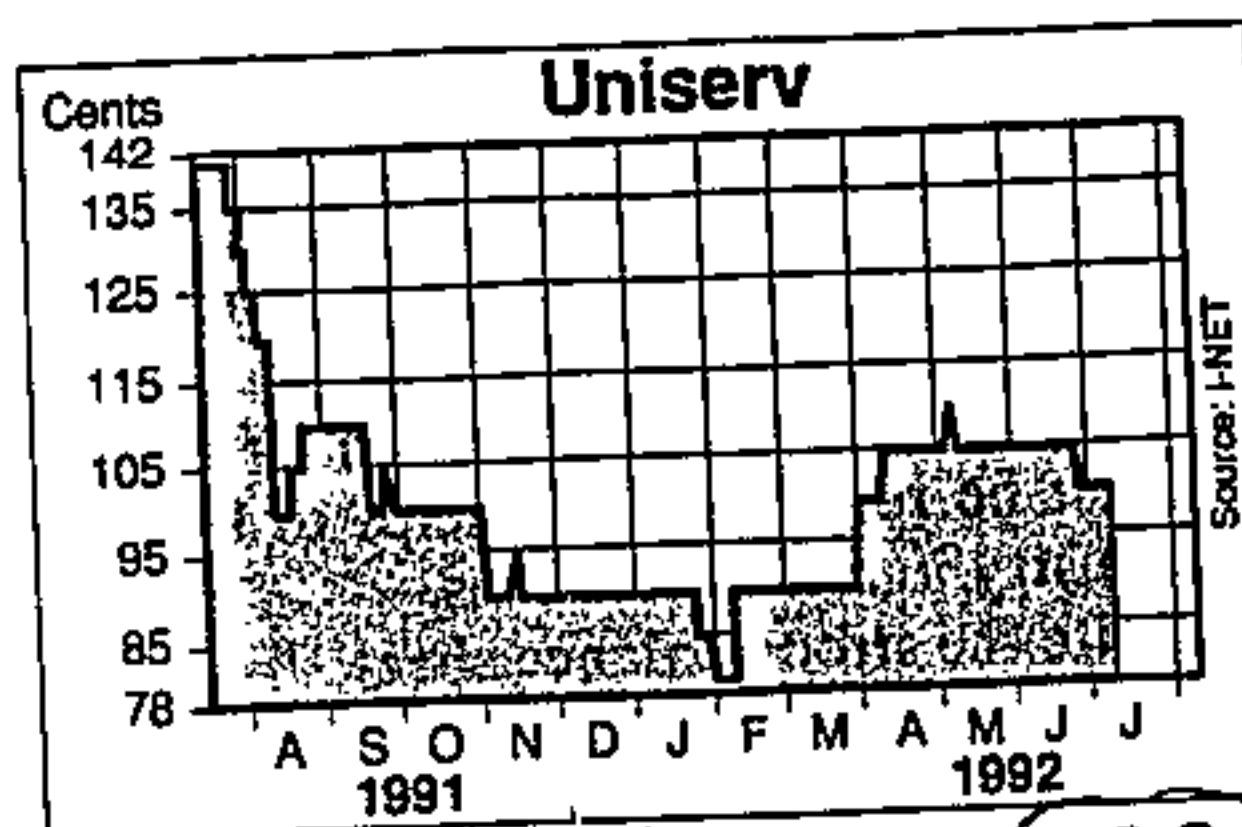
Sun Couriers, which accounted for half of financial 1991's earnings, produced an adverse swing of R10m on year-ago levels. Effects of industrial unrest and a two-week strike in August significantly reduced volumes and eroded the client base, accounting for 70% of the loss. The remainder resulted from additional costs incurred to maintain operations during the period and was stated as an abnormal item. Chairman Tiger Wessels says it will not recur. He suggests that, had this not occurred, pre-tax profit would have been about 5% up on 1991.

The restructuring of the division to incorporate "contract couriers" in the critical areas of collection and delivery of shipment, allows remuneration to depend on productivity. Wessels says the system appears to be working well.

Pre-tax profit was further reduced by R1m of bad debt in Burlington Ocean Express. This aside, the international freight clearing/forwarding business achieved a satisfactory operating performance considering the slump and the price-conscious market.

The severe drought in the subcontinent and currency fluctuations with other south-

Continue



ern African states resulted in a disappointing performance from the export division. This required management changes to improve use of assets managed.

The acquisition and restructuring of Overnight Express and the expansion of operations in Mounties are expected to make positive contributions during the coming year. Gundelfingers Travel has been sold.

Attributable earnings declined to R764 000, from R12,2m in 1991. The dividend was passed.

The first tranche of the "B" convertible prefs was converted on June 30 1992 (the last stretches through to June 1994), raising the total issued ords by 6% based on the 46m in issue at year-end.

Prospects are mixed. While restructuring in the divisions may prove successful, the group's sensitivity to labour unrest and changes in the political climate suggest a return to previous levels of growth is unlikely, at least in the near term. Uniserv's close business link with the motor industry suggests any strikes in the industry will affect Sun Couriers' performance.

At 95c, the share stands on a p:e of 55,9 and is well off the 12-month high of 140c. It cannot be expected to perform until the political climate improves and management has demonstrated that the restructuring in Sun Couriers is working.

Marylou Greig

## BUSINESS

# Shipping market still in summer doldrums

AFROMAR reports that the shipping market is still in the summertime doldrums, but there are a few areas which are perhaps a little stronger than expected for this time of year.

Large Cape-sized vessels have been under the most pressure and some owners of older units prefer to lay up their vessels rather than face the current rates being paid for this size vessel. A sudden surge in activity as the summer season ends might cause a shortage of these vessels.

On the other hand the Panamax type of vessel has seen firmer conditions in the Atlantic area with, for example, the rate for grain

from the US Gulf to Japan moving up to about the \$20 level. However this may not be sustainable.

The Baltic freight index has steadied at around the 1060 level after moving downwards over the past few months.

The SA market has been as active as other markets.

In the coal sector the Cape sized vessels have seen the rate from Richards Bay to Rotterdam ease down to about \$5/ton for early loaders. It could be September before some strength returns to this sector of the market. One trading house has had to increase its ideas from about \$13/ton to "try \$14" for the movement of 30 000 tons from Durban to Taiwan on an early position.

Grain imports are continuing on a steady basis from the US Gulf. Six thousand tons of rice in bags was to be moved from Vietnam to Reunion in about mid-August. A 10 000 to 11 000 ton cargo of beans in bags was to be shipped from China to Durban at the end of July or early

August.

A cargo of 15 000 tons of chrome ore was quoted from Madagascar to Sweden for end-August/early September shipment.

US charterers were indicating a rate of \$20/ton for the movement of 4 000 to 6 000 tons of copper scrap residues from East London to Baltimore for September shipment, with the option of discharging at Montreal at about \$22/ton.

Ferro-alloy charterers arranged several parcels into the US Gulf and East Coast. A parcel of just under 6 000 tons of steel coils was circulating for shipment from Durban to South America for early dates.

Timecharter levels have remained more or less unchanged, with 28 000dw vessels being paid about \$4 500 a day for trips from SA to northwestern Europe and 35 000dw vessels in the same trade about \$5 000 a day. A 35 000dw vessel would expect to obtain about \$8 000 a day for a trip from SA to the Far East.

Inquiries for liner type vessels have been steady.



## Changes affect tax benefits of plane ownership

332 ANDREW KRUMM 228

AN AUGUST 1 amendment to the Income Tax Act — which removes some tax benefits associated with aircraft sales — would affect the incentive to own aircraft and hurt tourism in SA, said industry sources. *Blom 28/7/92*

Deloitte Pim Goldby associate director Craig Richardson said an amendment to the 1992 Income Tax Act would prevent the owner of an aircraft from setting off the sale of an old aircraft against the cost of a new one.

"The message is that aircraft owners planning to sell have four days to avail themselves of the tax benefits under the current Act," he said. *28/7/92*

Avfin Industrial Finance director Volker von Widdern said "the motivation and justification for acquiring an aircraft now becomes that much more difficult".

The amendment would not only affect the size of the market, but hurt tourism through its impact on the air charter industry.

"The infrastructure for tourism must include an airfleet, and when you restrict the airfleet, you restrict tourism," von Widdern said.

Another aviation finance company spokesman said the amendment would have a "very dramatic" effect on an already depressed market.

"One of the biggest selling tools in this industry is the tax benefits associated with owning an aircraft.

"For an owner this often leads to a situation, where, in order to enjoy the tax benefits, he rolls over the recoupment values into a newer, larger aircraft.

The owner's inability to roll over the recoupment under the amendment would cut the market drastically in future," he said.

Even taking account of a 40% tax allowance for new aircraft, the net effect of the amendment was a significant increase in the former owner's taxable income, with an obviously negative impact on his cash flow," he said.

# Travel agents wilt in heat of air war

*Blom 28/7/92*

STEPHANE BOTHMA

CHEAPER air fares — although beneficial to travellers — were causing travel agents to struggle, an industry spokesman said at the weekend.

Agents had to sell many more of the cut-price tickets to generate the same level of income they derived from selling more costly tickets, often at the expense of service to customers, Rennies Travel marketing manager Kananelo Maketha said.

Maketha's statement came as a price war loomed in SA's domestic flight market between Flitestar and Comair — a war in which SAA has said it would not take part for the moment.

Maketha warned that those travel agencies which were not geared towards providing their service cost effectively would be hard pressed to maintain their standards.

Flitestar and Comair recently announced a cut of up to 45% on fares on the popular Johannesburg-Cape Town route and industry sources speculated that SAA would soon announce a cut of about 50% on its flight prices.

However, the speculation was strongly denied by SAA spokesman Leon Els, who said that no such announcement would be made in the foreseeable future.

Flitestar MD Jan Blake earlier said domestic air fare structures in SA were already too low by world standards and that such a dramatic reduction in fares by SAA would eliminate all competition.

SAA already showed a considerable loss on its domestic service and airline chief executive Gert van der Veer earlier indicated that SAA intended cutting down on domestic seat capacity.

Flitestar last week introduced a promotional fare of R638 on an off-peak flight between Johannesburg and Cape Town with effect from August 3.

At the weekend Comair pointed out that its off-peak fares on the route were still the lowest in the country at R530 return.

"This is a no-strings-attached fare, with simple preconditions: it applies to passengers booking and paying in full ten days prior to departure, senior citizens, youth, military personnel and spouses," Comair commercial director Bert van der Linden said.

Peak-time unconditional fares on Comair were R678 on all flights — 20% less than the standard economy fare offered by the other two carriers on the Johannesburg-Cape Town route, he said.

Comair would fly the route for the first time on August 3.

A Rennies Travel spokesman said travel agents were paid a certain percentage commission on selling an air ticket and although ticket prices were being lowered, the commission percentage remained the same.

"We fear that travel agents would not start pushing volume at the expense of service to customers," she said.

## Collectors expected to snap up Harvards

STEPHANE BOTHMA

ARMSCOR has put up for tender 21 SAAF aircraft — including two Harvards which the company says are collectors' items. *Blom 28/7/92*

On Sunday Armscor advertised 19 AM-3CM Boshok aircraft, Boshok spares and two Harvard T6s.

The Boshoks were built for the SAAF by the former Atlas Aircraft Corporation and used mainly for reconnaissance, an Armscor spokesman said yesterday. They were ideal

for use in rural areas because of their short take-off and landing abilities.

The 40-year-old Harvards — used by the SAAF as training aircraft — were expected to be snapped up by foreign collectors. Tenders were expected from all over the world.

The tender deadline was set for September 14.

## Skal congress major boost for Cape tourism

LINDA ENSOR

CAPE TOWN — The Cape tourism industry is to receive a boost by the arrival of about 1 800 tourist operators from all over the world who will be attending the 1992 Skal World Congress in the city in October.

Apart from the immediate economic spin-offs from the flood of visitors from 80 different countries, the Cape economy is likely to receive a further \$25m tourist injection next year as a result of the congress.

"The importance of making a favourable impression on the delegates

cannot be overemphasised. They are able to exert tremendous influence on tourism to SA," Skal spokesman Mike de Groot said yesterday.

Association Internationale des Skal Clubs protocol director Len Gracchhoff from Canada and congress director Ian McCubbin from the UK said previous experience showed that the year following the congress the host city gained tourism worth about \$25m.

Skal members are all senior personnel in travel and tourism related industries. The organisation has a membership of more than 24 000 in about 600 clubs in more than 100 countries.

About 1 820 beds have been booked in 16 Cape hotels for the six-day congress and 45 luxury coaches are being brought from other centres in SA to cope with the demand.

Cape Town was chosen to host the 1992 congress over rival bidder Istanbul.

## Trencor Transport signs Post Office deal

CAPE TOWN — Trencor Transport, part of the JSE-listed Trencor group, has signed a five-year contract worth about R105m with the SA Post Office to transport mail by road throughout SA.

The contract is valued at about R21m a year and is part of the second phase of the Post Office's change from rail to road transport to save time and labour costs.

"We are confident that we have the existing infrastructures on the routes which we will be servicing and the necessary backup, expertise and experience to fulfil

the contract to the satisfaction of all," Trencor Transport CE Deon Blignaut said.

To cope with the massive contract, Trencor Transport had invested more than R17m in 23 trucks, six pantechicons, 20 skeletal trailer interlink sets, 480 mini-containers, high frequency radios and other equipment. It would also be recruiting 60 additional drivers to start operations on scheduled routes from August.

332

LINDA ENSOR

18/04/97 2817192



## NEWS IN BRIEF

### Taxi permits revised <sup>(332)</sup>

TWO of SA's biggest taxi associations, Sabta and Saldta, have persuaded government to abandon the new permit system for taxi operators and revert to the old scheme. *Blom 28/7/92*

Sabta president James Ngcoya said in Johannesburg the new permit system had been designed for renewal every six months and was linked to a certificate of a taxi's roadworthiness, which would have forced many taxi operators out of business.

He said the old permit system had indefinite expiry periods.

### Teacher retirements <sup>(322)</sup>

*Blom 28/7/92*  
COLLEGE and school teachers and lecturers would be able to take early retirement with reduced benefits — subject to certain conditions — National Education Minister Piet Marais announced in Cape Town yesterday. Full details, now being finalised, would be published soon in a Government Gazette.

# 'Police told inspectors to stop enforcing law'

Staff Reporter

332 245  
CT 28/7/92  
FOLLOWING threats to road transport inspectors, the Department of Transport had stopped enforcing the law regarding taxi operators on police advice, a Goldstone Commission committee was told yesterday.

The department's deputy director-general, Mr Pieter Geringer, told the committee investigating the taxi conflict in the Western Cape that police had asked them to stop enforcing the law after a group of taxi operators surrounded their Bellville office before a proposed roadblock and threatened department members.

He said the transport department was not to blame for the conflict. Asked who, in his opinion, was to blame, Mr Geringer said the taxi oper-

ators, because of their "lawlessness". "People (taxi operators) do what they want to," he said.

Mr Geringer said there were insufficient taxi ranks and in 1989 this and the existence of illegal taxis had become clear. Only later was it realised that inadequate facilities would lead to friction after pirate taxis were legalised.

When Mr John van der Berg, representing the ANC and other groups, put it to Mr Geringer that the department was in a position to find the culprits, he said the department had accepted the reports of the South African Black Taxi Association, who claimed that political conflict had caused the taxi violence.

The hearing continues today.



## Taxis go back to old permits

(332)  
J-28/1192  
JOHANNESBURG. —

Two of South Africa's biggest taxi associations, Sabta and Saldta, have persuaded the government to abandon the new permit system for taxi operators and revert to the old scheme, it was reported yesterday.

Sabta president Mr James Ngcoya said the new permit system had been designed for renewal every six months and was linked to a certificate of a taxi's roadworthiness. He said this would have forced many taxi operators out of business.

He said the old permit system had indefinite expiry periods. — Sapa

# 'Buses stopped by intimidation'

CT 29/7/82 332  
Staff Reporter

SOME long-distance bus services had been terminated after taxi operators intimidated and assaulted passengers to get the public to use minibus taxis instead, a Goldstone Commission committee heard yesterday.

This was the evidence of the deputy director-general of the Department of Transport (DOT), Mr Pieter Geringer, during examination by Mr J le Roux for the DOT. The committee is investigating the taxi conflict in the Western Cape.

Mr Le Roux asked Mr Geringer what taxi operators hoped to achieve by assaulting passengers in buses travelling to South Africa from Botswana, Swaziland, Zimbabwe, Ciskei and Transkei.

He replied: "To get people to use taxis instead of buses." The intimidation had led to certain bus services being terminated.

Mr Geringer also said there was no law enforcement by the inspectors of the DOT in black townships in the Western Cape at this stage.

It was pointed out to the Cape Times by the chairman, Mr Neil Rossouw, that an earlier report, stating that the police had advised the DOT to stop law enforcement following threats to inspectors, should also have stated that there was still law enforcement in townships but by the police.



# It all started with a desert chat

(232)  
SMT  
29/1/92

Comair, South Africa's longest-established airline after SAA, can look back with pride over nearly 50 years of aviation.

The airline had its beginnings in the Western Desert during World War 2.

The idea of establishing a private airline was first formulated in the North African desert outside a tent by three members of the SA Air Force 5 Squadron — Mike Martin, AS Joubert and Leon Zimmermann.

Unlike many such ideas discussed by men just like these, this one came to fruition — and on July 14 1946 Commercial Air Services (Pty) Ltd took to the air for the first time.

Today, known as Commercial Airways — or Comair — the airline operates four 44-seater Fokker Friendship F27s with the recent addition of an 80-seater Fokker F28 twinjet to be introduced to the Skukuza route in October and one 737 to the Cape Town route next month. When the Skukuza route was introduced in 1969, a DC-3 was

used on the twice daily, seven-day a week route.

Playing a key role in the promotion of tourism in South Africa, Comair's regular departures leave Jan Smuts airport for Phalaborwa, Richards Bay, Skukuza and across the border to Swaziland and Botswana.

Comair commenced its own operation between Johannesburg and Gaborone in October. Its Gaborone offices, in the prestige Gaborone Sun, have also become the General Sales Agency for SAA in Botswana since SAA closed its offices in Gaborone in 1991.

Johannesburg to Gaborone is Comair's most frequently served route, having increased according to demand from 24 to 26 flights a week from April.

The Richards Bay and Phalaborwa services are particularly in demand to serve businessmen commuting between these rapidly developing industrial centres.

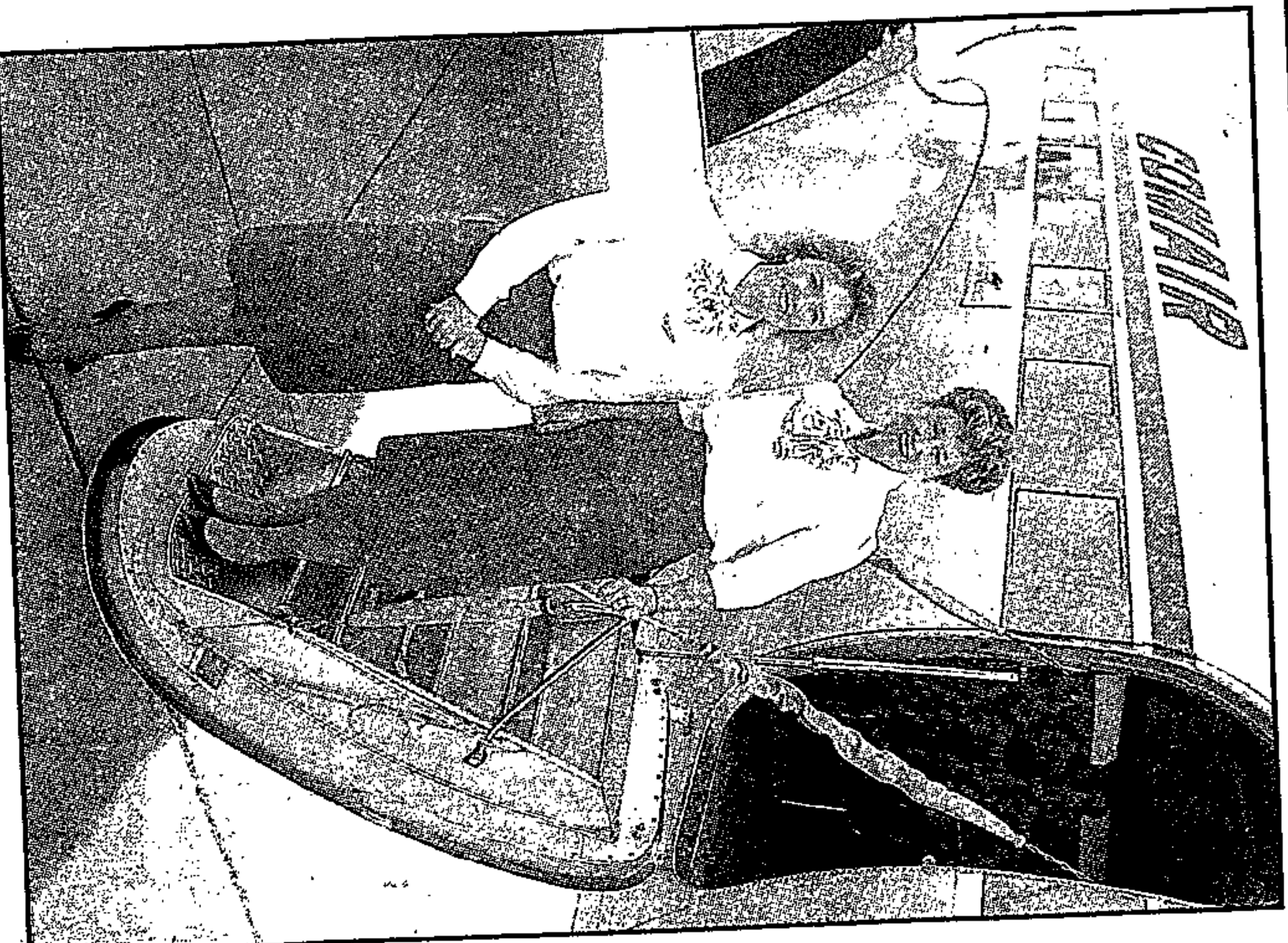
Of all the safari packages offered by Comair, the Skukuza Cost Cutter tour is the most

popular, making a major contribution to the South African tourism industry. In keeping with the genre of the private game reserves, 95 percent of passengers to Comair's exclusive camp at Skukuza are international tourists.

Charters form a significant part of Comair's business, providing highly popular for incentive programmes, for conferences and group promotions. Charters using a 44-seater F-27 are arranged to destinations throughout southern Africa.

Twenty highly trained pilots are included in the total staff complement of 210, who serve the more than 200 000 expected passengers the airline carries over its route network annually.

Comair is a wholly owned South African company with fully computerised reservation facilities. Besides the twice-daily Johannesburg-Cape Town trips, it offers 100 departures a week to and from Richards Bay, Skukuza, Margate and Phalaborwa, as well to Swaziland and Botswana.



A bit of history... cabin crew pose with the DC-3 used on the Skukuza trips before the 44-seater Fokker F27s were introduced.



# Putting end to taxi war

*Sowetan 30/7/92 332*  
■ Recognising the Ivory Park squatter settlement as a township and upgrading of police are 'necessary to end violence, says Goldstone investigating committee:

THE most obvious steps to alleviate violence in the taxi industry in the Midrand area between Johannesburg and Pretoria would be to recognise Ivory Park as a township and to upgrade the police presence there.

These were the main recommendations of the second interim report of the Goldstone committee investigating taxi violence in the area.

The report issued in Pretoria on Tuesday said Ivory Park did not seem to receive any official recognition in the sense that the municipality's application to have it declared a township had not, after eight months, been approved.

Ivory Park is a fairly new squatter community of some 70 000 people.

The result was that the municipal law enforcement agencies did not enjoy official recognition in the area.

The mayor of Midrand complained that the SA Police were understaffed and ill-equipped to deal with some 200 000 people in the whole Midrand area.

No armoured vehicles were available and the area was policed from Halfway House, some 20km away, when Olifantsfontein, a mere 2km away, would be the natural command post.

The committee, chaired by Mr DJ Rossouw, said there were suggestions

that the dispute had not died down and that further violence may be experienced if the root causes were not addressed with urgency.

The roots of the discord were to be found in the commercial competition between taxi associations for the new market opening up there.

The committee also noted complaints that the Local Road Transportation Board's permit system was ineffective and a contributory cause of tension.

The committee's efforts to involve the South African Black Taxi Association (Sabta) to which all taxi association were affiliated, were fruitless. - Sapa.



## Airlink Airline unveils R5,5m expansion plan

STEPHANE BOTHMA

332

AIRLINK Airline is planning a multimillion-rand fleet expansion and refurbishment programme.

Speaking at the official launch of the airline last night, joint MD Rodger Foster said the carrier would invest more than R3m on refurbishment and a further R2,5m on replacing older aircraft in the Airlink fleet. The drive to acquire additional aircraft should be completed in a few months.

Airlink was established last month when it acquired the assets and infrastructure of Link Airways which was liquidated earlier this year.

It was announced last night that the airline was introducing a new service to Lesotho from September. Airlink has already been appointed the designated SA carrier on Swaziland and Mozambique routes.

Foster said the carrier planned to start air connections to several small centres in SA, which have been without air transport.

Airlink was aiming for passenger loads of up to 75% by next year when it should be carrying more than 100 000 passengers a year.

Airlink's scheduled services include return flights from Jan Smuts Airport to Pietersburg, Bloemfontein, Maritzburg and Nelspruit. There are also return flights from Durban to Nelspruit, Matsapa, Maputo, Bloemfontein and Umtata; from East London to Umtata, Port Elizabeth and Bloemfontein; and weekend services from East London to Wild Coast resorts on a non-scheduled basis.

# Transport subsidies refused

By Shirley Woodgate

Calls by the Soweto Daily Passengers' Committee for the introduction of transport subsidies have been rejected by the Government.

SDPC chairman Stephen Sangweni said the latest rejection of appeals for some form of financial assistance for commuters meant his or-

ganisation was forced to mobilise protest action to make the authorities understand their plight.

Since millions of commuters were affected, all relevant political organisations and church groups would be approached for support.

Two appeals were made to the Minister of Transport for the re-introduction of subsidies

after the latest increase in Putco fares.

But Dr Piet Welgemoed said that while negotiations were continuing with regional services councils to contribute partially to increased costs, the subsidy amount allocated by the Treasury for 1992/3 was 2,3 percent less than the previous financial year.



# Fighting flares up over taxi routes

By CLAIRE KEETON  
East London

NINE people have been admitted to hospital and five taxis were damaged following a flare up in fighting between rival taxi associations in Peddie, near Grahamstown.

The Peddie Taxi Association, which is aligned to Border Alliance Taxi Association (Bata), claimed the attack against their drivers and vehicles was launched early on Wednesday morning by members of the Uncedo Taxi Association.

"Some drivers and passengers were shot and hurt by pangas. Others were beaten with sticks and attacked with stones," said the Bata chairman Them-bile Nomana.

Nomana said some of the wounded have been discharged but others are still in the hospital. He said five of the Bata taxis were severely damaged, with all their windows broken and 20 tyres slashed.

Nomana accused people from the Uncedo Taxi Association in Peddie, Grahamstown and Port Elizabeth for the attack. He said Uncedo members were identified in the raid.

The fighting broke out over which associations could service which routes. Bata said Uncedo would arrive with a full load from Port Elizabeth and service local routes, while waiting for a full load for the Johannesburg run.

Neither the Ciskei Commissioner of Police, General Johan Viktor, nor the chairman of Uncedo, Headman Mkuyanahas, had responded at the time of going to press. — Elnews

# GDM planning to broaden base

By Leigh Hassall

332

STAR 3/8/92

Trade finance and shipping group, GDM Finance, plans to broaden the base of its income sources in the years ahead, says chairman Michael Waring in the 1992 annual report.

The group will, however, continue to concentrate on its traditional areas of international finance and shipping.

GDM's previous diversification into clearing and forwarding continues to bear fruit.

Subsidiary, African Shipping,

lifted taxed profit by 69 percent during the year, raising its contribution to group earnings to 22 percent (15 percent).

Mr Waring announced African Shipping's acquisition of RH Freight Services (Pty) with effect from April 1992.

The group continues to look for opportunities to expand in this field.

In the year to April GDM reported a four percent dip in operating profit resulting from significant bad-debt charges and poor trading conditions.

The bad-debt charge reduced the effective tax rate to six percent (twenty percent) and buoyed up attributable earnings to R9,7 million (R8,6 million).

Mr Waring says that for the fifth consecutive year the company has shown a return on shareholders' equity of 30 percent or more.

The current share price is 250c — 10c below its annual high. Off this price it has a P/E ratio of 6,6 (sector average 12,5), with a dividend yield of 6,2 (sector average 4).



# Government taken to task over duty on luxury buses

By Stephen Cranston

The chairman of Tollgate Holdings (TGH), Julian Askin, has slammed the Government for the high level of import duty on luxury coaches.

Writing in the TGH annual report for 1991, Mr Askin says that it is imperative the Government appreciate that sophisticated foreign visitors demand a standard of luxury coaches with which they familiar overseas.

"The local equivalent is simply not acceptable to European, Japanese and American tourists," he says.

He says that high import duties translate into a far higher level of fares than the foreign tourist need pay.

TGH subsidiary Springbok Atlas had a poor first half-year, but conditions improved strongly in the last quarter of the year.

## Air links 332

The reopening of air links, the deregulation of the routes, renewal of sporting ties and general lifting of sanctions point to a "very encouraging" second half of 1992.

Another TGH company Motor Racing Enterprises has decided to construct a new set of buildings which would act as a pit complex and a conference and exhibition centre, enabling MRE to own an asset from which it can derive income through the year.

The most significant event for TGH during the year was the purchase of Jatons Holdings, based in Stoke-on-Trent in the UK. It is that country's largest distributor of industrial fasteners to the wholesale merchant trade.

On April 1 this year, TGH disposed of City Tramways, the original company in the Tollgate group.

Mr Askin says that TGH's priority remains the continuing reduction of group debt and the final tidying up and disposal of certain other non-performing assets.

He says that by the end of this year Tollgate should have concluded the restructuring objectives that have been set.

## Bolton boys take the reins

EDWARD WEST

332

GARTH and Murray Bolton, sons of Cargo Carriers founder Des Bolton, have been appointed joint MDs of the ailing transport group. 81049 518192.

Cargo, formed in 1956 by Des Bolton, is a member of the Bolton group of companies in which the Bolton family are majority shareholders.

The Bolton brothers succeed Patrick Murray, who has resigned. They will exercise joint policy control and divide operation and service functions between them.

In the 12 months to February 1992, Cargo Carriers reported losses equivalent to 15.4c a share, compared with a profit of 0.5c a share the previous year.





Picking up tourists . . . and possibly more competition

competition in the tour-bus industry.

Springbok Atlas and the other big tour companies hold government-granted monopolies on the most lucrative touring routes. But with the expected tourism boom exerting more pressure for change, this may soon end.

Weary of the in-fighting in the industry and under fire for sub-standard tour coaches, Transport Minister Piet Welgemoed says he plans to deregulate the luxury end of the tour-bus industry.

He is now in Europe studying the industry there. After he returns, on Wednesday, he will consult experts in the bus industry, coach builders and tour operators and, by the end of the month, he hopes to know enough about their problems to set the terms of reference for a board of inquiry into the industry, which he wants to establish early next month.

His mind, however, seems already made up. "I think I will support my Cabinet colleague, Tourism Minister Org Marais, and call for buses to be classified, possibly on a five-star grading system. I will then classify those from three stars and up as coaches and deregulate them. One- and two-star vehicles will be buses and will be regulated until the bus industry is deregulated."

Despite Welgemoed's urgency, it may take at least a year for deregulation to take effect. Piet Geringer, the Department of Transport's deputy director of road transport, says it will take that long for local authorities, which handle licensing and other formalities, to prepare for the new system.

The current system does its best to limit competition. Tour-bus and coach operators must have permits issued by the National Transport Commission, but these are difficult and costly to get. The permits stipulate the routes and frequencies allowed, so the lucky holders practically have a licence to print money because they're largely shielded from another operator competing on the same routes.

There are other problems as well, says David Munton, who, after "lots of sweat and tears," won a permit for his company, Cape

Guide Tours, to take tourists around Cape Town in open-topped double-decker buses. "Like everyone else, I had to apply to the commission and have my application gazetted, prove that the service was needed and, if someone else had been providing it, prove he wasn't supplying an adequate service. Anyone can object and get a copy of an application and the supporting documentation. The system forces you to reveal your business plans, which others can copy or capitalise on.

"Permits don't come cheap. One has to brief a specialised lawyer because the objectors come with their legal representatives. The verdict normally is that the service is adequately catered for. If a permit is granted, it usually comes with restrictions."

His permit limits him to operating within 10 km of the Cape Town Post Office Tower. He also wants to get into the luxury-coach touring business but balks at the thought of trying to get a permit.

He says, because permit holders are so well protected against competitors, they have little incentive to upgrade their equipment. That is one reason why most are operating coaches up to 12 years old (*Business & Technology* July 10). And because of this, "there isn't an adequate supply of good used coaches coming on to the market to let the small boys get started; the (established) companies hold on to them because they know that, if they sell, someone will probably try to compete with them."

Paddy Vella, financial manager of Springbok Atlas, the biggest private-sector tour coach operator, says he doesn't like the permit system either but adds: "It's the system, so we use it. If someone wants to start operating on a route we developed, we object. But, of course, we also have to fend off objections when we want to start up new services. Legal fees are high and, if the commission decides to allow an operator to start a service using a temporary permit, it has to be renewed every two weeks, which is costly."

While Munton and Vella agree the government-granted route monopolies and other economic controls should go, they still want government to enforce high standards of service in the industry. Vella believes the need for this was hammered home recently as signs of a tourism boom grew. "Hundreds of would-be operators, some having only minibuses, applied for permits. Naturally, we opposed every one. Many were fly-by-nights who would have harmed the industry and tourism."

The established operators say they would limit the industry to only those who operate suitable, well-maintained vehicles driven by qualified drivers, employ well-trained guides and can prove they have the financial resources to enter the business. This would enforce the standard safety and maintenance rules for drivers and vehicles that should apply to everyone on the road — but sounds like it could be nearly as restrictive and bureaucratic as the current system. Based on his strong deregulation track record, Welgemoed surely already knows this. ■

## TOUR BUSES

### Next step: deregulation

Government has taken many deregulatory steps in the past year to boost the tourist industry — freeing up air travel, ending restrictions on businesses operating on Sundays, relaxing liquor laws and so on. But one important step has not been taken — ending the rigid permit requirements that shut out

LABOUR BRIEFS

TGWU debates policy

■ TRANSPORT unions have decided to tackle the issue of transport policy seriously. At its recent bargaining conference, the Transport and General Workers' Union goods and docks section adopted resolutions setting up a committee to investigate policy.

This committee — along with the African National Congress/South African Communist Party/Congress of South African Trade Unions alliance — will look into matters such as the taxation and financing of transport. It will also look at issues affecting truck drivers such as truck hijackings, long distance driving and owner-driver schemes in which companies have been encouraging drivers to take part.

W/M 7/8-13/8 332  
W/M 7/8-13/8 92



# SA taxis face Zimbabwe permit ban

SA TAXI drivers hoping for a cash bonanza from transporting thousands of soccer fans to Zimbabwe for next weekend's historic Africa Nations Cup could be stymied by a ban on permits. *BIDAY 10/8/92.*

The tournament is the first official international outing by a SA squad since SA came out of sporting isolation.

The threatened ban, as well as possible attacks on SA taxis in Zimbabwe, are the results of a row which has developed between transport operators in the two countries.

Zimbabwe Transport Organisation (ZTO) members have instructed their president Ben Mucheche to ask Transport Minister Dennis Norman to cancel all permits

(332) THEO RAWANA

for SA taxis in Zimbabwe.

MICHAEL HARTNACK reports that the Matabeleland branch, representing the bulk of Zimbabwe's bus owners, has also suggested a ban on all cross-border trips in view of the danger to their employees.

The row has escalated as a result of the alleged abduction of a Zimbabwean bus driver and his conductor by SA taxi operators on July 5 and the ensuing stoning of SA minibuses in Bulawayo on July 25.

The feud stems from SA's accusation that the Zimbabweans were "flooding" the Beit Bridge/Johannesburg route with buses and taxis and squeezing local operators out of the lucrative market.

SA Long Distance Association (Saldta) president Peter Rabali has denied that the two Zimbabweans were abducted by members of his organisation, but is working feverishly to get the issue resolved.

The alleged abductions came in the wake of reports of assaults on and threats against Zimbabwean crews plying the Johannesburg route.

"Our people are not getting permits to cross into Zimbabwe because of lies spread by the bus operators," Rabali said.

He said he would go to the highest authority to get the matter cleared up before the big game on Saturday.

A spokesman for the Matabeleland operators said the ZTO wanted the two men back — "dead or alive".

# Fair news for freight firms

Finance Staff *STAR* 10/8/92

The growing number of trade fairs and exhibitions, both here and abroad, means good business for freight companies.

Many exporters or would-be exporters are turning to transport experts to deal with the complexities of moving their goods and exhibition materials between countries or shows, freeing themselves to concentrate on marketing.

Renfreight has seen the gap, and set up a specialist service unit to handle such business, in partnership with LEP International, the worldwide forwarder of R5 billion worth of goods a year.

The expertise of LEP's spe-

cialist fairs unit, formed 15 years ago, is a key ingredient in the overall freight management package, says project manager Nigel Haselau.

"As many exhibits are expensive and in demand at various shows, the key is to get them in and out of a show location on a just-in-time basis, which favours the aircargo method.

"However, if they are not appearing at another show immediately afterwards, seafreight is a more economical alternative. We offer the whole range of time and cost options."

The unit recently handled the import from Europe of the ice machines, sets, costumes and other equipment for the Holiday on Ice extravaganza and their re-export to Thailand.



# Racy margins hit by transport woes

6/DAY 12/8/92.

EDWARD WEST

RACY Group's profit margins were battered by fierce competition, the recession and overcapacity in the industrial transport sector.

Its results for the year to end-March 1992 showed sales improved by 3% to R66,4m (1991: R64,4m).

But operating profit fell 19% to R5,8m (R7,1m), reflecting a substantial drop in operating profit margins.

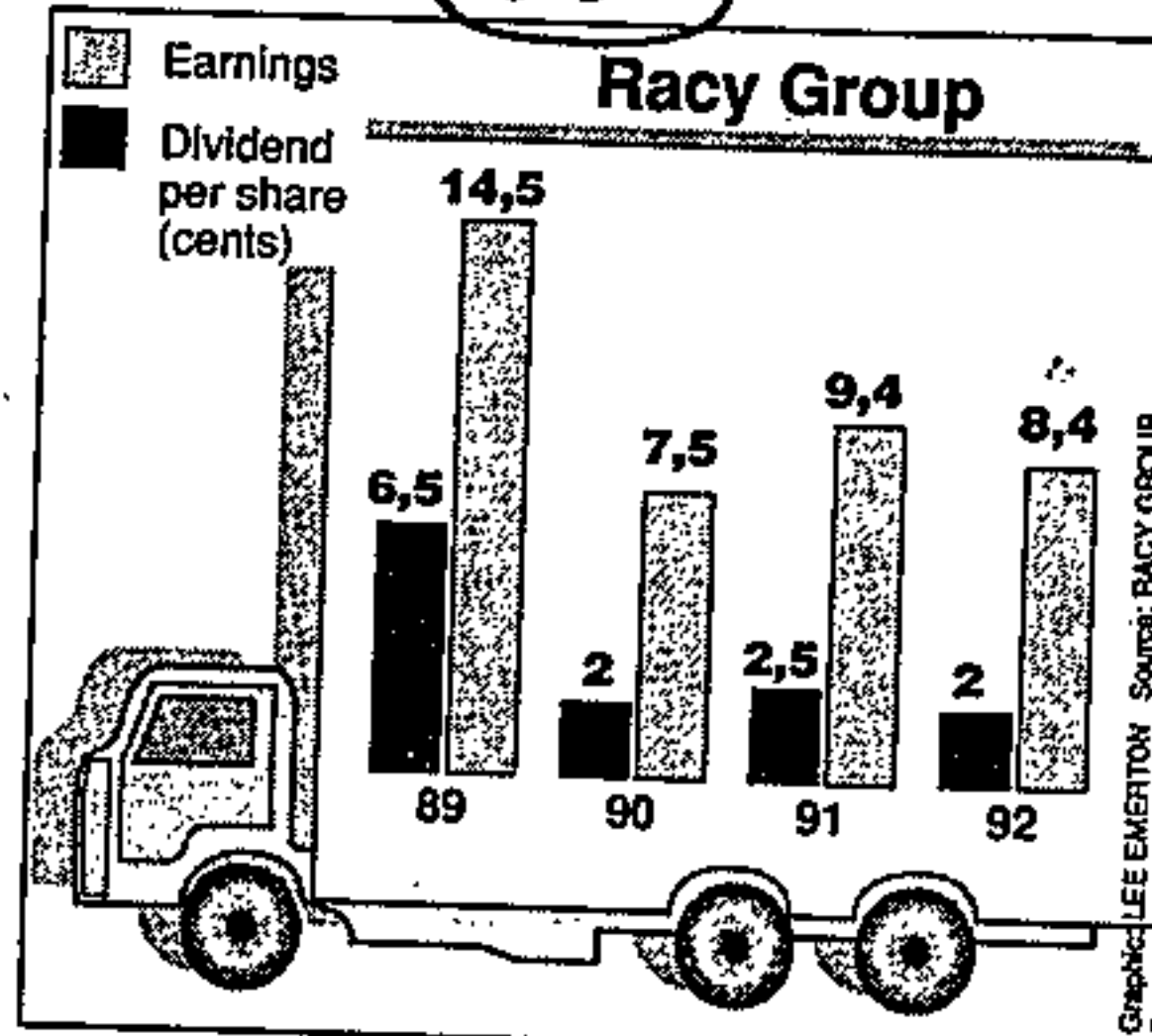
Chairman Ivor Jacobson said overcapacity in the industrial transport industry and fierce competition restrained turnover in the Hendlers Industrial Carriers Group subsidiary, resulting in a deterioration of profit margins.

Although Diesel City's sales improved by 2%, it also suffered from pressure on its profit margins in spite of efforts to control costs, he said.

Interest paid fell to R1,7m (R2,3m), leaving pre-tax profit 15% lower at R4,1m (R4,8m). Taxation was lower at R1,9m (R2,4m) while taxed profit fell 11% to R2,1m (R2,4m).

Deferred taxation was provided to ensure the consolidated tax rate was evened out from year to year at prevailing rates, currently at 48%.

Jacobson said reduced capital expenditure in 1992 — the present fleet could sustain turnover growth — and the profit ploughback, resulted in reduced borrowings to R8,7m (R9,8m). Consequently, gearing fell to 40,5% (49,4%).



Earnings a share fell to 8,4c (9,4c), which Jacobson viewed as satisfactory compared with the results of many of Racy's competitors.

Dividend cover was maintained at four times to reduce interest bearing debt and further improve gearing while at the same time making provision for future capital expenditure.

A dividend of 2c (2,5c) a share was declared, covered 4,2 (3,8) times.

Shareholders were again cautioned about dealing in Racy shares, following an announcement on June 18 1992 that other parties were interested in acquiring Racy or some of its subsidiaries even though a previous agreement for Sundial Investments to acquire Racy from Ivor Jacobson Holdings was terminated.

Racy's share price closed untraded yesterday at 57c a share after peaking at a new annual high of 65c on June 15 1992.

# Four held over shooting of journalists in township

POLICE have arrested four men in connection with the shooting of Washington Post correspondent Paul Taylor and Weekly Mail political editor Phillip van Niekerk in Sebokeng on August 3.

Their car was hijacked by their attackers. A police spokesman said yesterday the four were arrested after the journalists' car had been seen at a filling station in Evaton.

The men were expected to appear in the Sebokeng Magistrate's Court yesterday.

CHARLIE PRETZLIK reports that ANC PWV area spokesman Ronnie Mamoepa said Inkatha supporters went on the rampage in Ratanda township near Heidelberg after a march led by regional Inkatha official Themba Khoza to the local police station yesterday to protest against the death of a hostel inmate last week.

He said about 200 armed men were bussed into the township and then "assaulted people at random". No details about injuries were available.

The police, he said, later escorted the attackers back into the hostel without making any arrests.

Col F J le Grange of the Heidelberg police said police had monitored the marches and there were no reports of any injuries.

WILSON ZWANE

Police also denied ANC claims that police had been in cahoots with Inkatha supporters.

Also yesterday, outside the Escort bacon factory near Ratanda, Inkatha supporters met Food and Allied Workers' Union members returning from a protest in town.

Clashes followed in which one person was seriously injured, Ratanda Civic Association assistant general secretary Dan Nkosi said last night.

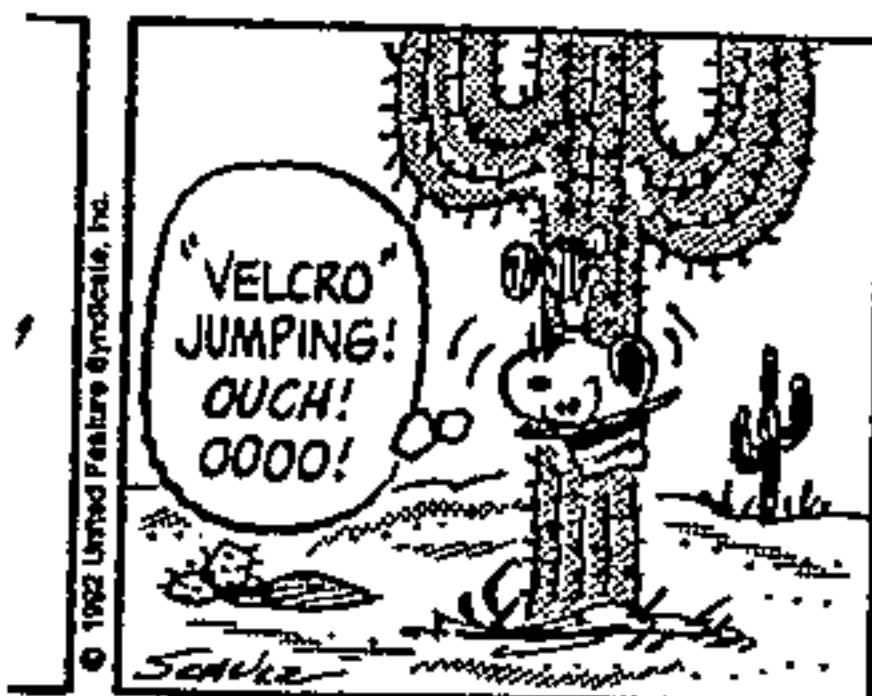
A police squad saw the clashes but could not get to the scene immediately as they were on the other side of a "fenced railway line", police said.

Three people were shot dead at Esikhawini near Empangeni on the Natal north coast on Tuesday night and three were injured, police said.

Our Durban correspondent reports that a church-based peace initiative in Murchison near Port Shepstone yesterday began trying to get warring Inkatha and ANC factions to meet following violence which had left at least 12 dead since the weekend.

A Port Shepstone police spokesman confirmed that 23 people had died in violence in the area since August 1.

by Charles Schulz



## Move to protect bus drivers

DIRK HARTFORD

THE ANC alliance intends laying a formal complaint with the national peace secretariat about continuing intimidation and attacks on Cosatu-affiliated bus drivers at the KwaZulu Transport depot in Maritzburg.

Transport and General Workers' Union assistant general secretary Randall Howard said two KwaZulu Transport buses had been burned this week, five stoned and two drivers injured.

Last week Inkatha supporters, led by the Inkatha representative in the Natal dispute resolution committee David Ntombela, sealed off the depot to prevent buses leaving, allegedly because the 500 union members at the depot supported Cosatu's call for a general strike.



forms," said State witness Ni-  
lion) to the EBU, Mr Julys  
The trial continues.


# Taxi war claims lives, disrupts transport

East Rand Bureau 14/8/72

Taxi services in Ivory Park, Midrand, have been disrupted since Monday following a bloody taxi war in the area which left several people dead and others seriously injured. The fighting was a culmination of the ongoing taxi feud over routes between the taxi groups of Ivory Park and Tembisa. Hundreds of commuters have been getting up early since Tuesday to walk about 5 km to Tembisa to get transport from there to their places of employment.

Ivory Park residents said taxi services had ground to a halt. Tembisa police station commander Major Hendrik Swart confirmed that people were killed and shacks and taxis destroyed on Monday. The situation was now quiet, he said.

 **SUNSET** Today 5.47 pm  
Tomorrow 5.47 pm

 **MOONRISE** Today 18.48 pm

**WORLDWIDE**

**Farcus**



by David Walsgless  
Gordon Coulthart

# Taxi wars could end in commuter chaos

TAXI war killings in Johannesburg are increasing and threaten to seriously disrupt commuter travel. This week four people died and 10 were injured.

The growing conflict, which has claimed about 18 lives this year, with about 30 people injured, is one of at least six taxi wars nationwide.

A taxi war in Cape Town last year claimed 66 lives, caused nearly R4-million damage and seriously disrupted commuter traffic. Witwatersrand taxi owners have warned that commuter transport could grind to a halt as "drivers blast each other away".

Drivers have armed themselves and few sleep at home as battles for routes and ranks escalate. The war is worst in the Tembisa, Alexandra, Ivory Park triangle that serves

By CHARLENE SMITH

the industrial heartland of the country.

On Friday four people died and eight were injured after commuters apparently became angry that the conflict between the Ivory Park Taxi Association and the Tembisa Taxi Association was increasing commuter costs.

Earlier this week two drivers from the Alexandra Randburg Midrand Sandton Taxi Association (Armsta) were shot. Seven Armsta members have been assassinated this year, including three executive members.

Its two previous chairmen were murdered and Victor Mogale, the present chairman, has not lived at home for more than three months. He never stays anywhere for longer than

three days — and neither do any of his executives.

The taxi industry nationwide is poised on a razor-edge as costs rise and consumer resistance to fee hikes eat into profit margins.

Although the Goldstone commission has said that big business has a critical role to play in defusing this time bomb, most businessmen are averting their eyes.

Most taxis cost about R71 000 with banks demanding a 40-50 percent deposit, the remainder at maximum interest rates over 36 months.

Future Bank managing director Neville Watchurst said finance houses had "no alternative but to levy a finance charge to cover the cost of collection and the bad debt risk". Stannic says it has a bad debt load of 30 percent in this sector.

Toyota's Henk Maree says: "Commuter fare prices have not kept pace with the rising costs of operating taxis — the major reason for the speeding and overloading that occurs in the struggle for survival."



# The aim is service and economy

AS the name suggests, Express Cargo provides a fast, cost-effective and efficient freight/parcel delivery service between the major cities in South Africa.

Its system is a simple one where trucks and bakkies are used, for example, to collect parcels in Johannesburg destined for Durban.

The parcels are consolidated at the Johannesburg warehouse and loaded into a long-haul truck which, once full, is sealed and only opened in Durban the following morning.

In Durban, trucks and bakkies are used again to deliver the parcels. Up to three trucks a night are run between Johannesburg and Durban, says Jayce Archary, managing director of Express Cargo.

The company offers two services to its customers: express and economy. Express means the parcel or cargo will, where physical



PIONEERS ... Jayce and Daisy Archery

ly possible, be delivered within 24 hours. On longer routes such as from Johannesburg to Port Elizabeth or Cape Town, a 48-hour delivery is regarded as express.

The economy service is between 20 and 30 percent cheaper than express but takes slightly longer. The express option is an overnight service in the true sense of the word with

the trucks travelling at night between cities to arrive at their destinations the following morning.

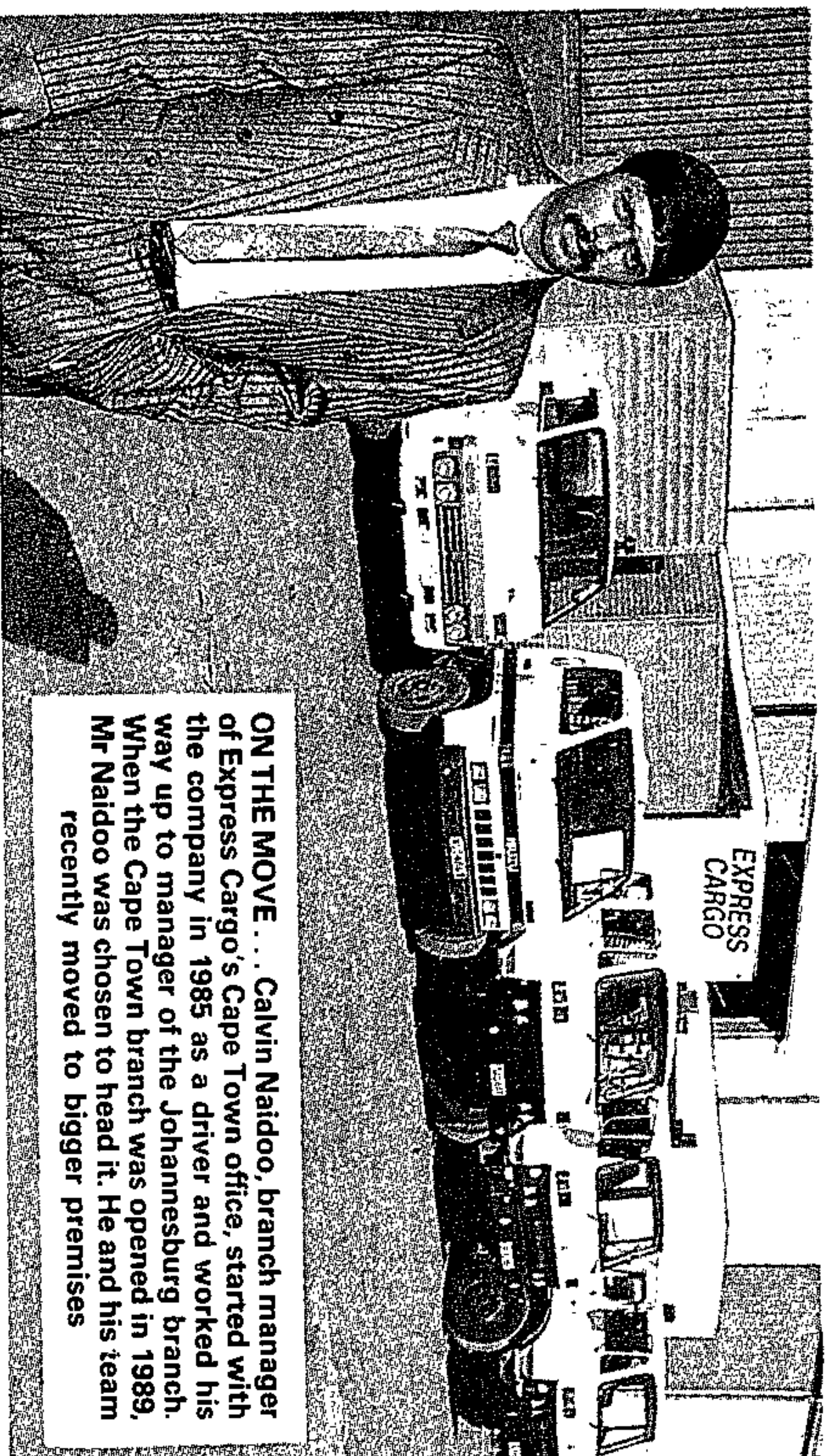
Insurance is a factor which has become important in view of truck hijackings and Mr Archary advises clients to either self-insure or let Express Cargo handle this so as to prevent major losses.

The trend is for customers to organise their own insurance as it is cheaper.

"We've had a few truck hijackings but have been lucky to recover the vehicles and most of the cargo. Other companies have not been so lucky," says Mr Archary.

Preventative measures have been taken by the company and, although loath to divulge all details, Mr Archary says he has invested more than R50 000 in upgrading vehicle communication links.

"All vehicles are equipped with two-way radios giving us communication links within a radius of 75km. This enable us to be in constant contact with our drivers should they be in any danger. It also improves our customer service, because the driver can be contacted wherever he is to make a pick-up."



ON THE MOVE ... Calvin Naidoo, branch manager of Express Cargo's Cape Town office, started with the company in 1985 as a driver and worked his way up to manager of the Johannesburg branch. When the Cape Town branch was opened in 1989, Mr Naidoo was chosen to head it. He and his team recently moved to bigger premises

## Hundreds jockey for best positions in cut-throat road transport business

THE overnight freight delivery industry has turned into a cut-throat business with about 10 major players and hundreds of smaller ones jockeying for positions in a market estimated at more than R300-million a month.

So says Gerald Killen, sales manager of Express Cargo, one of the major players in the overnight freight industry. "This situation is further aggravated by furniture removal carriers moving in on the freight market due to a slump in their field of business," he says.

The highly competitive nature of the business has led

companies to undercut rates with the result that profit margins are under extreme pressure.

In such a market, Mr Killen sees key success factors as being honesty and customer satisfaction.

"If there is a problem, tell the client. It does not help to lie. Companies providing excellent service will survive the current economic situation," he says.

Express Cargo has, since its inception in 1984, doubled its turnover every year making it one of the top players in this industry.

The company operates a fleet of about 150 vehicles, employs 250 staff and provides a freight delivery service between all the major cities and towns in the country.

Jayce Archary, managing director of Express Cargo, has made it a goal of the company to work on a freehold fleet.

"Buying new vehicles and the maintenance of existing vehicles are the biggest expenditure, followed by wages and salaries," he says.

With its head-office based in Johannesburg, the company has regional representation in Durban, Cape Town, Bloemfontein, Port Elizabeth, East London, Klerksdorp, Pietersburg, Nelspruit, Welkom and Lichtenburg.



# Express road to the top

S/Times (Cm) 16/8/92

EXPRESS Cargo, one of the top companies in the local overnight freight/parcel business, has moved into a new 8 000 sq m headoffice and warehouse complex in Prolecon, Johannesburg.

This is seen by managing director Jayce Archary as a milestone in the company's eight-year history.

The move also stands as a tribute to the entrepreneurial spirit of Mr Archary and his wife Daisy who started the business in 1984 with R600 cash and one bakkie operating from small premises in Durban.

Today the company is a multi-million rand organisation with branch offices throughout the country, a staff complement of 250 and a fleet of 125 trucks.

Mr and Mrs Archary have spearheaded the move from small to big company with their only qualifications being a Standard 8 and Standard 9 school certificate respectively.

And Mr Archary has had a reading disability since his school days.

"I've been able to read short items of copy such as in newspapers, but I always had difficulty in reading long stories. I read my first novel only six months ago," he says.

This followed a period of remedial therapy.

What he relied on when he started the business was the hands-on experience gained while working for a Johannesburg-based freight company. He also learnt heavily on his wife for the administration side of the business.

"The early work of the company involved local collections and deliveries for existing freight companies earning about 5c a kilogram," he recalls.

In 1985 Mr Archary relocated to Johannesburg and rented a house in Bertrams from where he operated the business.

After three months, he expanded his one-bakkie fleet by adding a truck — a 5-tonne Isuzu. His wife ran the books as well as help-

**Express Cargo was started eight years ago with R600 and one bakkie. This month, the multi-million rand business moved into vast new premises in Prolecon, Johannesburg. PATRICK O'LEARY and ANDRE JOUBERT track the history of the company and the cut-throat industry in which it operates.**

ing to market the company.

It wasn't long before they outgrew the Bertrams house and moved to premises in Denver working closely with a major freight company.

"It was soon after this that we got our first big break when the freight company closed and we picked up its clients," he recalls.

By this time, Express Cargo had also built up a substantial client base of its own and in 1986 moved to bigger premises in the Denver area. It wasn't long before an additional warehouse had to be built onto these offices.

"We were then faced with the problem of our operations being split with receiving and despatch in two different buildings. This was not a healthy from both a cost and control point," says Mr Archary.

They decided last year to move to the new complex, consolidating the Johannesburg operation and headoffice under one roof.

## Link for smooth running

EXPRESS Cargo has invested R120 000 in the development and implementation of a tailor-made, fully integrated computer system as a tool to better its service to customers.

"The new system will not only speed up our administration procedures but will also enable us to keep track of each item of cargo at any point in the collection/delivery cycle," says Daisy Archary, a director of Express Cargo.

Quotes are also speedily processed as these are now generated by computer.

The system has been designed to accommodate the specific needs of each department. Numerous interviews were conducted with users during the research and development phase making the final product extremely user friendly.

On-line links between branches are also provided for.



## Comair's opening week 'remarkable'

COMAIR had a remarkable first week of operations on the Johannesburg-Cape Town route, MD Piet van Hoven said at the weekend.

The airline averaged a load factor of 59% and, based on the strength of forward bookings, expected this to move up to 75% within three weeks, he said. **61044 1718/92.**

If the trend continued, Comair would take a decision in the next few weeks as to whether it would expand operations — either through greater frequency to Cape Town or by flying

STEPHANE BOTHMA

to other destinations. **332**

In a market where domestic carriers were suffering because of heavily discounted fares and low load factors, Van Hoven said Comair was able to undercut competitors' fares because of its efficiency of operation, which lowered the cost profile.

Van Hoven rejected any notion of further discounts, saying the airline already had to achieve a 70% load factor to break even.

# Red tape puts brakes on roving taxis

332  
ARG 19/8/92

**JOSEPH ARANES**  
Staff Reporter

THE owner of Cape Town's only fleet of roving taxis says he is being forced to run a pirate operation — because authorities won't give him a permit.

Mr Graeme Bell, who runs the popular tuk-tuk-like Rikki taxis in central Cape Town and the Table Mountain amphitheatre suburbs, says he has been trying for the past nine months to get his permit extended to enable him to operate within a 35 km radius of the city.

His existing permit allows him to transport "white people and their personal effects" on six designated routes between the Waterfront and Royal Cape Yacht Club, the cableway, Signal Hill, the city centre and Camps Bay along Beach Road.

But the company has moved from the Waterfront to the city bowl area where there is a great demand for cheap, safe transport.

"I have applied to the Local Road Transportation Board to have my routes extended but have been unsuccessful.

"What really gets me, is that they never give reasons for refusing my application," said Mr Bell.

National Transport Commission deputy director Mr Piet Geringer said it was not the board's policy to give reasons for turning down an application until an appeal is lodged with the National Transport Commission.

But he added: "Mr Bell must sort out a taxi rank with his municipality and must prove that his existing facilities are adequate."

But Mr Bell countered: "How can I prove that my facilities are adequate if they never inspect them?"

Hundreds of people in the city bowl area use Mr Bell's taxis — colourful converted mini-vans each seating eight passengers.

Regular users say they are much cheaper than other taxis and are safer and more convenient because passengers are picked up and dropped at their front doors.

The general fee between the central business district and the city bowl suburbs is R2, but if a taxi is hailed en route, a trip costs R1,20.

If one leaves the city bowl and CBD, the fare increases the further one travels.

To hire a Rikki, passengers telephone the company which sends a taxi to pick them up.

The taxis also rove the city streets and will collect commuters if they are asked to do so.

Mr Bell said the company prided itself on its driving and safety record. All taxis are fitted with two-way radios.

Mr Bell offers a range of services, including tours of the city, letter delivery and taking people on pub-crawls.

"We stick within the laws as far as we can and do not go around blatantly breaking them.

"Everybody is talking about a new South Africa and free-market economy, yet there are many restrictions that make it difficult to operate a profitable business," he said.

Golden Arrow Bus Services, the existing permit holder for commuter services in the city bowl area, has opposed Mr Bell's application.

Public relations manager Mrs Jeanne Welsh said the Rikki taxis were granted permits to run between the Waterfront and the CBD as a tourist service.

"The application for the extension seems to indicate that the taxis now wish to offer a service to commuters, which is contrary to the conditions under which their original permits were granted," she said.

Captour chief executive Mr Gordon Oliver said the city needed a cheap, safe transport system around the city.

He supported the idea of Rikki taxis as long as they complied with all necessary regulations. "It is definitely good for tourism."

Mr Bell plans to appeal to the National Transport Commission.



# Victory for peace in Alex taxi row

By Brian Sokutu

STAR 20/8/92

332

There was a rare victory for peace in South Africa yesterday.

The scene was Alexandra, north of Johannesburg, where an all-too-familiar scenario developed — members of two rival taxi organisations squared up for what looked like yet another bloody confrontation.

Alexandra, Randburg, Midrand and Sandton Taxi Association (Armsta) members, protesting against high levies, had used their minibuses to block the Pretoria Main Road entrance to Alexandra near the Pan African

taxi rank.

They stopped Alexandra Taxi Association (ATA) taxis, forcing stranded commuters to use buses.

Tempers flared — until Interim Crisis Committee coordinator Dr Liz Carmichael and Captain Piet Smal of the Kew police stepped in.

"Gentlemen, we don't want here the same thing that happened in Cape Town and in Tembisa last week," said Captain Smal, referring to savage taxi wars.

Three hours of talks followed, and the groups were persuaded to sign an interim peace agreement.

The Armsta members were protesting against high levies of up to R35 — meant to subsidise administration costs for both associations — imposed on them by the joint Armsta-ATA taxi patrol squad. Armsta members claimed the levies were benefiting only ATA members.

According to the agreement, the joint taxi patrol squad would cease collecting fees from Armsta taxi drivers in Alexandra until leaders of the two bodies had met at Kew police station tomorrow to negotiate and sign a final peace agreement.

29/8/92  
**Golden Arrow**  
**'willing to talk'**

332 Staff Reporter 332

GOLDEN Arrow Bus Services have not ruled out the possibility that taxi drivers were responsible for the stoning and burning of their buses in Nyanga on Tuesday. A spokesman said yesterday the company would be willing to talk to the taxi body, Co-deta, at any time.



## Kidnapped busmen: Codeta raps taxi drivers

352  
MAG 22/8/92

Temper flared in taxi circles this week when nine Golden Arrow workers were kidnapped by angry taxi drivers in Khayelitsha. Now the taxi organisation Codeta has condemned the taxi drivers' actions.

**VUYO BAVUMA**

Weekend Argus Reporter

THE Convention of Democratic Taxi Associations has condemned the kidnapping of nine Golden Arrow busmen by Khayelitsha taxi drivers.

Codeta, an amalgamation of the former feuding rivals La-gunya and Western Cape Black Taxi Association, was commenting after the busmen — five drivers and four inspectors — were locked up for two hours in a shack in the Site B squatter camp, known as Ku-wait.

The workers were released unharmed after negotiations between the company and taxi representatives.

The kidnappers allegedly threatened to kill the workers and to set buses alight unless their demands, which included the withdrawal of the bus services from Khayelitsha, were met.

This week Codeta chairman Mr Kenneth Magwayi said the association stood for peace and did not support violence.

"We reject the claims by these individuals that they were acting on behalf of Codeta."

"If our people don't obey the rules and regulations, then we won't hesitate to support the law to fight this kind of behaviour," he said.

Codeta, he said, was investigating the incident.

"Our members should have nothing to fear from the bus company. In fact we believe it is the company's democratic right to operate wherever it wants," Mr Magwayi said.

# Ramaphosa and Roelf Meyer hold apparently successful meeting

## Negotiation hopes up

353  
MAG 22/8/92

While new moves are afoot to get negotiations back on track, President De Klerk has announced that he will be calling a summit next month of those parties at Codeta who favour strong regional government or federalism.

**PETER FABRICIUS and ESTHER WAUGH**

Weekend Argus Political Staff

HOPES are rising that the negotiation deadlock could soon be broken after an apparently successful meeting yesterday between the secretary-general of the ANC, Mr Cyril Ramaphosa, and the Minister of Constitutional Development and Communication, Mr Roelf Meyer.

The aim of the meeting between the top negotiators in the ANC and government was to try once again to get negotiations back on track. They met as the government expressed growing impatience with the stalemate.

Although no statement was issued, as both parties had to report back to their principals, government sources reported that they believed the meeting had gone "quite well".

The meeting came a day after President De Klerk announced at a media briefing in Pretoria that the government intended to press ahead on its own with preparatory legislation for implementing the transition.

He said the government was anxious to take steps to reach its goal of a transitional constitution as soon as possible and had "no intention of allowing elements in the ANC to delay progress".

The ANC said the aim of the one-on-one talks was to remove obstacles blocking the resumption of formal negotiations. They would focus on steps to be taken to address the issues raised in earlier memoranda exchanged between the government and the ANC.

Mr De Klerk said the government had already prepared some legislation — and was preparing other legislation — to table at the short session of parliament starting on October 12. Mr De Klerk stressed that he was not proposing a go-it-alone option. The legislation would be aimed at "levelling the playing field and doing what in any case would have to be done".

In another initiative to give new impetus to negotiations Mr De Klerk announced that he would be calling a summit next month of all the parties at Codeta who favoured the idea of strong regional government or federalism. While Mr De Klerk insisted that the idea of the summit was not to form a front against the ANC or to become a substitute for a negotiating forum, observers believe the government's clear tactic is to step up pressure on the ANC to resume negotiations.

The federalist summit would consist largely of those parties at Codeta who formed an informal bloc opposing the ANC and its allies and divided the negotiating forum into two rough-legged camps. Yesterday the five breakaway MPs of the Conservative Party under Potchefstroom MP Mr Andries Beyers said they would attend the summit.

The Democratic Party — the only non-aligned party at Codeta — is withholding a decision until it receives more information about the purpose of the summit. DP leader Dr Zake de Beer said he was always ready to discuss federalism with anyone but was not prepared to be manoeuvred into an anti-ANC front.



□ **MORNE'S TOUR DE FORCE:** For the Lagunya rugby team to re-join the club

## Lagunya

**VUYO BAVUMA**  
Weekend Argus Reporter

**LAGUNYA** But fledgling out of town's town and club

7P



## ! uuluan uuel sales probe

MICHAEL HARTNACK

**HARARE** — The Zimbabwe Football Association has established a committee of inquiry into reported ticket racketeering during last weekend's historic international which saw Zimbabwe beat SA.

One of the ticket books was reported stolen at Beitbridge and tickets were apparently on sale in SA.

Tickets on sale in Zimbabwe for the equivalent of R27 were reportedly sold to SA fans for R50, while R112 tickets were touted at R200.

## ESHOW IN YOU

Triangle (016) 55-2350

NED 167/C

## Zimbabwe halts taxi permits

8/Day 24/8/92

332  
MICHAEL HARTNACK

**HARARE** — The taxi "war" between Zimbabwean and South African drivers has taken a new turn with Zimbabwe's Transport Ministry stopping the issue of permits for the Bulawayo-Johannesburg route to its own operators.

Almost all long-distance minibuses operating between Zimbabwe and SA had been grounded except for those whose permits were for two months at the time these measures were enforced, Limpopo-Zimbabwe Transport Company director Mark Ndebele said at the weekend.

He said 42 vehicles and 60 crew members in his company had been left idle, with no income. An urgent meeting was being sought with Transport Ministry chiefs.

He said the authorities said they had imposed the measures because of the disappearance of the Country Boy bus company crew in SA.

Ndebele claimed SA drivers were continuing to operate in Zimbabwe, but were flouting the terms of their permits.

There has been no official comment from the authorities.

There was a temporary truce in the taxi war last weekend when thousands of fans flocked to Zimbabwe for the historic Zim-

babwe-SA soccer international, assisted by news that the missing bus crew had not been abducted by rival drivers but arrested by SA police for allegedly attempting to smuggle ivory. Business Day traced the missing men to a Johannesburg jail.

Last month, Zimbabwean riot police had to disperse a stone-throwing mob in Beit Bridge who vowed to prevent all SA minibuses taxis from crossing the border until the missing Zimbabweans were found.

Meanwhile, Sapa reports that representatives of SA's National African Federation of Transport Organisation (Naflo) met Zimbabwe's Transport and Energy Minister Denis Norman in Harare on Friday to appeal against the withdrawal of bus permits from Naflo members operating between Zimbabwe and SA.

The transport ministry in Zimbabwe recently suspended all permits to SA minibuses operators after Zimbabwean drivers and passengers were harassed.

A Ministry official who attended the meeting said no decision had yet been made and the SA representatives were asked to contact Norman tomorrow.



# Foreign activity helps Trenchor

LINDA ENSOR

CAPE TOWN — Transport and manufacturing group Trenchor offset stagnation in domestic operations with its overseas operations, exports and interest income to report a 23% increase in net earnings in the year to the end of June.

Earnings rose 23% to 905c a share from 734,8c from which total dividends of 195c will be paid compared with last year's 160c.

Executive chairman Neil Jowell said the disparity between interim and final dividends was currently under review.

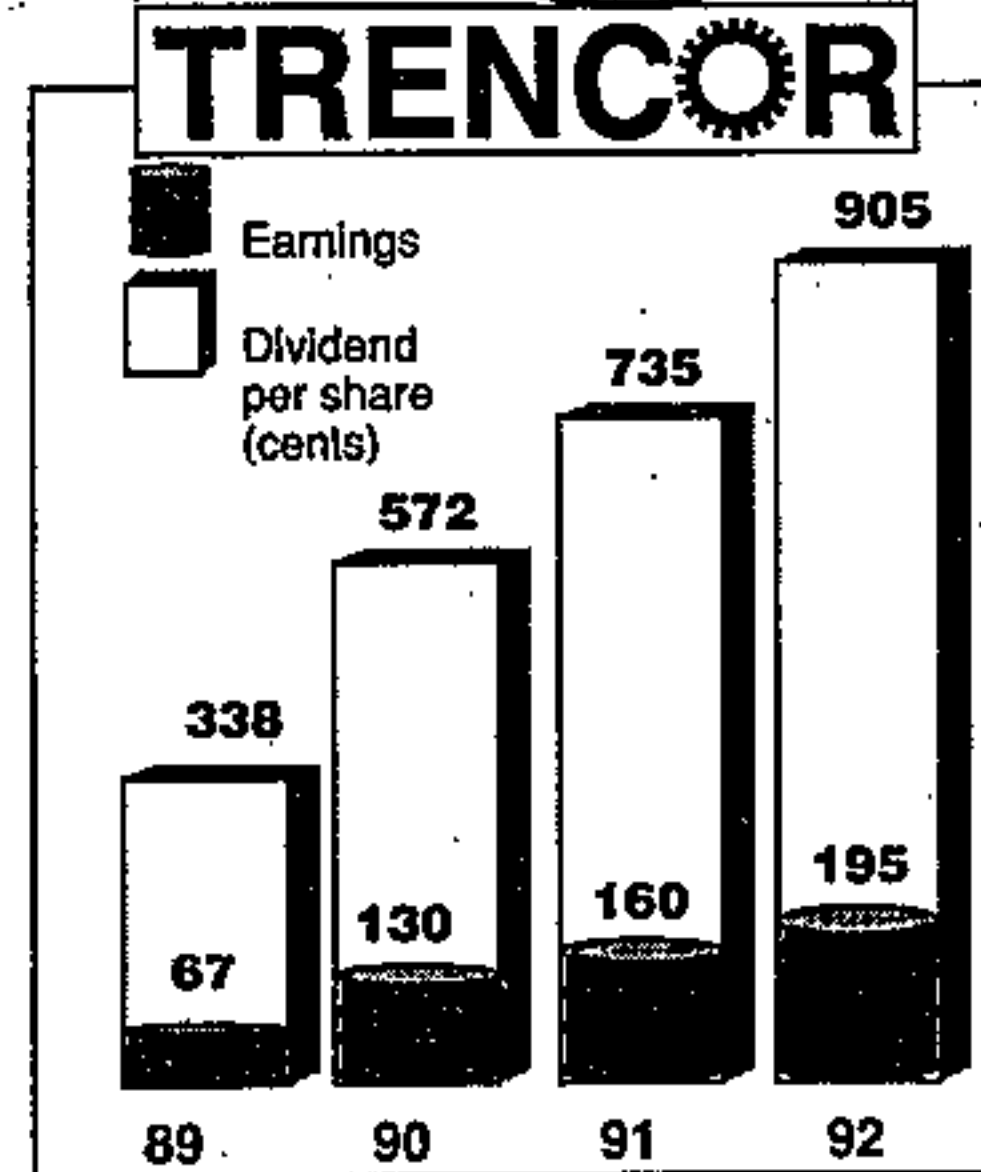
"The results were achieved in the face of recessionary conditions confronting domestic operations and a weakening in the container market, which is the main thrust of our export activity," he said.

"While the divisions in SA managed to hold performance at last year's levels, overseas operations improved their contributions to earnings."

Trenchor manufactures trailers, tankers and containers and is involved in transport, tyres, exporting and trading. Undisclosed overseas operations and exports contribute more than half of net attributable income.

Turnover rose 20,3% to R997,7m (R829,2m), with pretax income increasing by 29% to R170m (R132m), of which R17m was interest earned on R260m raised in the debenture issue. On a slightly higher tax rate, attributable profit rose 23,6% to R130m (R105,2m).

Jowell said the sharp rise in turnover was mainly attributable to the



acquisition of Crosscape Express, Swift Engineering and Poole Industries and the increase in the stake in Contred to 25,61%.

The tyre interest contribution was lower than last year's because of pressure on margins caused by the flood of tyre imports.

The effect of the weaker container market was felt in the second half when pressure on margins increased from new manufacturing capacity and the ability of foreign competitors to offer low prices and attractive credit terms.

Jowell said that for most of the year Trenchor produced earnings from previously negotiated favourable contracts but in the last six months orders were signed in a much more competitive environment. Also, the changing SA trade balance forced the group to bear the costs of shipping containers to points of demand.

Fluctuations in currencies had a neutral affect on the results.

# Unitrans proves to be highly competitive

By Stephen Cranston

STAR 27/8/92

(332)

In spite of competitive conditions in the road transport industry, Unitrans increased earnings per share by 23 percent to 111,1c.

The dividend was up 15 percent to 27c and the dividend cover increased from 3,1 to 3,4.

Group turnover increased by 27 percent to R409 million but operating margins have fallen from 14,5 percent to 13,4 percent. Lower profitability, however, was offset by a much larger capital profit on the sale of vehicles — which increased from R4,4 million to R11,3 million.

CE Eduardo Garcia says that the recession had afflicted the transport industry seriously and made it advisable to

reduce capital expenditure on vehicles. This, with a high depreciation charge, led to a build up in liquidity. Unitrans ended the year with R56 million in surplus cash.

Profit before tax increased by 58 percent to R57 million but the tax bill increased tenfold to R15,2 million because of lower capital expenditure. But capital expenditure for expansion and fleet replacement is expected to increase in the current year.

Mr Garcia says the drought will hit group profits, in particular the group's Natal operations which serve the sugar industry. Nevertheless, he predicts an increase in earnings during the current year.



**Activities:** Engaged in international and domestic air and sea freight and property development.

**Control:** Yin Wo 42,5%.

**Chairman:** J M Hamilton-Barns.

**Capital structure:** 141m ords. Market capitalisation: R4,2m.

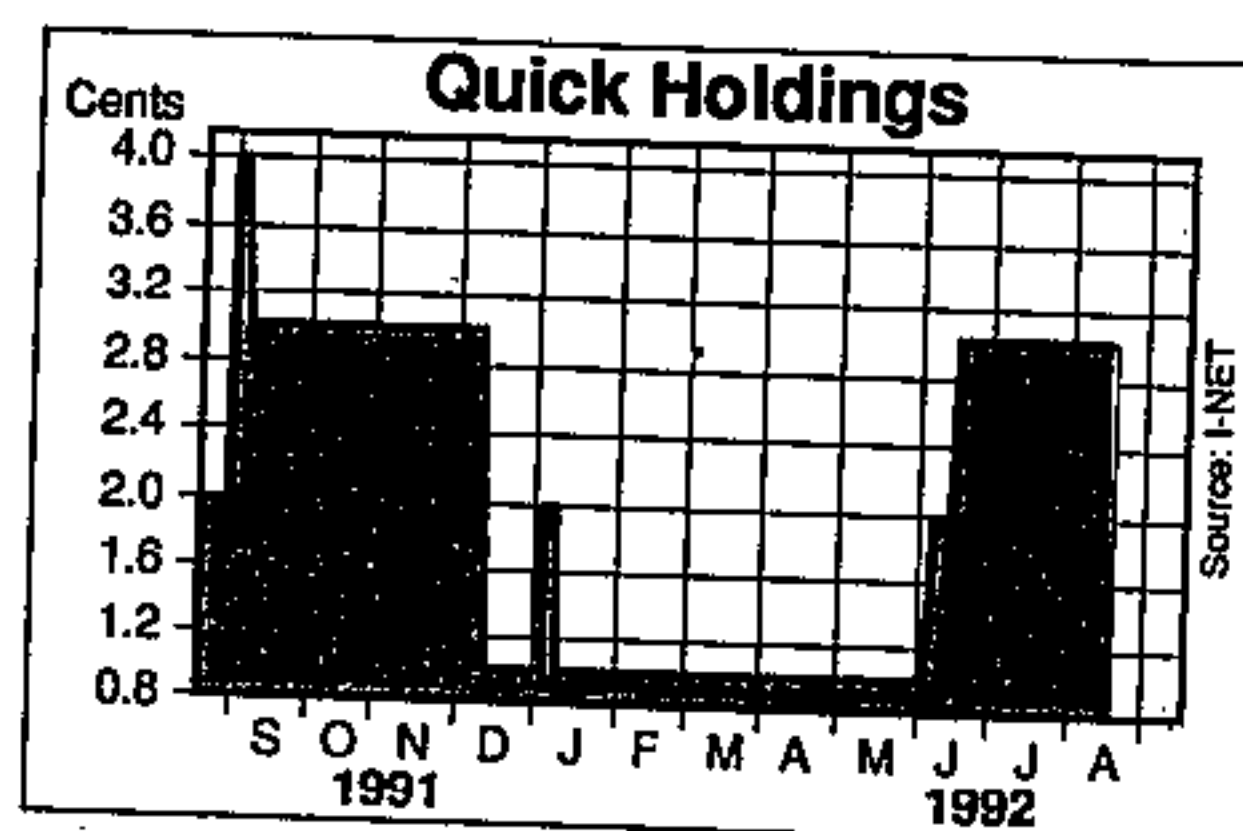
**Share market:** Price: 3c. Yields: 3,7% on earnings; p:e ratio, 27,3. 12-month high, 4c; low, 1c. Trading volume last quarter, 420 000 shares.

Year to Aug 31	†'88	*'89	'90	'91
ST debt (Rm) .....	—	—	3,5	1,6
LT debt (Rm) .....	—	—	1,7	0,8
Debt:equity ratio .....	—	—	0,93	0,87
Shareholders' interest	0,76	0,64	0,27	0,24
Int & leasing cover	24,7	1,61	—	1,13
Return on cap (%) ..	12,0	5,8	—	7,0
Turnover (Rm) .....	3,6	5,8	25,5	8,3
Pre-int profit (Rm) ...	0,4	0,8	(1,1)	0,8
Pre-int margin (%) ..	10,2	13,5	—	10,9
Earnings (c) .....	0,91	±0,62	(1,85)	0,11
Net worth (c) .....	11,7	8,7	5,3	2,4

† 12 months to February. \* 18-months. ‡ Annualised.

quirements. Quickco's last annual report appeared 10 months after the year-end — an unusually long gestation period — and its interim results for the six months to February were included as a loose-leaf insert.

Financial director Malcolm Lucas says asset disposals made before the year-end had



caused the delay in issuing the report.

It sold subsidiaries involved in construction and coal mining, considered by management to be high risk. In the process, Quickco's turnover fell by a third. The interim results — with the freight subsidiary now the main activity — showed sales for the six months to February rose 42%. Lucas believes this growth should be maintained in the second half.

Taxed profit trebled to R220 000. But, after the large expansion of issued shares, interim EPS were up from 0,07c to just 0,19c.

Debt was halved last year, through low debtors and cash received from the sale of subsidiaries, but the latest interims showed borrowings had again grown by a fifth. The disposal of three properties this year — with their mortgages accounting largely for the long-term debt — should reduce gearing.

Quickco minority shareholders are finding themselves with smaller stakes in the group as the DCM-listed company has continued to issue shares to pay for acquisitions. Issued shares have increased sevenfold in less than four years.

A third of property company Nthabangala

Game Farms was acquired last year for 18m Quickco shares, only to be sold 10 months later for cash and a R19 000 profit. In June 1992, after the year-end, an international freight company was acquired for 23m shares — valued at R690 000 — lifting market capitalisation to R4,2m and increasing the issued shares to 141m. After-tax profit of R360 000 is warranted for the international freight company.

Though liquidity and profitability seem to be improving, dividends are out of the question this year. Having reached a 12-month high of 4c, the share was a good, if speculative, buy at its 1c low. Perhaps the increase in issued shares will improve marketability but the counter remains one for punters.

Kate Rushton

## QUICK HOLDINGS FM 28/8/92 Climbing off the floor 332

This is another company that was painfully slow in complying with the provisions of the Companies Act and the JSE's reporting re-

Continue →

President Nelson Mandela was de-  
nounced as a sellout and stooge.

several very senior black officers and their  
addition to the general staff would be for  
"functional stream" of the force over the  
next two years.

28 202

31 892

## AIDS inquiry appeal

KATHRYN STRACHAN

THE SA Law Commission yesterday appealed to the public to submit evidence for its investigation into the legal and ethical aspects of AIDS.

The investigation was appointed by Justice Minister Kobie Coetsee in March.

Matters that would receive attention include legal questions concerning HIV testing, notification of infection, and discrimination against infected people. Meanwhile, DP Health spokesman Mike Ellis yesterday criticised the "debacle" within the government AIDS unit in recent months.

"With 400 new cases occurring daily, every day that the prevention programme fails to operate fully means the lives of more South Africans are threatened," Ellis said.

8/10/91 28/8/92  
National Health director-general Dr Natalie Stockton said the department could not comment on the findings of an independent investigation into "internal problems" because former AIDS unit head Dr Manda Holmslaw had appealed against the findings. Stockton said the AIDS unit had been dissolved as a separate entity.

## Violence kills 6 229 study

NEARLY 6 229 people — about 8.5 a day — died in 5 700 incidents of political violence since July 1990, says a new study released today by the Human Rights Commission (HRC).

The HRC says vigilante actions were responsible for 5 060 of the deaths while 362 died as a result of security force action.

The report names 126 people killed by hit squads during the period. "Hit squads are characterised by the clear possession of expertise in the use of weapons, explosives and chemicals."

"They are highly focused in their objectives, which are to eliminate identified and designated political opponents," the HRC says.

Right-wing violence claimed 44 lives in 207 incidents.

"An extraordinary feature of right-wing attacks has been the diligence with which the state has investigated them, and the extremely high rate of

success it has had in making arrests and obtaining convictions.

"What is clear is that the capacity and ability exists for the solution of crimes of political violence."

Of those killed, 346 were commuters, 295 of whom were killed on trains, the HRC says. About 16 936 people were arrested.

The study lists 49 "major massacres" in which more than 10 people had been killed at one time.

Of the 5 700 incidents analysed in the report, 1 790 were security force actions, 2 782 vigilante attacks, 225 hit squad assassination attempts and 207 right-wing attacks.

The organisation says the political affiliation of about half of those killed since July 1991 could be determined. Of these 274 were ANC supporters while 234 supported Inkatha.

## Zimbabwe freezes SA taxi services

332 THEO RAWANA

THE Zimbabwean government had put a hold on all cross-border operations by both its own and SA taxis following feuds between the two sides, National African Federated Transport Organisation (Nafio) president Peter Rabali said yesterday.

Rabali said 50 of his association's minibuses, which operated between Johannesburg and Harare and Bulawayo, had been badly affected by the decision. 8/10/91

In the meantime an arrangement will be followed whereby Zimbabwean bus operators will drop passengers on their side of the border and SA taximen will pick them up on the SA side.

28/8/92  
The reverse will apply on the SA side of the border and the arrangement will stay in place until Zimbabwean and SA operators reach an agreement.

safor

CONSTITUTIONAL EDUCATION

Minister de



TRENCOR

FM 28/8/92

## Bearing the costs (332)

**Trencor's earnings** performance for the year to end-June remains well ahead of those of most other industrial companies. But chairman Neil Jowell continues to keep his cards close to his chest and avoids revealing the strategies that keep the group ahead.

The 20% turnover growth is mainly due, he says, to acquisitions. During the year, Trencor bought Crosscape Express, with assets of about R20m, and Swift Engineering and Poole Industries, which together had assets of about R14m. The interest in Contred was increased from 21,5% to 25,6%, for R30,7m.

But the real achievement was the 28,9% advance in pre-tax income in the face of a poor domestic economy and weaker world trade which must have hampered Trencor's main overseas business, the supply of locally made containers. Interest received on the proceeds of the R260m debenture issue helped. Jowell says it contributed R15m-R16m to pre-tax income.

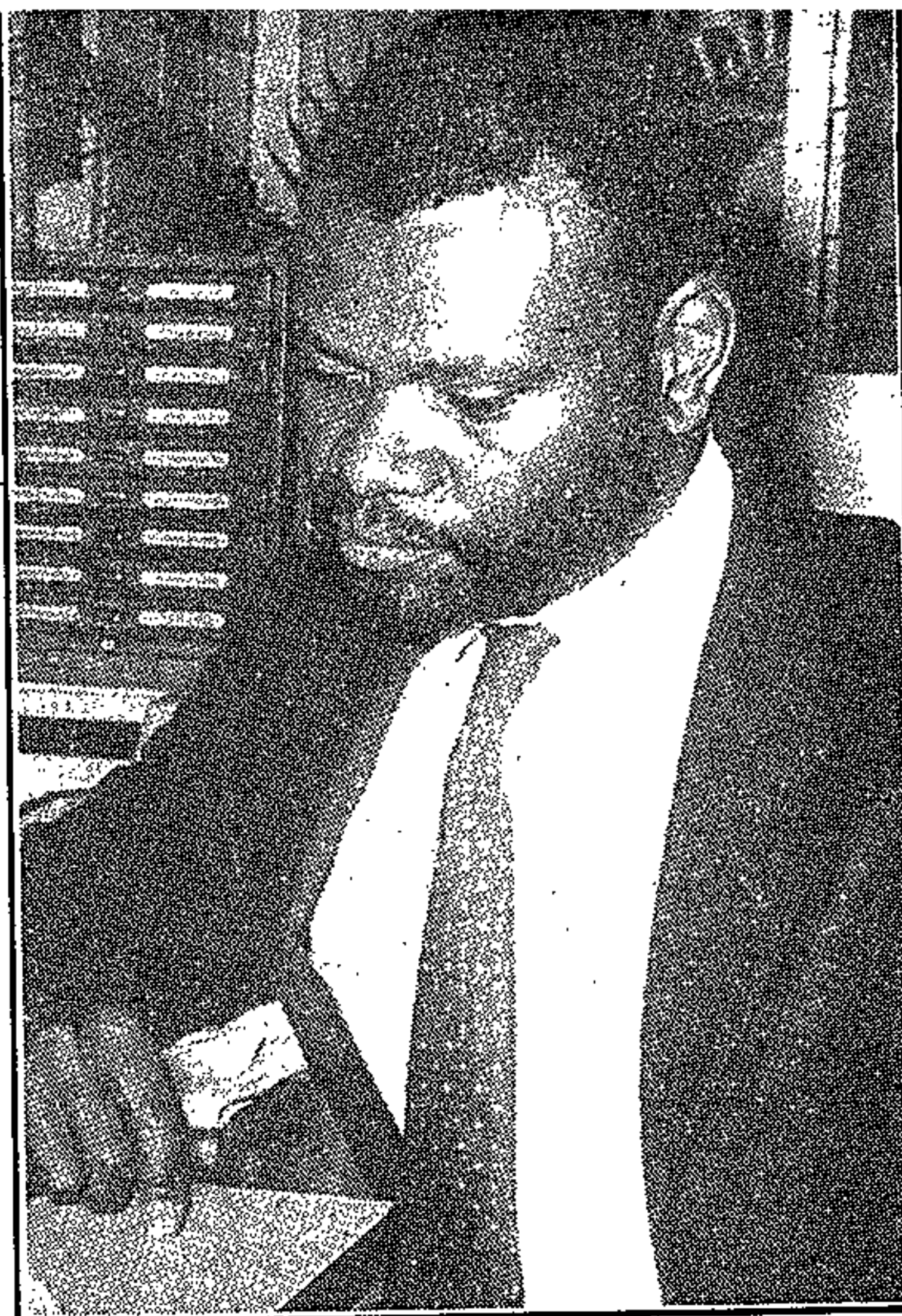
He admits much of this accomplishment was due to container orders placed well in advance. Towards the year-end, once these contracts had been filled, margins had to be cut. In addition, he says, "the changing SA trade balance forced us to bear the costs of shipping containers to the point of demand." So overseas trade was not all plain sailing; nor is it likely to be if world trade continues to soften.

Though the R133 share price is 11,3% off its peak reached in May, it shows strength relative to the Industrial index. However, when falling in July, the share breached its 60- and 120-day moving averages. This suggests further short-term weakness.

It's difficult to say whether that means Trencor's fundamentals will deteriorate, but it seems probable. Perhaps that is why Jowell won't offer any indication of prospects, though he hints at maintained earnings.

The record suggests Jowell and his team will keep one jump ahead. Circumstances beyond management's control could depress earnings during 1993 but, until that is evident, the share should retain its premium rating and relative strength even if the price weakens.

Gerald Hirshon



Sydney Mahlangu, president of the South African Hauliers Association.

## Major boost for business

*Sowetan 3/18/92*  
**■ R250 million in the pipeline:**

By Joshua Raboroko

332

BLACK business received a major boost with the announcement of a R250 million truck-financing scheme by Nedfin and Finansbank.

But the money is lying dormant in the banks because black entrepreneurs in the transport industry are not getting the contracts that would entitle them to use it.

President of the Southern Africa Hauliers Association Mr Sydney Mahlangu said the finance package would benefit prospective trucking entrepreneurs and others seeking to privatise their transport division.

There were about 2 000 independent truck owners in black areas, but most were small-scale operators, he said.

Mahlangu added that finance would be provided only to those businessmen who had been granted contracts.

"We can't get contracts from companies," Mahlangu said. "As a result, the money has not been used so far."

SAHA was negotiating with many companies to gain sub-contracts for its members.

The companies it intended to approach included SAB, Telkom, Sappi, Allied, Premier Milling, Gencor, Anglo American and petrol magnates.

"It is important that we realise the need to empower our people so that they can play a significant role in the country's mainstream economy," Mahlangu said.

Saha, an affiliate of the Foundation of African Business and Consumer Services (Fabcos), seeks participation of black hauliers in the mainstream of the Southern African economy through a contractual bilateral relationship with major multinationals.

It was formed, inter alia to:

- promote the interests of black people who are engaged in the business of trucking for financial gain, and
- negotiate discounts on trucks, spares, fuel and other consumables with suppliers.

Finansbank executive Mr Gottfried Watermeyer confirmed the deal with SAHA and said the money would economically empower most in the trucking industry.



## Shipping market slow, but steady

THE freight market is reflecting the quiet conditions usual at this time of the year, but despite the weak tone there seems to be some steadiness, Aframar reports.

Hopefully there will be signs next month that levels could start to move. But it looks as though the market needs the Japanese to start taking increased quantities of coal and ores to give the necessary stimulus — apart from a good grain movement.

While a September cargo of 52 000 tons of grain had been arranged from the US Gulf to Japan at \$18,25, a Japanese owner had agreed on \$21/ton for two cargoes for shipment by December, and \$21,50/ton for another two cargoes by March.

In the coal sector Cape-size fixing has

been mainly for relet cargoes. However, with tonnage availability limited for September rates have firmed slightly and are closer to the \$5/ton level.

While levels are not moving for the Panamax-sized vessel there seemed to be slightly more business. A cargo from Richards Bay to a Spanish Mediterranean port earned \$7,50/ton. (332)

Handy-sized cargoes were fixed to Turkey at \$12,50-\$12,70/ton levels. A 55 000 ton grain cargo from the US Gulf to SA was fixed at \$14,50/ton. A 21 000 ton grain cargo to Mozambique paid \$27,15 for September.

The World Food Organisation wants to move about 30 000 tons of grain from the US Gulf into a port in southern Africa, and about 20 000 tons into Madagascar.



# Black taxi association diversifies

Sanderson 31/8/92 (332)

By JOSHUA RABOROKO

■ **CHANGING DIRECTION** Sabta aims

**T**HE Southern Africa Black Taxi Association is to embark on new strategies when the organisation holds its annual meeting at Sun City from September 2 to 4.

to move into tourism, courier and hotel services to create jobs and wealth:

Sabta's public affairs manager Mr Mike Ntlatleng said that the organisation was intending to move in a different diversified direction which would include tourism, courier and hotel services.

wealth for the thousands in the informal sector at a time when unemployment was gripping the country. The theme of the conference is "Professionalism, Diversification and Growth in the Taxi Industry". Speakers will include PAC vice-

president Mr Dikgang Mosenke, Azapo's president Mr Pandelani Nefolovhodwe and a speaker from the ANC.

The editor of *City Press*, Mr Khulu Sibuya, will deliver the keynote address. Numerous local taxi associations have held their conferences and will make their recommendations to the annual event.

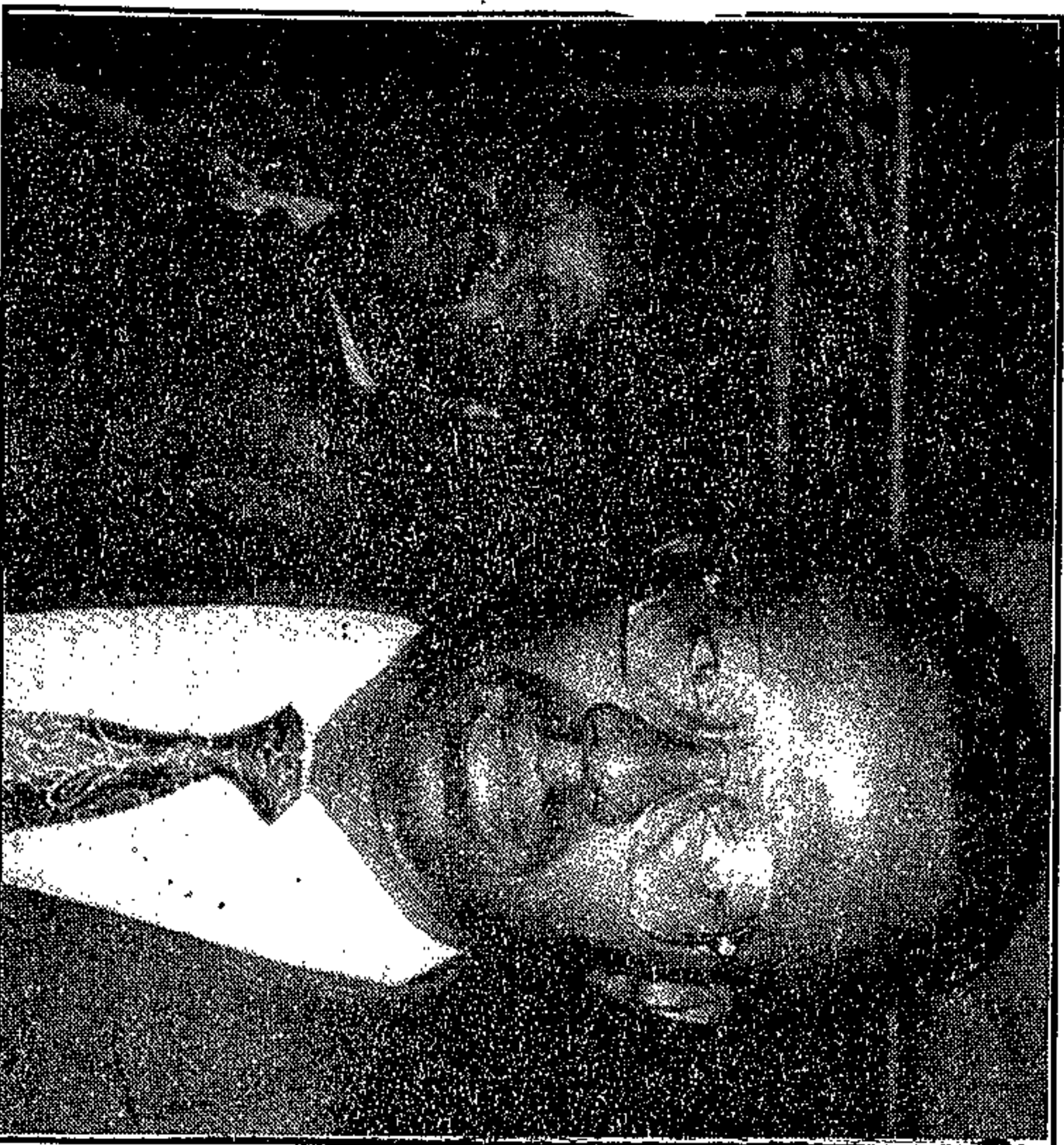
Ntlatleng said as South Africa moved into the future it was essential that changes be introduced in an attempt to economically empower and develop the industry. From statistics it was clear that the industry's economic growth was not equal or greater than the growth of the black population, he said, adding, "we need to live up to the expectations".

The industry needed men of clear vision who could identify their priorities, he said.

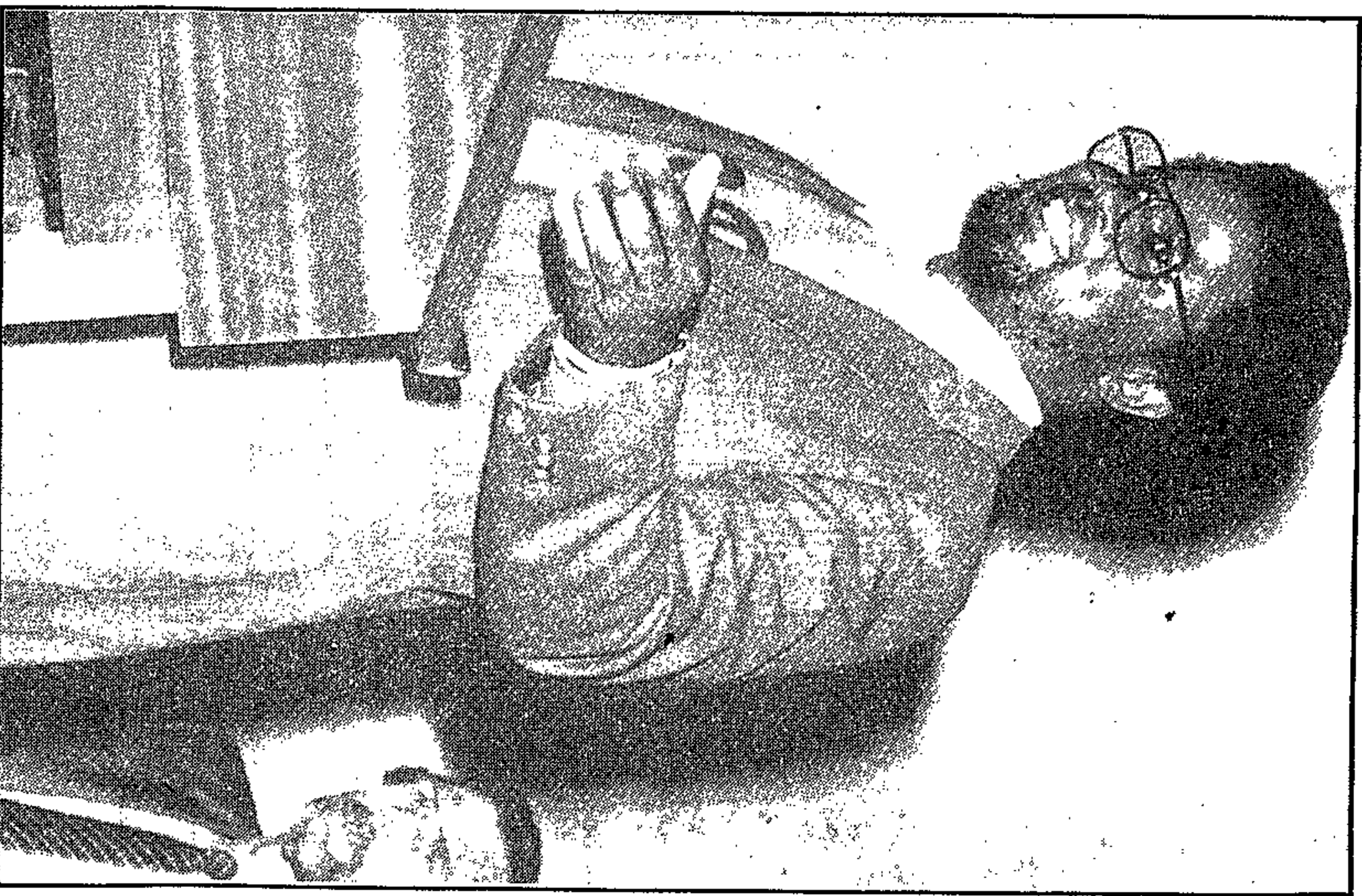
Issues which are likely to come up at the conference include the rising unemployment and interest rates, poverty, a sluttering economy, political impasse, violence and increasing crime.

Action by certain countries in relaxing sanctions, restoring trade ties and generally clearing the way for the country's entry into the economic arena had created promise for the waning industry.

Violence had a significant impact on the earnings of the taxi industry resulting in a drop in the monthly income of individual owners.



PAC vice-president Dikgang Mosenke



Azapo president Pandelani Nefolovhodwe



# Taxi bribes 'would amaze' board man

CT 1/9/92

(332)

Staff Reporter

LOCAL Road Transport Board (LRTB) chairman Mr Stephanus Dörfling denied before the Goldstone Commission inquiry into taxi violence yesterday that the board was involved in bribery, corruption or favouritism in the issuing of minibus taxi permits.

Mr Dörfling also told the commission that, contrary to allegations, the LRTB kept records that would enable access to taxi operators' records "within minutes, if not seconds".

Later, however, he said a taxi owner could have more than one permit per taxi, but computerisation of records was restricting this practice.

Responding to allegations that the LRTB gave preferential treatment to the Western Cape Black Taxi Association (Webta), Mr Dörfling said permit applications were heard once a week and handled on a first-come, first-served basis.

"I reject any allegations of favouritism, bribery or any irregularities or misconduct," he said.

He did not follow allegations of corruption up internally as "they can't bribe the personnel because we (the three-member board) make the decisions. If they wanted to bribe people, they would have to bribe all of us," he said.

Asked what his reaction would be if he found bribery or corruption in his office, he said: "It would amaze me. I would report it to head office."

In response to questions from Mr John van den Berg, for the ANC and three other groups, Mr Dörfling said only two of the three board members (himself, retired police General J F Rossouw and retired railways engineer Mr M S Muller) were needed for a quorum to approve or reject applications.

CAPE TOWN — The Local Road Transportation Board rejected accusations of favouritism, bribery or any other irregularities related to the issuing of taxi permits, Cape board chairman Stephanus Dorfling said yesterday.

He was giving evidence before a committee of the Goldstone commission investigating western Cape taxi violence.

Dorfling denied allegations that the board favoured certain taxi organisations or individuals in granting permit applications and said all applications were dealt with on merit.

## Permits granted 'on merit'

He also rejected accusations of irregularities in the board's administration and invited anyone making such claims to inspect its records.

Dorfling, however, told the committee: "The whole permit system is the prey of black market operators."

The board had little control over such activities, but hoped the introduction of a computerised system would eliminate such irregularities.

Earlier, he said the board took "a more accommodat-

ing approach" to the issuing of taxi permits between September 1989 and September 1990.

He said the absence of ranking facilities in the townships was not considered reason enough to deny permits during this period.

Legal opinion obtained by the board had indicated permit applications could not be refused simply because there were no ranks available.

Asked how the board determined the need for more

taxis when evaluating permit applications, he said the applicant had to prove a need for more taxis on a particular route.

Supporting letters were normally submitted and inspections were carried out occasionally to determine the passenger volume.

The Transport Department's J A le Roux said the department did not apply any scientific formula or quota system to determine the number of taxis which should service a particular route. — Sapa.

**IMPALA**



**kudu**

**K**



# Taxi action pledged

Computer crackdown on black marketeers in permit system

ARCT 19/92

(332)

**DENNIS CRUYWAGEN**  
Staff Reporter

THE taxi permit system has fallen victim to "brilliant" black marketeers, said Local Road Transportation Board chairman Mr. Stephanus Dorfling.

But he told a committee of the Goldstone Commission investigating taxi violence in the Western Cape yesterday that the board planned to use a new computer to crack down on these operators.

Black market activities were limitless, he said, adding that permits were even advertised in newspapers.

Earlier, Mr Dorfling rejected allegations by other witnesses that the board was guilty of corruption, favouritism and bribe-taking.

"I strongly deny that I favoured any group of applicants and I reject any allegations of bribery or malpractice," he said.

He invited anyone making such allegations to contact him "and I will test them".

He doubted if statistics would show his department favoured one taxi organisation over another.

Mr Dorfling said other witnesses had made "wild allegations" about the issuing of permits.

"I deny allegations that my department is unable to provide statistics about taxi operators," he said. "I can report on legal operators, not about illegal or pirate taxis."

He also rejected allegations that permits were issued at an unacceptably high rate. "But I do not want to deny that we followed a more lenient policy."

He admitted that there were too many taxis and blamed pirate taxis for causing problems because they operated where they wanted to. But he had no idea of how many taxis were operating illegally.

He agreed with commission chairman Mr J Slabbert that adequate policing would control pirate operations.

Asked by commissioner Mr M L van Zyl if pirate taxis had played a big role in the conflict, he replied "yes".

When asked why this was the case, he said: "I presume that conflict is caused if legal operators see pirates competing with them."

He told Mr Van Zyl it was completely impossible to count commuters when assessing a need for more taxis in a black area. On these occasions he was guided by what he saw.

He said the department did not use scientific methods when assessing the need for more taxis.

3320218

## Taxi violence probe

A Goldstone Commission committee chaired by Mr DJ Rossouw, SC, who has been conducting an inquiry into violence in the taxi industry, will investigate the taxi industry in Alexandra township north of Johannesburg, Mr Justice Richard Goldstone announced yesterday.

The investigation resulted from a request of the Peace Committee in Alexandra for an investigation into violence involving the township's taxi industry. *Sowetan 11/9/92*

The inquiry will commence on September 30 at a venue to be announced, the statement said.

Anyone wanting to submit information may do so in writing to the Secretary of the Commission, Private Bag X858, Pretoria, 0001 on or before September 25 or telephone the secretary at (012) 320-4640.



ARG 11/9/92

## Goldstone to hold inquiry into 'wars'

PRETORIA. — The Goldstone Commission is to hold an inquiry into the taxi "wars" in Alexandra at the end of the month.

The announcement follows a request from the township's Peace Committee.

Taxi feuds have claimed dozens of lives in Alexandra and townships on the East Rand in recent months.

Goldstone Commission vice-chairman Neil Rossouw, SC, who has been investigating violence in the western Cape taxi industry, is to chair the Alexandra inquiry on September 30.

The inquiry will focus on establishing the nature and causes of the violence and intimidation, whether it aims at the achievement of any political goal, what persons are involved and what steps should be taken to curb or prevent it.

The SA Black Taxi Association (Sabta) said it welcomed the inquiry, as the organisation itself was "too close to the situation to find solutions to problems".

Sabta spokesman Mike Ntlatleng said the problem spots also included the northern Transvaal, eastern Transvaal and East Rand.

"The taxi violence in Alexandra is very complex, not only because of fighting over ranking facilities but because of political tensions", said Mr Ntlatleng.

September 1 1992

# Goldstone to investigate Alex taxi wars

STAR 119192

332

By Helen Grange  
Pretoria Bureau

The Goldstone Commission is to hold an inquiry into the taxi wars in Alexandra at the end of this month, following a request from the township's peace committee.

Taxi feuds have claimed dozens of lives in Alexandra and townships on the East Rand in recent months.

Goldstone Commission vice-chairman Neil Rossouw, SC, who has been investigating violence in the western Cape taxi industry, is to chair the Alexandra taxi wars inquiry on September 30 at 2 pm.

The inquiry will focus on establishing the nature and causes of the violence and intimidation, whether it aims at the achievement of any political goal, what persons are involved

and what steps should be taken to curb or prevent it.

The Southern African Black Taxi Association (Sabta) said it welcomed the inquiry, as the organisation itself was "too close to the situation to find solutions to problems".

Sabta spokesman Mike Ntlatleng said the problem areas also included the northern Transvaal, eastern Transvaal and East Rand.

"The taxi violence in Alexandra is very complex, not only because of fighting over ranking facilities, but because of political tensions.

"Taxis seen going in and out of hostels, for instance, become targets," Mr Ntlatleng said.

Anyone who has information which could help the inquiry is requested to furnish it in writing to the Secretary of the Commission, Private Bag X858, Pretoria 0001.

The information should arrive before September 25.



# **'Link between taxi permits and violence'**

STAN 2/9/92

CAPE TOWN — Cape Local Road Transportation Board chairman Stephanus Dorfling said yesterday he was aware of accusations that the issuing of too many taxi permits was causing conflict among township operators.

He was giving evidence before a committee of the Goldstone Commission investigating violence in the western Cape taxi industry.

Cross-examined by John van der Berg, for the ANC, Mr Dorfling said he had become aware of the alleged link between the issuing of permits and taxi violence about 18 months ago.

285

332

# Taxi regulator 'in dark over pirate firms'

DENNIS CRUYWAGEN  
Staff Reporter

THE man responsible for regulating Cape Town's taxi industry has said he relied on newspapers for information about the violent wars between legal and pirate taxis.

Mr Stephanus Dorfling, chairman of the Local Road Transportation Board, said he did not know how pirate taxis operated and had never thought of asking transport inspectors.

But he conceded there were too many minibus taxis and that the pirate operators were taking business away from legal firms.

Mr Dorfling, who is responsible for issuing taxi permits, told a committee of the Goldstone Commission investigating the city's taxi war that the first

he knew of the violence was when he read about it in newspapers.

He told Mr John van den Berg, appearing at the committee hearings for the Cape Town Peace Committee, the ANC and the Congress of South African Trade Unions, that when he had found out about the war he had not informed transport inspectors but had posted newspaper cuttings to his head office in Pretoria.

Asked if he had inquired about the war, he replied: "No, because I am not an enforcer of the law."

He said he did not know about any conflict between black taxi operators in his area because "the newspapers did not say where it took place".

Asked if he knew whether taxi organisations were worried about violence, he said: "Police never brought this to my attention."

ARG 2/9/92  
He conceded that he had attended a meeting on March 3 1988, called by police, at which taxi violence was discussed.

Mr Van den Berg asked him: "Did you follow this up?"

Mr Dorfling: "I'm not a policeman. What could I do?"

He was aware of an informal taxi rank in Nyanga but had never been informed about clashes there.

There were no official taxi ranks in townships but he was holding talks with the Lingu-lethu West town council about providing one.

Asked about the requirements for issuing a taxi permit, he said he could turn down applications if local conditions warranted it.

"Each application is considered and it depends on representations made to me." Proceedings continue today.



# Transport industry under scrutiny for collusive tendering

By Stephen Cranston

332

STAR 21/9/92

The Competition Board is investigating an allegation of collusive tendering by a number of transport companies, says board chairman Dr Pierre Brooks.

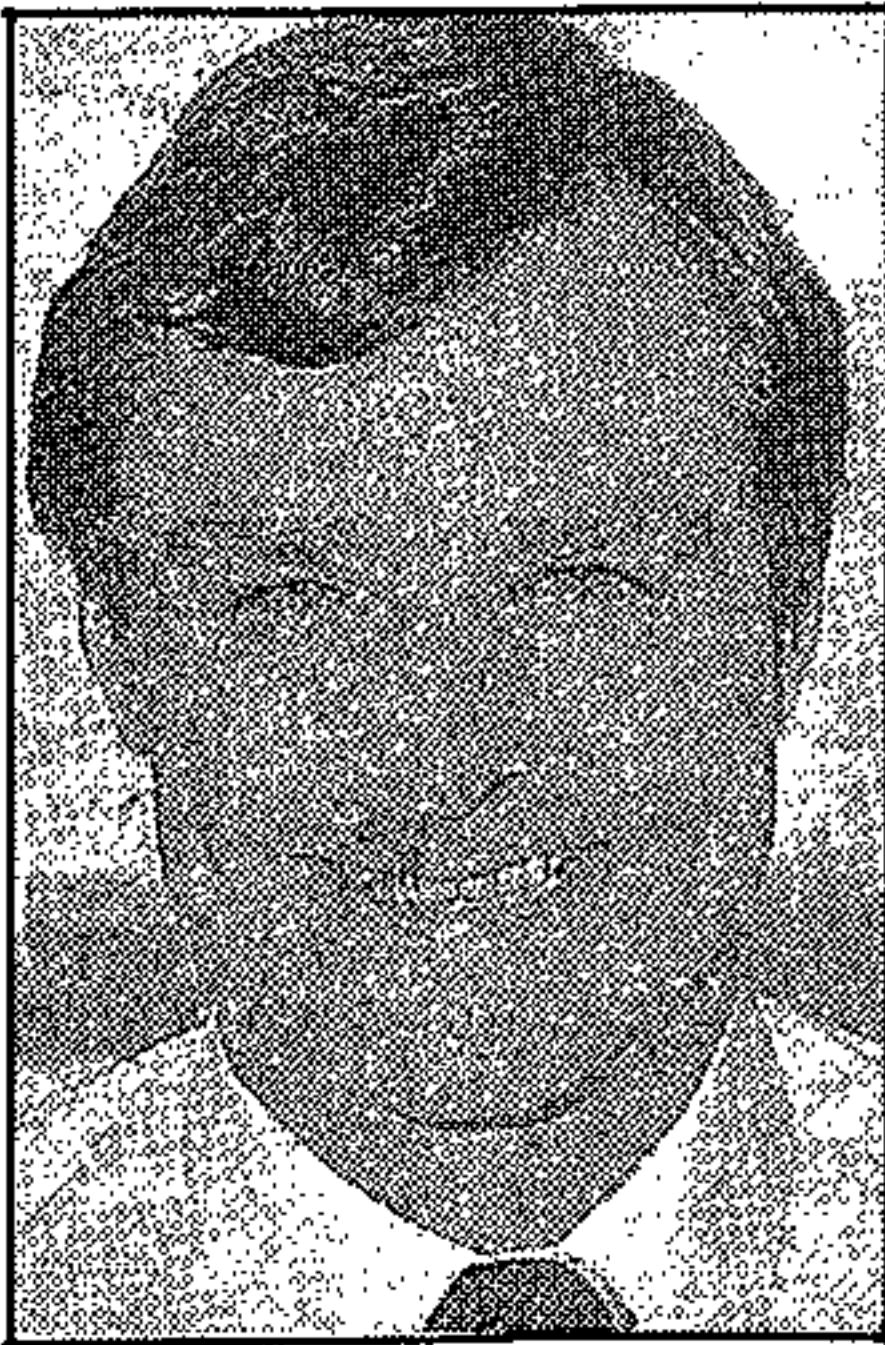
The investigation deals with alleged collusive tendering by Sandton Office Removals (in the Transport Holdings Group), Stuttford Van Lines (in the Laser Group) and Renpack (Elliott International) in respect of a tender submitted to First National Bank for the removal of office furniture.

"It is unusual for the Competition Board to name the parties in its investigation until it has firm foundations for its case.

Dr Brooks said yesterday the board had been alerted to collusive tendering and had been provided with sufficient evidence by a party in the industry to proceed with an investigation.

It had already alerted the State Tender Board to be wary of collusive tenders for the removal industry, he said.

It is thought transport companies discuss their tender



Tom Ansley . . . prepared to wait and see

prices and ensure they stay at a high level. They could, in effect, decide who gets what business and then pool the profits.

Elliott International chairman Tom Ansley, however, believes there is no justification for the investigation, but is prepared to wait and see what the board comes up with.

Sandton Office Removals MD Eric Peterson says there are allegations of collusion every time a major company gets a

job, particularly if a smaller competitor is not given the chance to tender on a big contract.

"A company cannot be expected to invite 100 removers to tender for its business."

Referrals are often made through the SA Furniture Warehousing Association which recommends a short list for any job.

Mr Peterson insists that the removal companies do not discuss prices and are, in fact, cutting margins to the bone.

Dr Brooks said yesterday that price fixing, market sharing, resale price maintenance, horizontal collusion on conditions of supply, and collusive tendering had been outlawed since May 1986.

Such activities carry stiff penalties of a maximum fine of R100 000 and/or up to five years imprisonment.

However, Dr Brooks said there were a number of businessmen "who flout the prohibition with impunity".

"When confronted with possible unlawful anti-competitive behaviour, the board will respond in a responsible uncompromising manner," he warned.

# Permits: Violence 'no role'

Staff Reporter

LOCAL Road Transport Board (LRTB) chairman Mr Stephanus Dörfling told the Goldstone Commission of Inquiry into taxi violence yesterday he did not feel taxi violence played a role in the consideration of taxi permit applications.

Mr Dörfling also told the commission that he did not take the operation of pirate taxis into account when considering applications, because only legally operating taxis were recognised by the law.

Answering questions from Mr John

van den Berg, for the ANC, Cape Town Peace Committee, Black Sash and the Democratic Party's unrest monitoring and action committee, Mr Dörfling said he had read about taxi violence between 1989 and 1991, in newspapers.

"But nobody ever came and told me (about the violence) officially," he said, and he had never investigated the taxi violence.

Asked if he ever took taxi violence into account when he considered applications, Mr Dörfling said: "No, it didn't play a role."

The hearing continues today.



# Police 'protected Webta'

cr 3/9/92

Staff Reporter

A "PHALANX" of police protected the Western Cape Black Taxi Association from its rival, Lagunya, when it occupied the Nyanga rank during the taxi war in 1991, city council consultant Ms Helen Zille said yesterday.

Giving evidence before the Goldstone Commission into taxi violence, Ms Zille, also a former member of the Cape Town Peace Committee, said she had "personally witnessed that".

Ms Zille submitted a lengthy

report on the taxi war.

She said she had also seen the "smouldering" wreck of a Lagunya taxi who had tried to use the rank, and had been told by the driver and others that Webta members had been responsible.

Ms Zille said police "could argue" that they were keeping the warring factions apart, but the action was perceived by the community as support for Webta.

She had determined causes of the violence to be a conflict of interests, unwillingness by the

factions to compromise, alleged "third force" or police complicity and alleged ANC attempts to control the industry.

Ms Zille said the Conference for a Democratic Taxi Association (Codeta), a compromise to unify the factions earlier this year, was an "interim solution".

A restructuring of the permit system, a system of taxi regulation that would be adhered to by all and effective law enforcement was necessary, she said.

# R10-m held for default taxis

120 SP/1/8 1992  
332  
AA 3/9/92

'90-100 vehicles a  
month repossessed  
in Western Cape'

**DENNIS CRUYWAGEN, Staff Reporter**

NEARLY R10 million has been set aside in a special fund by the South African Black Taxi Association to meet the obligations of Western Cape members who had defaulted on repayments on their minibus taxis.

The money is in a fund called the Sabta Foundation Scheme, launched in 1986 and to which all taxi operators contribute, a banker told the Goldstone Commission of inquiry into Cape Town's taxi war yesterday.

Committee chairman Mr Niel Rossouw ruled that the Press could not identify the witness or use any references which could identify his bank.

The witness said the fund had a R30 million credit, R9,9 million of which was earmarked for bad debts in the Western Cape.

He said banks trying to repossess minibus taxis here faced physical threats. Owners also went to great lengths to hide vehicles, change their registration numbers or move them to Transkei.

"About 2,3 percent or between 90 and 100 vehicles a month are repossessed in the Western Cape."

He said the owners of vehicles which had been repossessed would not be able to get finance from banks again.

The number of minibus taxis would decrease, especially in the Western Cape, he said.

"Since September last year not much business has been done in the Western Cape."

He said two of the problems facing minibus taxi owners were the fact that they had no control over fares which were set by civic associations, and increasing vehicle prices.



# Grincor earnings hit by rights issue

8/10/92

3/9/92

332

EDWARD WEST

GRINDROD Unicorn Holdings' (Grincor's) attributable profit increased 35% to R8,6m from R6,4m in the six months to end-June 1992, but earnings a share were diluted by an increase in the number of shares following a rights issue.

Results for the transport and shipping group showed turnover increased by 20% to R310,9m from R259,6m the previous year. Operating income, however, increased by only 8% to R22,1m (interim: R22,4m), indicating a drop in profit margins.

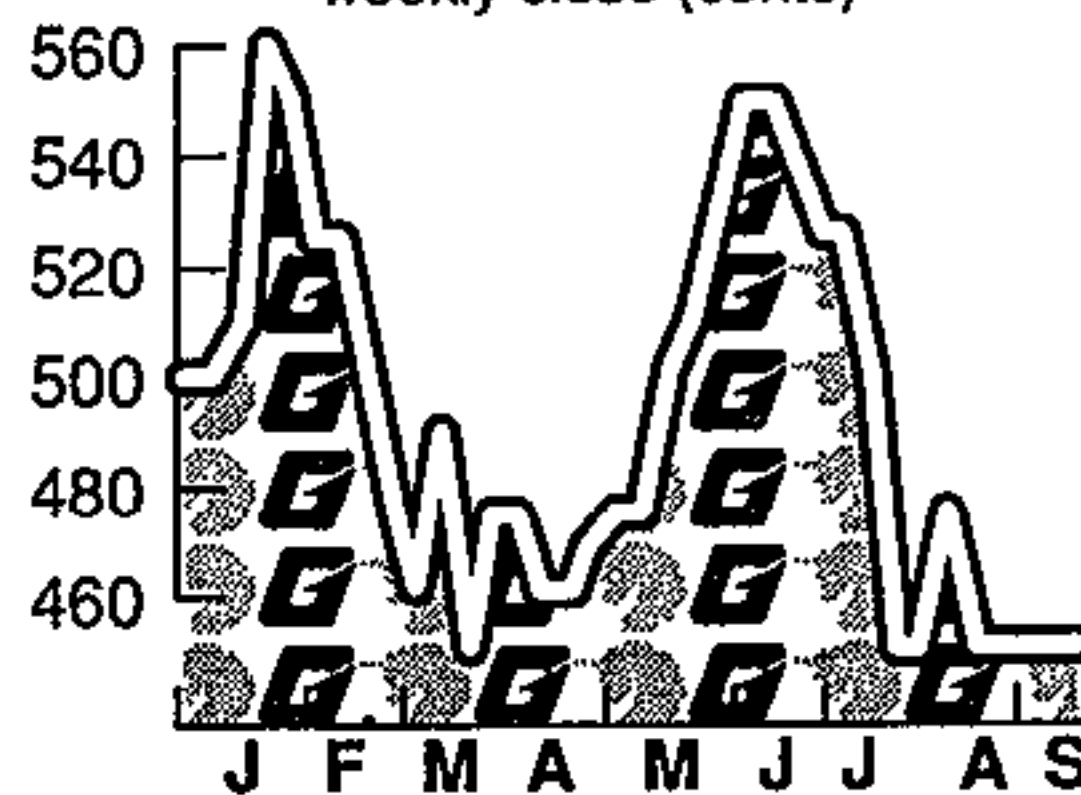
Chairman Murray Grindrod said operating income largely reflected the proceeds of the sale of a tanker in its international fleet. Poor economic conditions pushed the profitability of operations considerably below levels achieved a year ago, he said.

Interest paid increased marginally to R7,5m (R7,3m) and tax fell to R144 000 (R746 000). As a result, taxed income was 17% higher at R14,5m (R12,3m). After increased income of R389 000 (R98 000) from associate companies, attributable income was 35% higher at R8,6m (R6,4m).

The number of shares on which earnings were based increased to 30,8-million from 25,3-million following a rights issue to raise R49,9m, and earnings growth was diluted 10% to 27,7c a share from 25,1c a

## Grinrod Unicorn Group

Share price,  
weekly close (cents)



Graphic: LEE EMERTON Source: I-NET

share. The interim dividend was maintained at 10c a share. The rights issue was used to reduce borrowings and enable further investments such as the purchase of new ships.

Interest-bearing debt increased to R212m mainly due to capital expenditure, which amounted to R42,1m.

Grindrod said contrary to previous forecasts, it would be difficult to achieve earnings a share at similar levels as that achieved in financial 1991.

Trading conditions were unlikely to improve in the second half and profit from Grincor's core businesses would remain depressed, he said.

FM 4/9/92 332

The figures in the 1991 annual report do not reflect well on the group, and nor was it expected that they would. But, while the historical financial data cast a shadow over an organisation emerging from an almost fatal period, some foundations have been established. There is still a long way to go.

That is where the group stood at end-December, two years after chairman Julian Askin and his consortium took control. Two items in the accounts will have to be materially reduced before the situation will start looking better: debt and goodwill.

Interest-bearing debt at the year-end totalled R290m (1990: R204m) after R70m had been realised by disposal of assets, investments and subsidiaries during the year. The figure excludes contingent liabilities of R82m. Net borrowings were R242m.

Shareholders' funds — after deducting goodwill, trade names and trademarks of R147,2m — was R15,5m, giving an extraordinarily high debt:equity ratio of 15,6. (If intangibles are included as assets, the ratio is still a high 1,5.)

When the tangible net worth of R15,5m is weighed against net interest-bearing debt of R242m (1990: R210m), it's no wonder Askin has taken drastic measures in the past 24 months to eliminate debt. Liquidation of assets, especially those not rendering an acceptable return, was his priority.

This was a principle reason for the sale of City Tramways, consummated after the financial year-end. That in turn delayed the annual report, as the intention was to include a pro-forma balance sheet to show the initial financial effects. This shows interest-bearing debt reduced to R156m, with debt:equity falling to 0,93.

The group now comprises five main companies, all positive cash generators and market leaders in their fields, says Askin.

Motorvia ferries new and used motor vehicles throughout southern Africa; strikes and mass action will have affected earnings capacity of this usually successful operation. Springbok Atlas runs group tours; it has also been affected by political instability, but is otherwise a sound earner with good prospects. Greyhound Citiliner is a market leader in inter-city passenger transport; though hampered by recession it has good prospects. Motor Racing Enterprises owns Kyalami, where it runs the SA motor and motorcycle grand prix; it is considered a sound investment.

The UK subsidiary, Jatun Holdings is a recent acquisition; it distributes industrial

FM 4/9/92 COMPANIES

332

fasteners. Its sterling earnings are expected to show only marginal growth in 1992.

In 1991 TGH returned to profit for the first time since June 1988, after having accumulated losses of R150m. No growth in earnings is likely in 1992, though lower interest payments will help; even maintained EPS will be difficult. With the earnings multiple at 19, the market is rating the group on its potential rather than on fundamentals.

Gerald Hirshon

TGH FM 4/9/92

## Still slogging uphill

**Activities:** Food, transportation, industrial fasteners, tourism and leisure.

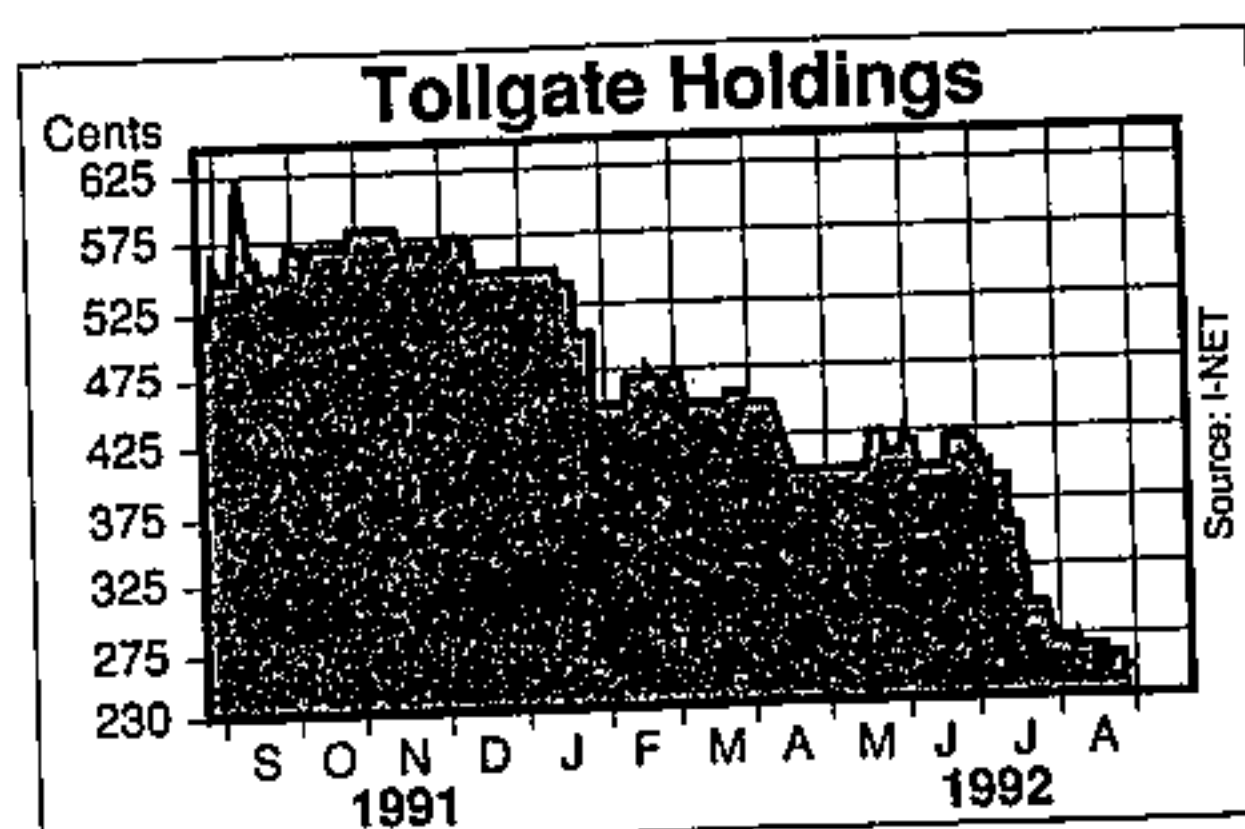
**Control:** Directors.

**Chairman:** J M C Askin.

**Capital structure:** 40,5m ords. Market capitalisation: R101m.

**Share market:** Price: 250c. Yields: 5,2% on dividend; 5,2% on earnings; p:e ratio, 19,2; cover, 1,0. 12-month high, 625c; low, 250c. Trading volume last quarter, 896 000 shares.

	'90	'91
ST debt (Rm)	179,5	261,9
LT debt (Rm)	24,5	28,6
Debt:equity ratio	4,49	15,6
Shareholders' interest	0,1	0,03
Int & leasing cover	1,6	1,3
Return on capital (%)	nil	10,0
Turnover (Rm)	599	552
Pre-int profit (Rm)	17,9	47,2
Pre-int margin (%)	3,9	8,6
Earnings (c)	—	13
Dividends (c)	10	13
Net worth (c)	n/a	n/a





# 'If taxi-war dead were white, Govt would act'

Stamp 49/92

332

CAPE TOWN — The authorities would have taken effective action if 66 whites had been killed in violence during the course of a single year, Cape Town City Council consultant Helen Zille told a Goldstone Commission hearing yesterday.

Speaking during cross-examination by G D Griessel, SC, for the police, she said the authorities would have "created an entitlement" to act lawfully to stop such conflict if whites had been involved.

Ms Zille, a planning and development consultant, was commissioned by the city council to research the township taxi war.

She has presented a report on her research to the Goldstone committee, which is chaired by Cape Attorney-General D J Rossouw, SC.

Ms Zille said proposals by the Cape Town Peace Committee that taxi permits be revoked, vehicle owners be required to reregister, and ranks be temporarily closed were considered "a legitimate form of pressure in a time of crisis" although neither the council nor the Local Road Transportation Board had the power to implement such

measures.

"Because of the killing and violence and the community's despair at the ongoing conflict, the committee believed such intervention by the authorities was justified. This was seen as one of the options to exert genuine pressure on the organisations to end the violence."

However, she personally opposed these measures because she was "concerned about unilateral action". The proposals were never implemented.

Ms Zille said there had been repeated requests to the authorities to "look through all available legislation to see what effective measures could be applied to end the violence".

Asked whether emergency powers were considered, she said: "This presented a difficult situation. Many of us have worked our whole lives opposing emergency powers because we have seen them abused for political ends."

Earlier, she told the committee a major cause of the conflict was the perception that one taxi organisation was being favoured above another in the allocation of permits. — Sapa.

# SAP inaction over taxi deaths alleged

Staff Reporter

EFFECTIVE action by the authorities would have been taken if 66 whites had been killed in violence in one year, the Goldstone Commission into taxi violence was told yesterday.

City council consultant Ms Helen Zille said during cross-examination by Mr G Griessel, SC, for the police, that had that many whites died — the same number as victims of taxi violence in a year — “something would have been done about it”.

Ms Zille said later that police had not pursued crimes committed during the taxi war with sufficient vigour.

“When (Eastern Cape farmer) Mr (Andre) de Villiers is killed in the Eastern Cape the police identified uMkhonto weSizwe members with vigour, but we still don't know who killed (Eastern Cape activist) Matthew Goniwe,” she said.

Earlier, Ms Zille said the Cape Town

Peace Committee, of which she had been a member, had discussed proposals to revoke taxi permits, reregister vehicle owners, and close taxi ranks, which were a “legitimate form of pressure” to force operators to find a solution to the taxi conflict.

She said she had entered Cape Town's black townships at least three times weekly in July, September and October last year to assess the situation, “and the killing going on there and the fear justified a very serious intervention”.

However, neither the Local Road Transportation Board nor the city council had the authority to take such steps, she said. CT 4/9/92

● In the Cape Times yesterday various suggested causes of the taxi war were attributed to Ms Zille. She had, in fact, testified that they had been told to her by other observers of the taxi conflict. (332) (332)



# Police 'apathetic' about complaints of taxi-war violence

DENNIS CRUYWAGEN  
Staff Reporter

(332) ARG 4/9/92

THE police do not follow up complaints about the taxi war in Lagunya, a witness to the Goldstone Commission committee investigating taxi-linked violence said.

Cape Town City Council consultant Ms Helen Zille said yesterday that while Divisional Commissioner General Nick Acker was "accommodating and serious" about complaints from community organisations and the Lagunya Taxi Association, his approach was not shared by other policemen.

Asked by Mr G D Griessel SC, for the police, if she agreed there was nothing police could do if witnesses did not come forward, she said police had not been hampered by such matters when they were acting against the ANC and PAC during the state of emergency.

Ms Zille said she was not suggesting the police should have used emergency powers. But 66 people had been killed in the taxi war and "to date no one has been convicted".

Residents were suspicious about a special police unit appointed to investigate allegations that police did not pay attention to complaints.

The unit, created eight months ago under the National Peace Accord, is staffed by former security policemen headed by a Major Brink.

Mr Griessel asked her: "Are you saying 'once a security policeman, always a security policeman'?"

Ms Zille said: "I'm saying ... people harassed by security police are always suspicious."

She said only prosecutions and convictions would satisfy her, and she wanted to see police "busting a gut".

Ms Zille said she had spent about three days a week in the townships between July and October last year. "The killing and violence going on there, and the fear, justified a very serious intervention," she said.

It also required a clear message from the authorities that they were not going to tolerate it.

The Cape Town Peace Committee had also asked the authorities to look at legislation and to find effective ways of stopping the violence.

"We had to smile when Brigadier Kellerman refused to close the Nyanga taxi rank because he did not have the powers to do so. We have never heard of police not having powers," said Ms Zille.

She said Brigadier Kellerman should have closed the rank "even if he did not have the power to do so".

He had eventually done so, but only after Regional Dispute Resolution Committee chairman Mr Graham Higgo "gave him no choice".

The hearings are proceeding.

# Tollgate debt cut but still unacceptably high <sup>(332)</sup> Askin

8/10 AM 4/9/92  
LINDA ENSOR

CAPE TOWN — Tollgate Holdings, which had interest-bearing debt of R156m after its sale of City Tramways this year, is negotiating the sale of its property portfolio, valued at about R30m in the last annual report. The group has already agreed on the sale of its interest in Finance Week.

Chairman Julian Askin told the annual meeting yesterday that the sale of non-core assets had been discussed with prospective buyers. The assets were largely property associated with the City Tramways operation.

"The disposal of the properties will do a fair amount to reduce debt," Askin said. However, the recession had made it difficult to sell assets at realistic prices. He said recession would delay Tollgate's recovery programme by about 18 months. A lot of work had still to be done to get the group into proper shape.

Tollgate's shares have fallen by two thirds from last September's 625c to yesterday's close of 210c.

Askin said the present level of debt — which would only be disclosed when the interim results were released later this month — was still "unacceptably" high. Since the takeover of the group by Askin's consortium two years ago, debt has been cut by R400m and staff reduced to 1 500 from 20 000. Equity capital has fallen precipitously under Askin's management. Tollgate's principal banker is Trust Bank.

On prospects, Askin said this year would be tough, and laid the blame on economic and political factors. He believed it was not possible for companies to increase profits when the economy was on a downward trend, especially in an environment of strikes and violence.

Both the SA and UK economies were in

deep recession and there had been a noticeable deterioration in conditions over the past few months.

However, all the divisions were trading profitably at operating level.

The strike at Toyota, go slows and stayaways had affected the Motorvia subsidiary, which transports motor vehicles throughout southern Africa and is usually a solid contributor to profits. Askin said Motorvia had started the year well, but with new car sales down about 30% this year, and little likelihood of an improvement, it was unlikely it would recover from the Toyota setback.

## Citiliner

Group tour operation Springbok Atlas had suffered from the cancellation of tours, apparently as a result of the Boipatong violence. Some of this business had been recovered and Springbok should do better than last year when the tourist industry worldwide was hammered by the Gulf war.

Askin said the tourist industry would not emerge from its current logjam until there was a political settlement.

Profit of Greyhound Citiliner was also well below last year's because of the decline in disposable income.

Swazi Can faced the worst drought in 42 years and would make no contribution to profits for the balance of the year.

UK industrial fastener subsidiary Jatons Holdings was trading well and would achieve modest growth this year. Askin said Jatons should produce about 20% of total group earnings this year.



## Sabta to step up peace bid

PILANESBERG — The South African Black Taxi Association yesterday resolved to broaden its involvement in the campaign to bring about peace in the country.

This was said by Sabta president Mr James Ngcoya in his address to the organisation's annual conference here.

Mr Ngcoya said Sabta had established peace committees in all provinces to try to stop the violence in the taxi industry. (332) (S)

He blamed the government for deregulating the industry, thereby flooding it with more taxis than necessary.

He also blamed the taxi violence on low profit margins which resulted in fights over routes. — SapaCT 5/9/92

# Taxis: Police role alleged

332  
ARG 5/9/92

■ A City Council consultant has told the Goldstone Commission that no hard evidence about a third force involvement in the city's taxi war had been given to her.

**DENNIS CRUYWAGEN**  
Weekend Argus Reporter

COMMUNITY organisations, Lagunya and unrest monitoring groups not only claimed that a third force was involved in Cape Town's taxi war, but linked it to police, witness Ms Helen Zille has told the Goldstone Commission.

She said allegations about police fuelling the conflict were levelled at the Internal Stability Unit and other policemen.

The evidence by the Cape Town City Council consultant about a third force was not based on newspaper reports, she told a committee of the Goldstone Commission investigating Cape Town's taxi war yesterday.

"It came up repeatedly. During negotiations Webta would argue that a third force was involved in fuelling the conflict."

She said the same claims were made by Lagunya, community organisations and unrest monitors.

Under cross-examination by Mr G D Griessel SC, for the police, Ms Zille said she had not investigated the third-force allegations.

She said no "hard evidence" about a third force was given to her, but added that people had produced a lot of circumstantial evidence.

Mr Griessel: "Were allegations made about a third force and police as well?"

Ms Zille: "Yes."

Mr Griessel: "Were attempts made to link the third force with police?"

Ms Zille: "Yes."

She said Webta did not make this connection, but Lagunya, unrest monitors and community representatives did.

Ms Zille said evidence given by Warrant Officer A S Strydom at a bail hearing on October 28, 1991, that the ANC was supporting Lagunya in an attempt to dominate and control the Western Cape taxi industry was very significant.

"I thought what he said was indicative of the police's attitude. His evidence was pivotal."

She said this allegation was repeated in a written submission to the commission by a Captain Muller.

Ms Zille said she believed this to be an official police view.

She said a journalist who had interviewed senior policemen had also told her police believed the ANC was using the National African Transport Organisation as a front to take over the industry.

"Shortly after this I went to the ANC and said serious allegations had been made about the organisation. I said: 'Are you absolutely sure there is no hidden agenda?' They categorically denied it."

Asked by Mr Griessel if she would give him the name of the journalist, she replied that she would have to get his permission first.

She said her own perception of the police view had emerged gradually over a period of eight months.

"I was initially completely sceptical of claims that the police were involved, but an understanding began to gel that the police believed that the ANC was using Lagunya to gain control of the taxi industry."



# 'Third force' taxi link alleged

Staff Reporter

TAXI operators, taxi war monitors and community representatives repeatedly alleged that a "third force" linked to the police was fuelling the Western Cape taxi war, the Goldstone Commission into taxi violence heard yesterday.

This was said by Ms Helen Zille, a consultant to the city council and a former member of the Cape Town Peace Committee, who was commissioned to probe circum-

stances underlying the taxi war.

Ms Zille was speaking under cross-examination by Mr G D Griessel SC, for the police.

She said she thought such allegations were directed at the Internal Stability Unit and "unknown forces suspected to be linked to the police".

Another perceived cause of the taxi war — an alleged ANC attempt to dominate the Western Cape taxi industry — she drew from evidence by a policeman, Warrant Officer Andries Strydom,

in the bail hearing of Webta member Mr Michael Gubayo on October 28 last year.

Ms Zille also testified that she had been approached by a journalist, whom she declined to identify without his permission, who told her that police had told him the ANC were using the National African Transport Organisation (Nafto) to gain control of the taxi industry.

The ANC had denied this when she approached them on the matter.

CT 5/9/92  
(332) (33)

# Sabta keeps wheels on the right road

By ELIAS MALULEKE

VIOLENCE in the taxi industry and political developments in SA came under the spotlight at the two-day Sabta annual conference attended by more than 1 000 delegates at the Sun City Superbowls this week.

Speakers from the ANC, PAC, Azapo and Sabta agreed that violence was crippling the image of the taxi industry, but blamed the government, and said measures should be taken to stop the carnage that has claimed the lives of an estimated 500 taxi operators and commuters in two years.

Calls were also made for Sabta to take over the government-controlled SA Transport Services.

Speakers including City Press Editor Khulu Sibiyi, former Chief Minister of KwaZulu-Natal Enos Mabuza, Azapo president Phandelani Nefolovhodwe, and Titus Nkobi,

general treasurer of the ANC, called for unity among the ANC, Azapo, PAC and other organisations for the emancipation of blacks.

Nkobi said violence occurred in the industry because the government took unilateral decisions for taxi operators, thus creating conflict among drivers, owners and their associations.

In his keynote address on professionalism, diversity, growth and the challenges facing the taxi industry, Sibiyi said delays in finding a political solution were having serious consequences for the economy.

"Continued violence, the impasse in negotiations and the failure to tackle the issues effectively has driven our country to the brink of complete disaster."

He said the political uncertainty and instability had forced foreign loans to be kept on hold and South

Africans could not plan and move forward because investors were adopting a wait-and-see attitude.

The solution was a speedily-established interim government of national unity that would ensure a democratically elected constitution-making body to usher in a democratic constitution.

Sibiyi said his long-cherished dream was to see unity among "our people" — not unity based on paper or unity for the sake of it, but a genuine effort to have unity that would put the aspirations of the people above any party politics.

He called on the present government and the future government to pay special attention to the road system. He said it was not enough to blame road accidents on the negligence of the taxi drivers when there were no proper infrastructures for them to use.

He commended Sabta and said the taxi industry had fought against all odds and won many battles against apartheid. In the minds of millions of black people in SA Sabta was the shining example of black economic empowerment.

The taxi industry provided employment to many people, but there were problems to be tackled to improve its image.

He urged Sabta members to stop being unprofessional and rude to passengers, and to use all possible means to avoid the road carnage and violence in the industry.

Nefolovhodwe said Sabta should consider seriously a move to take over Sats and provide blacks with more economic muscle.

Mike Shimmers of the PAC, who spoke in place of deputy president Dikgang Moseneke, said the liberation movements should play a role

in combating violence against all people, particularly in the transport industry.

Sabta should take over Sats as a matter of urgency as a way forward for black economic growth, he said.

Sabta president James Ngcoya said taxi violence was fueled by the fact the government legislated for the taxi industry without consulting Sabta.

He said the violence also had to be blamed on deregulation of roads, which had resulted in too many taxis and not enough control. He said Sabta was diversifying to other sectors, but noted it lacked a professional approach to the taxi industry.

"We have untrained drivers on the road. Drivers' licences are being issued left, right and centre without proper training and tactics."

See Page 10



## Sabta targets panelbeating industry

BLACK taxi organisation Sabta has targeted the lucrative panelbeating industry as a priority in its diversification campaign.

The annual Sabta conference at Sun City adopted a resolution on Friday that the bulk of all panelbeating work on its vehicles should be done by blacks trained under the organisation's upgrading schemes.

Jabu Mabuza, CE of mother body Fabcos and director of Sabta marketing, said given the reported high collision rate among minibuses, the white panelbeating sector was "making a killing out of us — and this is the area in which black empowerment should begin".

Mabuza could not put a figure on the volume of trade between the taxi industry and the panelbeating sector, but said entering the trade would be part of the answer to the taxi industry's lack of growth.

THEO RAWANA

332

"We are not going to lower standards. But professional work is going to be done by experts trained in our programmes, for the betterment of the taxi industry and economic empowerment of the black," Mabuza said.

He said the taxi owners' problems were multifaceted: rising vehicle prices and competition with state-subsidised bus services were only two.

"This state of affairs has spurred the taximan to look at areas that were traditionally not his own for sources of growth," Mabuza said.

He stressed that this was the initial stage of a diversification programme — hatched as early as 1988 — through which Sabta sought to spread its wings into such sectors as tourism, the hospitality industry, light deliveries and many others.

# Bid to 'discredit' Lagunya claimed

Staff Reporter

"ELEMENTS" of the police allegedly launched a strategy in October last year to discredit the Lagunya taxi association as an ANC front, the Goldstone Commission into Western Cape taxi violence heard yesterday.

City Council consultant and former Cape Town Peace Committee (CTPC) member Ms Helen Zille said the alleged

strategy aimed to undermine the financially weakened Lagunya's perceived relationship with the community at large, to bring about its collapse and end the taxi war in favour of its rival, Webta.

Ms Zille, under cross-examination by Mr G D Griessel SC, for the police, emphasised that she did not think the SAP "as a body" was involved, but rather individual members of the police. She could not identify anyone in particular, how-

ever, and did not want to "finger anyone".

"I am not a conspiracy theorist," Ms Zille said repeatedly, but said the story later became more credible because of other occurrences, including the arrest and subsequent acquittal of senior ANC and Ukhonto weSizwe member Mr Mxolisi Petane for the murder of a Webta driver, and reports that police were looking for Lagunya leaders, forcing them into hiding.

C 18 9 192 (332)

## Well, no fine (32)

PORT ELIZABETH. —

Many people here are refusing to pay traffic fines until the traffic department takes action against black taxi drivers who allegedly broke the law during city demonstrations last month.

A report to the city council said the department had received so many calls that extra staff were hired to man the telephones. — Sapa

CT8/9/92



## Taxis clog Claremont main roads in protest

ABOUT 50 Codeta taxi drivers blockaded main roads in Claremont during peak hour traffic yesterday, after police had arrested one of the drivers.

Colonel Raymond Dowd, of the District Commissioner's office in Wynberg, said that the taxi driver was allegedly being abusive toward a traffic police officer at the Claremont train station while he was giving another person a ticket.

Police arrested the man who was taken to Claremont police station where he was charged. Taxi drivers then started the blockade and demanded the man's release.

About 10 of the taxis were parked in front of the police station.

Colonel Dowd said police negotiated with protesting taxi drivers.

"To defuse the situation we released the driver on a summons to appear in court at a later date," he said.

## UN to come at weekend

NEW YORK. — Leader of the UN observer mission to South Africa has been named as Ms Angela King, a Jamaican UN official.

Her appointment will not be announced officially until Wednesday.

The first 12 members of the team were to leave for SA on Friday, said Mr Francois Giuliani, spokesman for UN Secretary-General Boutros Boutros-Ghali.

"Now that the Secretary-General is back he wants to review with them the ... mission before they leave," he said, without mentioning the massacre on Monday of 24 ANC supporters by local troops in Ciskei.

About 50 UN observers are to come to SA in the coming weeks to study ways of encouraging the transition toward non-racial democracy. — Sapa-AFP

CT 9/9/92

tion instead of the current six. The subject dropped is likely to be the second language, meaning students could choose to drop English or Afrikaans.

The initial document proposed second languages be compulsory up to Std 9 in the formerly whites-only schools of the Education and Culture Department. In Department of Education and Training schools, current leg-

option to study an African language thereafter.

The revised document incorporates contributions and comments from a broad range of organisations. After it has been debated on Friday, the committee will decide whether to recommend changes suggested to National Education Minister Mr Piet Marais.

Last November, following proposals

## Taxi war: Local Road Board 'uninterested'

THE Local Road Transportation Board (LRTB) showed a complete lack of interest in investigating the causes of the taxi war in the Western Cape, the Goldstone Commission into taxi violence heard yesterday.

This was said by city council consultant and former Cape Town Peace Committee (CTPC) member Ms Helen Zille, during cross-questioning by Mr J A le Roux, for the Department of Transport (DoT).

Ms Zille said LRTB chairman Mr Stephanus Dörfling had not attended any CTPC meetings to which he had been invited.

She conceded that Mr Dörfling had attended a meeting of the Taxi Liaison

Committee (TLC) to explain permit allocation criteria, but had given "what amounted to misinformation".

When Mr Le Roux put it to her that other LRTB and DoT officials had attended TLC meetings, she said the TLC was "ineffective and not addressing the issues".

Ms Zille said she had learned from taxi operators that taxi permits were "randomly and arbitrarily" issued by the LRTB.

When the permit system "got some coherence", the perception developed that the Western Cape Black Taxi Association (Webta) was receiving preferential treatment over its rival, Lagunya.

CT 9/9/92

# Flitestar captures 22% of the opening skies

IN under a year, local carrier Flitestar had captured almost 22% of the total domestic market, MD Jan Blake said yesterday.

Blake predicted strong future domestic competition, but said a year after announcing deregulation of the industry, government had not yet fully implemented the policy and SAA still enjoyed privileges.

Before deregulation, SAA held 95% of the domestic market, and the industry expected it to cut capacity to reflect lower market share. But this did not happen — resulting in an overcapacity in the market.

Flitestar's load factor had increased to

60% in July and was just below that last month, Blake said at a function to launch the airline's new frequent flyer scheme.

He added that Flitestar would introduce its first international flight on October 2 — to Bahrain. The carrier was awaiting approval from Kenyan aviation authorities to fly to Mombasa and approval from the local authorities to fly to Europe and India.

Flitestar's frequent flyer programme — incorporating car rental, hotel accommodation and restaurant dining — would be

based on the accumulation of "star miles".

Members of the Escape scheme would earn star-mile credits for full-fare domestic flights, as well as for Budget Rent-a-Car rentals, Southern Sun hotel accommodation and Diners' Club purchases.

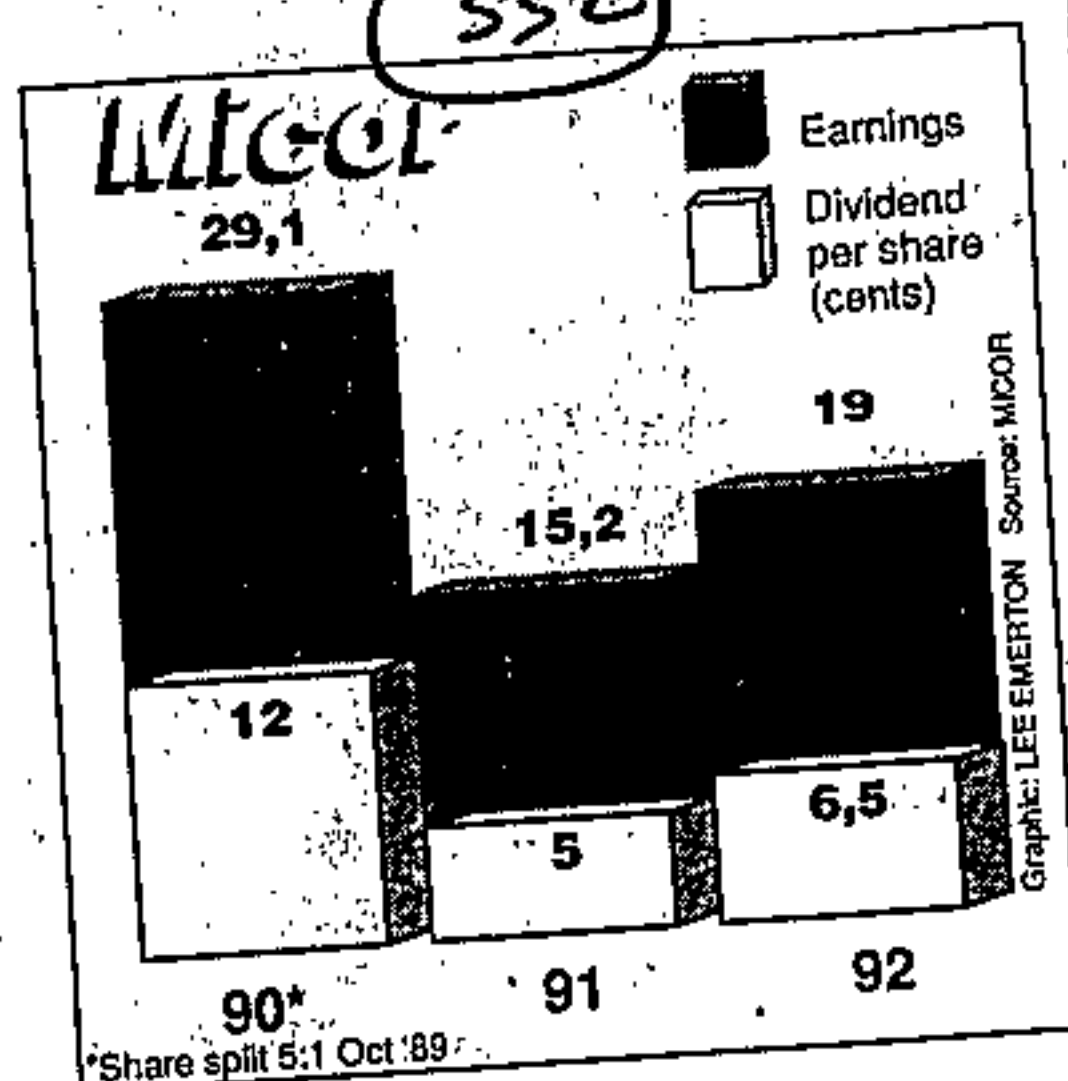
Benefits would include complimentary air tickets, Amazon adventures, hot air balloon trips and river rafting.

Escape members would be given 500 free "start-up" star miles, and as a launch offer travellers would earn double star miles every time they flew with the airline between September 14 and December 31.

STEPHANE BOTHMA



## Micor thrives on weak rand rate



### EDWARD WEST

MICOR Holdings' earnings jumped by a quarter in the year to end-June 1992 on the back of a weak rand exchange rate. *BIDAY 9/19/92*

Today's published results for the multi-faceted group show sales up by 39% to R731,2m in financial 1992 from R526m in 1991. Pre-tax profit jumped to R3,95m (1991: R3,81m).

After paying higher tax of R619 000 (R289 000), attributable profit was higher by a quarter at R3,14m (R2,51m) which translated into earnings of 19c (15,2c) a share. A dividend of 6,5c (5c) was declared. The gearing ratio was low at 0,65 (1,1).

The earnings of Mica Industrial Corporation (MIC), in which Micor Holdings holds a 92% stake, climbed to 4,2c (3,1c) a share off a 30% increase in turnover to R462,4m (R356,3m). A dividend of 2c (3c) a share was declared.

Director of the freight, finance, insurance broking, industrial products, travel and transport group John Barradas said although sales volumes were virtually unchanged in the year due to recession, freight operations benefited from the weak rand exchange rate as did income from the group's off-shore operations.

Income from off-shore operations made up about 50% of pre-tax profit.

NO  
we  
id  
u  
city  
ties  
est-  
me  
ing  
one  
un-  
of  
ni-  
can  
aid  
tee  
ent-  
ing  
on  
on  
ec-  
res  
for  
si-  
sed  
re-

# Consultant appalled by taxi war threats

Staff Reporter

CITY council consultant Ms Helen Zille was "appalled" at a threat by Lagunya spokesman Mr Michael Kupiso last year that the taxi association could bring the ANC and PAC military wings into the Western Cape taxi war.

This emerged yesterday during hearings of the Goldstone Commission's inquiry into taxi violence in the Western Cape.

Mr J A le Roux, for the Department of Transport, put it to Ms Zille that the SABC's Agenda had screened a documentary on the taxi war on November 3 last year, when she was researching the causes of the conflict.

She confirmed that she had seen the programme and that Lagunya's rival, the Western Cape Black Taxi Association (Webta), had accused her and the city council of being partial in the conflict.

She said the council had at first been seen by taxi operators to be impartial, but that this perception later changed.

Mr Kupiso had threatened to involve the military wings of the ANC and PAC in the taxi war, she said.

"I was appalled to hear Lagunya talking about bringing in the military wings," she said.

She later found the perception with Lagunya was that, if the police continued to back Webta, they needed "firepower". However, she did not think matters would have gone further than "that kind of threat".

● Chairman Mr Niel Rossouw announced after the tea break yesterday morning that the commission will today investigate the blockade of roads in Claremont on Tuesday by about 50 taxi drivers after the arrest of a colleague. CT 10/9/92 (332)

Co  
Co  
A 27  
litsha  
expec  
Mitch  
trate  
conn  
murder  
On  
Lance  
Nick  
dead  
in a c  
litsha  
A  
said  
durin  
tween  
kerk  
Bot  
the K  
branc  
when  
dent  
Ser  
lived  
racks

Constable murdered

# Safren stays on even keel

By Stephen Cranston

Safren's earnings per share growth fell to 9,1 percent in the year to June from 16,2 percent previously.

CE Buddy Hawton describes the results as satisfactory in the light of existing conditions.

The dividend has been raised by 7,4 percent to 255c and dividend cover remains 2,4.

Safmarine, which operates primarily in the containerised liner trade, suffered from reduced cargo volumes, resulting in earnings growth of just 7,7 percent to R147,7 million.

Star performer was Rennies, which operates bulk terminals and offers cargo, freight forwarding, travel and trading services.

It lifted its contribution by 17,9 percent to R46 million. Rennies increased market share and improved efficiency despite a reduction in imports.

Hotel, entertainment and liquor group Kersaf's contribution increased by 9,5 percent to R137,2 million.

There was an adverse change



Buddy Hawton... satisfactory in light of existing conditions

in net interest to fund significant capital developments within the group, notably Lost City.

Kersaf was also hit by the proliferation of unregulated casinos.

Safmarine wrote down its investment in CMB Transport, which was the main component of the extraordinary loss of

R62,2 million reported by the group.

Group turnover rose by 7,5 percent to R4,698 billion, while operating profit before depreciation was up 8,9 percent to R987 million.

The depreciation charge for the year fell from R243 million to R215 million, which enabled operating profit to rise by 13,5 percent to R772 million.

Because of major capital projects, net interest received of R2,9 million in 1991 turned into net interest paid of R28,9 million.

Group long-term borrowings increased from R822 million to R1,066 billion. Cash resources fell from R655 million to R418 million.

The net worth per share increased by 17,8 percent to R25,06.

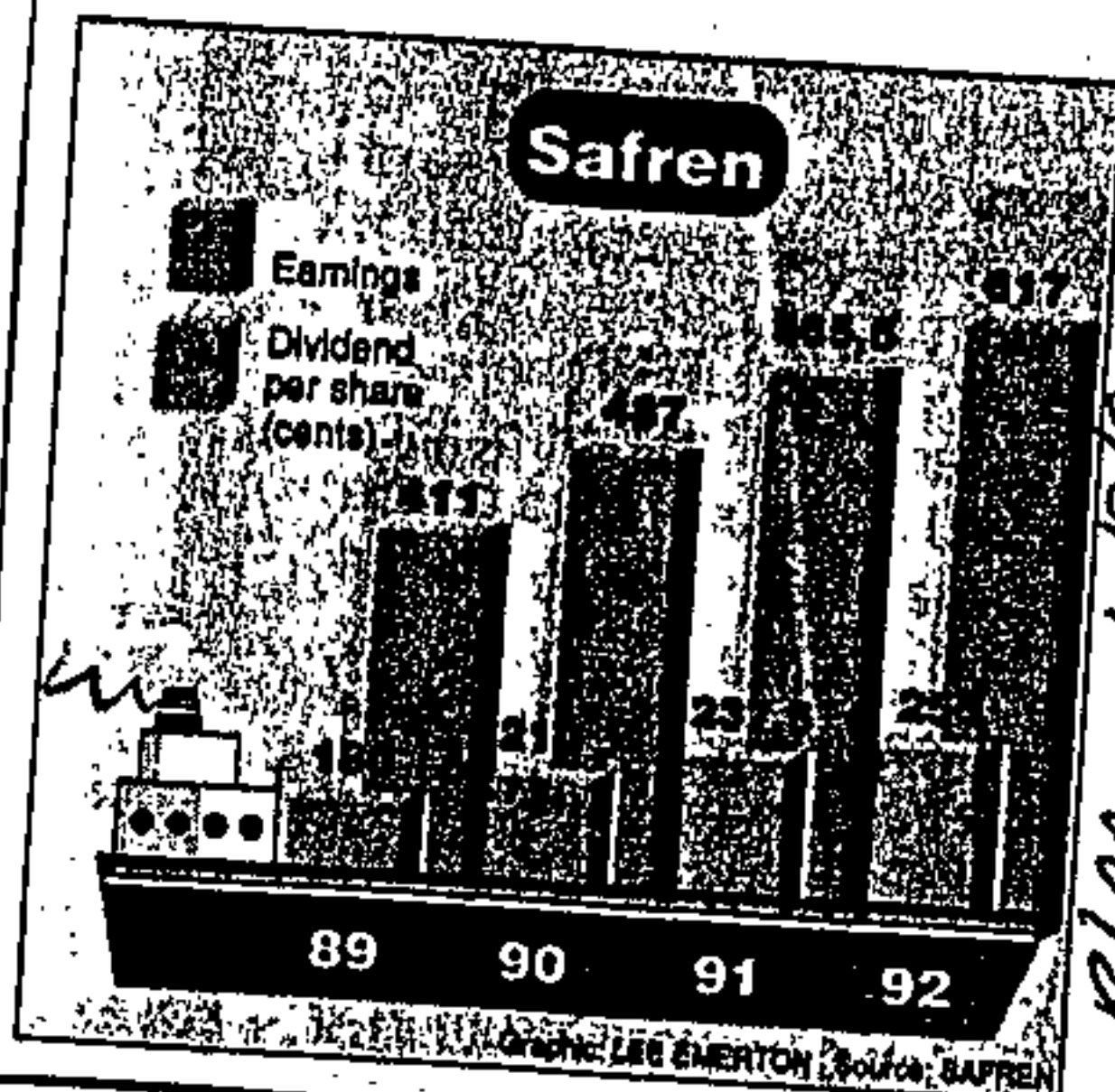
At the present share price of R91,50, Safren sits on a P/E ratio of 14,8 and offers a dividend yield of 2,8 percent — both demanding ratings.

But Safren's two core areas, foreign trade and tourism, are both believed to have good medium-term prospects.



# Safren's earnings rise 9%

LINDA ENSOR



CAPE TOWN — Diversified shipping, transport and leisure group Safren produced a 9% increase in earnings in the year to end-June as the nosedive in international and domestic economies undermined its shipping and tourism-related operations.

Heavy capital investments of R1,2bn also meant a R31,8m swing to paying finance charges, compared with the net receipt of interest last year.

Earnings a share rose to 617c (565,5c) and a final dividend of 190c (177,5c) a share was declared with an alternative offer of a scrip dividend at a share price of R82,50c

□ To Page 2

## Safren

on the basis of 2,30303 ordinary shares for every 100 held.

Deputy chairman and CE Buddy Hawton said Safren — which consists of Safmarine, Kersaf, Interleisure and Rennies — had decided on a scrip dividend to maintain its shareholding in Kersaf, which had decided to issue shares in lieu of a cash dividend. Capital of R47m had to be raised to accept Kersaf's scrip and, depending on the level of acceptance, an additional R50m was expected to flow into the group.

Hawton disclosed that Kersaf's offshore subsidiary Royale Resorts would begin negotiations soon to invest hundreds of millions of rands in a Caribbean gaming resort. Royale was also looking at joint ventures in Europe.

Turnover increased by 7,5% to R4,7bn, (R4,4bn), operating profit before depreciation by 6,9% to R987m (R923m) and after depreciation by 13,5%.

Operating margins of Safmarine, the biggest contributor to earnings, declined substantially.

In the second half of the year the relative stability of the rand against the dollar also meant the exchange rate did not benefit Safmarine.

Safmarine's attributable earnings rose by 7,7%.

Safair continued to expand its freight transport operations in Africa and had bedded down its domestic freight operation which continued to gain market share. Hawton said the expansion of the domestic network was planned and the acquisition of an additional aircraft for about \$27m (R75m) was being considered.

CMB Transport, a broad-based European shipping group in which Safren had a 49% stake, had incurred substantial rationalisation costs which had affected its earnings. However, Safren was not exposed beyond its initial R78,5m investment.

Hawton said CMB Transport's operating profit had increased but it had a large amount of debt to write off. An extraordinary item of R62m reflected the write down of Samarine's investment.

Kersaf's attributable earnings rose 9,5% as the proliferation of gaming houses siphoned off a significant amount of business from Sun International's casinos. The decline in disposable income also saw Interleisure's earnings fall 6%.

Hawton said Rennies performed well, increasing earnings by 18%, despite the fall-off in imports, through an increase in market share, good cash management, cost containment and the elimination of low-return divisions.

Gearing moved up sharply to 26% (8%) because of the heavy capital expenditure programme in Kersaf and Safmarine but was still extremely healthy, Hawton said. The use of some of the group's cash resources also meant a large reduction in interest received so that the group paid a net R28,9m in interest compared with the receipt last year of R2,9m.

The group's cash resources fell R237m to R418m (R654,8m).

Capex of R844m had been authorised for this year, part of which would be spent on the acquisition of three new ships.

Hawton was reluctant to make forecasts for the year ahead but said the group would be looking at improving efficiencies and containing costs.

□ From Page 1

# Codeta 'sorry' for blockade

332  
CT 11/9/92

Staff Reporter

THE Congress for a Democratic Taxi Association (Codeta) yesterday apologised to the Goldstone Commission for the actions of about 50 taxi drivers who blocked roads in Claremont this week when a Codeta marshal was arrested for swearing at a policeman.

Codeta management committee member Mr Zolile Sumbulu told the commission which is hearing evidence on Western Cape taxi violence that the action taken by the drivers was unwarranted and the organisation took a dim view of drivers who formed blockades as a means of getting their way.

Mr Sumbulu said that since Codeta's formation — with the merger of Lagunya and Webta earlier this year — "many doors" had opened, some of these to top police and traffic officials.

The blockade on Tuesday disrupted peak-hour traffic on Main Road and at the Claremont station after Mr Kitchna Kamteen apparently swore at a policeman and was arrested.

Mr Kamteen was alleged to have obstructed a traffic officer who was ticketing the owner of a minibus taxi which was parked in a no-stopping zone at the station, causing bus service disruptions.

The situation was defused when Wynberg regional commissioner Colonel Raymond Dowd ordered Mr Kamteen released and issued with a summons. Mr Kamteen threw the summons away as he left the police station.

# Apology for Claremont taxi blockade

DENNIS CRUYWAGEN  
Staff Reporter

332

ARCT 11/9/92  
representatives and about 20 taxi drivers attended the inquiry.

roads in the vicinity of Claremont station.

THE minibus taxi blockade of Claremont this week was an "organised action" in which marshals showed colleagues where to park their vehicles to cause traffic chaos.

Earlier the commission heard from Sergeant Quintin Laye how an arrested taxi driver, Mr Kitchna Kamtene, had told him: "You are a bushman, you must f... off."

He went to the scene and asked "one of the people who was most vocal" what was going on, but the man initially ignored him before shouting that the arrested taxi driver must be brought back.

This was claimed yesterday by Wynberg uniformed branch chief Lieutenant-Colonel Raymond Dowd at an inquiry by a committee of the Goldstone Commission into Tuesday's taxi blockade.

Traffic policeman Mr Arthur Kolbee said he had ticketed Mr Kamtene for parking in a no-stopping area and obstructing buses.

At that stage 10 minibus taxis were blocking Main Road, causing severe traffic congestion. Traffic policemen were redirecting vehicles.

The committee was given an apology from the Convention for a Democratic Taxi Association official, Mr Zolile Sombulo, for the incident.

Colonel Dowd said that he had arranged for Mr Kamtene, who was held at Claremont police station, "to be released on summons".

He tried to tell taxi drivers about the procedure after an arrest. But they would not listen and shouted: "He must be released."

Police and traffic department

He said that at 3.28pm he was told minibus taxis were blocking

The hearing continues.



ARG 11/9/92

## Taxi disruption:

### A-G intervenes

Staff Reporter (232) (332)

THE acting Attorney-General of the Cape, Mr Frank Kahn, has asked police to investigate traffic disruptions caused by taxi drivers earlier this week, in spite of an apology by the Congress for a Democratic Taxi Association to the Goldstone Commission.

Mr Kahn said today that his office had noted the apology but felt that the public also had a right of passage in public thoroughfares.

"In respect of this incident the law will take its course. Police have been requested to investigate with a view to charging the drivers," he said.

● See page 5

# 'Police campaign against ANC'

CT 12/9/92 Staff Reporter

FORMER Cape Town Peace Committee (CTPC) co-ordinator Ms Helen Zille said yesterday she believed police were involved in a "dirty tricks" campaign against the ANC in black townships to undermine its constituency in a future election.

At the Goldstone Commission inquiry into Western Cape taxi violence Ms Zille said under cross-examination by Mr John van der Berg, for the ANC, the CTPC, the Black Sash and the Democratic Party's Urban Monitoring and Awareness Committee, that she believed that "elements" in the police were exploiting divisions in the community "to convince one side that the ANC was supporting the other".

She said, she had become aware of a "dirty tricks campaign against the ANC, and I am not a supporter of the ANC".

"We all know there will be a non-racial election in the not too distant future, and that all parties are already making their sums," she said.

The hearing was adjourned by the chairman, Cape attorney-general Mr Niel Rossouw, until October 9.

Staff Reporter

ACTING attorney-general Mr Frank Kahn will meet traffic authorities on Monday to discuss measures against "cowboy" taxi drivers.

He said the traffic code should apply "fairly and equally to everyone".

His statement follows an apology by the Congress for a Democratic Taxi Association (Coda) to the Goldstone Commission for disruptions on Tuesday.

# Peaceful taxi men being <sup>332</sup> penalised'

VUSI KAMA <sup>ARG 14/9/92</sup>  
Staff Reporter

NYANGA taxi owners who did not take part in the taxi war say they are being forced to pay R2 500 for not showing solidarity during the clashes — or stop plying township routes.

The taxi owners, who did not want to be named, said the new township organisation, Convention of Democratic Taxi Association, told them that they were being penalised for not participating in the war.

They said there were already taxi owners that have been forced out of the township routes for failing to pay the fee.

"I find it strange that the organisation that was supposed to unite us and end the war, is now penalising us for our belief in peace," said one of the sources.

"Because we want to stay in business, some of us will be paying the R2 500," another said.

Responding to the allegation, Codeta vice-chairman, Mr Siphiso Mooi, said he was "shocked" by the report, as he had "never heard any reports about such payments".

When told about claims that several taxis had already been moved out of the township routes, he said his organisation was going to investigate the matter.

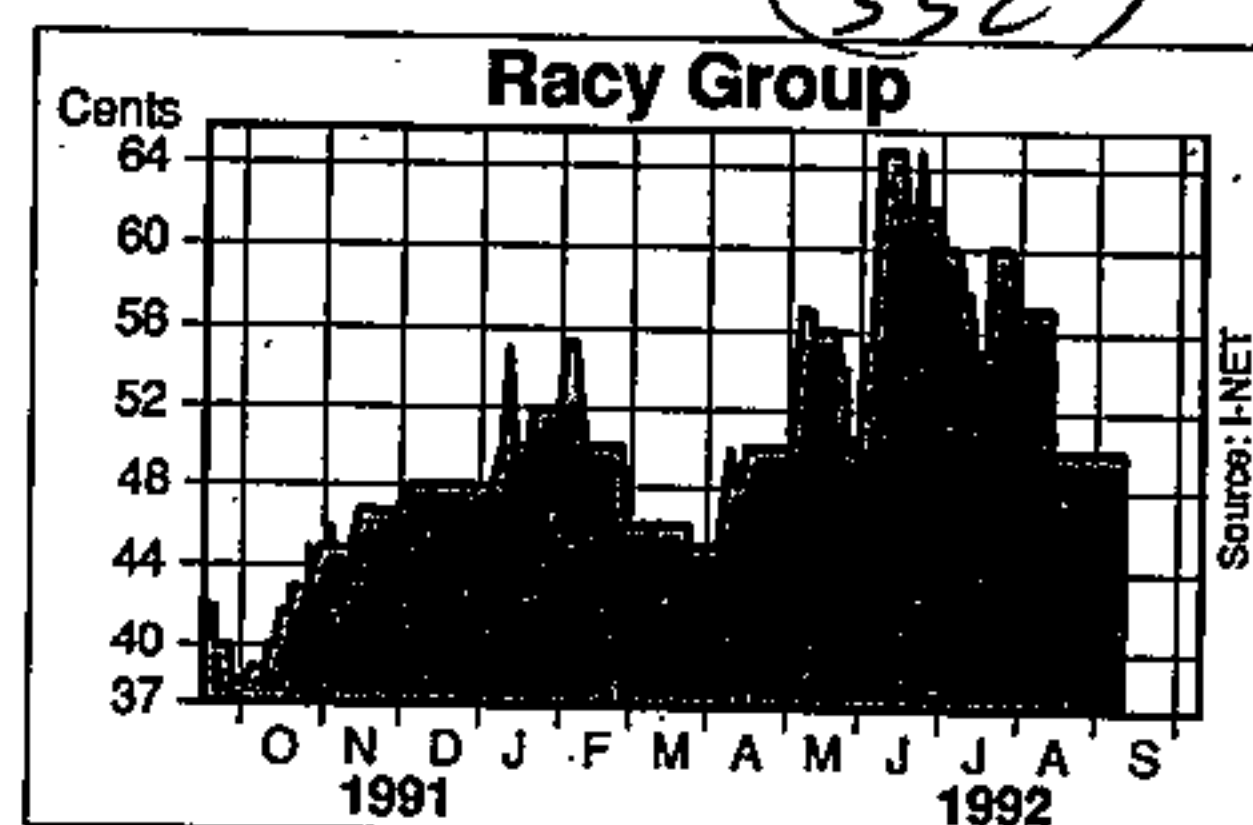
"I find it very strange that there could be such a claim about Codeta," said Mr Mooi. "We cannot legalise war when our aim is to end it."



FM 18/9/92

COMPANIES

332



taxed profit, to R2,1m. MD Allan Jacobson considers earnings satisfactory in the light of the difficult trading conditions. The dividend was cut, to conserve cash resources, reduce interest-bearing debt and improve leverage.

The haulage business, Hendler's Industrial Carriers, which mainly handles light industrial goods, contributed 98% of operating income, against 81% in financial 1991. By extrapolation, this suggests its profits were within R100 000 or so of 1991's, or about R5,7m — good going, in the circumstances.

Engine rebuilder Diesel City remained under pressure from declining business, in line with cutbacks at mines, industry and public-sector clients such as Sats and the air force. Jacobson says the mines, which provide about 30% of turnover, are holding over business until some recovery is felt. Contributing only 2% of operating profit, Diesel City ran at little better than breakeven.

Jacobson says Racy has no plans to extend haulage activities outside SA, but believes there is potential for broadening services. These include the distribution, collection and storage (in Hendler's own warehouses) of products. Plans to develop a receipting and invoicing service are under way and may eventually extend to collection of debtors. The objective is to add value.

Jacobson, like last year, forecasts a 15% increase in turnover (in line with inflation), 8% return on assets and 20% return on shareholders' funds. He says that though these targets are conservative much depends on when the economy recovers. Transport is usually one of the first beneficiaries of an upturn.

On an earnings yield of 17,5%, the share is not expensive.

Marylou Greig

RACY GROUP FM 18/9/92

Margins squeezed 332

**Activities:** Transportation contract carrier with diesel engine workshop facilities.

**Control:** Directors 54%.

**Chairman:** I J Jacobson; **MD:** A C Jacobson.

**Capital structure:** 25,7m ords. Market capitalisation: R12,3m.

**Share market:** Price: 48c. Yields: 4,2% on dividend; 17,5% on earnings; p:e ratio, 5,7; cover, 4,2. 12-month high, 65c; low, 38c.

Trading volume last quarter, 6,9m shares.

Year to March 31	'89	'90	'91	'92
ST debt (Rm)	5,1	6,8	5,5	5,5
LT debt (Rm)	5,2	6,2	4,3	3,2
Debt:equity ratio	0,59	0,62	0,44	0,37
Shareholders' interest	0,48	0,43	0,47	0,48
Int & leasing cover	10,2	3,6	3,1	3,4
Return on cap (%)	17,4	12,6	17,0	12,9
Turnover (Rm)	46,2	55,9	64,4	66,4
Pre-int profit (Rm)	6,1	5,4	7,1	5,8
Pre-int margin (%)	13,3	9,6	11,1	8,7
Earnings (c)	14,2	7,5	9,4	8,4
Dividends (c)	6,5	2,0	2,5	2,0
Net worth (c)	65,9	71,5	77,1	83,4

**This industrial** transport and engine reconditioning group has put in a satisfactory performance, though somewhat weaker than in the previous year. Turnover rose 3% but, with margins squeezed, there was a 19% decline in operating income, reflecting over-capacity in a highly competitive sector.

With major additions to Hendler's fleet now a thing of the past, interest-bearing debt fell 11% and interest paid by a quarter. Gearing well down on 1989.

A shaving of the effective tax rate to 48% (50%) was not enough to compensate for the squeezed margins, resulting in an 11% dip in

SAFREN

## Heavier weather

Investors could not have been too optimistic about Safren's results for the year to end-June. But, given the domestic and international economic environment, the performance could be considered good.

Across the shipping lanes of the world, growth in trade has shrunk from the levels of a few years ago. Obviously, competition becomes greater as suppliers of freight space struggle to capture and retain market share. In the process, margins suffer.

In addition, Safmarine saw a reduction in cargo volumes during the year. Its 7,7% increase in attributable earnings is, therefore, commendable, but if the economic situation, here and abroad, persists, short-term growth prospects for the shipping line are not encouraging.

As the SA economy has been pounded by the recession and tourism retarded by political unrest and violence, so too has Kersaf's earnings performance weakened. Profits from its gambling establishments have also been affected by the plethora of privately owned, unregulated salons that now operate all over the country. Safren CE Buddy Haw-



Safren's Hawton ... efficiencies

at grain terminals. FM 18/9/92 (332)  
ton says it's been claimed that about 400 such clubs now account for a monthly turnover of about R200m. Against that background, the 9,5% increase in Kersaf's contribution to attributable income is satisfactory.

The smallest of the three main divisions, Rennies, excelled itself by increasing its attributable earnings 18%. One aspect of trade that helped Rennies to post improved results was the large-scale import of grain needed because of the drought. Hawton says efficiencies at grain freight terminals boosted the results. Other positive factors included rationalisation throughout the division and benefits that followed from stringent administration procedures and adroit management of cash flow and working capital.

The R2,1bn capital spending programme involving, among other projects, the construction of the Carousel at Babelegi and Lost City in Sun City over the past two years is nearing an end. The investment of these funds took its toll in fiscal 1992 as evidenced by the swing from interest receipts of R3m to an interest bill of R29m. Lost City will open in November and begin to make its contribution to offset this cost.

At R85, in keeping with the bearish sentiment towards industrial shares, Safren is 16% below its peak of R101 reached in June and is trading at levels similar to those of a year ago. It should not be forgotten that only two years ago, it was trading at R35. A reaction to the steady share price rise was long overdue. But the price will recover quickly with any sign of improvement in the local economy or international trade.

Gerald Hirshon

# Express containers

UNICORN Lines and CMB Transport, which is based in Antwerp, launched a joint express container service to the Middle East in May. *8/11 we (RUS) 20/9/92*  
Called Unicorn CMB T, the service links Southern Africa, East Africa, the Gulf and the Indian sub-continent.

Executive director of Unicorn's foreign services, Mike Ford, says the service will open up a new area of trading opportunities for SA importers and exporters.

In the interests of fostering trade and because it is the official carrier for the SA exhibition in Dubai next month, Unicorn CMB T is transporting all promotional material to and from the exhibition free of charge.

The service to the Gulf will initially leave every three weeks and will be provided by two Neptune-type vessels of 360 TEU capacity each.

Unicorn CMB T's ships will call at Durban, Nacala, Dar es Salaam, Mombasa, Dubai, Karachi and Bombay.

Basic cargoes moving from Durban will include food, white goods, vegetable oils, chemicals and paper. Imports to SA will mainly consist of electronic goods, textiles and rice.

According to the shipping line, cargoes to the whole Gulf region will be accepted, Dubai being the transshipment port.

The service will be controlled and operated from Unicorn's head office in Durban.



# 'Attacks, kidnapping to force bus service out' S/Times (Cape metro) 20/9/92

By JESSICA BEZUIDENHOUT

THE Golden Arrow Bus Service believes there is a concerted effort to force it to withdraw from Cape Town's black residential areas, following a series of attacks against its drivers and buses and the kidnapping of at least nine employees.

The company's General Manager, Mr Frans Mayoss, said this week he was "extremely concerned" about ongoing attacks on Golden Arrow employees working in the black areas.

He said that several charges had been laid with police against people believed to be linked with the attacks.

In the latest incident one of the company's drivers was "cold-bloodedly" shot in the arm and leg by a gunman, who boarded his bus in Nyanga shortly before 6am on Thursday. The driver was in a stable condition in hospital, Mr Mayoss said.

He said this was a "clear indication that certain elements" were intent on forcing the company to withdraw from the townships.

Golden Arrow deplored the "wanton and unwarranted" attacks on innocent employees and condemned the actions of elements in the community, who appeared intent on using the battle tactics of the recent taxi war, Mr Mayoss said.

Talks have been held with community leaders and police to stop the attacks.

## Injury

In the past four weeks, since nine employees were kidnapped by a "large force of taxi drivers", the company had experienced a "considerable" number of attacks on its buses.

Besides stonings, shootings, arson, attempts and petrol bomb attacks, drivers have also been threatened with personal injury if the company refused to withdraw, Mr Mayoss said.

Passengers have also been threatened with violence if they continued to use buses.

At a meeting between company officials and a group of taxi drivers last month, "the company was given to understand" that the lives of their workers were in danger if Golden Arrow did not meet their demands, which included withdrawal.

Attempts by a minority group to use force to interfere with the rights of commuters to choose the form of transport they preferred must be rejected with contempt, Mr Mayoss said.



## SA taxi drivers battle Swazis

THEO RAWANA (332)

SA taxi drivers were engaged in their second cross-border feud in three months when fighting broke out between SA and Swazi operators in Manzini at the weekend.

Minibus operations into Zimbabwe are still on hold after SA operators clashed with the Zimbabweans and SA vehicles were stoned in Bulawayo two months ago. *BIDAM*

Sapa reports several people were injured at a Manzini terminus when taxi drivers fought over the transportation of mineworkers. Swazi police had to fire warning shots.

The Swazis are reported to oppose SA minibuses taking their business. Government efforts to resolve the dispute have failed. *22/9/92*

SA taxi boss Peter Rabali, who is chairman of the National African Federated Transport Organisation, yesterday confirmed reports of the fighting, but said he did not have details. Reports said combatants hurled stones at each other and then fought with fists. At least 100 people were involved.

After the fighting, police and the knobkierie-wielding mineworkers escorted the SA minibuses out of Manzini.

## Leon attacks govt over gambling Bill

*BIDAM 22/9/92*

THE controversial Gambling Amendment Bill designed to shut a loophole in the Act which allows hundreds of "illegal" gambling dens to mushroom throughout SA is expected to be approved next week by the standing committee.

In the interim, President F W de Klerk and his government have come in for severe criticism by the most vocal opposition on the parliamentary standing committee on justice — MP Tony Leon (DP Houghton).

Leon has opposed the Bill most fervently because it "flies in the face of free market principles", and he complained yesterday that government had excluded him from attending the vital session through its lack of sensitivity and bigotry.

He said the committee was meeting on Monday and Tuesday, two of the three most important Jewish religious holidays, Rosh Hashanah, which meant no self-respecting Jew could attend to testify.

He accused De Klerk of flaunting both democracy and "the free market principles he has so recently come to espouse".

"De Klerk operates with clear contra-

diction and deliberate sleight of hand, committing his government to free market principles and then ordering that legislation be passed effectively in favour of the Sun International cartel," he said.

He pointed out that De Klerk, in his speech to the NP Transvaal congress last week, was in favour of gambling continuing in the TBVC states, while he was busy negotiating the reincorporation of these into SA.

Former chairman of the committee and now Law and Order Deputy Minister Gert Myburgh said the Bill was not amending the principle of the Act which was to prohibit hard gambling, and he expected Parliament to pass it in October.

He said all the parties in the other two houses had indicated their support for the change in definition of hard gambling to bring it in line with the Interpol definition.

"The principle of the Act remains and the NP is opposed to hard gambling. But because there were no prosecutions being brought because of the loophole in the Act we have had to shut it down," he said.

BILLY PADDOCK

## Trader facing illicit gem deal charges

STEPHANE BOTHMA

DIAMOND dealer Maurice Katz was arrested by gold and diamond branch detectives moments after allegedly concluding an illegal diamond deal worth R530 000.

Katz, 44, and co-accused Louis Auttard, 38, both of Bedfordview, appeared briefly in the Johannesburg Regional Court yesterday on a charge of illicit diamond dealing.

The two men were released by Magistrate H Wolman with a warning to appear on October 28.

Katz, a businessman and registered diamond dealer, and Auttard were arrested on Friday when they allegedly bought diamonds — 189 carats worth R530 000 — for R275 000 from undercover detectives, Witwatersrand police liaison officer Capt Eugene Opperman said.

The arrests took place minutes after the conclusion of the alleged illegal deal, and followed months of investigation.

## Officials check on Chinese hawkers

ADRIAN HADLAND (63A)

HOME Affairs Department inspectors were sent to Johannesburg's CBD yesterday to check on Chinese informal traders' work and residence papers, department spokesman Chris Pretorius said. *BIDAM*

The move followed complaints from the African Council of Hawkers and Independent Business last week that Chinese hawkers had access to duty-free goods and were undercutting local traders without the required permits. *22/9/92*

Reports at the weekend also suggested some Chinese immigrants were being misled by promises of work and residence in SA by agents in their home countries.

Civic and church leaders said tension between local and Chinese hawkers had increased dramatically in recent weeks.

A Johannesburg City Council licensing official said the number of informal traders in the city was swelling by almost 1 000 a month with about half of the new licences issued to Chinese traders. Hawkers did not have to present work and residence permits to obtain licences.

# FREE Slides

**10** for your next presentation  
No gimmicks, No catches!

Call 463 - 1261 and say:  
"I want my free slides!"

DIGITAL  
PICTURES



# Codeta to be quizzed over bus shootings

ARG 23/9/92 (332)

**CLIVE SAWYER**  
Municipal Reporter

**MAYOR** Mr Frank van der Velde is to ask the Cape Town Regional Dispute Resolution Committee to interview Codeta as part of an investigation of shootings and attacks on Golden Arrow bus drivers.

"We must get to the bottom of this before it escalates," said Mr Van der Velde.

The dispute resolution committee was set up in the wake of last year's taxi wars, to prevent a recurrence of the violence that left several dead and disrupted the township commuter network.

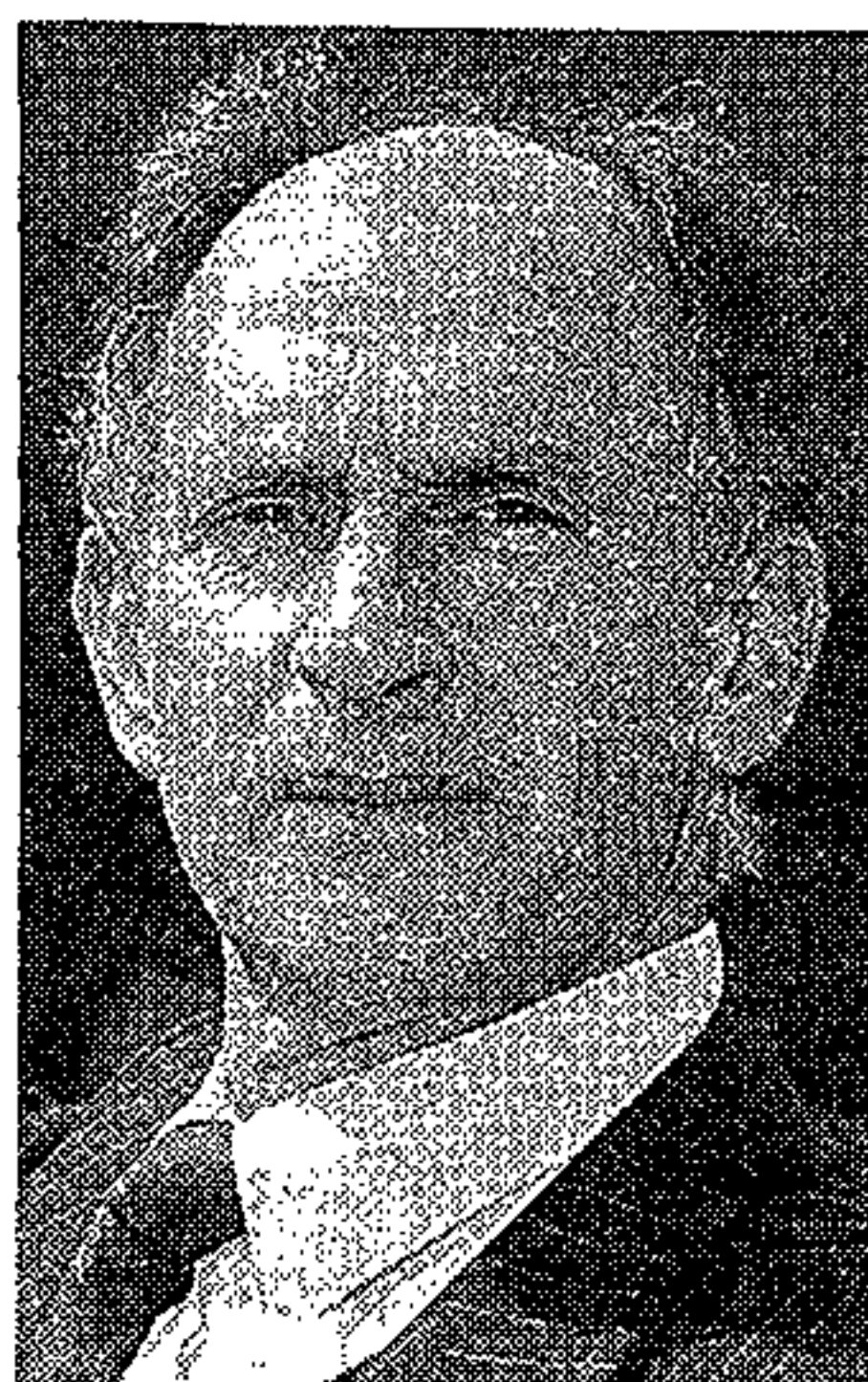
Mr Van der Velde said it was hoped that improvements to the troubled transport system could be made once the Goldstone Commission made its recommendations to the Minister of Transport.

"We have been working hard behind the scenes on a new system of permit allocations, which has been widely discussed with the various taxi associations," Mr Van der Velde said.

He also expressed concern that "the Codeta emblem on some taxis seems to give them licence to act as they wish — we need to enforce traffic regulations very strictly".

Traffic manager Mr Wouter Smit told a utilities and works committee meeting that traffic officers were having great difficulty in doing their duties because of the attitude of minibus taxi drivers.

The situation was deteriorating, Mr Smit said, citing examples including:



Mr Van der Velde

- When a minibus taxi was stopped for a traffic offence, other minibus taxi drivers converged on the scene and intimidated traffic officers;

- Traffic officers' ticket and summons books were taken away by minibus taxi drivers, torn up and thrown away;

- Minibus taxi drivers blocked roads with their vehicles when colleagues were apprehended for offences.

Mr Smit said the public had the incorrect perception that minibus taxi drivers were free to do as they pleased, while action was taken against ordinary motorists.

The executive committee has recommended that the council reaffirms its order to traffic police to be tough on violations by taxi drivers, and that discussions be held with taxi associations.

## R8m repair for Epping cold rooms

**Municipal Reporter**

COLD storage rooms at Epping Market are inefficient and unsafe, while the city council is losing money from fruit and vegetables not being kept cold properly.

The utilities and works and executive committees yesterday recommended that the council approve an R8 million repair job for the cork-insulated facility, built in 1961.

A report said the rooms could not cope with increasing demand for cold chain maintenance and reliability of quality control.

Business had been lost and energy losses because of the bad condition of the rooms were costing the council R30 000 a year, the report said.

Inefficiency of the operating plant caused excessive icing of the evaporator coils.

All 14 cold rooms will be demolished, but the enclosing building will be left intact.



## Another 40 die in violence and taxi feuds

PRETORIA — Eighteen people have been killed in politically motivated violence countrywide since Monday, bringing to 40 the number of people killed since Friday.

The most recent attack was in Natal early yesterday, when three men were killed and a woman was injured when gunmen opened fire on taxi commuters in Umlazi near Durban.

Earlier, in the Transvaal, a passenger was reported killed and 15 injured when a hand grenade was thrown into a bus near Heidelberg.

THEO RAWANA reports eight people were killed on the Reef in the past three days in taxi violence.

Gunmen armed with AK-47s killed five

people in Springs on Monday in the latest incident in a long-running feud which has claimed 52 Springs Taxi Association members' lives since July last year. A baby died yesterday from wounds sustained in the attack.

And three men, also armed with AK-47 rifles and travelling in a car with a Durban registration, opened fire on a taxi at Baragwanath taxi rank on Monday, killing one person and injuring three.

A Soweto Taxi Association source said yesterday the attack at Bara-City Taxi Rank could be related to a feud that began at Durban railway station.

Springs Taxi Association secretary

□ To Page 2

## Violence

Simon Mokotong claimed his organisation had lost 52 members at the hands of the Sina Muva, a Piet Retief-based long-distance taxi organisation that sought to crowd them out of the market.

"The men demanded that we should stop ferrying our passengers outside Springs, while they had easy access to both local and long-distance routes. If we wanted to enjoy this privilege, we should join them, they insisted."

The latest flare-up, which began with the killing of Springs Taxi Association treasurer Solomon Mabena last Thursday, came as the two organisations were planning to make peace and form one organisation.

In another attack on a taxi on Monday, a woman was killed and four men were wounded when a gunman with an AK-47

rifle shot at a minibus in Orlando, Soweto, yesterday's official unrest report said.

In Alexandra, north of Johannesburg, police found the burnt body of a man. In the same area, a man was seriously wounded when gunmen opened fire on him.

The body of a man who had been shot was found by police in the Vaal Triangle township of Sebokeng.

Two Golden Arrow bus drivers were killed in separate shooting incidents in Khayelitsha near Cape Town on Monday.

In the same area, a man died when his shack was burnt to the ground.

In Natal on Monday, at Umzinyathi squatter camp, near Inanda, three people were killed when gunmen fired into a shack. Two men, who reportedly posed as policemen, were arrested. — Sapa.

□ From Page 1



ANC's Mr Andrew Mlangeni and Mr George Negota

## Forum meets minister

■ Body makes representations on spiraling violence: *Southern 25/9/92*

THE newly formed National Transport Policy Forum has made representations to the Minister of Transport, Mr Piet Welgemoed, during a meeting in Pretoria this week. *332*

The forum delegation expressed concern about the taxi wars, train violence, passenger transport and the environment under which the minibus taxis operated.

A government spokesman confirmed that the forum met the minister and discussed transport problems.

At a Press conference after the meet-

ing, interim chairman of the forum Mr George Negota condemned the spiralling violence in the taxi industry as well as in trains.

Among delegates who met the Minister were: ANC's Mr Andrew Mlangeni, president of National African Federated Transport Organisation, Mr Peter Rabali, representatives of the Transport and General Workers Union, Mr S Sikhosana and Mr G Randell, and executive director of Law Review, Professor Louise Tager.

A spokesman for the forum said the meeting was "cordial".

## Minibus (332) crackdown

CT 25/9/92  
Municipal Reporter

A DIRECTIVE was issued yesterday to Cape Town's traffic manager to continue the present enforcement programme in respect of violations by minibus taxi drivers, regardless of alleged intimidation.

The council decided to re-affirm the law-enforcement directive, it had given the traffic manager, in spite of his report that his officers were finding it difficult to carry out their duties.

Mr Kenneth Penkin, chairman of the committee, said the traffic officers' task would be made easier next month by a legal requirement that all drivers will have to carry their licences with them.



**Activities:** Freight forwarding, clearing, road transport and associated services.

**Control:** Currie Finance 50,5%.

**Chairman:** M Brodie; **MD:** J P Desilla.

**Capital structure:** 22,5m ords. Market capitalisation: R163m.

**Share market:** Price: 725c. Yields: 6,9% on dividend; 12,3% on earnings; p:e ratio, 8,2; cover, 1,8. 12-month high, 825c; low, 600c.

Trading volume last quarter, 359 312 shares.

**Year to June 30**

	'89	'90	'91	'92
ST debt (Rm) .....	0,9	1,2	n/a	n/a
LT debt (Rm) .....	2,4	2,1	n/a	n/a
Debt:equity ratio .....	n/a	n/a	n/a	n/a
Shareholders' interest	0,27	0,31	0,38	0,45
Int & leasing cover ..	18,2	52,2	n/a	n/a
Return on cap (%) ..	19,3	21,4	23,7	26,8
Turnover (Rm) .....	824	961	918	1 202
Pre-int profit (Rm) ...	23,2	27,2	30,4	34,1
Pre-int margin (%) ..	2,8	2,8	3,3	2,8
Earnings (c) .....	49,3	61,7	73,5	83,5
Dividends (c) .....	25	30	37	47
Net worth (c) .....	140	172	213	255

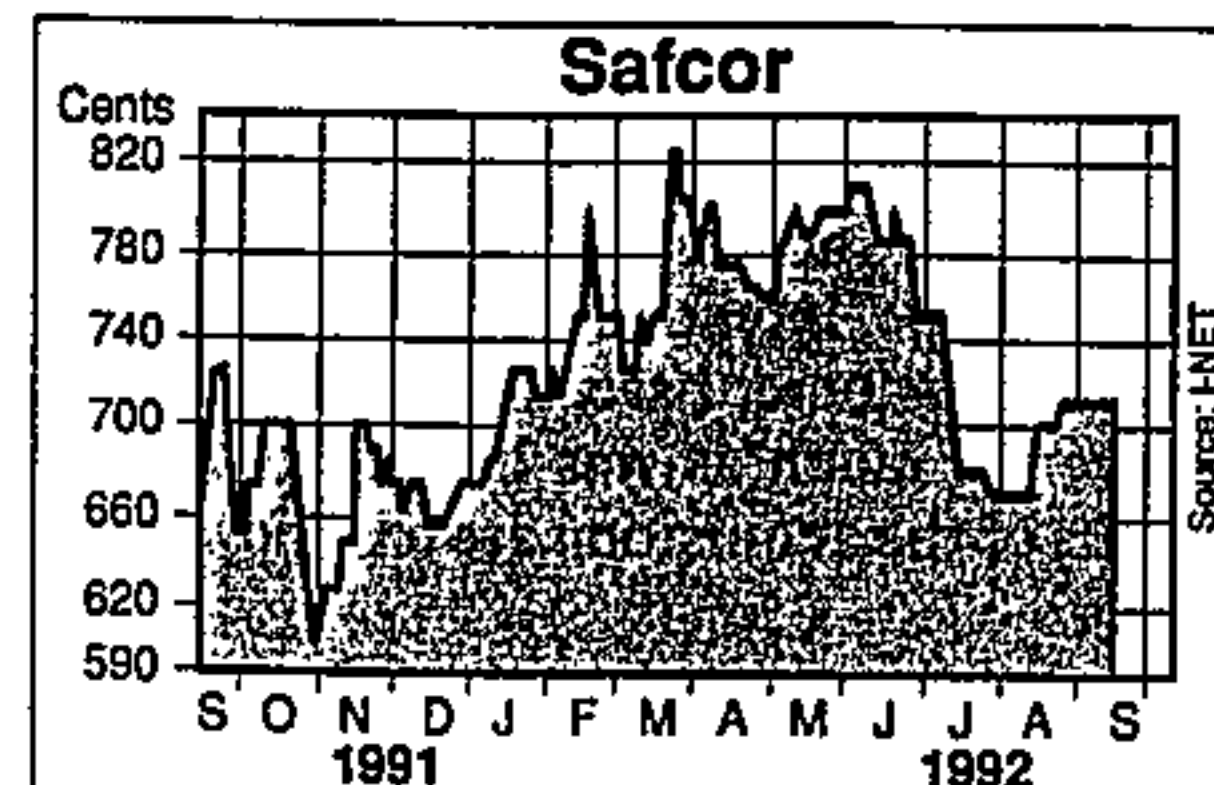
lower effective tax rate of 46% (47%), saw attributable income up 14%, at R18,8m.

EPS increased at a similar rate, but the dividend was lifted 27%. Chairman Max Brodie says dividend cover was reduced to 1,78 (2,0) because there is a large cash holding and no gearing.

Turnover grew 31%, rising above the R1bn mark for the first time, by virtue of the introduction of VAT in October 1991. Brodie says the significance of this is that growth was funded without recourse to external borrowing.

Though a breakdown of divisional performances is not disclosed, MD Peter Desilla says both the international (clearing and forwarding) arm and the domestic (road and air distribution) activities performed in parallel in terms of contribution to profit.

Adapting to difficult conditions in a highly competitive transport industry, Safcor disposed of its heavy haulage business at the beginning of financial 1992 as return on



capital committed was not considered adequate. Focus was shifted to concentrate on small parcel overnight deliveries.

The R2m extraordinary item helped boost retained earnings. This was related largely to the sale of trucking and warehousing company, Storm (Natal) Ltd.

Safcor's R18,6m cash pile gives it a distinct advantage over many other clearing and forwarding operators. While the value and volumes of imports continued to shrink, its liquidity position enabled it to help its customers in financing their VAT commitments on imports, which at an industry level were substantial.

Desilla says there are no acquisition plans at this stage though management is alert to opportunities in areas related to core business. He sees continued growth in earnings from an improved economic climate and increased market share. Though budgeting for improved earnings this year, Brodie says it may be difficult to match the previous year's performance.

At 725c, the share has risen some 10% on limited trade during the past month but is still some way off its highs reached earlier in the year. The 8,7 p:e, against the average 13,2 for the industrial holding sector, seems unduly conservative in view of the earnings record and the strength of the balance sheet.

Marylou Greig

## SAFCOR FM 25/9/92 Playing the liquidity card

**Safcor**, whose core activity remains clearing and forwarding, maintained growth in earnings in the year to end-June, though at a reduced rate.

Operating income increased 13%, restrained by the difficulty of recovering cost escalations, which put pressure on profit margins. Nevertheless, a 53% decline in finance costs to R35 000 and a marginally

# Natrawl earnings halved

STAR 29/1/92

Natal Ocean Trawling (Natrawl) posted an increase in net taxed income to R1,16 million for the six months to June, but earnings a share were halved.

Main reason for the decline was the rise in the number of shares in issue after last year's rights issue. (332)

Earnings a share fell from 5,56c to 2,79c and net taxed income from R908 000 to R1,16 million.

Chairman Jack Walsh says

the company performed well, despite difficult conditions characterised by a slack market worldwide.

Turnover rose from R5,37 million in the comparative period last year to R7,57 million, with operating income up from R1,24 million to R1,50 million.

Negotiations are under way which could result in a reduction in the size of its 40 percent holding in its Mozambican associate. — Sapa.



# Iscor share values dive against assets

EDWARD WEST

ISCOR'S market value was R1,53bn at 82c a share yesterday, which, compared with its R6,7bn asset value, would normally make it a prime target for a takeover with a view to selling off its assets, analysts said.

Based on its current net asset value of 361c a share and the number of shares in issue, its assets are worth about R6,7bn. Anybody who bought all Iscor's shares at its listing price of R2 a share could theoretically sell off its assets and realise a profit of R1,80 on every share.

However, with local and foreign investors limited to a 20% stake and individual investors to a 10% holding in terms of the group's listing prospectus, a takeover is impossible.

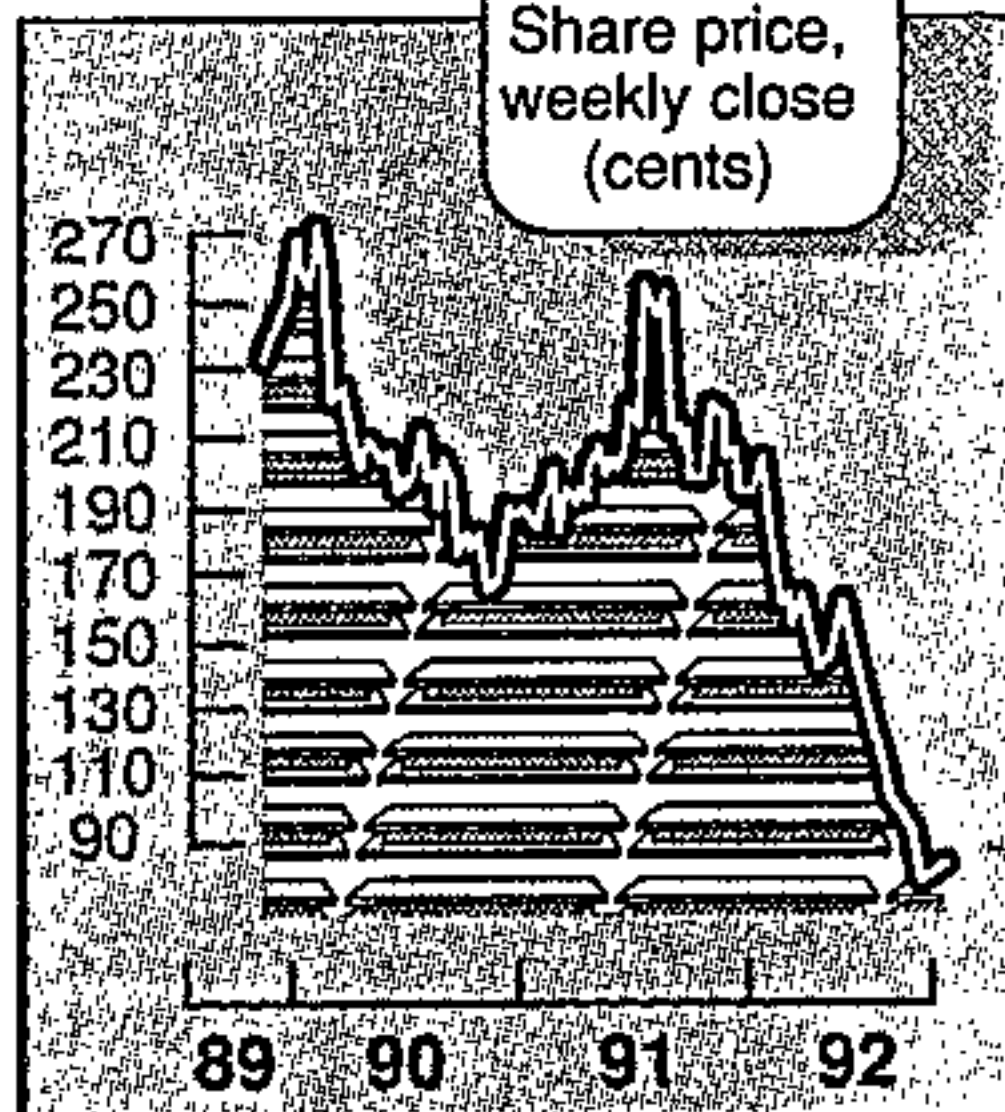
Major shareholders include the Industrial Development Corporation with a 16,5% holding, Standard Bank Nominees with 13%, SA Mutual Life Assurance Society with 10% and CMB Nominees with 8%.

Iscor's share price has been trading at record lows because of the weak local economy, and overcapacity in international steel markets which shortens earnings potential.

Simpson & McKie analyst Hennie Vermeulen said the share price prevented Iscor from raising funds by a rights issue because a share increase would further dilute earnings, and the share was poorly rated.

He suggested unbundling might be the way for Iscor to go. For instance, its Sishen iron ore facility and its coal mining operations could be floated off as separate entities.

Iscor  
Share price,  
weekly close  
(cents)



Graphic: LEE EMERTON Source: I-NET

However Frankel, Max Pollack, Vinderine analyst Kevin Kartun seriously doubted the feasibility of this idea, as Iscor's strategic advantage lay with it being self sufficient for 68% of its raw materials.

Vermeulen said it would be best not to buy Iscor shares in the next six months as its interim earnings were expected to fall to about 6c from 9c a share last year. However, his medium term forecast was good.

He said Iscor's steel dispatches increased by 10% and 6% in June and July over the respective preceding months, but fell again by about 10% in August.

Kartun suggested that because the share was tradeable, buying and selling should be done in tandem with the commodity cycle. However, the big question was how long the cycle would remain in a trough.

## Poor landings hurt Natrawl

LINDA ENSOR

CAPE TOWN — Natal Ocean Trawling (Natrawl), which catches prawns off the Natal and Mozambique coasts, recorded a 5,5% increase in attributable earnings in the six months to end-June as a result of poor landings of inshore prawn and a sharp drop in prices.

An additional factor was that no contribution was made by Natrawl's Mozambican associate company.

Earnings dropped to 2,79c (5,56c) on an increase in the number of shares in issue to about 41,6-million (19,8-million), after last year's rights issue of about 19,8-million and this year's bonus share offer.

Chairman Frank Walsh announced that Natrawl was negotiating the sale of part of its stake in its Mozambican associate company in which it had a 40% interest.

"Deep water fishing results in Mozambique have remained satisfactory but trading conditions there have become extremely difficult," he said. Whereas in 1991 Natrawl derived R400 000 in dividend income from its Mozambican associate, no contribution was expected for the current year.

Turnover increased 41% to R7,6m (R5,4m) with gross income from fishing rising by only 15%. Margins fell to 19,8% (22,4%), generating a 21% growth in operating income to R1,5m (R1,24m).

The bottom-line result was undermined by higher finance charges arising from the increase in long term loans to R7,8m (R5m).

Walsh was not optimistic about prospects for the final results.

"It is difficult to forecast what to expect from the second half of the year, but if the prevailing circumstances continue, earnings are unlikely to rise," he said.

## Rentbel achieves remarkable turnaround

CAPE TOWN — Rationalisation and improved efficiencies saw diversified industrial holding company Rentmeesterbeleggings (Rentbel) achieve a remarkable R8m turnaround in operating profit in the year to end-June, even though turnover fell 30%.

However, the tax bill and heavy losses from associated aviation company Trek Airways, which launched Flitestar in competition with SAA, wiped out these gains to such an extent that bottom-line losses were larger than last year.

The loss made by associates amounted to R3,4m compared with last year's R5,4m profit. The group suffered a loss of 116,8c a share compared with last year's 73,3c loss and no dividend has been declared.

MD Joggie Vermooten said Flitestar's competition with SAA on major routes had resulted in fare dilutions which had placed pressure on margins. He expected this situation to continue for some time because of

overcapacity and an inadequate fare structure in the domestic market.

Start-up costs of Flitestar and initial losses had been capitalised and would be amortised over 60 months.

Group turnover declined to R94,4m (R135m) but an operating profit of R5m was generated compared with last year's R2,9m loss. The interest bill dropped to R4,6m (R6,6m). While the total attributable loss increased to R4,2m (R2,7m), the attributable loss from subsidiaries improved from R8,7m to a loss of R97 041.



# the nation in brief

## New staff stay on

PEOPLE employed to replace dismissed hospital workers when talks between the Transvaal Provincial Administration (TPA) and the National Education, Health and Allied Workers Union (Nehawu) deadlocked will not lose their jobs, it was confirmed yesterday.

A TPA spokeswoman said although Nehawu and the administration reached an agreement on the re-employment of dismissed workers, it does not mean the newly employed would have to lose their jobs.

She said there were open posts and a possibility of resignations by some employees who were among those who went on strike.

The four-month-old hospital dispute came to end last week when the TPA and Nehawu signed a settlement on the re-employment of dismissed workers. - Sapa

Sowetan 30/9/92

## Two new schools

TWO new schools are to be opened at Midrand between Pretoria and Johannesburg next year.

Dr Ken Paine, Transvaal Education Department executive director, said yesterday an English medium primary school and a parallel medium secondary school would start classes at the beginning of the new school year.

Building of the primary school at Noordwyk, Midrand, is on schedule. Construction of the secondary school has just begun. Vacant classrooms at Halfway House Primary School will be used until building is completed.

## AA annual rally

THE Soweto branch of Alcoholics Anonymous will hold its annual rally at the Funda Centre this weekend.

The rally, which starts on Saturday at 10am, is open to the public. If you

think you have a drink problem or know anyone who has, you will find people who are sympathetic, understanding and able to give practical help.

Alcoholics Anonymous is a fellowship of men and women who help each other to stay away from alcohol and to lead useful lives. There is no fee required to join AA.

## Anti-overload drive

THE South African Black Taxi Association (Sabta) will begin a three-month "anti-overload" campaign on October 1 to encourage drivers to comply with loading certificates.

In a statement on Tuesday, Sabta said commuters would also be asked to refrain from boarding full taxis.

Sabta will warn drivers of the braking problems caused by overloading, and the possible denial of insurance benefits in accidents involving overloaded vehicles. Letters have been sent to Sabta affiliates country-wide urging participation. - Sapa

Sowetan 30/9/92

## Sabta safety campaign (332)

THE SA Black Taxi Association (Sabta) will begin a three-month "anti-overload" campaign on October 1 to encourage drivers to comply with road safety regulations.

Sabta said in a statement yesterday commuters would also be asked to refuse boarding overloaded taxis. It would warn drivers of braking problems caused by overloading and the possible denial of insurance benefits in accidents involving overloaded vehicles.

Sowetan 30/9/92

## Unitrans confident of 'growth revival'

ROAD transport group Unitrans's earnings were expected to increase only marginally in the current financial year, chairman Andre van der Colff said in his annual review.

Van der Colff was cautiously optimistic about trading conditions which he believed would herald the commencement of a revival of growth for the group, a subsidiary of Murray &

8/10/92  
EDWARD WEST

Roberts.

Political reform in SA and the dependence of sub-Saharan countries on SA's ports and networks would offer increasing opportunities for road transport operators, he said.

In the short term, the need to import about 10-million tons of maize into

SA would strain rail transport infrastructure, providing direct opportunities for Unitrans.

However, short term "ad hoc" transport business would not be sought and the group's marketing focus would be targeted at major industrial and commercial transport companies with substantial transport requirements.



## Charges of hit squads in Reef taxi war

JOHANNESBURG. — Hit squads were being used by rival groups in the taxi war in Alexandra, a policeman told a committee of the Goldstone Commission this week. (248)

Warrant Officer Deon Wessels said that recent crimes had been made more difficult to solve as people were being brought in to commit the crimes and then disappearing. (332)

Earlier killings and assaults had been easier to investigate and solved as they were allegedly committed by members of the rival taxi association members in the area.

WO Wessels mentioned four incidents this year where he thought hit squads had been responsible. — Sapa CT 11/10/92

# PE traffic department demands security fence

332 078

ARG 1/10/92

The Argus Bureau

PORT ELIZABETH. — The taxi war between rogue operators and the authorities has taken a new turn with the traffic department demanding security fencing to protect its buildings.

A city council committee this week agreed to recommend to the council that R44 605 be spent on fencing after R5 000 damage was caused in recent mass action and threats were made to burn down the department's premises.

Chief traffic officer Mr Alain Portelli, who made the urgent call for fencing, said that rogue taxi drivers occupied the test station for 30 minutes during recent mass action, causing damage estimated at R5 000.

A brake tester was broken and a R3 000 radio and uniforms were stolen. There were also complaints from the public because of the dangerous and wild driving by some taxi drivers on the day of the mass action.

Taxi drivers, with passengers hanging from the windows, drove down the wrong side of double carriageways, did U-turns and generally behaved in an irresponsible manner.

Mr Portelli said the ANC had later dispersed the drivers. Since then the department had received threats from some taxi drivers who said they planned to attack the department and burn it down.

Discussions with taxi organisations were continuing but could not solve the problem as those making the threats were rogue drivers.

"The fencing is a precaution against those people who intend to break the law," he said, adding that there were hundreds of taxi drivers who tried to comply with the law. There were 1 700 legal taxis.

During the period July last year to June this year there were 7 000 transgressions by taxis and 360 warrants of arrest were issued.

Mr Portelli said 144 taxis were taken off the road. With the cost of new taxis escalating, many people who saw the taxi business as a lucrative market were buying second-hand taxis.

"We stopped one guy who had defective brakes, worn tyres, defective sliding door, defective lights, worn universal joints, defective bushes, oil leaks and an empty fire extinguisher.

"When he realised how much it was going to cost he wanted to know if he could not operate in the meantime so that he could make money to pay for the repairs."

Mr Portelli said that after the rally many motorists had phoned his department to say they would not pay traffic fines until action was taken against the taxi drivers.

"But the traffic department makes no distinction. All traffic offenders will be treated the same."

# SA hauliers threaten to blockade Beit Bridge

RESTRICTIVE road transport practices between SA and Zimbabwe had led to threats of a blockade of Beit Bridge by local hauliers, transport industry sources said yesterday.

Road Freight Association spokesman Hugh Sutherland confirmed that the situation among SA hauliers trading in and through Zimbabwe was "volatile". He said although his association condemned such action, hauliers outside the association had threatened to blockade Beit Bridge.

Leading transport group Unitrans has joined the outcry and in its latest

8/10/92  
EDWARD WEST  
annual report denounced what it claimed was discriminatory Zimbabwean transport legislation and the SA government's "inability or unwillingness" to address the issue.

Unitrans said that while Zimbabwean operators were allowed to operate freely in SA, SA operators found it almost impossible to obtain permits to transport goods to and from Zimbabwe.

Sutherland said efforts were being made to restore a pont on the Caprivi

Strip which would give hauliers direct access to countries such as Malawi and Zambia, bypassing Zimbabwe altogether. (332)

Government had agreed to aid the civil engineering work on the approaches to the pont, but it would be up to the industry to fund the restoration of the pont, he added.

An industry source said government had ignored earlier pleas by the industry to address the issue of restrictive transport practices because it wanted to maintain good relations with neighbouring countries.



## COMPANIES

# Tollgate plunges R37m into the red

LINDA ENSOR

CAPE TOWN — Diversified Tollgate Holdings plunged into an interim attributable loss of R37m from a previous profit of R1,2m, its fragile turnaround being unable to withstand the onslaught of high interest rates, strikes and a severe recession.

In the six months to end-June a loss of 91,2c a share from a profit of 4,1c was suffered on an increase in the weighted average number of shares in issue to 40,5-million (28-million).

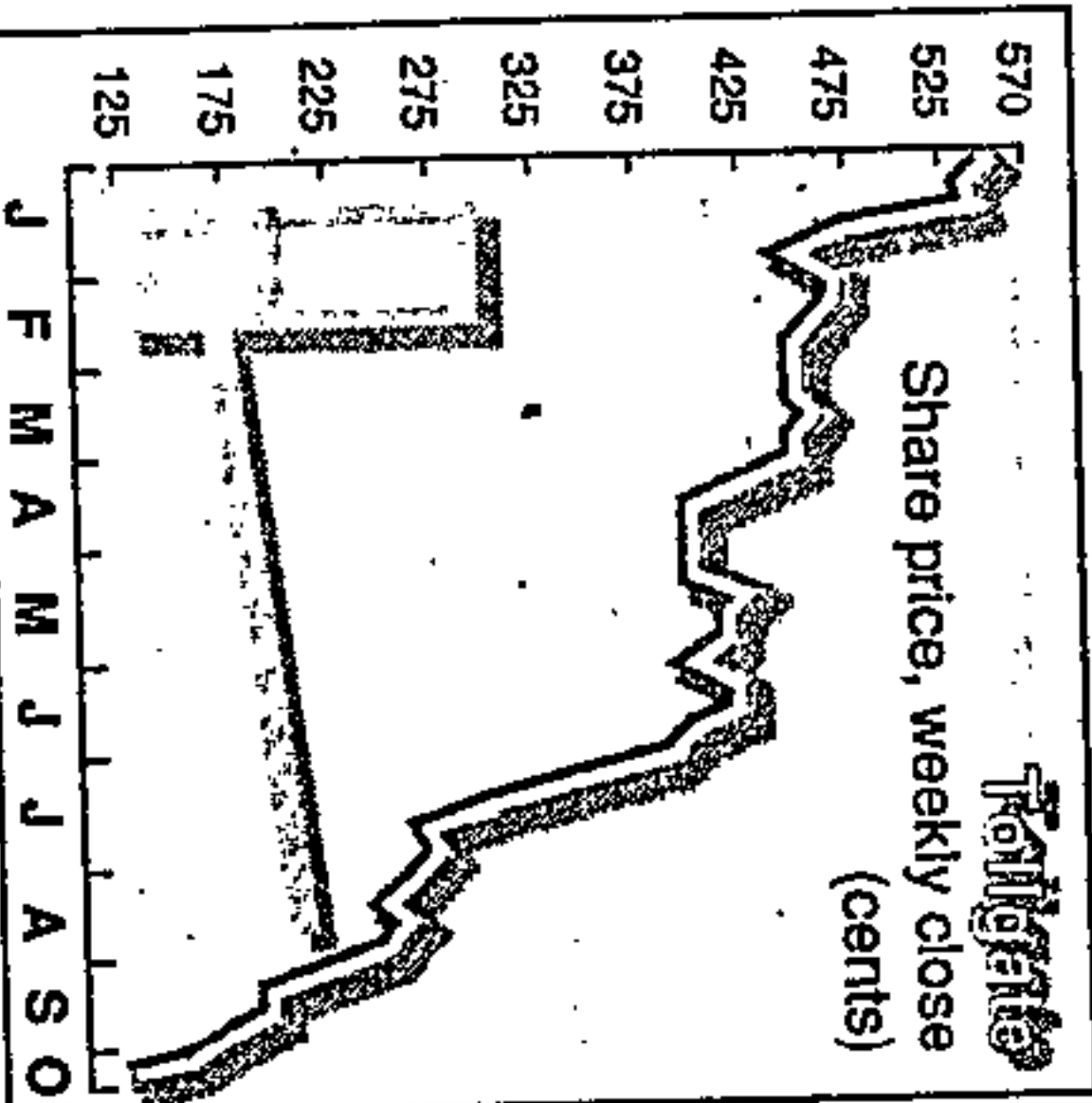
The dividend was waived.

The group consists of Motorvia, which ferries motor vehicles, coach and tour operator Springbok Atlas, Greyhound Citiliner, Kyalami and UK industrial fastener distributor Jatons Holdings.

Chairman Julian Askin was disappointed with the results, but said trading conditions had been tough, especially since March. Strikes in the motor industry, and the downturn in new car sales, had had a negative effect on Motorvia's turnover and profitability.

Springbok Atlas had had better trading than in 1991, when tourism was hit by the Gulf War, but Greyhound had been hit by the decline in disposable income.

Jatons Holdings had made reasonable profits — albeit below budget — in the face



Graphic: RUBY GAY MARTIN Source: INET

of a deep recession. Askin said trading conditions remained extremely difficult.

Turnover slipped 2,4% to R246,4m (R252,5m), but operating income plummeted by 78% to R3,9m (R17,3m), which was wiped out by an interest bill of R21m (R14,5m).

EDWARD WEST reports that the McCarthy Group confirmed yesterday it had acquired Budget Rent-A-Car from Tollgate. McCarthy MD Theo Swart said the deal was done for cash.

Budget Rent-A-Car operates a fleet of more than 2 000 cars, worth in excess of R70m, in a country wide network.

## Portfolio increased

GAVIN DU VENAGE

FEDGRO unit trust increased its portfolio 10% in the year to end September despite a fall of nearly 3% in the JSE all-share index, fund manager Ian Fraser said yesterday.

Funds allocated to fixed interest stocks ahead of the present decline in interest rates had cushioned the fall, he said, adding that 26% of the portfolio was in cash and fixed interest stock, which limited the effect of falling share prices.

Lower prices during the quarter had provided an opportunity to top up existing holdings.

Exposure to the diamond sector was reduced with the sale of Anamint.

Liquidity levels rose slightly to anticipate future buying opportunities.

The top five equity holdings were Richemont, Remgro, Fedsure, FNB and Tiger Oats.

Fraser said short-term expectations hinged on the drought, continuing violence and political uncertainty. Improvements in these areas would make for optimism in the long term.

# Sorghum Breweries beats forecast by 100%

B/0m 2/10/92

MARCIA KLEIN

NATIONAL Sorghum Breweries (NSB) increased its earnings by 23% to 48c (39c) a share in the year to end-June, beating its prospectus forecast by nearly 100%.

Turnover rose 21% to R433,3m from R356,9m in the previous year, and operating income rose by 53% to R26,5m from R17,3m.

Executive director Israel Skosana said NSB "had continued to tighten up and control costs".

It had spent more than R10m on a management information system, which had helped to manage the business more efficiently.

After a marginal increase in investment income and a 42% rise in taxation to R18,3m, net income after tax was 24% up at R21,1m (R17,1m). A final dividend of 10c a share was declared.

Skosana said the group had been successful despite a difficult year, largely as a result of "getting closer to customers and giving them what they want".

He said the results proved false the notion that sorghum was a dying industry. All it needed to thrive was quality products and attention to customer needs.

NSB had launched some new brands during the year, including long shelf-life sorghum products.

Skosana said these had been exported to Namibia and Botswana, and NSB was looking at other markets.

But the major contributor to profits remained the short shelf-life, one litre sorghum beer.

He said the deal with Premier, in which NSB acquired Jabula Foods, would provide the opportunity for further expansion into NSB's market.

It also provided potential for further export into Africa.

Skosana said Jabula comprised high value products which could be offered at reasonable prices.

## Speculation

The export market was a fairly new one for NSB, and its contribution to the company's turnover was small, but it had the potential to grow, he said.

Skosana said he could not comment at this stage about NSB's entry into the clear beer market, or about speculation that it would be concluding a joint venture agreement with Pepsi to facilitate its entry into SA. NSB hoped to make announcements on clear beer and softdrinks on October 21.

NSB did not expect a booming economy over the next year, and it had made conservative projections.

However, the company hoped to maintain what it had achieved in this set of results, Skosana said.

## Safcor budgets for improved income

THE coming year would be difficult, but the SA Freight Corporation (Safcor) was budgeting for improved earnings, chairman Mackie Brodie said in the group's annual report. *Bloom 2/10/92*

He said it would be difficult to match the earnings increase, to 83,5c from 73,5c, over the past year as a result of the increase in operating costs, which he said were not fully recoverable in the current recessionary period.

However, he said Safcor anticipated that dividend cover of 1,78:1 would be maintained in future. The total dividend increased by 27% in the 1992 financial

JONO WATERS

year to 47c. *332*

No new acquisitions were made during the year, but Safcor remained "alert to possible opportunities in areas related to our core business".

The disposal of Safcor's 50% stake in heavy duty long distance transport company Storm produced a capital profit of R1,35m, he said.

Brodie said the growth in Safcor's turnover to more than R1bn for the first time was achieved without using external borrowings.

# Maintaining earnings would satisfy Trenchor

CAPE TOWN — Maintaining earnings in the current year to end-June would represent a more than satisfactory result for Trenchor, the transport and container group's chairman Neil Jowell said in the latest annual report.

Last year earnings rose by 23% to 905c (735c), 60% of which was derived from overseas operations and exports.

Domestic trading conditions were unlikely to improve in the year ahead and there was unlikely to be any short-term improvement in the export market.

Jowell said the international container market had become more competitive last year and margins had come under such pressure that dollar prices had declined.

"In addition, increasing costs caused by the SA inflation rate is severely eroding manufacturing margins as the selling price is set in foreign currencies — usually dollars — and the rand is not depreciating in step with the differential in inflation rates," he said.

Overseas operations, while facing weak markets, were looking towards a modest improvement in contributions.

LINDA ENSOR

Jowell said the rand/dollar exchange rate would have a significant effect on Trenchor's exports and overseas operations but trends over the next 12 months were difficult to predict.

Jowell said good future performances from tyre manufacturers Tycon and Tredcor were expected but cautioned that structural issues in the industry — such as import controls on low-priced imports — would be a critical factor affecting their ability to improve results.

Last year earnings of the tyre interests dropped as margins in the industry declined but market share in the truck and earthmover sectors was increased.

No relief from current depressed trading conditions in the transport industry was expected this year and Crosscape, which is more exposed to the consumer sector, would take longer than anticipated to reach its projected profitability.

However, Jowell said the transport division should moderately improve its contribution this year.



# Bid for bigger

## loads stalled

MONTHS of lobbying by the road transport industry could be scuttled, ending hopes of government approval for higher maximum loads for commercial vehicles.

Opponents of the plan have now entered the fray, warning of the danger to roads from higher payloads.

Less than a month ago, truckers were confident that a proposal to lift the carrying capacity of commercial vehicles by an average 11% would be approved by Transport Minister Piet Welgemoed.

They had hoped for the new rules to be gazetted this month.

### Unlikely

The industry, through the National Association of Private Transport Operators (Napto) and the Road Freight Association (RFA), has been forced to schedule a last-minute meeting with Mr Welgemoed this coming week to back its case.

Opponents of higher loads claim that SA's ageing roads and bridges will not stand up to the additional stress.

The Department of Transport's (DoT) deputy director-general, Malcolm Mitchell,

confirms that the issue is still being debated and that an early decision is unlikely.

Civil engineering consultant Lexetran — it has been appointed by Mr Welgemoed as one of several firms to investigate the effect of commercial vehicle traffic and overloading on the roads and bridges — indicates that about 1 800 of SA's 13 000 bridges are overstressed.

Lexetran spokesman Rolf Beunink says that to take these bridges to an acceptable safety standard under existing stress would cost at least R150-million.

"A further increase in vehicle payloads would change the situation dramatically."

An increase in legal payloads would be the answer to the road transport industry's economic problems, say Napto and the RFA.

Research by Transnet's road transport division Antonet showed that because of the recession, excessive competition and inflation, the industry was probably operating at about 35% of capacity on rates which prevailed in 1989.

In its argument to the Government, the RFA had provided research by another civil engineering firm which

supported the increase in payloads.

RFA chief executive Ian Moss believes that transport inflation, running at more than 20% year on year, is to a large extent responsible for soaring food prices.

"Increasing the legal payload of vehicles would enable transporters to operate more economically, the benefits of which would be felt throughout the supply line."

The two transport organisations also argue that road deterioration has not been caused by over-stress. The reason is that roads have been neglected by the Government in its financial planning.

### Backlog

Although increased payloads could be more profitable, the SA Road Federation (Sarf) and the SA Bitumen and Tar Association (Sabita) question where the money will come from to repair the additional damage caused to roads and bridges.

Sarf spokesman Gordon Swanepoel says there is great concern about whether the bridges could withstand the strain of heavier loads.

"Sarf needs to be convinced that the bridges are not in danger and how the Government plans to strengthen them. The cost would be astronomical."



MALCOLM MITCHELL: Early decision on the issue unlikely

Sarf and Sabita say the Government's road-financing policy falls short of the investment needed.

Research by Sabita showed a current backlog of R15-billion in spending on roads.

In addition, the 1992-93 budget allocation for road maintenance and repair amounted to R2.2-billion compared with the DoT's estimated requirement for the year of R4.5-billion.

## Munching through old recession

By JULIE WALKER

SPUR Steak Ranches has made a meal of the recession, lifting turnover by half to R19-million in the six months



IT'S a long way from Rostock where Wolfgang Vogel was born to Cape Town where he lives today — in years, a distance of 49. *St. Times (RUSS)* 4/10/92

Now professionally concerned with international transport, Mr Vogel had never thought to become involved in moving in so personal a way.

He served his apprenticeship as a forwarder, a shipping agent in international transport with the Hamburg harbour authorities. Originally, he had intended to be a chemical engineer.

The switch was unintentionally primed by his father, "who was quite high up in the union and had all the connections". But Wolfgang elected to achieve on his own.

He laughs at the thought that forwarding goods could be construed as glamorous, but agrees it puts you in touch with the whole world, if not directly, then by the shipments you handle.

Early in his career, he had experience of road transport between West Germany and East Berlin, then spent six years in international airfreight, working for PanAm, at that time the largest air carrier in the world.

## Mission

Thus Mr Vogel can claim to be one of the few people who are experienced in all forms of transport — sea, air and road.

In 1971 he came to South Africa on a mission to start an airfreight office in Cape Town for Kühne & Nagel on a three-year contract.

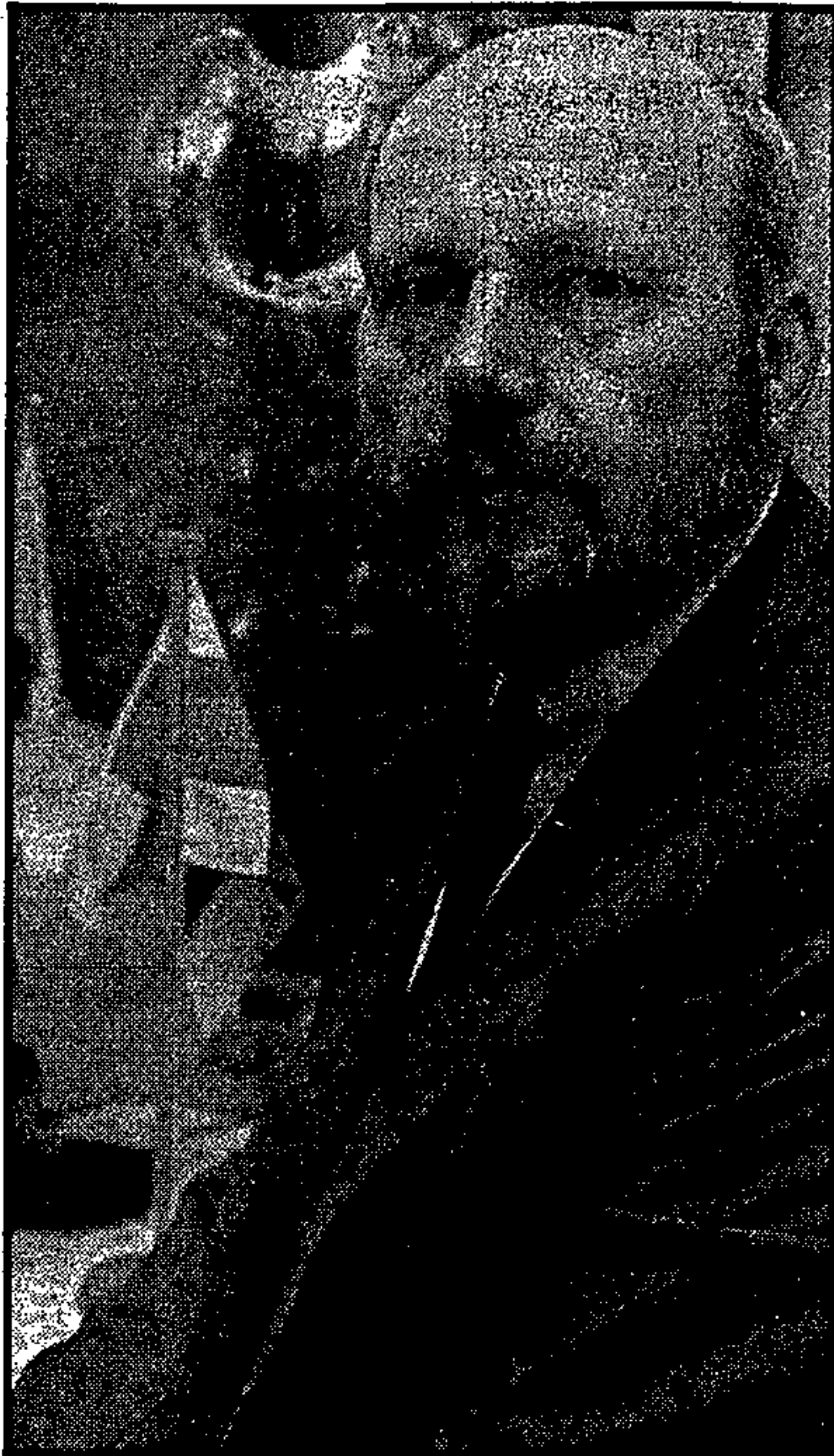
Here he stayed, put down roots and seven years ago started his business, CD Shipping International.

It forwards general cargo — the biggest of which was a thousand-ton road crane. He also freights wine and has a flourishing niche market besides — diplomats.

This was a specialty he never sought. It started with one shipment to Cairo and, fed by the service-oriented concept inbred by PanAm, has flourished.

Mr Vogel says: "We are a small company, with strong international contacts. But we're big in the sense that we have a fair market share in moving diplomats."

# Diplomats on the move



WOLFGANG VOGEL: Committed entrepreneur in a niche market

By SUE RYAN

"For example, this year when parliament moved, we moved 10 ambassadors."

Apart from the Cape Town base, he operates from Pretoria where the embassies are, Johannesburg where there are more and bigger consulates as well as Durban, Namibia, Lesotho, Zimbabwe, Zambia and Maputo, Swaziland, Botswana and Malawi.

His diplomat customers have provided steady movement at a time when the transport industry generally is depressed.

"It is a facet of business not connected with the political temperature," he says. "People do not leave, say, because of rioting. When one diplomat's tour of duty ends, another comes in his place."

## Heart

Mr Vogel, looking at SA today, takes heart from the countries bordering her.

"I think that, like them, SA will achieve stability. But standards will drop and economically it won't be as profitable as it was in the past."

He sees a major investment threat for Africa in the opening up of Eastern Europe. On a visit to Czechoslovakia he saw how economically depressed and environmentally polluted the area was.

He says: "The West is going to have to clear things up there, or it will end up hurt itself."

# Road hauliers threaten to block Beitbridge post

STAR 6/10/92  
HARARE — South African road hauliers yesterday threatened to blockade the Beitbridge border post unless the Zimbabwe government reduced road permit and toll fees, reported Ziana national news agency.

They also demanded all permits for Zimbabwe-registered hauliers operating on the South African side be withdrawn.

The business development manager for the Road Freight Association of South Africa, Hugh Sutherland, said in an interview Zimbabwean road hauliers were enjoying an unfair competitive advantage because they were not

being charged road permit fees in South Africa.

As a result, he said, it was cheaper for Zimbabwean hauliers to operate in South Africa.

"We are concerned that the Zimbabwean hauliers can operate free in South Africa, and it is causing unfair competition to our operators," said Mr Sutherland.

The association did not object to the Zimbabwean government charging high toll fees to maintain roads, but was demanding that South Africa charged similar fees for Zimbabwean operators.

"We want equal rates between the carriers of both countries," added

Mr Sutherland.

The association had requested South African Transport Minister Dr Piet Welgemoed to negotiate with his Zimbabwean counterpart, Denis Norman, to have the permit rates and toll fees reduced.

"If nothing happens, our carriers will blockade Beitbridge in protest until something is done," Mr Sutherland warned.

"This threat is absolutely serious, because our operators talked to Dr Welgemoed in February and were told something was being done. But nothing has happened since and our hauliers are growing impatient." — Sapa.



## Minibus taxis to get station deck rank

Municipal Reporter

30 AUG 7/10/92

A MINIBUS taxi rank is to be laid out temporarily on the Cape Town station deck, paving the way for a permanent rank when the station is redeveloped.

This comes after talks between the city council and the South African Rail Commuter Corporation.

Utilities and works committee chairman Mr Kenny Penkin said a working group, including 13 representatives of various taxi associations, had met to discuss the implications of the proposed taxi rank.

Alterations to the deck would go ahead after further discussions on final details, he said.

Mr Penkin said R200 000 had been set aside for the project, but more money would be needed for shelters and toilets in the final plans.

N



# Taxi war flare-up feared

South 3/10 - 7/10/92.  
By Chiara Carter

**A** SERIES of urgent meetings have been called in Cape Town this week to prevent a flare-up in the taxi war.

Several taxis belonging to former leaders of the Western Province Black Taxi Association (Webta) were reportedly forced off the roads on Monday.

According to sources, these incidents followed ongoing tension within Codeta (Convention for a Democratic Taxi Association), the umbrella body formed after Cape Town's warring taxi associations made peace earlier this year.

However, Codeta spokesperson Mr Kidwell Magwayi denied that there was a serious problem within Codeta.

"There is a minor internal dispute over a misunderstanding. A few guys are trying to be nasty but we are holding meetings with the general members to explain the situation.

"Taxis are still operating and everything is still going smoothly."

Magwayi declined to give details but the dispute is believed to centre around a financial disagreement.

The Western Cape Regional Dispute Resolution Committee (RDRC) has intervened.

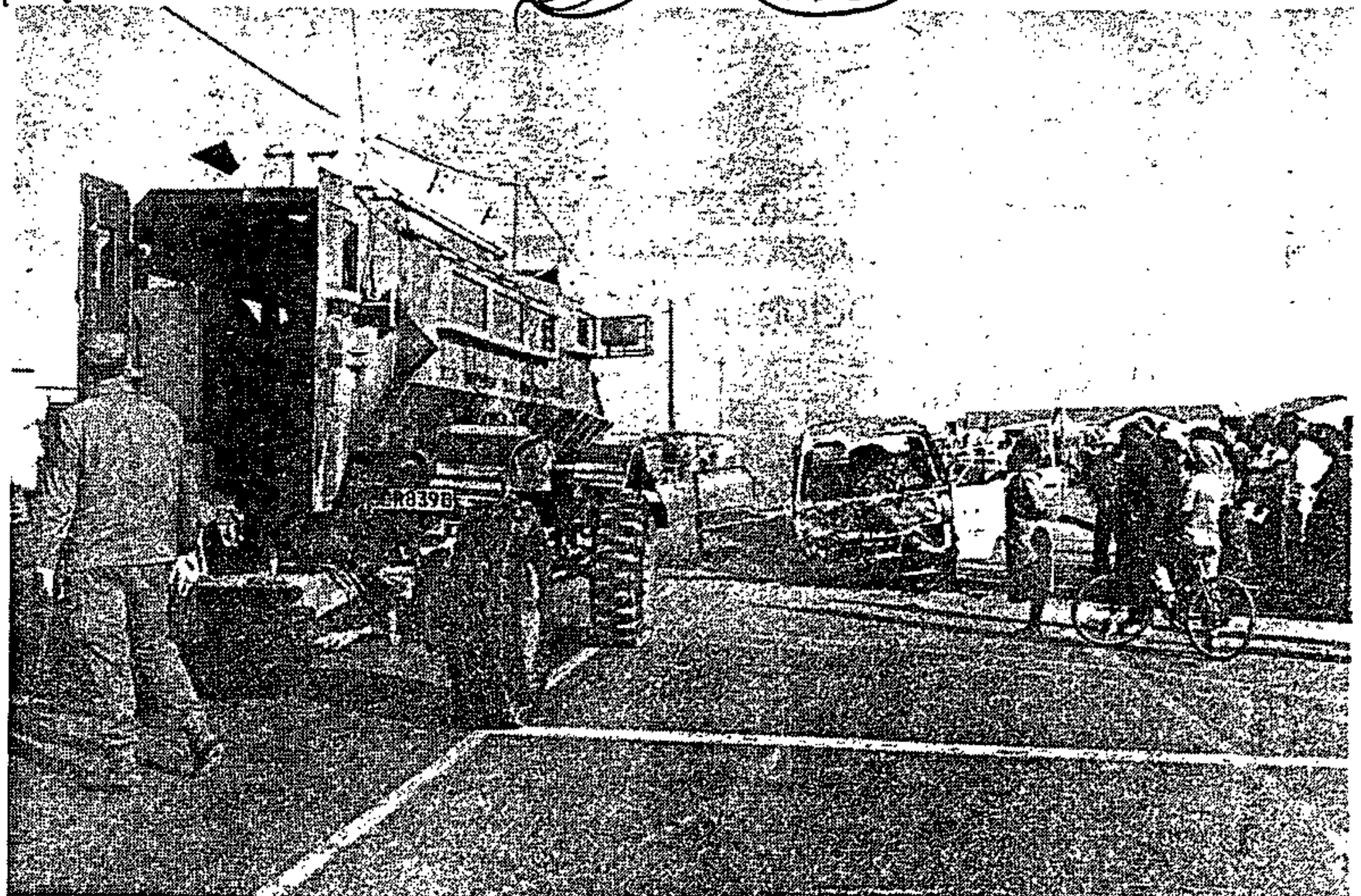
The committee's chairperson, Professor Jaap Durant, said the RDRC was involved in talks with the industry to prevent a recurrence of violence.

SAP spokesman Colonel Anthony Dewhurst said police were attending the dispute meetings.

Dewhurst said police had "stepped up" their presence in the townships and were patrolling taxi routes.

Five drivers and four inspectors were allegedly kidnapped in Khayelitsha recently by a group of taxi drivers.

According to Golden Arrow Bus Services spokesperson Mr Bob Krause, the group were held at the



**VIOLENT FLASHBACK:** Although the recent bloody taxi war ended in a truce there are fears that scenes like these could be repeated

Photo: Yunus Mohamed

former offices of Webta where they were threatened with death.

Krause said that talks between the company and the kidnappers indicated that taxi operators wanted the bus company to "quit the townships".

Codeta has distanced itself from the kidnapping.

Krause said there appeared to be no single explanation for the attacks on buses.

"We do not see all the violence as related to either taxis or the dismissed workers.

"There are three dimensions: the taxis, the labour dispute and township tensions stemming from crime and warlords."

Police are still hunting for the murderers of two bus drivers, Mr JG Roskrige and Mr OB Kerchoff, killed last week when gunmen ambushed four buses in Khayelitsha and Nyanga.

A third driver and four passengers were injured in the incidents.

A reward of R60 000 is being offered.

According to Krause, the company has now instituted a range of "secret" security measures.

The move follows a month-long saga of murder, kidnapping, boycotts and labour unrest, and attacks including arson, stonings and shootings.

During the same period, the company has been placed under pressure by dismissed workers supported by their unions, the Transport and Omnibus Workers' Union and the Transport and General Workers' Union.

The workers were dismissed after a series of protests against Golden Arrow's proposals to rationalise services and retrench more than 500 employees.



## COMPANIES

### Kersaf turnover breaks through R2bn barrier

MARCIA KLEIN

MAJOR new developments, notably the Lost City and Carusel projects, should enable leisure group Kersaf to achieve "acceptable earnings" in financial 1993, executive chairman Buddy Hawton says in the annual review.

Kersaf, whose major interests include Sun International, Interleisure and Douglas Green Bellingham, reported a 10% rise in attributable earnings to R181.4m in the year to end-June as turnover exceeded R2bn for the first time in the group's history.

Kersaf spent about R830.4m in the year, and would spend a further amount of more than R550m.

Funding of capex in the year ahead would "necessitate an increase of approximately R150m in external borrowings". Hawton said these borrowings should not materially change the gearing structure of the group, and gearing should not approach the self-imposed 60% limit.

Sun International reported a 22% rise in revenues and an earnings increase of 12%. Room occupancies of 63% were 5% lower than the previous year.

Offshore division Royale Resorts, which has direct holdings in three Mauritian resorts and one offshore casino, as well as indirect investments in several offshore casino operations, showed a 42% increase in earnings off a low base.

Hawton said in line with the objective that offshore earnings should show satisfactory long-term growth, Royale had reached agreement to acquire a 50% stake in Sol Kerzner's World Leisure Group, which held management contracts for offshore casinos.

Leisure and entertainment group Interleisure's earnings declined by 6% to R38.3m. It would spend R66m in the coming year, mainly in Sker-Khnekor.

Douglas Green Bellingham, in which Kersaf has a 50% stake, had a disappointing year with revenues down by 15%.

### Trencor cautious in forecasts

EDWARD WEST

TRENCOR would be more than satisfied if earnings were maintained in the current financial year, chairman Neil Jowell said in his latest annual review.

However, he was unable to make a meaningful forecast because of uncertain trading conditions.

Domestic trading conditions were unlikely to improve this year, and the group's container exports were also facing difficult markets which were unlikely to improve in the short term, Jowell said.

On the other hand, Trencor's overseas operations were looking toward a modest improvement in profits.

The rand/dollar exchange rate had a significant effect on both the export and overseas operations and trends over the next 12 months were difficult to predict, he said.

Trencor's overseas and export operations, which contributed 60% of

Trencor's R130m attributable income in the 1992 financial year to end-June compared with R105m in 1991, comprised the export of containers and trailers and their components built by Henred Fruehauf.

The international container market had continued to soften.

The main pressure on margins had been the creation of new manufacturing capacity in countries where exports were growing strongly.

Trencor's transport division continued to operate in depressed markets. Competition had intensified and Jowell believed many transport operators were not achieving returns that would keep them economically viable in the long term.

The express business Crosscape would take longer than projected to reach profitability, but overall, a

moderate improvement in the division's contribution was forecast.

The group's tyre operations Tycon and Tredcor were expected to generate a good performance in the future, but structural changes in the industry would critically affect their ability to improve results this year.

Profit margins and competition in the group's trailer manufacturing markets — with volumes down to levels of 20 years ago — were such that returns were below economically sustainable levels.

The container manufacturing market had become so competitive that dollar prices had declined.

In addition, inflationary costs in SA were eroding manufacturing margins because selling prices were set in foreign currencies which were not depreciating in line with inflation rate differentials, said Jowell.

### Murray & Roberts optimistic about Africa

EDWARD WEST

ENGINEERING, construction and material supplies group Murray & Roberts says it sees reasonable prospects for new business in Zambia, Kenya, Ghana, Zaire and Angola.

Group commercial director Jeremy Ratcliffe told an investment presentation Murray & Roberts was gearing up for a renewed thrust into export markets and would set up permanent operations in selected countries, which he did not name.

It had completed considerable in-

vestigative work in Zambia, Kenya, Ghana and Zaire which indicated "reasonable prospects for future business", he said. A recent school construction project in Angola's Cabinda province had gone so well that more work there was anticipated.

Ratcliffe declined to specify the projects the firm had lined up in other African countries. He reiterated that trading conditions in the current financial year to end-June 1993 would be as tough as in the past year, when

share earnings dipped to 458c (500c previously) after an increase in shares in issue to fund acquisitions.

"It will be a struggle to maintain earnings over the year ahead, but we are positive about growth prospects over the next three years to enable us to maintain dividends."

Total budgeted capex for the next three years was R2bn, which would be financed comfortably from operating cash flows, he said. — Reuters.



**R200 000 for station taxi rank**

Municipal Reporter

A TEMPORARY mini-bus taxi rank will be provided on the deck of Cape Town station, the chairman of the city council's utilities and works committee, Mr Kenneth Penkin, announced yesterday.

He said the R200 000 rank could make way for a permanent rank as part of the redevelopment of the station.

# Micor set to enjoy enhanced profit

B/DAM 8/10/92.

332

EDWARD WEST

IMPROVEMENTS to Micor's operational systems and the application of updated technology would further enhance profit in the current year, chairman Cecil Kaplan said in his annual review to end-June.

Micor is involved in airfreight, sea-freight, travel, industrial products, finance and insurance services.

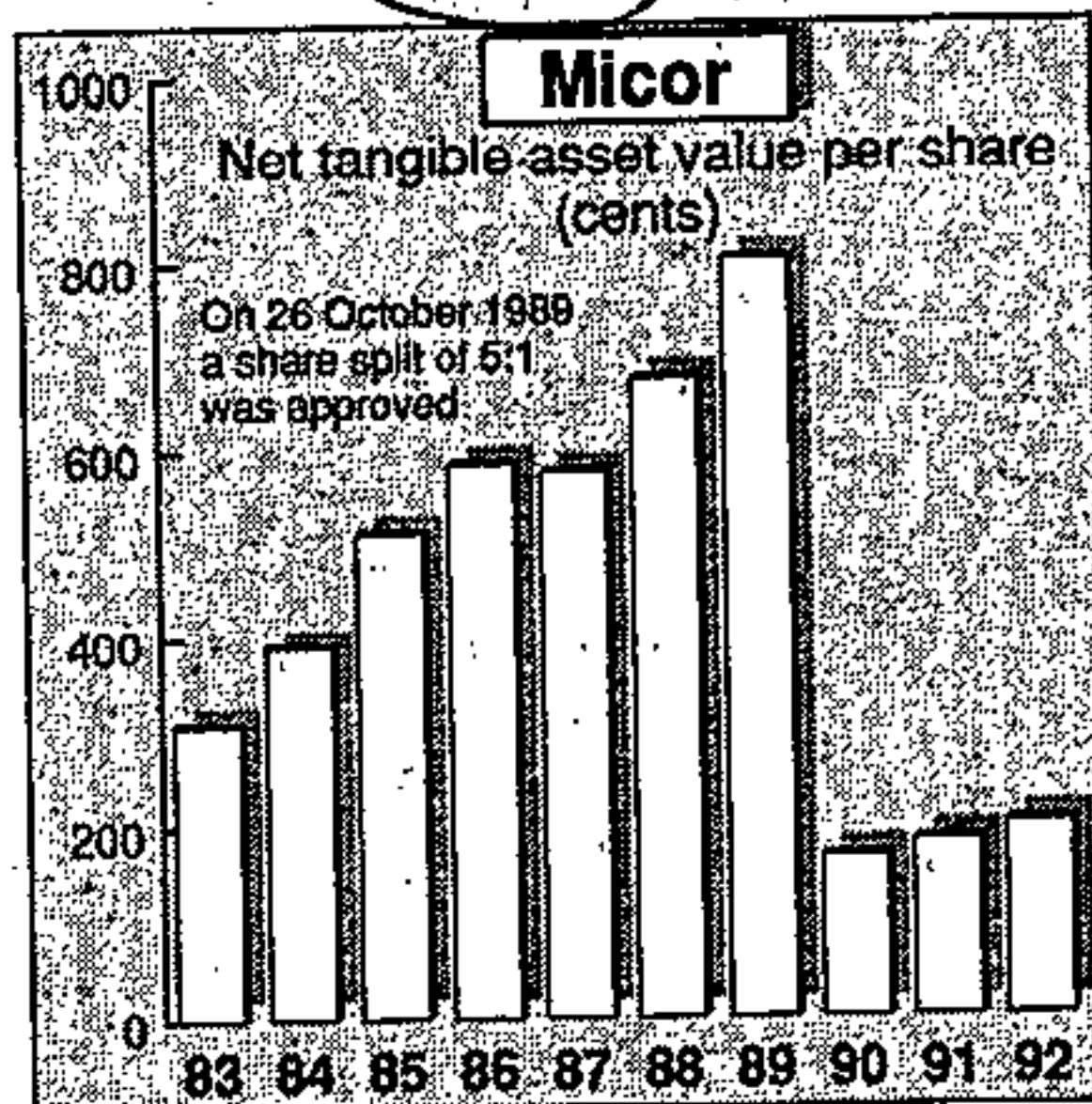
Kaplan said the group's offshore activities were stable and coping with the worst economic conditions it had experienced in many years. However, growth was restrained for want of additional funding and there was little indication of an improvement in this situation.

The subsidiaries within SA engaged in the business of freight, finance and travel would immediately benefit from economic recovery, he added.

The effect of the shrinking economy on the group's freight forwarding activities continued to be severe. These activities had to contend with a shrinking market, pressure on margins and spiralling operating costs.

In addition, it was necessary to finance a major portion of importers' VAT obligations. However, the group produced improved results in the past year due to emphasis on quality service and the retention and acquisition of business.

The group's travel activities were ex-



Graphic: RUBY-GAY MARTIN Source: MICOR

tended and the incurred costs affected results. Kaplan said the travel group was well positioned to take advantage of developments in SA intended to establish the country as a major tourist attraction.

Complementary product lines were acquired in the industrial group — dealing with bandsaw machines and metal cutting saw blades — which would provide considerable growth in the event of an economic upturn, he said.

The finance and insurance broking services made a sound contribution to group profits, and given improved trading conditions, the group intended to further develop these businesses, Kaplan said.

# Taxi groups differ over cause of feud

By Brian Sokutu

Leaders of two warring Alexandra taxi associations, appearing before a committee of the Goldstone Commission, yesterday differed in their submissions on alleged police involvement in fuelling the feud.

Alexandra-Randburg-Midrand Taxi Association (Armsta) chairman Victor Mogale alleged police involvement, but Alexandra Taxi Association chairman Lesole Manamela said his organisation had good relations with the police.

Mogale, who claimed Armsta had lost "many" members since 1988, implicated four policeman in the fighting, three of whom he said were taxi operators in Alexandra.

Mogale told the commission — chaired by ad-

vocate Niel Rossouw — that he was disturbed that police allegedly failed to investigate cases reported by Armsta members.

"Whenever violence broke out between the two associations, you would find a policeman who is a taxi operator receiving the complaint at the police station," Mogale said.

Disputing these allegations, Manamela said the feud was caused by the presence of the two rival taxi associations in the township.

"Policemen have owned taxis in Alexandra long before the faction fight started," he said.

The two taxi associations had to merge, Manamela said.

The hearing continues on Monday.



# Taxi fares may increase - Sabta

Sowetan 9/10/92 332  
**■ DISPOSABLE INCOME** Petrol increase a blow

to consumers and hopes of an inflation rate drop

**T**HE South African Black Taxi Association (Sabta) is considering increasing taxi fares because of the latest petrol hike.

The increase had dealt a blow to consumers and dashed hopes of a further drop in the rate of inflation, the South African Consumer Council said yesterday.

Mr Jan Cronje, executive director of the consumer council, advised consumers to use petrol sparingly.

Sabta and the council were reacting to yesterday's announcement by the Minister of Mineral and Energy Affairs, Mr George Bartlett, that the price of petrol would be increased by 7 cents a litre from midnight today.

The South African Chamber of Business

(Sacob) yesterday said: "The latest increase in the petrol price - although less than expected - could only aggravate the situation.

"Together with other cost increases, petrol price rises will also adversely affect consumer disposable income," Sacob said.

The Democratic Party condemned the petrol hike as "unacceptable and unjustified".

Cronje welcomed the fact that diesel prices would not be affected because commercial and agricultural transport may depend on diesel.

The petrol increase would not influence most goods and services, he said.

He advised consumers to use petrol sparingly, avoid unnecessary trips, drive economically and ensure that their vehicles were in a good condition.

Attention is drawn to the following requirements of section 4 of the Act:

- (a) The representativeness of any employers' organisation which objects to the application shall in terms of subsection (4) be determined on the facts as they existed at the date on which the application was lodged and, as far as membership is concerned, only members who were in good standing in terms of section 1 (2) of the Act as at the aforesaid date shall be taken into consideration.
- (b) The procedure laid down in subsection (2) must be followed in connection with any objection lodged.

**D. W. JAMES,**  
Industrial Registrar.  
(9 October 1992)

### NOTICE 901 OF 1992

#### DEPARTMENT OF MANPOWER

#### LABOUR RELATIONS ACT, 1956

#### APPLICATION FOR VARIATION OF SCOPE OF REGISTRATION OF AN EMPLOYERS' ORGANISATION

I, David William James, Industrial Registrar, do hereby, in terms of section 4 (2) as applied by section 7 (5) of the Labour Relations Act, 1956, give notice that an application for the variation of its scope of registration has been received from the Lawn Mower Association of South Africa. Particulars of the application are reflected in the subjoined table.

Any registered employers' organisation which objects to the application is invited to lodge its objection in writing with me, c/o the Department of Manpower, 123A Manpower Building, 215 Schoeman Street, Pretoria (postal address: Private Bag X117, Pretoria, 0001), Within one month of the date of publication of this notice.

#### TABLE

*Name of employer's organisation:* Lawn Mower Association of South Africa.

*Date on which application was lodged:* 12 August 1992.

*Interest and area in respect of which application is made:* Employers engaged in the Lawn Mower Industry in the Magisterial Districts of Alberton, Bloemfontein, Brits, East London, George, Klip River, Knysna, Lower Umfolozi, Middelburg (Transvaal), Nelspruit, Pietersburg, Port Shepstone, Roodepoort, Springs and Uitenhage, Wonderboom and of Kempton Park and Krugersdorp as the areas in respect of the latter two Magisterial Districts were constituted on 12 August 1992.

For the purposes hereof "Lawn mower industry" means the industry in which employers and their employees are associated for the sale, renovation and/or repair, servicing and assembly, during repair, of lawn mowers and grass cutting machines, excluding agricultural equipment used for farming operation but does not include—

- (a) the manufacture and associated assembly from component parts of lawn mowers and grass cutting machines;

Die aandag word gevestig op onderstaande vereistes van artikel 4 van die Wet:

- (a) Die mate waarin 'n beswaarmakende werkgewersorganisasie verteenwoordigend is, word ingevolge subartikel (4) bepaal volgens die feite soos hulle bestaan het op die datum waarop die aansoek ingedien is, en wat die lidmaatskap betref, word alleen lede wat ingevolge artikel 1 (2) van die Wet op voormelde datum volwaardige lede was, in aanmerking geneem.
- (b) Die prosedure voorgeskryf by subartikel (2) moet gevolg word in verband met 'n beswaar wat ingedien word.

**D. W. JAMES,**  
Nywerheidsregistrateur.  
(9 Oktober 1992)

### KENNISGEWING 901 VAN 1992

#### DEPARTEMENT VAN MANNEKRAG

#### WET OP ARBEIDSVERHOUDINGE, 1956

#### AANSOEK OM VERANDERING VAN DIE REGISTRASIEBESTEK VAN 'N WERKGEWERSORGANISASIE

Ek, David William James, nywerheidsregistrateur, maak ingevolge artikel 4 (2) soos toegepas by artikel 7 (5) van die Wet op Arbeidsverhoudinge, 1956, hierby bekend dat 'n aansoek om die verandering van sy registrasiebestek ontvang is van die Lawn Mower Association of South Africa. Besonderhede van die aansoek word op onderstaande tabel verstrek.

Enige geregistreerde werkgewersorganisasie wat teen die aansoek beswaar maak, word versoek om binne een maand na die datum van publikasie van hierdie kennisgewing sy beswaar skriftelik by my in te dien, p.a. die Departement van Mannekrag, Mannekraggebou 123A, Schoemanstraat 215, Pretoria (posadres: Privaat Sak X117, Pretoria, 0001).

#### TABEL

*Naam van werkgewersorganisasie:* Lawn Mower Association of South Africa.

*Datum waarop aansoek ingedien is:* 12 Augustus 1992.

*Belange en gebied ten opsigte waarvan aansoek gedoen word:* Werkgewers betrokke by die grassnyerbedryf in die landdrostdistrikte Alberton, Bloemfontein, Brits, George, Kliprivier, Knysna, Lower Umfolozi, Middelburg (Transvaal), Nelspruit, Oos-Londen, Pietersburg, Port Shepstone, Roodepoort, Springs en Uitenhage, Wonderboom, en van Kempton Park en Krugersdorp soos die gebiede ten opsigte van laasgenoemde twee landdrostdistrikte op 12 Augustus 1992 saamgestel was.

Vir die doeleindes hiervan beteken "Grassnyersbedryf" die bedryf waarin werkgewers en hul werknemers met mekaar geassosieer is vir die verkoop, vernuwing en/of herstel, versiening en inmeekaarsit, tydens die herstel, van grassnyers en grassnemasjiene (uitgesonderd landboutoerusting wat vir boerderybedrywighede gebruik word), maar omvat dit nie—

- (a) die vervaardiging, en daarmee gepaardgaande montering uit samestellende dele, van grassnyers en grassnemasjiene nie;



(b) the manufacture of bedding and upholstery; and all associated activities.

*Postal address of applicant:* P.O. Box 3528, Johannesburg, 2000.

*Office address of applicant:* Second Floor, Fillan Building, 33 Becker Street, Johannesburg.

Attention is drawn to the following requirements of sections 4 and 7 of the Act:

- (a) The representativeness of any trade union which objects to the application shall in terms of section 4 (4) as applied by section 7 (5) be determined on the facts as they existed at the date on which the application was lodged and, as far as membership is concerned, only members who were in good standing in terms of section 1 (2) of the Act as at the aforesaid date shall be taken into consideration.
- (b) The procedure laid down in section 4 (2) must be followed in connection with any objection lodged.

**D. W. JAMES,**  
Industrial Registrar.  
(9 October 1992)

**NOTICE 900 OF 1992**  
**DEPARTMENT OF MANPOWER**  
**LABOUR RELATIONS ACT, 1956**

**APPLICATION FOR REGISTRATION OF AN  
EMPLOYERS' ORGANISATION**

I, David William James, Industrial Registrar, do hereby, in terms of section 4 (2) of the Labour Relations Act, 1956, give notice that an application for registration as an employers' organisation has been received from the Pretoria United Long Distance Taxi Association. Particulars of the application are reflected in the subjoined table.

Any registered employers' organisation which objects to the application is invited to lodge its objection in writing with me, c/o the Department of Manpower, 123A Manpower Building, 215 Schoeman Street, Pretoria (postal address: Private Bag X117, Pretoria, 0001), within one month of the date of publication of this notice.

**TABLE**

*Name of employers' organisation:* Pretoria United Long Distance Taxi Association.

*Date on which application was lodged:* 27 August 1992.

Interests and area in respect of which application is made: Employers who are the registered owners of motor vehicles in respect of which they hold a certificate of fitness and a public road carrier permit authorising the conveyance of commuters within the Province of the Transvaal.

*Postal address of applicant:* 354 Boom Street, Pretoria, 0002.

*Office address of applicant:* 354 Boom Street, Pretoria.

(b) die vervaardiging van beddegoed en stoffering; en  
alle gepaardgaande werksaamhede.

*Posadres van applikant:* Posbus 3528, Johannesburg, 2000.

*Kantooradres van applikant:* Tweede Verdieping, Fillangebou, Beckerstraat 33, Johannesburg.

Die aandag word gevestig op onderstaande vereistes van artikels 4 en 7 van die Wet:

- (a) Die mate waarin 'n beswaarmakende vakvereniging verteenwoordigend is, word ingevolge artikel 4 (4), soos toegepas by artikel 7 (5), bepaal volgens die feite soos hulle bestaan het op die datum waarop die aansoek ingedien is, en wat die lidmaatskap betref, word alleen lede wat ingevolge artikel 1 (2) van die Wet op voormelde datum volwaardige lede was, in aanmerking geneem.
- (b) Die prosedure voorgeskryf by artikel 4 (2) moet gevolg word in verband met 'n beswaar wat ingedien word.

**D. W. JAMES,**  
Nywerheidsregistrator.  
(9 Oktober 1992)

**KENNISGEWING 900 VAN 1992**  
**DEPARTEMENT VAN MANNEKRAG**

**WET OP ARBEIDSVERHOUDINGE, 1956**  
**AANSOEK OM REGISTRASIE VAN 'N WERK-  
GEWERSORGANISASIE**

Ek, David William James, Nywerheidsregistrator, maak ingevolge artikel 4 (2) van die Wet op Arbeidsverhoudinge, 1956, hierby bekend dat 'n aansoek om registrasie as 'n werkgewersorganisasie ontvang is van die Pretoria United Long Distance Taxi Association. Besonderhede van die aansoek word in onderstaande tabel verstrek.

Enige geregistreerde werkgewersorganisasie wat teen die aansoek beswaar maak, word versoek om binne een maand na die datum van publikasie van hierdie kennisgewing sy beswaar skriftelik by my in te dien, p.a. die Departement van Mannekrag, Mannekraggebou 123A, Schoemanstraat 215, Pretoria (posadres: Privaat Sak X117, Pretoria, 0001).

**TABEL**

*Naam van werkgewersorganisasie:* Pretoria United Long Distance Taxi Association.

*Datum waarop aansoek ingedien is:* 27 Augustus 1992.

Belange en gebied ten opsigte waarvan aansoek gedoen word: Werkgewers wat die geregistreerde eienaars is van motorvoertuie ten opsigte waarvan hulle in besit is van 'n geskiktheidsertifikaat en 'n openbare padvervoerpermit wat magtiging verleen vir die vervoer van pendelaars in die provinsie Transvaal.

*Posadres van applikant:* Boomstraat 354, Pretoria, 0002.

*Kantooradres van applikant:* Boomstraat 354, Pretoria.



LASER FM 9/10/92

## KO for Kaye? 332

When the controlling shareholder of a company packs up and pushes off without divesting his control, there's something peculiar going on. It's almost as if a gun were put to his head or management had passed a motion of no confidence in him.

What other reasons could there be for Denis Kaye, MD of Laser since he bought control from Unisec in the early Eighties, simply walking away while his 53% direct and indirect shareholding is still intact?

Kaye will say only that he regards it as a tragedy and feels sorry for his staff. Peter Thomas, non-executive chairman till Kaye's departure but now executive chairman, says only that while Laser has no operational problems, Kaye's relatively autocratic management led to the under-utilisation of human resources. He intends to forge line managers "back into a team again."

Since 1989, Laser's performance at trading, pre-tax and EPS levels has deteriorated steadily.

It was one of the first listed companies to reflect the declining state of the economy. Gearing and consequent borrowing costs have risen accordingly.

Now, Thomas says, several properties have been sold, gearing is down and the finances are better than for many years. The peculiar thing is that this action took place before Kaye's leaving, so finance can hardly have been the cause of the break-up.

Laser's share price peaked in October 1987, along with so many industrials, immediately before the stock market Crash. At 95c it has taken a severe tumble. Even so, if Kaye sells his shareholding he will still realise about R4,7m. Thomas, incidentally, says he's not a buyer at present.

Gerald Hirshon

FM 9/10/92 332

**TGH FM 9/10/92 332**  
**Still swamped by debt**

Any Tollgate Holdings (TGH) watcher must have been shocked by the figures for the six months to end-June. They are far worse than expected.

Considering all the politically inspired events in the first half of the year, it's understandable that Motorvia had its earnings capacity badly dented by strikes among motor vehicle manufacturers. Tourism was dampened by political unrest so Springbok Atlas Safaris would have been unable to render hoped-for returns. It's also widely known that the motor hire companies, including Budget Rent-a-Car (now sold), have been struggling to maintain market share in a shrinking market.

These were all subsidiaries of TGH during the period, and a significant fall in TGH's operating income is not surprising. But, after the earlier disposals of Arwa, Gants, Norths Engineering and City Tramways and other less important entities, to eliminate debt as much as to ditch unprofitable activities, the 47% surge in the interest bill was against expectations. (Interest payments increased partly because of the cost of developing the Kyalami complex to attract the SA Grand Prix.)

This factor alone makes it imperative for the group to reduce debt urgently. If tough economic times continue much longer, it's unlikely that operating profit will exceed the interest bill. If it does not, it is just a matter

of time before ordinary shareholders' equity is eliminated by retained losses. Permanent capital has been reduced to R115m from R163m at January 1.

That is to consider the worst scenario. Things need not be that bad, for two reasons: First, the interim results reflect nonrecurring extraordinary and abnormal write-offs totaling R22,4m; second, financing costs will be less, says chairman Julian Askin, after the disposal of Tramways, Budget Rent-a-Car and the letting of MRE (the Kyalami complex) to Mervyn Key, a previous TGH director, and when the old Tramways properties are sold.

However, assuming net interest-bearing debt is about R155m (as given in the pro forma balance sheet after the Tramways transaction), annual interest payable will still be about R28m, so there has to be a sound recovery in the economy to get TGH's operating profit above that level. Recovery is not yet in sight.

In short, unless TGH arrives at an arrangement with its bankers (Absa) — such as a moratorium on interest payments or a debt reduction — its future is in jeopardy. Ironically, one of the senior managers at Absa is Hennie Diedericks, who was MD of TGH when its debt exploded. Askin says he has already repaid R400m. Under such circumstances, perhaps, Askin should at least get a sympathetic hearing from the bank.

The share price has crashed to an all-time low of 125c from 260c a month ago, and 570c a year ago. It could well go lower.

Gerald Hirshon

# Transport revamp planned for W Cape

South 10/10 - 14/10/92. (332)  
By Anthony van Rooyen

THE WESTERN Cape could have a transport system similar to systems operating in Europe if secret talks with the World Bank and London Merchant Bank succeed.

Representatives of the international bankers are due to arrive in South Africa next week to negotiate the multi-million rand deal.

The negotiations could result in all major private transport companies functioning under a single body which could be called Community Transport Services.

This will streamline the regional transport system, with daily travel cards being issued for use on taxis and buses.

Golden Arrow Bus Services (GABS), currently in the midst of a labour dispute, is earmarked for takeover in terms of the deal.

Professional Financial Services

(PFS), a private financing company, has been mediating between the transport companies and the international bankers.

According to informed sources, Mitchells Plain Bus and Taxi Holdings (MPBTH), the World Bank and the London Merchant Bank have held discussions behind closed doors through PFS mediation.

It is understood that the talks could result in a R50-million loan being approved by the international bankers.

Golden Arrow, which is in serious financial difficulty, is remaining tight-lipped about the talks.

GABS spokesperson Mrs Jeanne Welsh said the company was communicating with a number of people who expressed interest in operating bus services in the Western Cape.

She confirmed discussions

about future transport systems but would not comment further.

MPBTH secretary, Ms Joy Mzisi, said attempts were being made to get the community involved in the discussions.

According to the sources, it is envisaged that minibus taxi organisations and companies such as Chilwans, Intercape and Citi-Liner will be incorporated into Community Transport Services.

The proposals anticipate that the restructuring the transport service will start after Golden Arrow has been taken over by MPBTH.

Routes and depots which have been closed will be reopened, bus services will be minimised as they will only operate as express trips and taxis will be transformed into 25- to 30-seater minibuses.

The minibuses will cover most of the routes being serviced by buses.



# 'Diesel taxis money savers'

Business Staff

232

TRG 10/10/92

ABOUT R770 million a year could be saved by the minibus taxi industry by switching from petrol engines to diesel power, says Mr Fritz Korte, managing director of Atlantis Diesel Engines.

There would also be substantial savings for operators of petrol-powered medium trucks if they switched over.

"These are some of the benefits that could accrue as a result of the increase in the difference in prices of petrol and diesel," he said yesterday.

"The difference after today's increase in the price of petrol is now nine percent, but this is still out of line with worldwide

pricing practices. The worldwide average in favour of diesel is 28 percent."

Mr Korte said research indicated that on average minibus taxi operators used 270 litres of fuel a week, and as an industry had an annual petrol bill of R1,7 billion.

Based on 7km/litre, total distance travelled over a six-day week by an individual taxi was 1 890km, an average of 315km a day.

On this basis, individual operators who switched to diesel could cut their fuel costs from 28,29c a km for petrol to 19,8c a km for diesel.

This worked out at a saving of R26 a day, or R156 a week and R624 a month.

Mr Korte says it has also been proved that the operating costs a km of a fully-laden 29-seater diesel-driven minibus were half that of a fully-laden 15-seater petrol-driven minibus taxi.

In expectation of a demand by taxi operators and commerce, ADE had developed a two-litre turbocharged diesel engine for installation in minibus taxis and light delivery vehicles.

Major advantages claimed for the diesel engine over the petrol engine included greater efficiency, a longer lifetime, up to 40 percent better fuel consumption and greater reliability.

## Turn to diesel, minibus men told

SA's minibus taxi industry could save more than R770m a year by switching to diesel-powered from petrol-powered engines, Atlantis Diesel Engines (ADE) MD Fritz Korte said at the weekend. *By Day 12/10/92*

Korte said in a statement that although SA's petrol-diesel price difference was fairly small, it still represented a substantial saving. Research had indicated that individual operators who used diesel could cut their fuel costs from 28c a kilometre to 20c a kilometre.

The average minibus taxi used 270

**332 GAVIN DU VENAGE**

litres of fuel a week, and the industry as a whole paid R1,7bn for petrol. "Based on 7km/litre, total distance travelled over a six-day week by an individual taxi is 1 890km, an average of 315km a day" he said.

"This works out at a saving of R26 a day, or R156 a week and R624 a month" said Korte.

ADE had developed a two-litre turbo-charged diesel engine for installation in minibus taxis and light delivery vehicles, Korte said.

# Local taxi body breaks with Codeta

332  
CT 15/10/92

Staff Reporter

THE Western Cape region of the SA Black Taxi Association (Sabta) has withdrawn from the national body, which was responsible for ending the local taxi war in which scores of lives were lost.

Sabta facilitated talks which led to the warring parties' forming a joint organisation — the Convention for a Democratic Taxi Association (Codeta).

A Codeta spokesman refused to comment on the withdrawal last night, saying Codeta was an autonomous body.

Western Cape chairman Mr Basil Nagel said last night members of the former Sabta Western Cape would form a new regional body which would attempt to include all local taxi organisations.

He said the latest move had been

taken after extensive discussions with Sabta officials, regional members and other parties "regarding the general dissatisfaction and unhappiness with the administration of Sabta at national level".

Sabta Western Cape said in a statement: "The disenchantment of our members with the national management of Sabta centres around countless empty promises about many aspects of the problems affecting our members. These include the repossession of vehicles and the disregard for the rules and procedures as laid down in Sabta's constitution."

Sabta's national body could not be reached last night to respond to the allegations.

Mr Nagel said his organisation welcomed the present unity process and "will continue to play a positive role in it".



# Transport system 'may need revamp'

Blom 15/10/92

332 2

EDWARD WEST

IF SA wanted to attract tourists and keep consumer prices down, the entire transport system would have to be revamped, Transport Minister Piet Welgemoed said yesterday.

In a speech delivered on his behalf by Transport deputy director-general Malcolm Mitchell, Welgemoed said the funding of transport — particularly commuter transport — required a commitment from government. The speech was delivered in Johannesburg at an Institute of Transport conference.

Integration of timetables and the development of transfer stations should provide commuters with an array of services and provide opportunities for large and small businesses, he said.

Financial restraints precluded the introduction of new technology, and a policy of making better use of existing infrastructure and management of existing vehicle capacity was necessary.

The current imbalance between the amount paid by authorities at all levels for passenger transport subsidies — about R1,8bn a year — and for urban transport infrastructure — about R500m a year — needed to be addressed, he said.

Welgemoed said as a result of inadequate transport links and high commuting costs, many people had poor access to employment and social opportunities. They had become so desperate they were prepared to settle in appalling conditions on unserviced land in the hope of finding a better life near the cities. The resulting rapid urbanisation would increase the importance of commuter transport.

Instead of transport modes fighting for market share, their future goal should be an increasing level of co-operation and integration.

He said it would be necessary to reassess past policies of economic deregulation in transport as depicted in the 1984 White Paper on National Transport Policy.

Devolution of functions to regional authorities implied identification of appropriate sources of funding to subsidise operation losses and to pay for infrastructure. At the same time, public transport needed to be made more attractive to users, said Welgemoed.

He said operators of all modes of transport were urging government to maintain a measure of regulation in the passenger transport industry. Conversely, the regulation of urban transport needed to be reconsidered to ascertain whether it was in fact necessary to further integrated planning.

However, free market principles, where user choice was maximised and operating efficiency rewarded, was a sound basis for integrated planning, and an appropriate balance between regulation and deregulation was necessary.

This balanced system was being implemented in the road freight industry and would soon be extended to the long distance passenger transport services.

The preparation of regional passenger transport plans would also indirectly introduce a measure of regulation in commuter transport, he said.

# New taxi body aims for peace

CT 16/10/92  
By ANDRE KOOPMAN

THE Western Cape region of the SA Black Taxi Association intends maintaining the peace established after the recent taxi war, former chairman Mr Basil Nagel said last night.

Mr Nagel said the new organisation to replace Sabta in the Western Cape would be "100% behind unity and peace moves".

The new body would, contrary to previous reports, try to forge unity among all local taxi associations and strengthen Codeta.

The break with Sabta had been prompted by unconstitutional procedures and a lack of concern for Sabta Western Cape, Mr Nagel said.

Members of the new structure were mostly "so-called Coloured" taxi drivers but they planned to draw in taxi structures in other communities.

Codeta members were experiencing the same frustrations with Sabta and had also 'unofficially' indicated that they wished to disaffiliate from Sabta.

This was confirmed by Codeta sources.

Sowetan 16/10/92  
**Taxing problems** (332)

VIOLENCE in the taxi industry could be the result of intolerance and an inability to find ways of working together permanently, the Goldstone Commission of Inquiry into taxi violence was told yesterday.

The chairmen of two rival taxi associations, in Alexandra, Mr Petrus Manamela of the Alexandra Taxi Association and Mr Victor Mogale of the Alexandra/Midrand/Sand-ton Taxi Association, said the organisations must find ways of working together.

They agreed that a stumbling block to working together was that the associations wanted to outvote each other on matters of common concern. A solution to the problem might be an outside arbitrator who would listen to the debates, weigh the arguments and make a decision. - Sapa



FM 16/10/92

UNITRANS

(332)

## Due for rerating

**Activities:** Road freight transport.

**Control:** Murray & Roberts 65%.

**Chairman:** A M van der Colff; **CE:** E Gutierrez-Garcia.

**Capital structure:** 52,4m ords and debentures.

**Market capitalisation:** R369m.

**Share market:** Price: 705c. Yields: 3,6% on dividend; 12,6% on earnings; p:e ratio, 7,9; cover, 3,5. 12-month high, 900c; low, 610c.

**Trading volume last quarter:** 504 600 shares.

Year to June 30	'89	'90	'91†	'92‡
ST debt (Rm)	4,1	4,5	12,8	7,8
LT debt (Rm)	21,7	11,3	16,1	16,9
Debt:equity ratio	0,27	n/a	0,04	n/a
Shareholders' interest	0,53	0,74	0,79	0,68
Int & leasing cover	13,2	5,4	3,2	7,2
Return on cap (%)	22,7	19,7	18,6	19,7*
Turnover (Rm)	185,3	216,2	257,1	409,1
Pre-int profit (Rm)	32,4	42,8	41,8	66,2
Pre-int margin (%)	17,5	19,6	16,3	16,2
Earnings (c)	54,4	78,0	72,5	88,9*
Dividends (c)	14	19,5	23,5	27*
Net worth (c)	205	436	311	436

† 12-months to March 31. ‡ 15-months to June 30.  
\* Annualised.

**Unitrans's success** can be put down to strategic management, quality of service, the ability to attract bluechip clients and maintaining the average fleet age at between three and four years. The road freight group boasted an annualised 27% increase in turnover in a shrinking market and 23% increase in EPS in the 15 months to June 30.

Pre-tax profit rose 58% to R57m, after a R11,3m contribution from the sale of used vehicles and a lower interest charge — reflecting improved liquidity. But the benefits were eroded by an increase in the tax charge from the previous negligible 5% to 27%, because of lower capital expenditure.

CE Eduardo Gutierrez-Garcia says the lower capex and a depreciation charge up to R50m (1991: R31m) contributed to a build-up of liquidity.

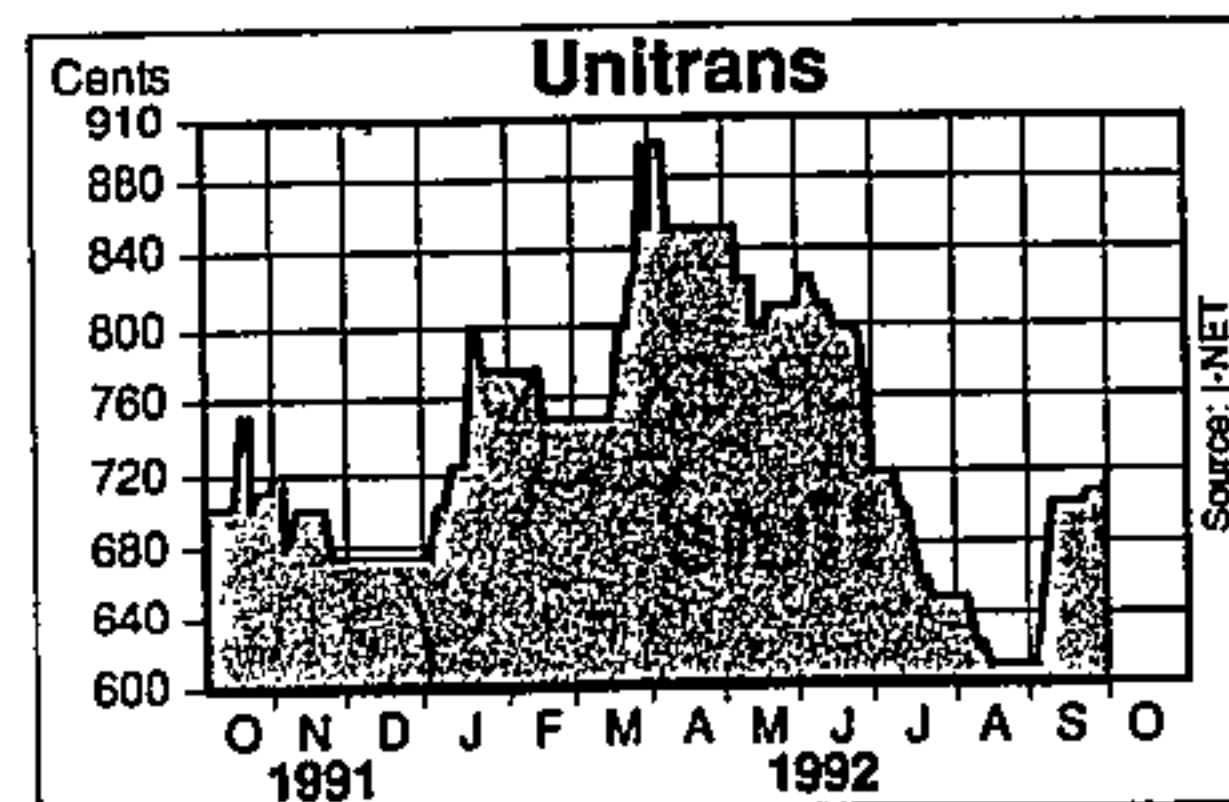
Effects of the recession have been twofold. While margins have been under pressure in the highly competitive environment, there has also been a move towards the use of professional contractors, such as Unitrans, by companies which could not afford to maintain the age of their fleet.

With an improvement in the second-hand market expected this year, making it easier to sell existing vehicles, Garcia says Unitrans will replace over 20% of its tractor fleet. Many trailers will be replaced or modified to comply with the new vehicle regulations.

Though capex is expected to be significantly higher than the past two years' average of some R80m, Garcia says it will be well within the cash and debt capacity. The June 30 balance sheet shows R56m cash and R25m debt. Increased capex will boost after-tax profit through a lower tax charge.

Expansion came from the acquisition of two businesses from parent company Murray & Roberts. Much Transport, renamed Unitrans Cape, and Tankfreight, have given

FM 16/10/92 (332)



the group a foothold in the Cape.

Garcia says Unitrans is looking to several avenues for growth. Development of a regional network is being investigated as political reform in SA and the interdependence of sub-Saharan countries will offer increasing opportunities. The group already has roots in Botswana, Swaziland and Lesotho.

The expansion of specialist services, as companies concentrate on their core business and leave transportation to a third party, provides possibilities such as the establishment of warehouses and allied services.

Garcia forecasts a marginal increase in earnings this year. On annualised 1992 EPS of 89c, even growth of only 12% (no more than the likely inflation rate) would give a forward p:e of 7,1. With a positive rerating due, plus the fact that transport is an early beneficiary of economic upturn, the share offers good value.

Marylou Greig

# Two die in te

By THEMBA KHUMALO

VIOLENCE has erupted between taximen and members of the ANC Youth League in Bekkersdal in the western Transvaal, claiming the life of a youth who was allegedly implicated in the murder of a taxi driver in the township last week.

The taxi driver, known as Shongwe, was allegedly shot dead by three youths before they hijacked his vehicle in front of passengers this week.

Angered by the incident, taxi owners allegedly abducted one of the hijackers and necklaced him between Westonaria and Randfontein.

An ANC Youth League spokesman said the dead youth was Koos Monyaka, who died of severe burns at Kagiso's Leratong Hospital on Thursday.

Another unidentified youth who was allegedly abducted from Mohlakeng by angry taximen on Tuesday and hacked with axes and pangas is believed to be in a critical condition at Soweto's Baragwanath Hospital.

Inate youths marched to and barricaded the Bekkersdal taxi rank on Friday morning.

A potentially ugly situation was averted by the swift arrival of the police. Sources said passengers had fled in all directions when taximen drew firearms.

Subsequently a meeting was held between the taximen, ANC youths and community-based organisations in a desperate attempt to resolve the tension.

A youth, who said he was the general secretary of the local ANCYL branch, told Dr Benoni van Graan — an executive member of the Local Dispute Resolution Committee (LDRC) in the West Rand — that by killing their comrades, taximen were "clearly siding with and perpetrating the work of the enemy".

But taxi owners had a different version. They alleged that last month ANC youths hijacked 12 minibuses and drove to King William's Town to attend the Bisho mass funeral.

Along the way the youths allegedly filled their petrol tanks at the expense of the Bekkersdal Taxi Association (BTA) and looted food outlets. Some of the vehicles were confiscated by garage owners and some youths were arrested, taxi sources said.

They said damage to the vehicles and petrol expenses cost the BTA R36 000.

The association took up the matter with the local ANC leadership, but with no results. The killing of Shongwe, the taximen said, was the last straw, prompting them to take the law into their own hands.

Commenting on the hijacking of taxis to Bisho last month, a spokesman for the ANC PWV region said he was disappointed about the behaviour of the Youth League. He advised the taxi owners to approach his Johannesburg offices if they were not happy with the handling of the matter by the local ANC leadership.

ANC not  
happy at  
*Ciphen*  
'actions'  
*18/10/92*  
of Youth  
*(332)*  
League

taxi  
war

**Fare rise  
disputed** (332)

50wefan 22/10/92

THE Cape Organisation for a Democratic Taxi Association has distanced itself from moves to have taxi fares increased from Tuesday. Codeta spokesman James Mafuya said certain members were planning to increase fares from Tuesday, contrary to the policy of the organisation. - *Sapa*.



## Putco urged to hold back on layoffs

THEO RAWANA

PUTCO executives and worker representatives held heated discussions in Sandton yesterday after about 300 employees had marched on the bus company's head office to demand the suspension of planned retrenchments. (332)

Transport and General Workers' Union (TGWU) members from eight bus depots handed a memorandum to Putco deputy MD Mike Olden demanding that the planned retrenchment of about 108 workers be suspended until the company had worked out alternative measures with the union.

TGWU national co-ordinator James Skosana said the wrongs in the transport industry needed to be put right and this could be done only by Putco and the workers confronting the Transport Department together to fight issues such as ending subsidies.

"The company is planning to reduce the number of buses whereas there are new areas such as Orange Farm which need servicing. The company is losing passengers because the fares are too high, but this can be righted if the management is prepared to plan with the workers," Skosana said.

Olden, explaining that cost-cutting measures were being introduced to save the company, said a meeting on October 29 would consider the problems highlighted by the union.

But he said he could not take a decision on suspension of retrenchments without consulting Putco management.

# Longrail on track for improved profit

TRANSPORT group Longrail maintained earnings in the six months to end-August 1992, and has forecast higher profit for the full year against last year's.

Today's published results show sales up 4,1% in the first half compared with 29,8% turnover growth in the first half of last year. However, profit margins improved and income before interest and tax was about a tenth higher at R3,82m from R3,43m. No turnover amount was disclosed.

Interest was higher at R1,51m from R1,34m and tax was higher at R1,16m from R928 000. Current

EDWARD WEST

liabilities climbed to R20,09m from R14,14m in the first half of 1991 and from R15,71m at year-end to February 29 1992.

Earnings a share were 3,7c and the interim dividend was maintained at 1c a share. An extraordinary item of R85 000 related to goodwill on the acquisition of 40% of Diesel Truck Services for R175 000 in March 1992.

Alrode Tyre Den, in which the group has a 66,67% interest, was incorporated at the beginning of the year. Diesel Truck Services estab-

lished a workshop at Alrode Tyre Den's premises and the establishment costs resulted in both divisions reporting losses.

Directors reported pressures on the transport industry continued to suppress margins and normal organic growth.

Improved market share and benefits flowing from the past year's capital expenditure programme would enable the group to achieve further earnings growth, and directors forecast earnings for the full year to be not less than the 7,6c a share achieved in the 1991 financial year.

## Big minibus taxi clampdown: 600 booked in month

SHARKEY ISAACS **322**  
Staff Reporter

MORE than 600 minibus taxi drivers were prosecuted in a month during a traffic department clampdown on moving traffic violations. *ARC 23/10/82*

A campaign of stricter law enforcement moved into top gear between September 21 and October 10.

It followed a deluge of complaints to the traffic department by motorists concerned that some taxi drivers disregarded safety rules and other road users.

City traffic chief Mr Wouter Smit said: "I am very pleased with the support of many executive members of various taxi associations who indicated their concern about the behaviour of some drivers."

"The goal is to educate taxi drivers and not merely to bring offenders to book."



FM 23/10/92

332

FM 23/10/92

332

**Activities:** Makes road trailers and containers, road freight transport, tyre manufacture, international trading.

**Control:** Mobile Industries 47%; directors 26,8%.

**Chairman:** N I Jowell.

**Capital structure:** 14,5m ords. Market capitalisation: R2,18bn.

**Share market:** Price: 150c. Yields: 1,3% on dividend; 6,0% on earnings; p:e ratio, 16,6; cover, 4,6. 12-month high, R165; low, R96.

Trading volume last quarter, 328 000 shares.

Year to June 30	'89	'90	'91	'92
ST debt (Rm) .....	56,3	70,4	83,0	39,5
LT debt (Rm) .....	23,9	8,8	3,5	3,4
Debt:equity ratio .....	0,36	0,25	0,27	n/a
Shareholders' interest	0,53	0,55	0,46	0,74
Int & leasing cover ..	17	18	9,5	26
Return on cap (%) ..	22,8	25,4	27,1	17,7
Turnover (Rm) .....	690	785	829	998
Pre-int profit (Rm) ...	82	118	147	175
Pre-int margin (%) ..	11,9	15,9	17,8	17,6
Earnings (c) .....	338	518	735	905
Dividends (c) .....	67	130	160	195
Net worth (c) .....	1 179	1 624	2 171	3 052

about these remained a well-guarded secret. Now that exports and foreign operations are Trecor's largest earnings contributors (up from 8,6% in 1987 to almost 60% in 1992), there is a threat from inside SA that export earnings could be severely impeded.

This is Trecor's Achilles heel. What chairman Neil Jowell fears most is that government, in its quest to make commerce and industry less dependent on subsidies, may diminish or withdraw export incentives — as it has, for sponsorships for international sporting events.

Without export incentives, Trecor will not remain competitive globally.

However, the Department of Trade & Industry's new industrial policy document makes it clear that Geis (General Export Incentive Scheme) will stay in place till at least 1995. Trade & Industries DG Stef Naudé wants to replace Geis with other provisions — possibly supply-side measures — so that exports will suffer minimally, while trying to comply with Gatt.

In the tyre division, though turnover rose slightly, first-half earnings fell as competition from cheap imports squeezed industry margins. Import controls imposed in the second half alleviated this pressure. But their intended abolition and its effect on Contred's earnings are cause for concern.

Trailer-making for the domestic market fared badly as private fixed investment declined in the recession. Volumes are down to levels of 20 years ago in contrast to booming

exports. But even export growth slowed as more foreign competitors entered and world trade contracted. Not only were margins hit, dollar prices declined, reducing the benefits of hard-currency earnings.

The transport division did not escape recession and its pre-tax profit fell.

November's rights issue of 2,86m convertible debentures at R91 each raised R260,5m, which considerably enlarged permanent capital. As a result, the balance sheet is strong and the group exceptionally liquid (cash of R164m at year-end), which will enable it to take advantage of investment opportunities.

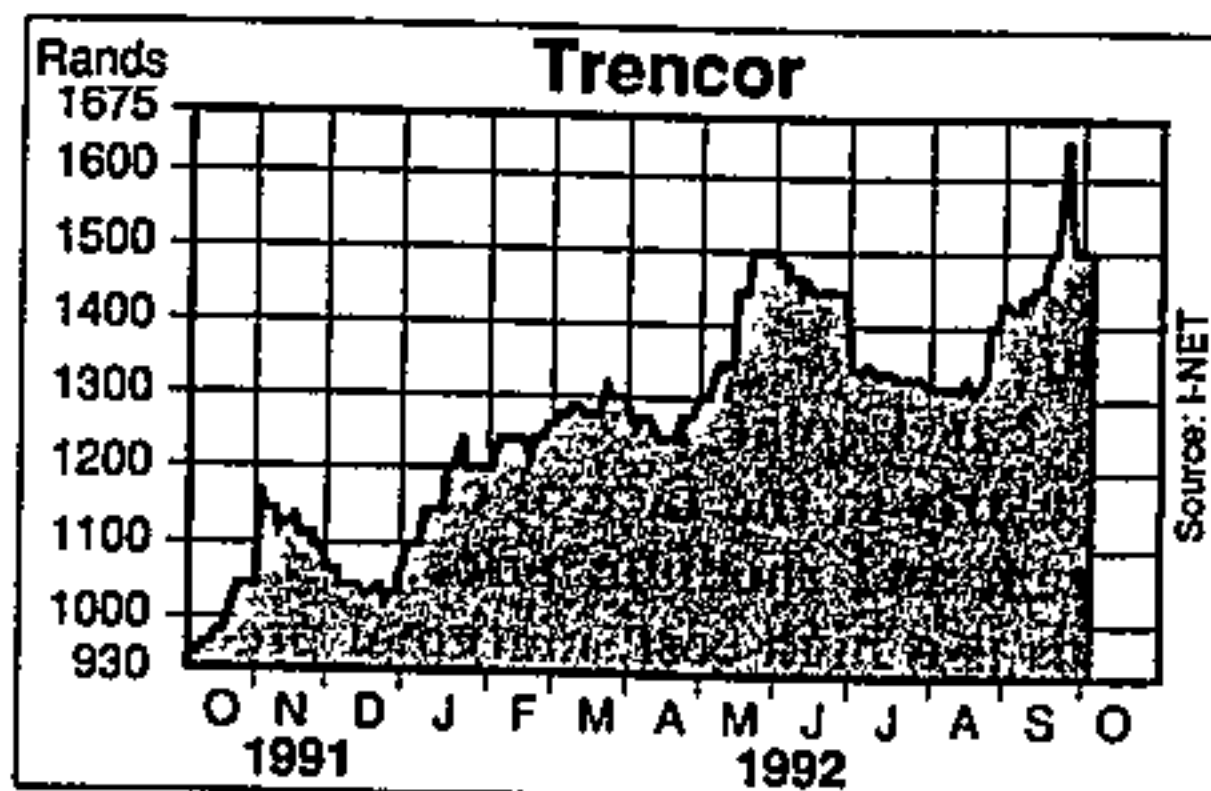
Jowell's reluctance to forecast earnings is understandable but he expects "a modest improvement" from export activities. Should the rand/dollar exchange rate deteriorate, earnings will be boosted. In a typically conservative summing up, he will be satisfied if 1993 earnings are maintained. Whatever the case, the heady EPS growth of the past few years appears to be over, at least for a while.

Trecor's short- and long-term trends are both intact and neither chart shows indications of topping out, even though the price has fallen from the R165 peak of September 30. However, as there are no signs of either the JSE or world trade strengthening in the short term, it is difficult to justify buying the share now.

Gerald Hirshon

## TRENCOR FM 23/10/92 Threat to exports

The extraordinary earnings growth since 1987 has had exports as its base. All through the sanctions years, for fear that disclosure of the SA source could stifle trade, facts



# Urgent meeting on taxis

*St. Times Cape*  
By AYESHA ISMAIL  
*metro*

AN urgent meeting between representatives of the Cape Town City Council and two taxi bodies were held this week to try to avert another possible taxi war. (332)

The city council and taxi representatives confirmed the meeting, but refused to disclose details. 25/10/92

Last week former Western Cape chairman of the Southern Africa Black Taxi Association (Sabta), Mr Basil Nagel, "disaffiliated" from the national executive and head office, because of "unconstitutional procedures and a lack of concern for Western Cape members".

But Sabta's head office has accused "Sabta Western Cape" of sowing confusion and creating divisions.

In a strongly worded statement Sabta National said it did not recognise any body in the Western Cape other than Codeta (Convention for a Democratic Taxi Association) — the merged warring Webta and Lagunya taxi factions — and that Codeta Sabta's Western Cape office no longer existed.

## Collusion lies behind heists

8/10/92 29/10/92  
WILSON ZWANE

COLLUSION among drivers, their assistants and criminals was the root cause of the increase in truck hijackings, said an independent insurance broker.

Graham Wright said that, due to the seriousness of the crime, guidelines on how to stop the hijackings and on how to "screen" prospective drivers should be made available.

These would be available in a 30-page booklet in the next few weeks, he said.

At a recent conference on vehicle hijackings, which he chaired and which was attended by insurance brokers, policemen, risk managers and truckers, Wright said 86 heavy trucks were hijacked between June 15 and August 20 this year.

The estimated value of the hijacked trucks and their cargos was R30m.

Of the 38 people arrested in connection with the robberies, 24 were drivers and drivers' assistants.



blacks in business

# Company provides loans to buy taxis

Members will also be helped to start other businesses:

By Joshua Raboroko

THE Nafcoc-affiliated National African Federated Transport Organisation has launched a scheme involving millions of rands to help their members buy vehicles and start businesses.

The organisation has formed the Dewline Enterprise Long Distance Transport Company Ltd which will make loans available to potential taxi owners and shopkeepers.

The company already has R4 million in its coffers.

At a Press conference this week the company's managing director, Mr Lebina Mofokeng, said the company

consisted of 28 Nafco associations in the Transvaal and Orange Free State who wanted to improve the standard and quality of the taxi industry.

Members were expected to buy the maximum of 6 000 shares. The money would be deposited in a bank and be used to buy vehicles.

About 150 of their more than 4 000 members had already benefited from the scheme, he said.

The company offered security and provision would also be made for old vehicles to be improved and be insured against theft, riot damage and robbery.

Lebina said that the association had built three large supermarkets in Petrus Steyn, Kroonstad and Vereeniging.

## SA told to join Africa

Research shows this will create economic opportunities:

SOUTH Africa has been urged to enter into new economic pacts with the rest of the continent.

A study commissioned by the SA Chamber of Business and released in Johannesburg this week has outlined the crucial importance of co-operation with African States.

The Africa Institute of SA, which carried out the research, says progress towards full international acceptance will strengthen commercial and other

bonds.

Researcher Dr Erich Leister says the African countries welcome these developments and look forward to South Africa joining regional groupings such as the SA Development Community and the Preferential Trade Area for Eastern and Southern Africa (PTA).

Western leaders and development agencies hope that South Africa will help to promote development and stability in the region.

## Bolton crashes into the red

B/DA  
30/10/92

DUMA GQUBULE

332

BOLTON Industrial Holdings plunged into the red in the half year to end-August as the group's road hauling interest, Cargo Carriers, suffered further losses and wiped out Bolton Footwear's small profit contribution.

Bolton Industrial profits are derived from a 34,6% holding in Cargo Carriers and a 74,1% holding in Bolton Footwear, and the company reported an attributable loss of R281 000 on a 6% slide in turnover to R181,9m (R193,3).

Commenting on Cargo Carriers — which reported an attributable loss of R2,3m on a slightly lower turnover of R91,3m (R93,3m) — the directors blamed continuing recession, drought and political uncertainty.

SHIPPING<sup>FM</sup> 30/10/92

332

## Surging imports

**Huge drought** relief shipments of grain for southern Africa continue to boost dramatically import figures at local ports. Imports through Cape Town last month climbed nearly 94%, compared with September last year, according to figures released by the port. Last month's figures for SA's other ports are not yet available but the majors, Richards Bay apart, are all likely to continue showing big jumps because of drought relief.

Cape Town's imports have risen 38,8% in the past six months, over the same period last year, largely because of maize, oats and barley, says the port's financial manager, Gerhard Smuts.

The bad news is that exports are slumping. Last month they were down by nearly 13%, compared with September last year. Exports for the past six months have risen by only

~~Continue~~

FM 30/10/92

332

1,7%. Only high levels of fresh fruit shipments kept exports from dropping in the first half of the port's fiscal year.

During this period several export categories showed declines, particularly canned or prepared fruits, and textiles. "It is not clear why these have dropped, perhaps increased international competition or a drop in demand," Smuts says.

The category of cement exports to other African countries showed one of the biggest drops — 55%. "This could be because of the deepening recession in Africa or it could be because the export contracts are drawing to a close and are in the process of being renegotiated," he says.

Portnet figures for August show that Durban handled more containers than the rest of SA's ports combined. It saw 24 471 containers landed while 22 838 were shipped out. In Cape Town, 7 416 containers were offloaded and 7 554 shipped out.

Richards Bay, from which most coal is shipped, handled the largest volume of cargo in August, 6Mt, compared with 2,4Mt by Durban, 886 805 t by Saldanha, 450 455 t by Cape Town, 433 716 t by Port Elizabeth and 107 743 t by East London.

Durban had 440 ships calling while 253 called on Cape Town, 134 at Port Elizabeth and 123 at Richards Bay. ■



# 'The right place, the right time'

Stacey Cape Metro 332

It is little more than a year since Unitrans Cape was launched — but during that time the company has secured some important contracts and has become a significant force in the Cape road transportation industry.

"The message is that Unitrans is up and running in the Cape and is here to stay," says Managing Director Doug Alcock.

Unitrans Cape's 50 vehicles will cover the whole of the Cape and Namibia, as well as dovetailing with the vast Unitrans network that spans southern Africa.

"In spite of the overall economic downturn and the generally unfavourable trading conditions, our first year of operation has been successful and we have secured some important contracts," says Mr Alcock.

● The company has contracted to distribute heavy fuel oil for BP.

● Unitrans Cape will distribute paraffin for Gallex.

● The most recently signed contract is to handle distribution for Wypod, part of the Metro Cash and Carry group.

They are also doing contractual work in black product and asphalt transport and for the brick, beer, retail, chemical and petroleum industries.

"In spite of the current trading climate, as a commitment to our Cape operation we have put the whole weight and considerable expertise of the vast Unitrans organisation behind the company," says Mr Alcock.

"During the next two months, we will bring eight new Mercedes 26/35s on stream and we

have spent time and money upgrading our whole fleet and our workshop operation.

"We have intensified our training programme and taken on three new management trainees to add muscle to our team. We are poised and well positioned to take on some significant contracts," he says.

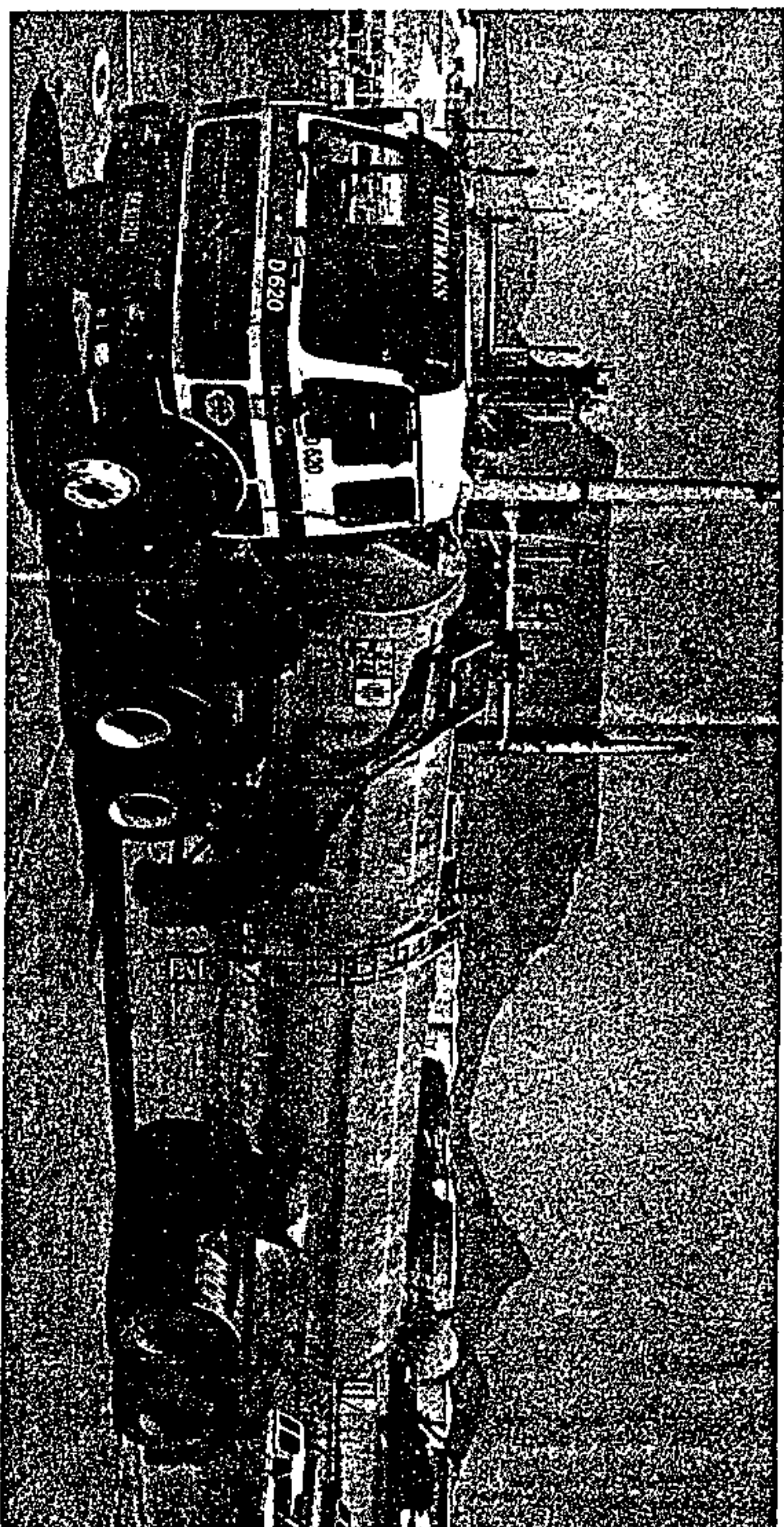
Part of the success of the Unitrans group has been that it has considerable financial muscle which can be used, for example, in tailoring a fleet for a customer.

"At the same time, we are totally customer service orientated and part of our mission statement is to satisfy customer needs.

"Our emphasis has always been on new equipment, driver training, safety and effective management," he says.

"One of the reasons for launching Unitrans Cape was that this makes the group truly national," says Mr Alcock.

"We believe that to give true customer satisfaction you have to be in the right place at the right time."



UNITRANS CAPE... a major new force in the road transportation business

## RTQS WELCOMED

THE introduction earlier this year of the RTQS (Road Transport Quality System) legislation has been welcomed by Unitrans.

The reasons, according to a company spokesman, are that the system will be a great deal more streamlined than the old permit system and that, overall, it will be more effective in stamping out dangerous trucking practices — particularly overloading.

"It will mean that operators will assume more responsibility for the roadworthiness of the vehicles and the drivers in charge of them," he says.

Overall, SA's new transport policy means that the permit system, which was often cumbersome and difficult to implement effectively, will no longer apply. In terms of the new regulations, all companies or individuals that operate freight vehicles over 3 500kg have to register as operators and obtain operator cards — which have to be displayed — for all vehicles.

The operator is defined as the person who is responsible for the operation of a vehicle — and he is liable for any prosecutions for offences in respect of the operation of the vehicle, which includes control over drivers, overloading and roadworthiness.

Enforcement of the roadworthiness aspect means that operators of vehicles that do not comply with the regulation will be given a warning and might be required to give a written undertaking that the vehicle be made roadworthy. To give muscle to the new regulations, more severe penalties are now in force.

Hazardous driving practices — for example, overtaking on a rise — now carries a penalty of up to R24 000 or a six year jail sentence, as opposed to the old maximum fine of R8 000. In extreme cases, like serious overloading, vehicles can be seized. "As responsible operators, the tightening up of the regulations will be of benefit to the whole road transportation system," says the Unitrans spokesman.

## ...on the road!

The committed expertise of our Lubeforce team and the unsurpassed quality of our specialist products such as RPM DELO 450 motor oil and EP PLUS gear lubricant ensure that your lubrication needs are dealt with. Quickly. Efficiently.

RPM DELO 450 is a super high performance diesel engine oil designed to meet the toughest requirements of major engine manufacturers.

● It's suitable for the most severe diesel service, even with extended drain intervals, and provides outstanding deposit and wear control.

● With its special additives, this oil minimizes oil consumption and harmful engine deposits.

● It gives engines greater protection, longer life and increased fuel efficiency.



DOUG ALCOCK... MD of Unitrans Cape



# Overloaded trucks to cost taxpayers R268m

SITimes (Buss) 1/11/92

OVERLOADING of commercial vehicles is expected to cost the taxpayer about R268-million this year in road repairs, says transport planner Rolf Beunink.

His claim is based on research by traffic consultant firm Lexetran, which was appointed by the Department of Transport (DoT) to investigate stress levels of SA's ageing and underfinanced road network.

Mr Beunink says the expected cost incurred through overloading excludes the normal damage caused to roads by legal use.

Overloading damage inflicted on the roads in 1990 was estimated at R264-million. Had the excess load been transported legally, it would have cost about R62-million, resulting in a net cost caused by overloading of slightly more than R200-million.

## Quick

A source says the damage inflicted on roads and bridges through overloading has become a prime concern for the DoT. It admits that there is inadequate funding to maintain the network.

Besides a general shortage of law enforcers, the provincial traffic authorities have insufficient weighing equipment.

Mr Beunink says the shortage of enforcement officers is the main problem.

"The actual weighing of a vehicle is fairly quick. However, the issuing of fines is time consuming and places a strain on the number of man-

By SEAN VAN ZYL

hours available at inspection points."

Estimates by the Natal provincial traffic authorities show that in 1991 fines amounting to more than R4,5-million were imposed on overloading offenders. In the same time, about 51% of the vehicles weighed in Natal were overloaded.

There are no national figures for overloading offences.

As a result, the DoT has appointed an advisory committee on overloading, comprising Lexetran, the relevant traffic authorities and road departments.

The committee has come up with a three-stage plan to combat overloading.

The first involves better use of equipment and manpower at strategic points on the road network. Traffic surveys in the past two years have identified several "strategic" convergence points on the main routes used by hauliers.

Mr Beunink says overloading control was previously conducted haphazardly, often duplicating effort on the same route.

With the first phase of the plan in effect, Mr Beunink says almost 85% of overloading control countrywide is now co-ordinated through the DoT programme.

Provincial traffic authorities have also been "coordinated" into the national effort for better use of manpower and to reduce the possible escape routes known by the "road bandits".

## Modest

Mr Beunink says that in 1990 about 55 400 manhours were spent on overloading control countrywide. In comparison, from January to August this year roughly 85 000 manhours were devoted to overloading inspection. The total for the year is expected to exceed 120 000 manhours, without any increase in law enforcement personnel.

In the first eight months of this year about 1 700 overloading offenders were fined after 44 600 vehicles were weighed.

The second stage of the programme would be to focus attention on the metropolitan and urban areas, involving municipal authorities. This is expected to begin

early next year.

The final phase of the plan would involve designing and implementing an "optimum" national traffic control system.

However, the source says that this part of the plan is unlikely to be implemented soon because of a lack of funds.

The DoT and provincial traffic authorities are believed to be beefing up their legal staff to ensure greater success in overloading prosecutions. Because of the complex criteria used to determine legal loads, few overloading prosecutions have been upheld by the courts.

The fine for overloading was increased from a maximum of R8 000 to R24 000 and/or six years on July 1 this year. In addition, the authorities have begun prosecuting truck operators instead of the driver of a vehicle found to be overloaded.

Previously illegal road hauliers regarded the modest fine as an operating cost built into the profit margin.

Mr Beunink says the increased fine and higher prosecution rate have resulted in a reduction of overloading.

332

TRENCOR FM 6/11/92

## Into Textainer (332)

The veil of secrecy surrounding foreign operations is lifting. Acquisition of an important minority stake in Textainer Group, an international container leasing operator, sheds some — but not enough — light on Trencor's foreign strategies, long kept dark for fear that sanctions would impede success.

Neither the size of the holding nor the price has been disclosed. Trencor chairman Neil Jowell says the reasons for non-disclosure involve the methods used to avoid sanctions which, if disclosed now, could still embarrass Trencor and its associates.

Textainer comprises three companies which own, manage and finance one of the world's largest container operations. Almost 200 000 containers are leased to several hundred international shipping lines (19 of them State-owned) and have a replacement value of over US\$440m.

The company dates from 1979, when Textainer Inc (TI) was formed. It sold marine freight containers to investors in Europe, the Middle East and SA. It managed them from Hong Kong before most owners swapped containers for TI shares so that conventional debt finance could fund future purchases.

It then moved to London, growing by acquisition and continued container purchases to 20 000 containers in 1985 and 38 000 in 1987, when the current group of three companies was formed.

Textainer Equipment Management NV (TEM) sources containers for lease and manages the international operation. Administrative headquarters are in San Francisco and 13 other strategic locations include London, New York and Singapore.

Textainer Capital Corp (TCC) raises

FOX FM 6/11/92

(332)

funds in the US through public limited partnerships, in which (usually private) participants' investments are collectively channelled into container and related equipment purchases which are managed by TEM. Since 1988, TCC has raised \$280m.

According to the authoritative *Stanger Report*, which monitors US public partnerships, TCC is the leading sponsor in equipment leasing for the first half of 1992.

All 20 000 dry freight and tank containers Trencor makes in SA each year are exported. Textainer is a longstanding customer.

Jowell won't say what revenues or profits are generated from sales to Textainer. But Trencor's latest report shows that about 60% of attributable earnings, or R78m, was earned from manufacturing and exports.

Textainer is planning a \$64m rights issue next month. Trencor will follow its rights at a cost of R80m. It's been suggested that Trencor controls more than 35% of Textainer, though Jowell emphasises that, until the rights issue is concluded, the interest cannot be quantified. Trencor raised R260m through its own rights issue last November and will easily fund this.

Jowell says the acquisition will have no material effect on either earnings or assets this year, but adds that, longer-term, returns should be "commensurate with other group businesses." If the past growth pattern is repeatable, Trencor deserves its high rating. But if world trade does not improve, even Textainer will not sustain the past decade's 28.5% compound EPS growth. *Gerald Hirshon*



## Dorbyl Marine to shut plant in stages

Own Correspondent

832

CAPE TOWN — Dorbyl Marine will progressively close the main portion of its Bellville general fabrication works during the next few months, and concentrate its activities on ship repair work at Cape Town harbour. BDM 6/11/92

Announcing this yesterday, Dorbyl Marine GM in Cape Town, T Price, said the closure was necessary because of the severity of the recession and surplus capacity in the marketplace.

The closure would be carried out gradually to "ensure that our existing contractual obligations are successfully completed." Part of the works would be mothballed in case it was required later.

"Wherever possible, personnel are being offered positions in Cape Town or at our other Dorbyl companies."

"Employees will also be offered the opportunity to undergo training to improve their skills, and thus their ability to secure alternative employment."

Price said all employees had been told what was happening. Consultations were taking place with their representatives.

# Trencor does another US deal

By JEREMY WOODS

*STimes (B955)*  
HARD on the heels of the announcement that Trencor had acquired a large minority holding in US-based Textainer group, the company has made its second American purchase: 8/11/92

Trencor, a manufacturer of dry freight and tank containers, has bought a stake in Prime Source Holdings, a California container leasing company, for R6-million.

Chairman Neil Jowell said this week that the investment in Textainer was a strategic move with long-term significance to the company's container exports.

"There is no immediate benefit to earnings in the current year, but the effects of this purchase will start to come through in the medium term."

Also on the agenda of Trencor's next board meeting in a week's time is the possibility of a share split. Mr. Jowell said that at R150 a share the price was beyond the average investor's means.

Trencor's share performance has been one of the best on the JSE for many years. In 1986, its shares were traded at R5. 332

A Trencor spokesman says details of the latest purchase will be released shortly.

in  
 A me  
 els, Co  
 tina  
 bour is  
 with  
 sessi  
 e Bas  
 t to  
 was di  
 n add  
 port o  
 imend  
 Org  
 SA ea  
 serve  
 rice eval

Blom 9/11/72

**THEO RAWANA**

30 associations, each with 250 members had aligned themselves with the proposed new organisation.

• Meanwhile, Codeta chairman Kidwell Magway distanced his organisation from any breakaway and said that his organisation had "very good" relations with Sabta National.

Sabta said in a statement the national body did not recognise any organisation other than Codeta, since the western Cape Sabta office technically did not exist after the emergence of Codeta.

"It is almost certain that when elections for a new western Cape regional office of Sabta are held, most of these officials will lose their jobs," Sabta said.

"We have been in contact with the officials of Codeta and have been assured that Codeta was not party to any of this mischief-making within our ranks," the Sabta statement added.

Nagel and other reported leaders of the breakaway group could not be reached for comment at the weekend.



# Strand St blockade

A four-hour taxi protest disrupted traffic in Cape Town city centre. Staff Reporter  
LENORE OLIVER was at the scene of the turmoil.

**P**EAK hour traffic was disrupted when between 50 and 60 taxi drivers used their vehicles to blockaded main intersections in the city centre for more than three hours.

The drivers, most of them Codeta members, were protesting against the arrest of three of their members earlier in the day.

They refused to move their vehicles until the men were released.

Empty taxis were parked at the intersection of Butenkant and Strand streets, and at the intersection of Strand

and Adderley streets, forcing traffic officials to divert lunchtime and afternoon peak traffic yesterday.

One of the arrested men, Mr Mcebisi Jeremiah, was held when he refused to allow police to search his taxi. It is not known why the other men were arrested.

Mr Jeremiah said when he asked the police why they wanted to search his taxi, they said they did not have to give a reason.

He said he was searched at Caledon Square.

The streets were filled with commuters as traffic chief

Mr Wouter Smit negotiated with the drivers.

Crowds scattered when police approached with two dogs. Two men were reported to have been bitten.

About 5pm Mayor Frank van der Velde arrived on the scene and negotiated over a car phone with police at Caledon Square where the men were being held.

Shortly after 6pm the drivers sped away, some on the wrong side of the road, when it was confirmed that all the men had been released.

The three men will appear in court today.

# Video 'shows' police taxi bias

CT 10/11/92

Staff Reporter

A VIDEO handed to the Goldstone Commission of Inquiry into the Western Cape taxi war shows police apparently failing to disarm a large group of Webta members after two minibus taxis were gutted during an attack in Khayelitsha last year.

The video, filmed by a police video crew on September 12 last year and shown yesterday, appears to support

claims by ANC MP Mr Jan van Eck that police were biased towards Webta on the day of the incident.

He said that on the day, a large group of Webta members armed with an assortment of weapons, including metal pipes and a metal hook, arrived at the scene of the minibus attack in Zola Budd Avenue and confronted residents.

The video was then played and appeared to show police looking on.

During cross-examination, Mr Van Eck said: "If the roles had been reversed and the group had been members of Lagunya, police would have removed these people in a minute or two."

However, he said after the incident police did search one Webta supporter to ensure he was not carrying arms to "harm people or the police".

The hearing continues today.



# Public transport is

## the heart of a city

**OOD public transport is vital to keeping cities ticking over — getting people to work on time and home again.**

People also need to get to shops, schools, churches, hospitals and recreational facilities.

Because of this, most local authorities place the provision of a good public transport system at the top of their priority list, with a fair chunk of ratepayers' taxes being used to support the system.

The local authorities making up greater Cape Town, are unique in that they have never been involved in providing public transport. The suburban train services are run by a parastatal, and the unscheduled and largely unregulated mini-bus taxis are run by the informal sector. All the scheduled bus services are provided by the same operator whose direct predecessors ran the first horse-drawn trams in the country in 1861, long before the first trains.

In other words, for more than 130 years, the company known today as Golden Arrow Bus Services has been at the forefront of providing public transport to the people of greater Cape Town. However, unlike in most other centres where the municipalities own and operate the scheduled bus systems, Golden Arrow has very little say in planning or controlling the roads the buses and taxis use.

The planning of the transport infrastructure of greater Cape Town is in the hands of the Metropolitan Transportation Advisory Board (MTAB).

**'Cape Town is a city designed for cars'**  
South 7/11-11/11/92.

This is a joint forum of provincial and local authorities as well as representatives of the private sector and public transport operators.

Although the MTAB meets regularly to consider the planning recommendations of its various sub-committees, the practical work is done by a special metropolitan transport planning division of the Cape Town municipality.

In common with municipal planners in most other centres, their approach is, as Professor Wynand Pretorius of the Rand Afrikaans University has put it, undoubtedly "elitist".

He told a recent conference of the Institute of Transport in Southern Africa in Johannesburg that the result of poor planning has been over-spending on infrastructure for private cars and under-spending on public transport.

The consequences of this are clear in Cape Town. It is a city designed for cars. Its roads are clogged with traffic every morning and evening, with few special lanes for buses and taxis to help get people to work quickly. There is no easy access to the workplace for the vast majority of commuters who cannot afford cars. And workplaces, shopping centres and hospitals are far from where people live.

This has serious implications for the growth of the city. According to Wesgro, the

metropolitan labour force of 1.1 million is expected to grow by about 40 000 a year over the next 18 years — provided jobs can be found for all. This means that by 2010 there will be another 750 000 commuters using the roads every morning and evening.

To cater for the influx, the government has approved the use of land in mainly the Milnerton and West Coast areas for low-cost housing. Somehow, public transport will have to be provided for those who will live there.

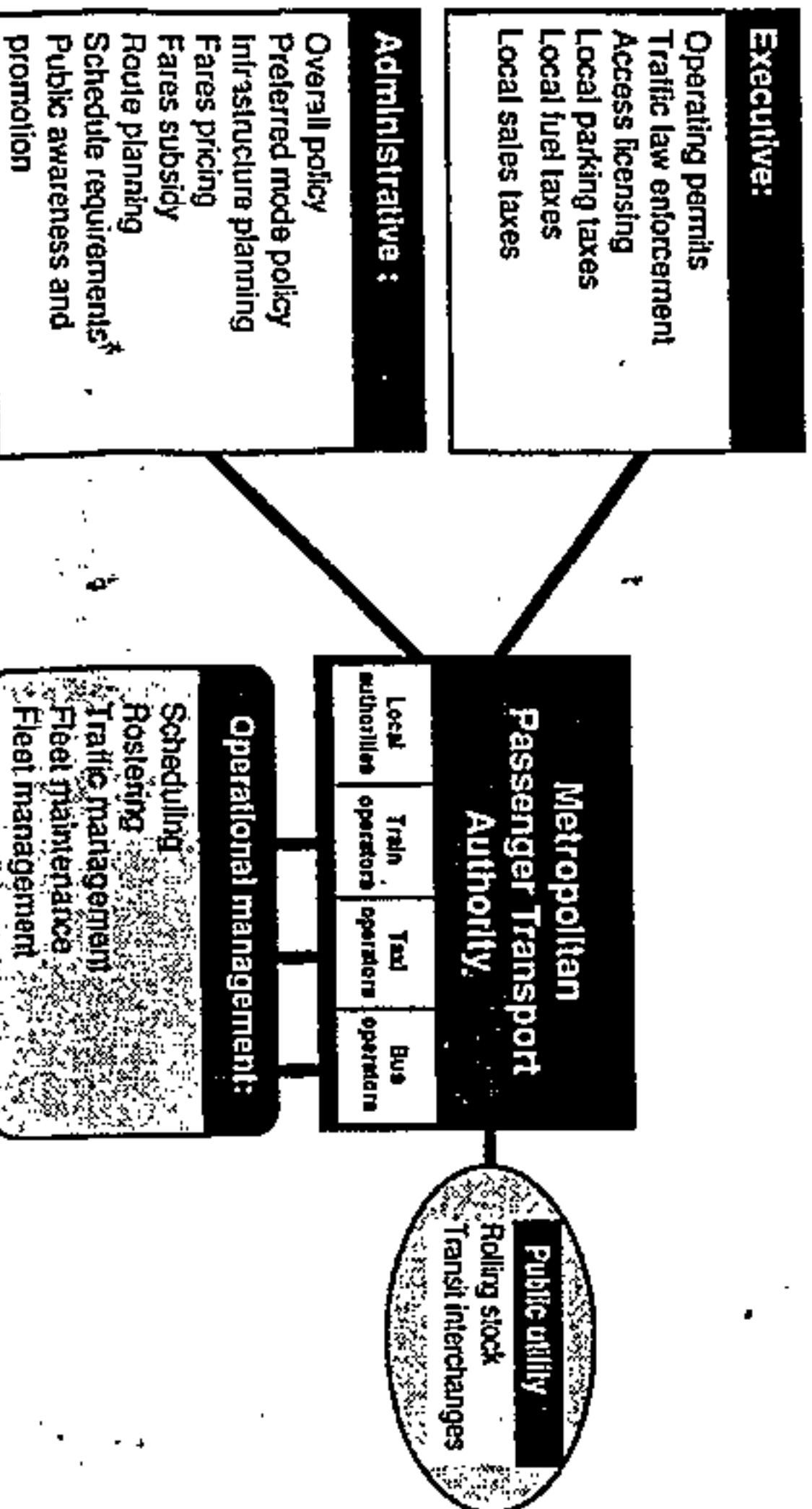
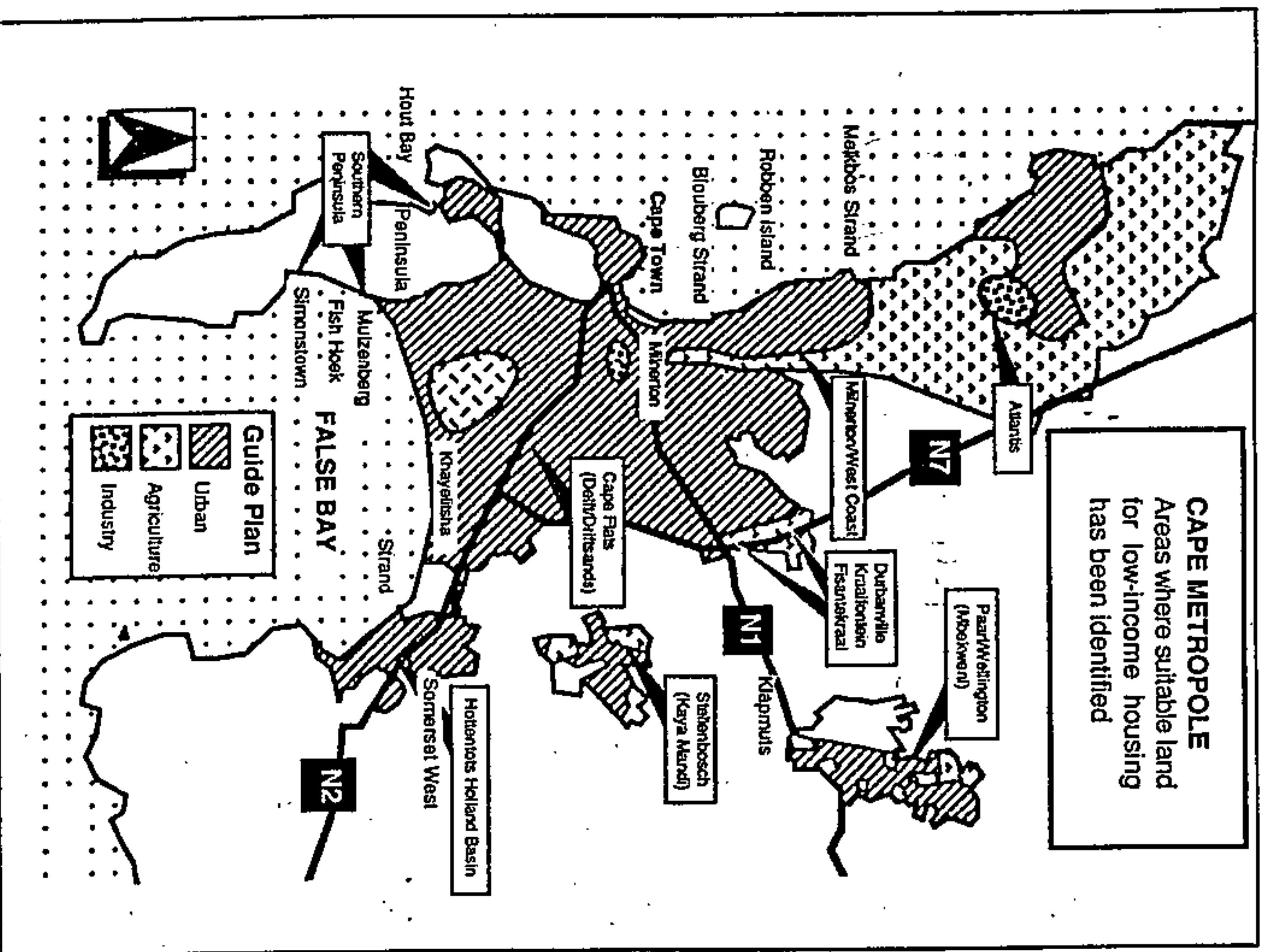
Other areas identified are south of Kraaifontein, the Cape Flats, Hout Bay, Noordhoek, Fish Hoek, Simonstown, the Hottentots Holland Basin, Kayamandi in Stellenbosch, and Mbekweni and Klappies in the Paarl/Atlantis area.

Of those people streaming into the Cape Town area, between 7 000 and 10 000 a month end up as squatters, who are likely to remain too poor to be able to get around the city on their own steam and need public transport.

If they cannot get where they need to be safely, cheaply and reliably, they will squat as close as they can to those places.

The bus has always played a leading role in providing the public transport services the people need, says Golden Arrow's manager of public affairs, Mr Bob Krause.

"Whenever a new residential area opens up, the buses move in almost as soon as the people do. Only once the bus services has been established and significant numbers of people begin to make use of the buses, do the mini-buses move in."



**Structure and functional responsibilities of a Passenger Transport Authority**



IT IS NOT easy to attract or even retain investment in the bus business. Part of the problem is the government's lack of a comprehensive urban transport policy.

This has come under fire from several quarters, including the World Bank.

A recent urban sector mission to South Africa found that while the government's overall thrust is towards privatisation, deregulation and devolution in this sector, this actually compromises public transport efficiency by preventing coordination.

The mission said: "The complete deregulation of combi taxis opened up new opportunities for black businessmen, but in some respects the combi taxis have become victims of their own success with supply outpacing demand in many areas, resulting in 'wars' over routes."

Tight controls over fares by central government were also making the bus business less profitable and there has been a flight of capital out of the industry.

This nearly happened in Cape Town. Golden Arrow came into being as a result of the former City Tramways gaining control of the company in the face of a disinvestment decision by the previous owners, Tollgate Holdings.

Golden Arrow's manager of public affairs, Mr Bob Krause, admits that bus services are not what they should be, or what they used to be. He believes that this is due to a number of factors, all of which boil down to the planning logjam in the

# Govt action is inefficient — World Bank

South 7/11-11/11/92.

metropolitan area.

The Metropolitan Transportation Advisory Board (MTAB) recognises the priority status of public transport but is trapped into a planning ethos which regards the number of vehicles using the available road space as more important than the number of people that can be transported.

The company has successfully lobbied for a review of this approach, and managed to get the MTAB to give priority consideration to some short-term measures to make it easier to run buses and mini-bus taxis through the worst parts of Cape Town's morning and evening traffic congestion.

But the lack of funding ensures that little concrete is being done to turn these measures into reality.

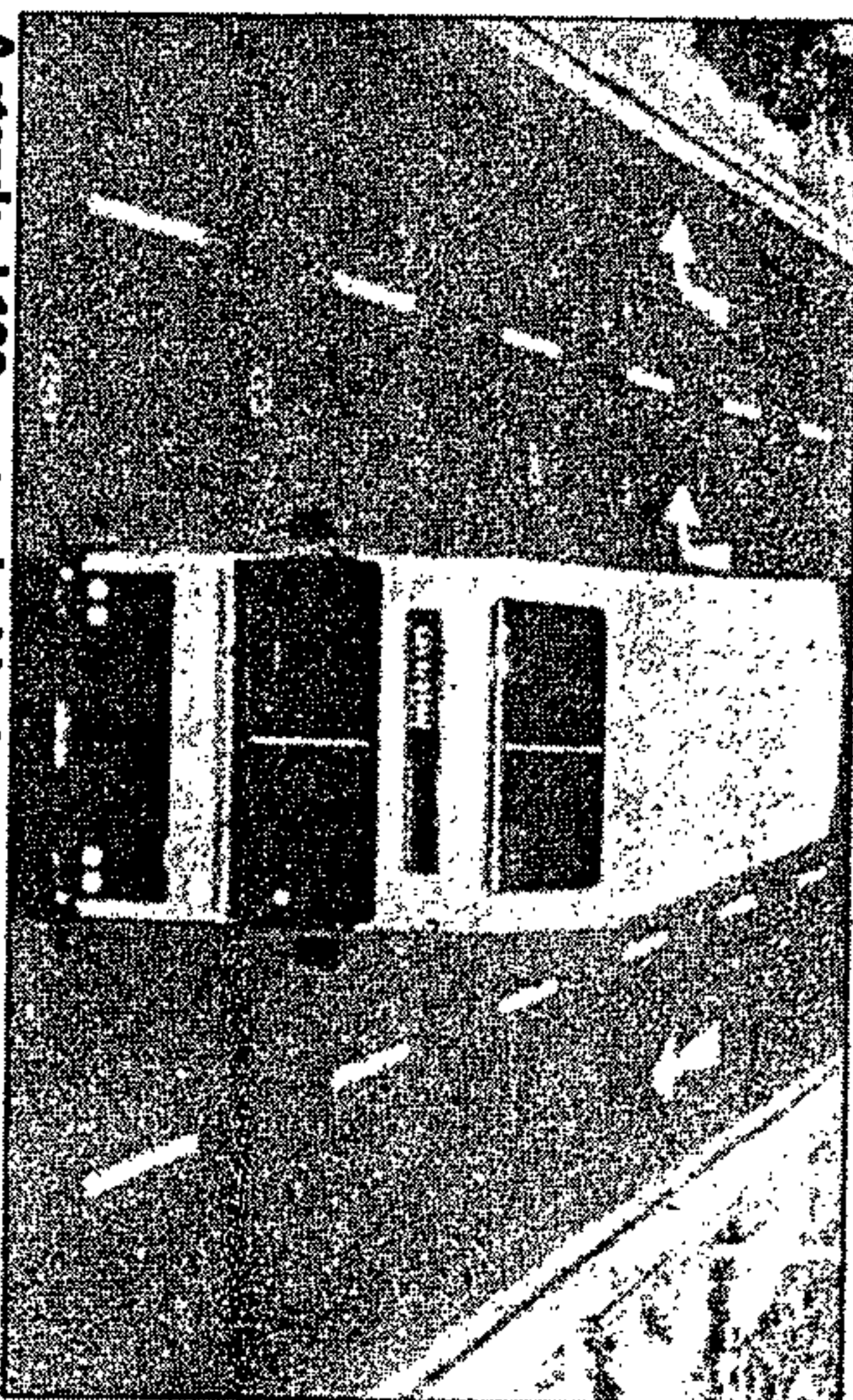
Added to this is the fact that economics has forced the company to review its operations and, as the World Bank study points out, ensure that bus services are driven by demand rather than supply.

Krause says this means that the company can no longer afford to run services that do not pay their way. This has meant cutting back on certain services, though services in high demand areas are being stepped up. Golden Arrow is doing its best to ensure that no area is left completely unserved.

Careful rescheduling and restructuring of duty rosters are being applied in an attempt to ensure that



85 cars with 100 people



A standard 100-seater double decker bus

the transition to less frequent and less regular services is achieved with as little disruption and inconvenience as possible.

"That's not easy to do," says Krause, "especially as we have to

phase in a reduction in the overall number of buses.

"We apologise for any inconvenience caused and would like to thank everyone for their patience and understanding. The new schedules are now being finalised and we will soon be able to provide accurate timetables once again."

Bus travellers can obtain the latest timetable information from Golden Arrow's toll free number (080 1212 111) during business hours.

To provide an adequate public transport system for greater Cape Town, Krause says the different public transport authorities should join forces with local authorities to plan and fund the system.

"We have been pressing for some form of partnership with the local authorities since the late sixties, but there is little evidence of anyone in the Cape Town city council or the Regional Services Council (RSC) being seriously willing to take the decisions needed right now."

"Everyone hides behind the MTAB and the lack of funds, or behind the much vaunted Public Transport Study, phase one of which is already behind schedule."

"What we need is a Metropolitan Transport Authority consisting of representatives of local authorities, commuters, public transport operators and private motorists to take sensible and speedy urban development decisions on transport-related matters," Krause says.



# Taxi hearing told of promise

**Staff Reporter**

POLICE did not disarm a large group of Webta members who came to inspect two gutted taxis in Khayelitsha last year because the men "promised" not to attack people in the pro-Lagunya area, a policeman told the Goldstone Commission of Inquiry yesterday.

Warrant Officer Johannes Briers of the Internal Stability Unit told the commission, hearing

evidence related to the Western Cape taxi war, that if police had disarmed the group, "tensions would have increased".

He said that on September 12 last year, he and four colleagues were the first to arrive at the scene of an attack on two Webta taxis in Zola Budd Avenue.

The commission's legal officer, advocate Mr Johan Slabbert,

asked: "They were not only angry but they were openly armed. In the light of this wasn't it wise to disarm the men?"

WO Briers said police had searched the men for "dangerous weapons" such as pistols. He could not say why police had not "confiscated" openly displayed axes and a meat hook.

The hearing continues today.

# Blockade: Traffic chief warns taxi men



ARC 12/1/92

**CLIVE SAWYER, Municipal Reporter**

TRAFFIC chief Mr Wouter Smit has issued a stern warning that wildcat taxi blockades of the city will not be tolerated in future.

Mayor Mr Frank van der Velde and Mr Smit were to meet Codeta leaders today to iron out problems that caused yesterday's wildcat blockade of major intersections in the central business district.

The main item on the agenda is expected to be the breakdown in communication that led to the protest.

Mr Smit was confident Codeta "shares my concern about the adverse effect and antagonism caused" by the protest.

The four-hour blockade — without sanction from Codeta leaders — started when three taxi drivers were arrested on the Parade.

The snarl-up caused a flood of phone calls to traffic authorities from irate motorists.

A Codeta spokesman said the association had formed a four-man committee which would look into the blockade.

The committee would talk to owners and drivers of taxis involved in yesterday's action because "we want peace in the region".

The spokesman praised Mr Van der Velde for "trying to get things sorted out last night".



# Taxi blockade

From page 1

law does not respect us." At one point drivers blocked Adderley Street as well. A crowd of on-lookers whistled and cheered as the drivers sped down Strand Street to block off Adderley Street.

Mr Van der Velde met Codeta officials and taxi drivers in the mayoral car in Adderley Street and was kept informed about progress on the release of the drivers on his car phone.

He reported on developments to the drivers in Adderley Street.

Mr Smit said the blockade by the drivers — who "held the city to ransom" — was "totally unacceptable".

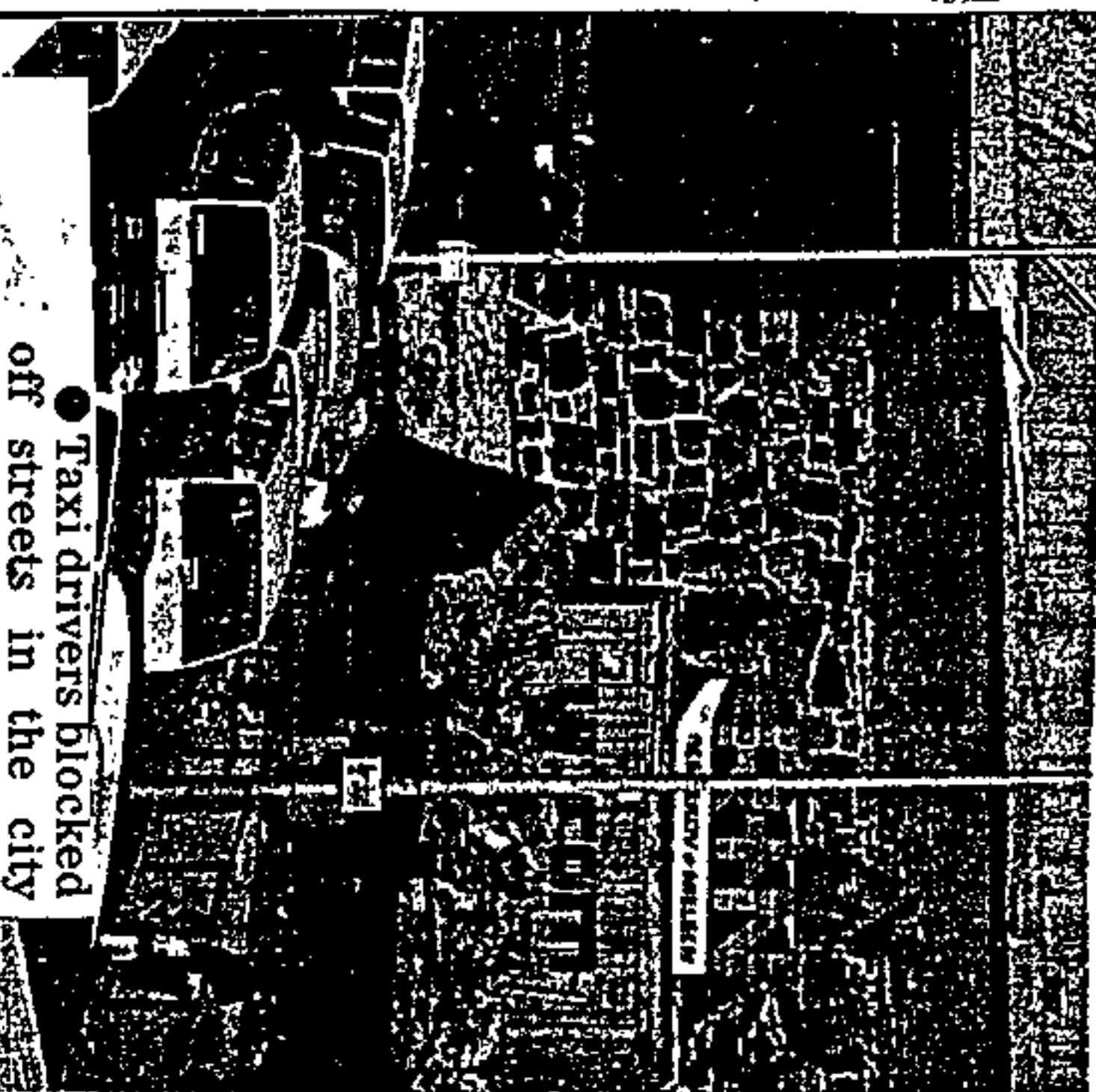
The blockade caused a "major disruption" in the city centre and caused "havoc" during the afternoon peak hour, he said.

An urgent meeting will be held today "to sort out the problem once and for all".

Mr Smit said Codeta recently promised to discuss problems.

"They have broken their word," he said.

Neither Codeta officials nor the Mayor could be reached for comment last night.



Taxi drivers blocked off streets in the city centre in August last year in protest against alleged heavy fines.

City traffic also came to halt in February 1990 when more than 400 taxis blocked off streets in protest against increased hire purchase payments.

About 50 taxi drivers besieged Claremont during peak hour in September to demand the release of one of their colleagues.

Three people were wounded in clashes between police and taxi drivers when they blocked Voortrekker Road in January this year.

## City traffic brought to a standstill

By EUGENE PARAMOER and ANDRE KOOPMAN

CITY traffic was disrupted for more than four hours yesterday when taxi drivers "held the city to ransom" with a blockade of major intersections which was lifted after police released three colleagues.

More than 80 taxis blocked off parts of Strand, Buitenkant, Adderley and Parliament streets from about 2pm to 6pm. The drivers demanded the release of the three men, who they said had been arrested "unfairly".

Police and traffic officers re-directed traffic as motorists faced hour-long delays caused by traffic jams and detours. It took more than 40 minutes to reach the city centre from Eastern Boulevard after 6pm.

The blockade was lifted soon after 6pm when the three were released. Police said, however, they only had a record of two arrests.

Write callers to the Cape Times and traffic authorities demanded that strong action be taken against taxi drivers who blocked traffic every time they were dissatisfied.

Mayor Mr Frank van der Velde attempted to defuse the situation while city traffic manager Mr Wouter Smit negotiated with police for the release of the three drivers.

One of the arrested drivers, Mr Mcebisi Magida, said police approached him at the Strand Street taxi rank about 1pm to search his vehicle. He was arrested after a dispute.

Mr Magida, of Guguletu, claimed he was slapped by a policeman and that police "found nothing" on him or in his taxi.

Taxi drivers then blockaded the streets demanding his release.

Mr Dumani Banca and another unidentified driver were also arrested after the city was blockaded. Codeta officials said.

Police first released Mr Magida and the other two drivers were released about 6pm. Only then the blockade was lifted.

Mr Patrick Misoiso, one of the drivers who took part in the protest, said a police constable ordered him to move his minibus out of the way but a police dog was set on him when he walked to his vehicle to comply with the request. He said he was bitten on the leg and his trousers were torn.

A police spokesman said Mr Magida was arrested for "riotous behaviour" and a second driver, whom he did not identify, for obstructing traffic.

During the protest curious bystanders, on their way home, formed little groups at various points of the blockade. Some of the protesting drivers shouted: "We respect the law but the

To page 2

—Sapa-AFP — "anything" to be done

ENTERS

# Mayor pleads for taxi men

832  
CT 13/11/92

Staff Reporter

THE Mayor of Cape Town, Mr Frank van der Velde, wants a soft line taken on taxi-drivers who are under police investigation for having blockaded the city centre for four hours on Wednesday afternoon.

Speaking after a meeting with taxi group leaders yesterday, Mr Van der Velde strongly denied that he was pandering to the taxi industry.

However, he said he would be making representations to the attorney general on behalf of those who blockaded the city as he realised that the existing lines of communication between Codeta, the SAP, traffic department and himself were "inadequate".

The mayor said he would be chairing a meeting between all relevant parties and those involved in the blockade to examine the breakdown in communication which had resulted in the drivers taking the law into their own hands.

"The proposals arising out of this meeting will be made to the attorney general to allow him to make the decision he deems fit about whether he should prosecute those who blockaded the city centre or not."

Codeta chairman Mr Kidwell Magwayi said Codeta "strongly condemned" the actions of its members and would be "severely disciplining" those who had contravened its code of conduct. He apologised to the public for any inconvenience they had been caused.

Mr Alan Dolby, the deputy town clerk, said he doubted whether the blockade would have occurred had the taxis been accommodated on the station roof and the city council was "pushing as hard as possible" to finalise the deal.

Golden Arrow Bus Services said the blockade had stopped 170 peak-hour bus trips and inconvenienced about 7 000 passengers.

Mr Alan Lighton, executive director of the Cape Town Chamber of Commerce condemned this type of "wild cat" action, which he believed had an "enormous impact on business performance and undermined the efficiency of the economy".

Several ratepayers' associations yesterday criticised the mayor's actions, and said the taxi-drivers had a total disregard for other road-users.

F  
b

DU  
Af  
sor  
con  
of  
ity  
tha  
the  
7  
aft

1

L  
S  
S  
in  
h  
in  
w  
p  
n



# Law will take its course, taxis told

(332)

ARC 13/11/92

**CLIVE SAWYER**  
Municipal Reporter

PROSECUTIONS will follow any violations of traffic laws or the police code, representatives of the city council, police and Convention for a Democratic Taxi Association (Codeta) have agreed.

The agreement was reached at a two-hour meeting yesterday of police, traffic police and Codeta, chaired by mayor Mr Frank van der Velde.

Parties to yesterday's talks are to meet taxi drivers who took part in the blockade to discuss the Codeta code of conduct.

Recommendations on whether to prosecute two men arrested during the disturbance will be made to the attorney-general after this meeting.

Mr Van der Velde said he would not anticipate what recommendation would be made, but said punitive action would be useful only if it helped the future situation.

To prevent a repeat of Wednesday's blockade of the city, a campaign is to be started to make taxi drivers and police aware of channels of communication between authorities and Codeta.

Details of the agreement were given at a Press conference attended by Codeta executive committee chairman Mr Kidwell Magwayi, internal stability unit head Brigadier Frik Kellerman, traffic chief Mr Wouter Smit, deputy city ad-

ministrator Mr Alan Dolby and utilities chairman Mr Kenny Penkin.

Mr Van der Velde said there was complete consensus that anyone breaking the law would be prosecuted.

He, Codeta executive, police and the traffic department would keep their doors open to discuss any grievances at short notice.

He said the city council had resolved to step up enforcement of traffic laws, especially those related to the safety of passengers.

"Part of that is not to tolerate action such as blockading the city," Mr Van der Velde said.

An extra 15 traffic officers had been assigned to the taxi squad.

Codeta was drawing up a constitution, including criteria for membership and a code of conduct.

Transgressions of this code — which includes disorderly public conduct — would be dealt with severely.

Mr Van der Velde rejected claims that the city council was "soft" on taxis.

The situation had to be taken seriously against a background of a taxi war that had cost 66 lives.

Mr Magwayi said a "few elements" were responsible for Wednesday's events.

He apologised on behalf of Codeta to the public, and promised discipline would be enforced in future.



FM 13/11/92

(332)

# MICOR HOLDINGS

**Activities:** Freight, travel, finance, insurance broking, and the sale of industrial equipment.

**Control:** Directors 44,9%.

**Chairman:** C B Kaplan; deputy chairman: M J Kaplan.

**Capital structure:** 16,5m ords. Market capitalisation: R10,7m.

**Share market:** Price: 65c. Yields: 10% on dividend; 29% on earnings; p:e ratio, 3,4; cover, 2,9. 12-month high, 95c; low, 50c. Trading volume last quarter, 36 000 shares.

Year to June 30	'89	'90	'91	'92
ST debt (Rm)	18,3	20,5	33,8	19,9
LT debt (Rm)	2,5	2,5	2,5	3,7
Debt:equity ratio	0,56	0,55	0,88	0,25
Shareholders' interest	0,33	0,35	0,35	0,32
Int & leasing cover	2,2	2,4	1,4	1,7
Return on cap (%)	10,4	10,2	11,1	8,6
Turnover (Rm)	425	492	526	731
Pre-int profit (Rm)	8,3	8,9	10,4	9,8
Pre-int margin (%)	1,9	1,8	2,0	1,3
Earnings (c)	29,6	29,1	15,2	19,0
Dividends (c)	9,8	12	5	6,5
Net worth (c)	172	167	183	200

† Share split 5:1 during year.

# MICOR INDUSTRIAL

**Activities:** International and domestic freight, travel and the sale of industrial equipment.

**Control:** Micor Holdings 92%.

**Chairman:** M J Kaplan.

**Capital structure:** 23,5m ords. Market capitalisation: R6,3m.

**Share market:** Price: 27c. Yields: 7,4% on dividend; 15,6% on earnings; p:e ratio, 6,4; cover, 2,1. 12-month high, 35c; low, 20c. Trading volume last quarter, 4 000 shares.

Year to June 30	'89	'90	'91	'92
ST debt (Rm)	1,7	15,0	19,9	9,3
LT debt (Rm)	0,7	5,2	2,5	3,6
Debt:equity ratio	0,20	1,31	1,51	0,11
Shareholders' interest	0,31	0,25	0,22	0,17
Int & leasing cover	—	1,74	1,18	1,22
Return on cap (%)	9,9	14,2	8,4	7,4
Turnover (Rm)	n/d	362	356	462
Pre-int profit (Rm)	3,3	7,7	5,2	5,7
Pre-int margin (%)	—	2,1	1,5	1,2
Earnings (c)	9,7	13,0	3,1	4,2
Dividends (c)	—	5	3	2
Net worth (c)	61	57	57	57

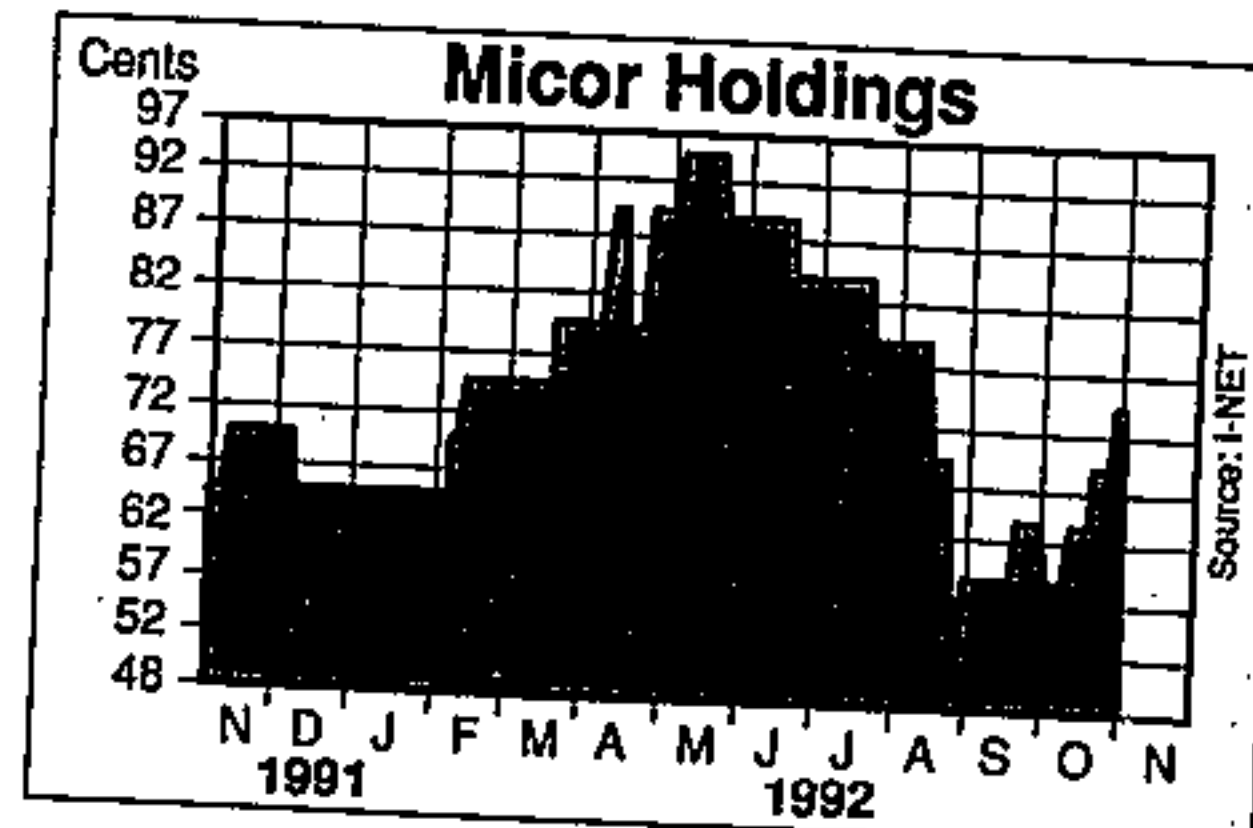
activities, whose exact nature remains a mystery, accounted for little more than half of the bottom line. Kaplan says it remains difficult to assess precise contributions from local and international activities because they are so closely linked.

Finance and insurance broking made a sound contribution. Given improved conditions, management intends to seek further development of these — rightly so, considering pre-tax profits increased fourfold.

Kaplan says the best Micor can do is hold a steady course in difficult circumstances and hesitates to venture an earnings forecast. The share is tightly held and not well rated with an earnings multiple of 3,4.

It remains difficult to judge prospects because of the limited disclosure on offshore activities. The counter remains one for the punters.

Listed subsidiary Micor Industrial (MIC) accounted for 36% of Micor's attributable profit. As well as enduring weak internation-



al trade, its freight division had to finance major portions of importers' VAT obligations. Management, nevertheless, placed emphasis on quality service and acquiring and retaining new business. At year-end the division showed improved profits.

# Dwindling tourist volumes

Dwindling tourist volumes influenced the travel division, Wellcome, which was acquired out of a provisional liquidation position and which brought problems with it. Kaplan says it has taken a year to sort out Wellcome but he believes management has the situation under control. Transport and freight provided 93% of MIC's pre-tax profit.

MIC's industrial division produced turnover of a similar order to the previous year, but lower profits. Its technological division, which never fitted in with the main business, did not justify further expansion and was closed. This brought an extraordinary charge of R443 000.

Prospects for growth for all divisions are tied to the economy but MIC is better rated than its parent. It offers a 7,4% dividend yield and a p:e of around 6,4. Kate Rushton

# MICOR HOLDINGS

# Partial recovery

Gearing was cut from 88% to 25% last year. Bullish? Not so, according to chairman Cecil Kaplan. The decrease, he says, reflects lower volumes of business.

In the past, Micor thrived on a high debt ratio, most of the debt being short-term. Hence, with diminishing volumes, it was not necessary to borrow to the same extent. Though earnings increased markedly off 1991's low base, they have not recovered to 1990 levels.

Kaplan says this is indicative of the severity of conditions in the industry over the past two years.

Improved contributions from offshore ac-

# Taxi blockade: Action promised

By PETER DENNEHY

TAXI-drivers who blockaded Cape Town streets on Wednesday may yet be disciplined — or even face formal charges.

Attorney-general Mr Frank Kahn has called for an investigation by the police of the blockade, with a view to prosecution.

And the Cape Organisation of Democratic Taxi Associations (Codeta) has pledged to "severely discipline" its own members.

● Cape Town Mayor Mr Frank van der Velde said yesterday that the Cape Times had incorrectly reported that he would be pleading on behalf of the blockaders to the attorney-general.

He said, in fact, that he would chair a meeting of all parties involved and then make whatever recommendation came out of that meeting to the attorney-general.

He said he had indeed remarked at a press conference that "taking punitive action won't help the future," and that "there will be no sympathy" after adequate lines of communication are established.

He said yesterday that he had been making the point that punitive action was only sensible if it prevented the blockading roads.

(332) CT 14/11/92



**T**HE CAPE Peninsula has a good road network compared with other centres in the country. But the roads are clogged with private cars, usually carrying only one person each. The bus, which carries up to 100 people at a time and which could be the quickest, easiest and cheapest means of transport, is held up in traffic jams. So is the mini-bus taxi, which carries up to 16 people.

Instead of moving at 60 km/h, the speed for which the roads were designed, buses and taxis travel at speeds as low as 16,5 km/h on some roads during peak hours.

The solution, says Golden Arrow general manager, Mr Frans Mayoss, is to give buses and taxis priority on the roads during peak hours so that they can move more people more quickly to and from work.

This can be done by providing special bus/taxi lanes on at least eight sections of road in the Peninsula.

Commuter travelling time will be cut by two-thirds, which means that many people will be able to get up later in the morning.

Golden Arrow Bus Services made detailed suggestions about special lanes some years ago, but for various reasons — mainly the lack of money — the authorities have responded very slowly.

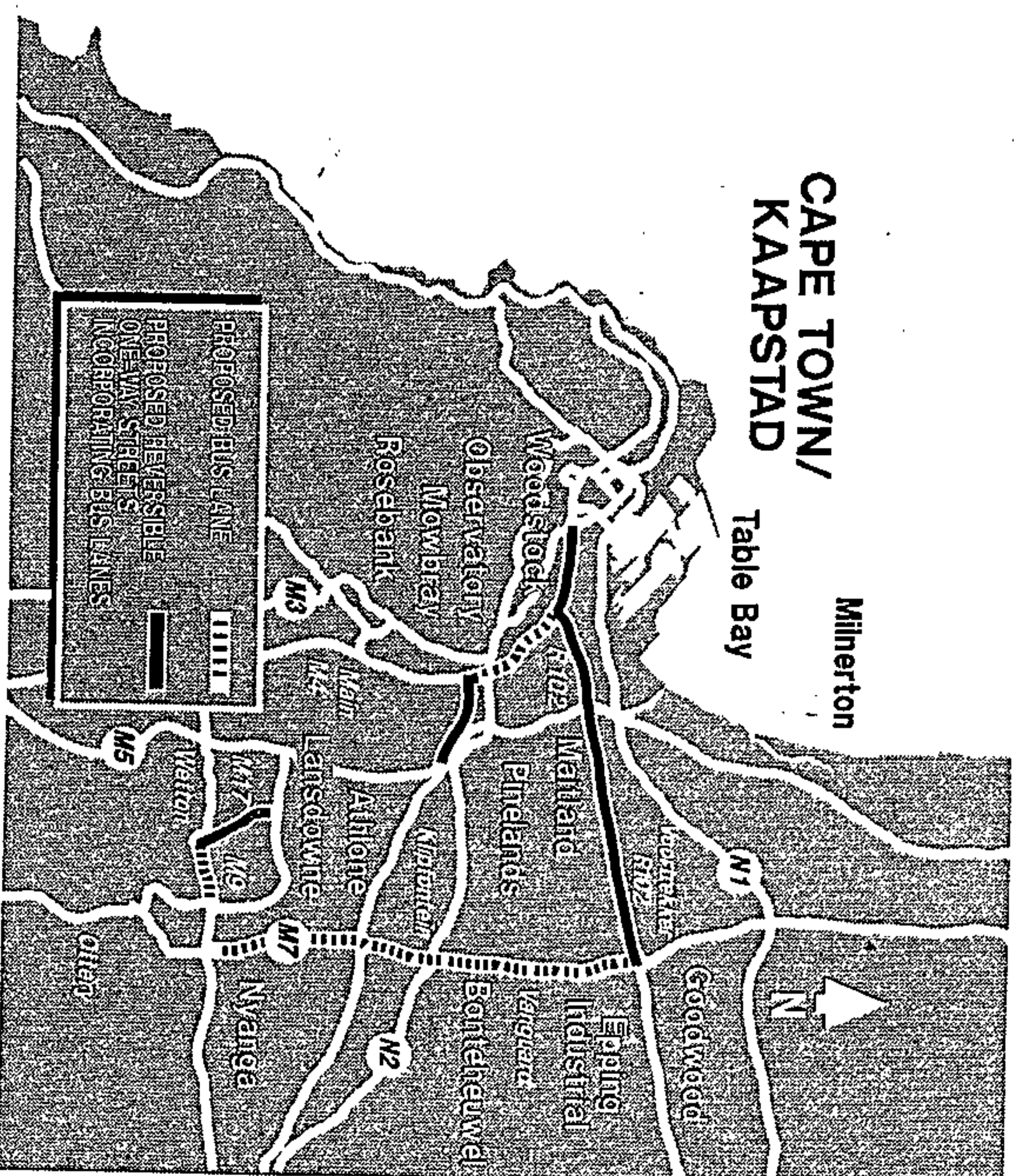
Cape Town currently has only one bus lane — along a section of Klipfontein Road. Another scheme for a bus lane on Victoria Road/Main Road between Salt River Road and Station Road, Mowbray, is in the pipeline.

The latter is based on one of the company's proposals, but it has taken the authorities three years to respond — and even now this proposal, drawn up by a group of consulting engineers, is awaiting approval.

# Faster service means fewer cars on roads

Sat 14/11-18/11/92

269  
332



Golden Arrow also proposed bus lanes on Lansdowne Road between Hanover Park Road and Wetton Circle and on Vanguard Drive between Lansdowne Road and Voortrekker Road. These are areas which are notoriously clogged at peak hours.

If the bus is given the priority to move quickly through congested roads says Mayoss, not only would large numbers of people be trans-

ported more quickly, but the bus as a means of transport would become more attractive to the passenger.

The result would be that as more passengers use buses rather than cars, traffic jams would be eased while increased passenger support would enable the bus operator to improve the service continuously.

Bus lanes are not the only way in which peak-hour traffic flow can be improved. Golden Arrow has also

suggested that five sections of road should be made reversible one-way streets between 06h00 and 08h15 (before most shops open) and in the reverse direction between 16h00 and 18h00.

During these hours, on-street parking and the use of loading zones should be forbidden and these streets should be divided from kerb to kerb into traffic lanes, with the left hand one reserved for buses and

taxis.

Between these peak hours, these streets would be used normally, causing the minimum interference with businesses along these roads and maximum traffic efficiency during peak hours. This suggestion could be implemented at very little cost.

The road sections identified as suitable for reversible one-way streets are:

- Sir Lowry Road/Victoria Road between Russell Street and Salt River Road.
- Lansdowne Road between Wetton Circle and Turf Hall Road.
- Voortrekker Road between Vanguard Drive and the Salt River Circle.
- Durban Road between Rondebosch Common and the Mowbray Terminus.
- Salt River Road between the Salt River Circle and Victoria Road.

This combination of bus lanes and reversible one-way streets would eliminate some of the worst traffic bottlenecks in the city complex.

There are other traffic management measures that can be taken to speed up the flow of traffic.

These include forbidding right-hand turns on main thoroughfares, the synchronisation of traffic lights and the right of way for buses pulling out of bus stops.

Consideration could also be given to staggered working hours and later starting times for schools.

As the majority of new cars on the roads are company cars, businesses can be encouraged to reconsider the perks they offer their staff — perhaps even a cash bonus for NOT using a car?

It is becoming a priority to make it possible for buses and taxis to get through the traffic if we do not want roads to become so clogged that it takes hours to travel a few kilometres.



Special lanes for buses and taxis would get commuters to and from work more quickly — and perhaps encourage more Capetonians to use public transport instead of cars

## Environment-friendly option

SOUTH 14/11-18/11/92

CAPE TOWN'S infamous "brown haze" (smog), seen when the Cape Doctor is not blowing, is caused mainly by exhaust fumes from petrol-powered cars, trucks and taxis. Diesel-powered buses and trucks are far less dangerous.

Petrol-powered vehicles produce nitric oxide and certain hydrocarbons. The ultraviolet rays of the sun act on these to form harmful secondary pollutants.

In fact, for every 1 000 km travelled, a petrol-powered car produces 9kg nitrous oxide, 0,138kg hydrocarbons, 72kg carbon monoxide and 529kg carbon dioxide. In contrast, a diesel-powered bus emits only 2,31kg nitrous oxide, 0,504kg hydrocarbons, 0,8kg carbon monoxide and 900kg carbon dioxide for every 1 000 km travelled.

Bearing in mind that a bus carries an average of 85 people during peak hours

and a car an average of 1,5, it becomes obvious that the bus is far less hostile to the atmosphere than the car. Trains, which operate on electricity, are even less hazardous to the atmosphere, but unfortunately it would take massive capital investment to expand the rail network.

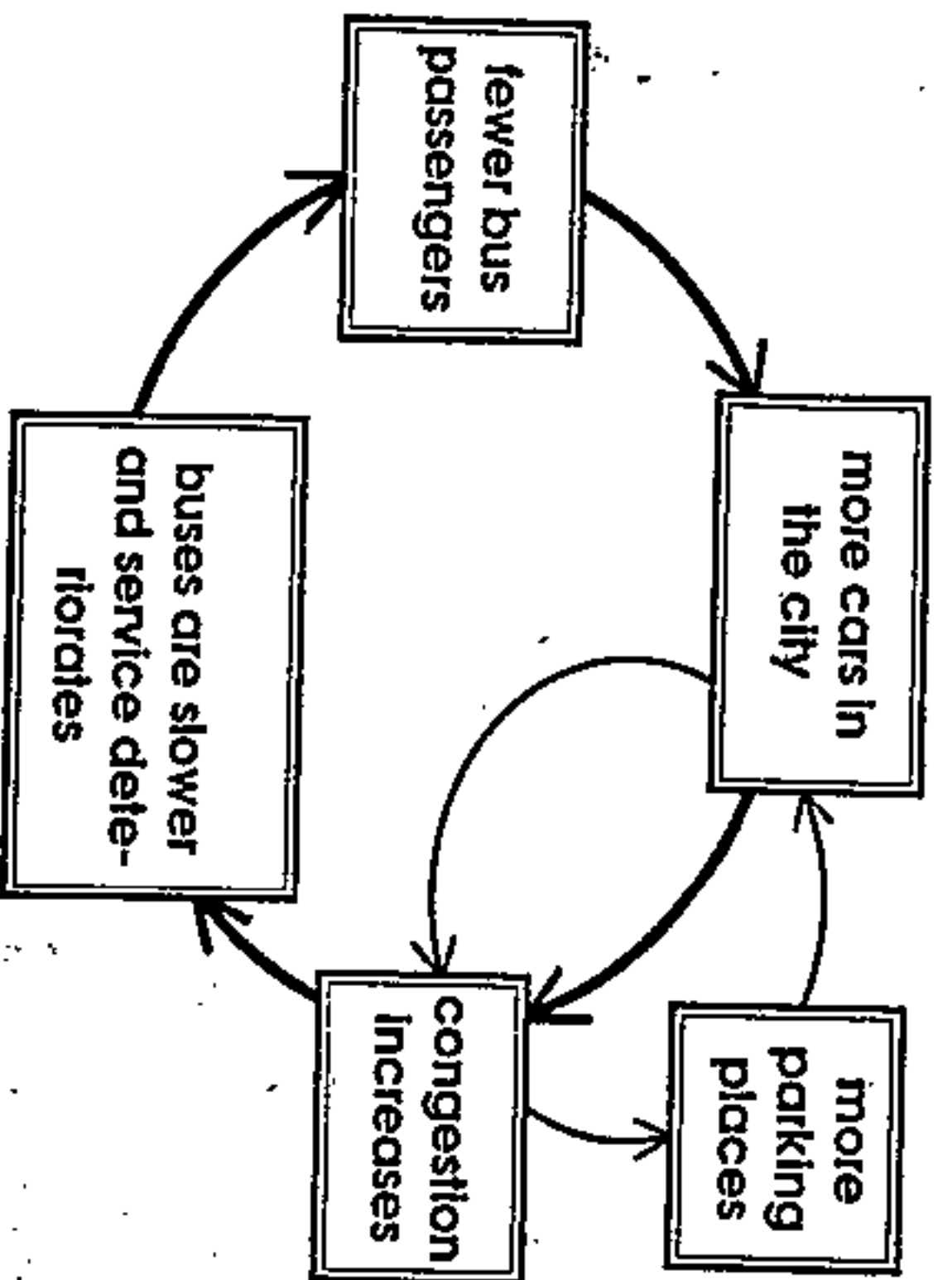
Fewer cars on the road and better use of public transport would not only relieve road congestion, but would also mean less pollution of the atmosphere with less of a hazard to our health. Ensuring that there are fewer cars on the road requires active encouragement of the use of multi-passenger vehicles, like buses and taxis.

By controlling road traffic conditions through measures like special bus and taxi lanes, passenger transport can be shown to be the smarter, more community-spirited option.

332

# Regulation is vital for public transport

Source: 14/11 - 18/11/92.



THE TAXI industry is a living example of how important it is to regulate public transport. Deregulation led to a boom in the mini-bus taxi business, but this market is now becoming over-traded and operators are fighting for the same business.

It has also, naturally, had an effect on the bus business. Ever-rising costs make it difficult for bus operators to meet the needs of all commuters — some routes are just not economically viable.

The taxi is ideally suited to doing short trips with a high turnover of passengers, while the bus is more suited to longer trips

and Golden Arrow would like to see co-operation, rather than competition, between taxis and buses.

"The secret of success in the public transport business is selling the same seat as many times as possible," says Golden Arrow general manager Mr Frank Mayoss.

"What taxis should be doing is collecting people from their homes and taking them to the nearest terminus or railway station, or collecting people from their places of work — not everybody works in the CBD — and returning them to the nearest bus terminus or station."

The result would be co-operation between different transport modes and a better service to the commuter.

"This is where the proposed metropolitan transport authority comes in. Co-ordination is essential if the public transport system is to work to the benefit of the whole community. A metropolitan transport authority consisting of representatives of local authorities, commuters, public transport operators and private motorists would best be able to make sensible decisions on transport-related matters," says Mayoss.

332

# 'Clip-on' trailers in demand nationally

S1 Times (Cape metro)

18/11/92  
A CAPE TOWN company is producing a "clip-on" trailer system which converts any one-ton bakkie into an articulated vehicle with bulk carrying capacity equal to that of a three to six ton rigid truck.

There is a big demand countrywide for the Poni trailer transportation system manufactured by National Transport Systems (NTS) of Montague Gardens and LCM Engineering of Pietermaritzburg.

The Poni is coupled to any one of a wide range of NTS Loadstar trailers to give a transportation system claimed to be extremely versatile and adaptable to most operational requirements.

The conversion includes fitting of crossmember to bakkie, rear fenders, adjustable rearview mirrors, and a dual-line trailer braking system which enhances driver and vehicle safety and conforms to National Road Ordinance regulations.

Other safety features are given as:

- Braking on all three axles.
- Positive steering due to optimised load distribution.
- New mirrors conforming with the requirements of the South African Bu-

reau of Standards.

332  
The Poni transportation system has been subjected to stringent durability tests by all major South African motor manufacturers," said NTS marketing manager Joanna Foxton.

"Satisfied with the results, these companies now offer a full warranty on the Poni.

"LCM Engineering and NTS guarantee all conversion components and trailer combinations in line with the respective vehicle manufacturers' warranty."

She said that compared with heavier trucks the Poni system offered optimal vehicle utilisation, increased productivity, low operating costs, and low maintenance and replacement costs.

"Another thing is that you never lose your bakkie.

"An easy-to-fit, slide-on body neatly clips into the support mounting, which facilitates the change from one trailer concept to another within minutes."

Ms Foxton added that with a gross combination mass of 3 500 kg, the Poni required only a code 08 driver, resulting in lower licensing fees.



# Codeta 'like time bomb'

Staff Reporter

THE peace forged by members of former rival taxi bodies Webta and Lagunya is "fragile" and "hard feelings" remain, Western Cape ANC Women's League employee Mrs Nomatyala Hangana yesterday told the Goldstone Commission of Inquiry into the Western Cape taxi war.

She was testifying on events of September 12 last year when police failed to disarm a large group of Webta mem-

bers who came to inspect two gutted taxis in Khayelitsha.

Mrs Hangana said the authorities should introduce strict controls over the taxi industry and called for "better and proper law enforcement".

She warned that the current truce between Webta and Lagunya members who united in Codeta is fragile and could be likened to a "time bomb".

332 CTH/11/92

# Boy attacked in front of police — evidence

332

ARC 17/10/92

## Staff Reporter

POLICE did not intervene when Webta members attacked a 12-year-old and threatened ANC members with violence.

This was evidence given yesterday before a committee of the Goldstone Commission in Cape Town into the taxi violence.

Mrs Nomatyala Hangana, an employee of the ANC's Women's League in the Western Cape, said she had gone to Khayelitsha on September 12 last year after they heard there had been trouble.

She and four other women joined members of the ANC's executive committee, who were talking to residents.

They saw two smouldering taxis in the road. Five minutes later, she noticed that the people were scattering.

She saw a police Casspir and two smaller vans approaching. They were "escorting" a number of taxis.

"Black men in civilian clothes jumped from the taxis. They were all heavily armed... with pangas, sticks and sharp instruments," Mrs Hangana said.

The men walked "straight towards us" and said the two taxis were their last vehicles, she said.

According to Mrs Hangana, the men threatened them with violence, while policemen were "simply standing there".

"I could not understand why they were not intervening to protect us."

She went back to the car, but soon after heard a commotion. Mrs Hangana said she saw a man chasing a 12-year-old boy with a panga and a gun. The terrified child jumped into the car.

She heard the man say that "these are the young boys who burn our taxis in the area".

Residents of the area pleaded with the man and told him the child was not from there.

Mrs Hangana said disputes over taxi routes and the issuing of permits played a part in starting the taxi war and made innocent members of the community victims of the war.

# Taxi men called to meeting

Staff Reporter

THE leaders of Codeta are summoning the 24 drivers who took part in last weeks' wildcat taxi blockade of the city to an urgent meeting next week with the traffic chief and the mayor.

Codeta chairman Mr Kidwell Magwayi said the drivers would be disciplined by the organisation for their "irresponsible behaviour".

It had not yet been decided whether the drivers would be suspended from the organisation, fined or expelled, he said.

A date for the meeting has not yet been set.

Mayor Mr Frank van der Velde confirmed that he would be attending the meeting.

He said he would be meeting attorney-general Mr Frank Kahn after the meeting.

Traffic chief Mr Wouter Smit said he was investigating steps that could be taken to prevent a similar blockade happening in the future.

He warned that wildcat taxi blockades of the city would not be tolerated.

(322) CT 17/11/92



# Conference to focus on 5707 17/12/92 violence in taxi industry

Staff Reporter

332

27/8

The bloody taxi violence in South Africa would become the focus of a national conference organised by the National Peace Secretariat (NPC) in January, the organisation announced last night.

NPC spokesman Val Pauquet said that all interested parties, including representatives of taxi associations, the Minister of Transport, financial institutions and transport unions would be invited.

The meeting, organised "in conjunction with the Goldstone Commission, was expected to be held in Johannesburg.

Pauquet said the conference would seek ways of identifying issues that caused fighting in the multimillion-rand industry.

The chairmen of all Regional Dispute Resolution Committees around the country would be asked to supply input on issues pertaining to their particular areas.

Dr Antonie Gildenhuys, chairman of the National Peace Secretariat, said: "The taxi industry has developed into a very important industry in South Africa.

"It is totally unacceptable that human lives be sacrificed for the promotion of commercial interests within the taxi industry."

He added: "The taxi industry must be competitive on a free enterprise basis without coercion or intimidation of anyone."

Chris Fismar of the NPS will head a sub-committee responsible for this initiative.

For further information, telephone Val Pauquet on (011) 886-0717 or fax her on (011) 886-0084.

By DANIEL SIMON

POLICE allegedly "fabricated a crime" in order to cover up a decision to remove police vehicles which were acting as "buffers" to separate members of Lagunya and Webta from attacking one another.

This was said by ANC MP for Claremont Mr Jan van Eck under cross-examination before the Goldstone Commission of Inquiry into the Western Cape taxi war.

Mr Van Eck, who was recounting events at the Nyanga taxi terminus on February 19 this year, said he arrived during the morning for a meeting at the John Pama school near the terminus.

He saw a sizable number of Webta and Lagunya members at the terminus who, although shouting abuse at one another, were being kept apart by two police vehicles.

# Van Eck: Police in taxi war 'cover-up'

CT 7/11/92  
275 332

During the meeting, he said he heard "pandemonium" break out in the vicinity of the terminus.

On investigating he found the two police vehicles separating the groups had been withdrawn, allowing Webta members "to advance" on the Lagunya faction.

He said the decision to withdraw the vehicles was in violation of "strict instructions" issued by the Western Cape regional police commissioner Major-General Nick Acker to keep the groups apart.

Only the quick intervention of two policemen, who headed off

the Webta advance, prevented the possibility of bloodshed.

On inquiring from a policeman on the decision to withdraw the vans, Mr Van Eck said he was told the vans had been withdrawn to investigate the theft of "a bicycle" in the KTC squatter camp.

"I don't believe their motivation to leave the scene was to catch a bicycle thief."

He said he believed police withdrew the vehicles to open the way for an attack by Webta on Lagunya.

The hearing continues on Monday.

# Armed Webta men did not pose threat, say police

Staff Reporter

332

2/18

POLICE searched "aggressive" Webta members carrying sticks, knobkerries and pipes, but did not confiscate them as they did not believe anybody was in danger from the men.

Constable Riaan Oberholzer said in evidence before a committee of the Goldstone Commission in Cape Town yesterday that on September 12 last year he had seen two Webta taxis drive up to two smouldering taxis in Zola Budd Drive, Khayelitsha.

"I saw they (the occupants) had sticks and pipes in their possession and saw that they were ag-

gressive, but they were not threatening anybody in particular," he said. ARG 18/11/92

Constable Oberholzer and his colleagues searched the men, particularly those "who" wore clothing which could conceal a firearm.

"We would have confiscated their traditional weapons if they proved to be a threat to us or bystanders," he said.

Mr J Slabbert, for the commission, put it to Constable Oberholzer that he had seen some of the Webta members carrying axes and one a meathook in a video of that day's events.



ONCE, passengers could sit comfortably in a minibus taxi and enjoy the ride. Nowadays, they are closely packed in overloaded vehicles driving at breakneck speeds and screeching to a halt to offload. The kamikaze roadhogs jerk violently and pull off, beating the red light.

Such is the intense pressure brought about by overtrading. Drivers square up to each other and get ready to fight over a customer or a route. Road safety takes a back seat.

For years, taximen have complained that the Local Road Transportation Board (LRTB) issues more permits than the ranks can accommodate, that it is killing the industry and creating miniature monopolies. It is not uncommon to find a person holding more than five permits.

Overcrowding at taxi ranks was one of this week's findings of the Goldstone Commission on the causes of taxi violence in Alexandra. The commission is right to highlight fierce commercial rivalry as the cause of violence, but stops short of saying that this flows from the bureaucratic bungling of the transportation authorities.

Drivers, who see themselves as the industry's caretakers, lament that with overcrowding created by the LRTB, the slices of the cake are becoming thinner by the day. Soaring unemployment means that taxis have a dwindling clientele, as more people are forced to stay at home.

The problem is general: the commission takes Alex as a microcosm, deciding not to extend its inquiry to other areas like Kaitleng, Springs and Boksburg. "We do not believe the causes of violence in these places to differ much," it says.

The commission stresses that before 1986/7 there was only one taxi association in Alexandra and that no fighting had taken place. A dispute over funds led to the expulsion of members from the Alexandra Taxi Association (Ata), who then formed the Alexandra-Midrand-Randburg-Sandton Taxi Association (Armsta).

Ata — which drivers described as controlled by "unimaginative and conservative old men" — stuck to its old routes, while Armsta, praised for its vision and fresh ideas, looked beyond Johannesburg and made inroads into new areas. This led to hostilities, with scores of operators from both associations being ambushed and killed.

On top of this came overcrowding at the ranks. The commission observed that "it was therefore not surprising that when tensions mounted, the ranks were the place where trouble erupted". Inevitably, innocent commuters were caught in the crossfire.

When the commission investigated the cause of violence in Cape Town, it was recommended that the issuing of permits should be restricted by the number of ranks available.

Drivers are adamant that until the LRTB stops giving thousands of permits, without working in conjunction

# Get the joyriders off the taxi routes

W/maill 18/12-22/12/92

*The Goldstone Commission report on taxi violence on the Reef does not go far enough in apportioning blame, argues taxi driver RAY NXUMALO*



with the municipalities and the taxi associations to identify ranks and routes, pirate taxis will be there to scavenge. And this will always lead to violence.

Another sore point for drivers is that professionals and public servants are allowed to acquire taxi permits willy-nilly. Most argue that such people are invading their territory.

The Goldstone Commission report mentions an Alexandra policeman who owned two taxis, bringing into question his impar-

tiality in investigating complaints from the rival association. Schoolteachers, bank clerks and even traffic officers are known to hold permits, and the

drivers argue that "such people sit comfy in their day jobs while the industry is decaying". Other taxi associations, in a bid to avoid huge infiltration by

"outsiders", require a person to have driven a taxi for a certain stipulated period — usually three to five years — before being considered for membership.

The new member will be duty-bound to drive his taxi for no less than a year before he can consider hiring a driver. The rationale is that the probationary period helps break him in to the demands and pressures of the industry.

Ethnicity can be a compound-

ing factor. Ethnic violence in the East Rand townships of Tokoza and Kaitleng has brushed off on the long-distance taxis operating between there and the home-lands.

Allegations have been made that residents from the predominantly Xhosa-inhabited Phola Park shack settlement have attacked taxis with Natal registration plates. Taxis bearing Ciskei or Transkei number plates have been found gutted and the occupants attacked.

Such attacks seemed to decrease when only Transvaal-registered taxis were allowed to bring commuters in.



**Our Notice Deposits are so simple, what more could we offer...**



**...24 hour access!**

Standard Bank's Notice Deposits are more attractive than ever before.

There's just one period of notice — 32 days, which is far easier than tying yourself to long periods.

If the highly competitive interest rate rises, you benefit instantly; and you don't lose out should it drop, because we give you 32 days' warning. Furthermore, by

linking our 32 day Notice Deposit to any Standard Bank ATM Card, you can enjoy 24 hour electronic banking convenience on any AutoPlus machine.

Why get yourself into a rut when you can choose an investment that's easy to manage and very rewarding.

**Deposit Investments**

**Standard Bank**

Looking ahead so you're not left behind.

# Webta 'were searched'

Staff Reporter

SEVERAL Webta members who came to inspect two gutted taxis in Khayelitsha in September last year were searched for firearms and other dangerous weapons by members of the police.

This was disclosed by Constable Riaan Oberholzer of the Internal Stability Unit who testified yesterday before the Goldstone Commission of Inquiry into the Western Cape taxi war.

He was testifying in response to claims by ANC MP for Claremont Mr Jan van Eck that police did not disarm the Webta group while they were openly displaying two axes and a meat hook and threatening a group of ANC representatives with violence.

Constable Oberholzer

## Shots fired 'in altercation'

Staff Reporter

SHOTS were fired during an altercation between police and a Delft taxi driver yesterday.

A passenger in the taxi, Mr Abduragman Atwood, claimed that police fired two shots at the taxi without provocation.

Police spokesman Major Hendrik Opperman said the taxi driver contravened traffic laws, refused to stop when he was signalled to do so and he had tried to run the policeman over.

Mr Alfred Hermanus will appear in the Bellville Magistrate's Court today on charges of attempted murder, reckless driving, driving without a licence and operating a taxi without a permit.

said that as far as he could remember, he and three other policemen searched several "aggressive" Webta supporters for firearms when they arrived at the scene of the attack in Zola Budd Avenue on

September 12 last year.

Constable Oberholzer said he saw some Webta members were openly displaying sticks and pipes, but police did not confiscate these as they were considered as "traditional weapons".

He said the men were also not endangering the lives of any people, including that of Mr Van Eck. Any attempt by the police to confiscate the traditional weapons would have led to an increase in tension.

Asked why he did not disarm the Webta members who were openly displaying the axes and a meat hook, Constable Oberholzer said he did not find anyone carrying such weapons during his search.

Constable Oberholzer said: "At no stage was Mr Van Eck threatened in such a manner that police had to take action," adding that he had also not seen Webta members argue with Mr Van Eck.

The hearing continues.

FM 20/11/92

LASER

## OK again for Kaye (332)

In late September, just before a curt announcement that smacked of the drama of a "JR" saga in *Dallas*, controlling shareholder and Laser MD Denis Kaye left the company (Fox October 9). Chairman Peter Thomas took over as CE.

Since then Kaye has found a buyer for 32,2% of Laser's shares and secured his position in the company, though he is not on the board. He retains 26%.

The buyer is Tony Cotterell (43), chairman and sole owner of unlisted Kempston Investments, holding company of Kempston Hire, Kempston Vehicle Leasing and the freight brokers, Haulgoods, all East London-based. Cotterell's companies control a fleet of more than 1 400 vehicles. He has property, mostly in the Border region, worth more than R50m.

Through his trust, Pocot Trust, Cotterell paid Kaye R2,1m — equivalent to 68c a share — for the Laser stake. This, because of special voting rights, gives Cotterell control. He has acquired property from Kaye and is negotiating to buy a further 21% of Laser from a financial institution.

Pocot Trust is to offer to buy minorities' shares at 68c each.

Cotterell is now MD of Laser and Kaye



**Laser's Kaye ... back in the saddle**

has returned as GM. Together, they should make an effective team. Thomas is to revert to non-executive chairman and Erico Puccini, appointed MD by Thomas, reverts to financial director. Perhaps the AGM early next year will see changes to the board.

Having stuck with Kaye and his company thus far, minorities should stay for the ride, especially as Cotterell has underpinned the price.

Gerald Hirshon



# City's taxis to wait

332  
APR 21 11/92

CLIVE SAWYER  
Municipal Reporter

CONTROLLING the taxi industry will remain a problem until the outcome of the Goldstone Commission probe into the permit system and other regulations, said the city council's utilities and works committee chairman, Mr Kenny Penkin.

The council was "actively pursuing" the idea of moving the Strand Street minibus taxi rank to the station deck and Strand Street would become a metered parking area, he said.

"Detailed plans are being drawn, quotations will be obtained and there are negotiations between the industry and station deck informal traders about the layout and other logistical matters."

The roads engineer was making every effort to complete the move.

When Strand Street became a metered parking area, many present problems would be alleviated, he said.

But until the outcome of the Goldstone Commission investigation of the permit system and other regulations, control of taxis would be problematic.

In March and October last year the council ordered strict enforcement of traffic laws among minibus taxis.

In September traffic chief Mr Wouter Smit told Mr Penkin the situation was deteriorating.

A report on control and law enforcement was being discussed by the taxi industry and the comments would be tabled at the next meeting of the taxi liaison committee, Mr Penkin said.

# Greed stirs

By ELIAS MALULEKE

THE unending violence within the black taxi industry has been blamed on a power struggle and a clash of personalities.

This emerged at a meeting held in Pretoria this week by the Transvaal Taxi Association, an affiliate of the Southern Africa Black Taxi Association (Sabta).

Senior executive members of Sabta claimed there were concerted efforts by a small group of people, who were apparently being misled by a former employee of Sabta, to split the giant taxi industry.

The regions affected by this split are the western and eastern Cape, Transvaal and Pretoria.

It is feared the power struggle could spill over and affect organisations such as the Foundation for African Business and Consumer Services (Fabcos), the Future Bank and Taxi SA Marketing.

City Press has established that Sabta was unhappy with their former national advisor and director of Taxsam, James Chapman, who resigned in March this year.

## Plot

Chapman, who still maintains a 26 percent holding share in Taxsam and who left to pursue his own business interests, is alleged to have undertaken not to involve himself in the black taxi industry and informal business again.

However, he has since established James Chapman and Associates, an informal sector business development firm of consultants, which he used to launch the New Wave Taxi Max with the assistance of the Pretoria United Taxi Association, an affiliated regional body of Sabta.

The move by Chapman and Puta, in launching their own marketing division which now by-passes Sabta and its marketing arm, is seen as a deliberate plot to undermine Sabta and Taxsam and to create confusion in the taxi industry.

New Wave, a marketing company that operates on the same lines as Taxsam, has also solicited financial assistance from banks, motor industry companies and private enterprises which currently support Sabta and Taxsam.

Since the formation of New Wave, a number of taxi operators and regional bodies have apparently cut their ties with Sabta, Fabcos marketing and Taxsam.

## Resignation

Senior officials of Sabta claimed that the havoc created was because operators and regional bodies have been promised heavy returns for siding with New Wave against Sabta.

## The clashing of powerful businessmen is fueling the violence

operators and regional bodies as their springboards.

Sabta president James Ngcoya said he was shocked by the activities of Chapman.

He said Chapman had made great contributions to Sabta and Taxsam and his resignation came as a surprise.

"However, we have since learned that he is entering into direct competition with Sabta and our fears are that a split will hurt all interested groups and there will be no winners," said Ngcoya.

Fabcos chief executive officer Jabu Mabuza said Chapman was given a golden handshake amounting to R100 000 plus a car telephone on his resignation, to acknowledge the contribution he had made to the taxi industry.

## Weakness

"Chapman is now capitalising on the weakness of our people to block our mechanism in a bid to prove that blacks cannot run their own affairs without the involvement of whites.

"He is driving a wedge into the taxi industry at a time when we are trying to get all taxi bodies in the country to work under one roof and stop the violence.

"Already the Cape is seething with anger as black taxi operators threaten their coloured counterparts for siding with Chapman. It is happening in the East Rand and we fear that what Chapman is doing in sowing the seed of division will trigger off the kind of violence that has never been seen in this country," Mabuza said.

Chapman has refuted claims that he is creating division in the taxi industry and accused Sabta and Taxsam of turning their incompetence into a political issue to gain support from the masses and discredit him.

He said he was approached by taxi operators to assist them in marketing themselves because they were not getting anything from the marketing arm of Sabta.

"When I left Sabta I made an undertaking not to involve myself with the taxi

the taxi war

Cont

City Press

22-11-92

232

The jockeying for control of Sabta, Fabcos and Taxsam has now caused division among operators and regional bodies supporting Sabta and New Wave.

The cracks caused by New Wave first appeared at the annual conference of Sabta held at Sun City this year when pamphlets were distributed urging members to call for the resignation of the present Sabta executive.

Sabta's media liaison officer, Mike Ntlatleng, confirmed outside forces had hatched a plot to split Sabta using taxi

industry, but I was called back by people who have trust in me and I could not leave them in the lurch."

Asked why he did not assist the regional and taxi operators as he was trying to do now when he was with Sabta, he said he made proposals and these were rejected.

He said the credo of every individual in New Wave was to bring an end to violence and he was not going to involve himself in operations that would cause loss of life.



■ Customers will benefit from lower bus fares on all routes: 288 332

TRANSLUX and Trancity bus services have combined to form one inter-city service to be known as Translux Express.

"The biggest advantage to passengers of this reorganisation is that new fares, which are even lower than before, can be offered," said public relations manager Ms Elmarie Botha.

Botha.  
 "This will now become the most affordable way to travel to more than 100 destinations. These fares will be applicable to all seats on the coach and have been made possible by the fact that costs have been cut drastically."

The new Translux Express inter-city service will operate on most of the routes previously serviced by Translux and Trancity, with about the same number of arrivals and departures.

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

## COMPANIES

### Putco dubious about tender system

BIDAM 23/11/92

EDWARD WEST

THE tender system to eventually replace subsidised public bus transport has run into labour relations problems, and SA's largest operator Putco is reluctant to support it until the problem has been resolved, says Putco CE Jack Visser. (332)

He said that as a result of losing a tender on offer by the Transport Department for a Mamelodi bus route which Putco had been operating at a loss, the Industrial Court ruled that Putco had to pay retrenchment costs of employees re-employed by the competitor which won the contract.

Furthermore, the social effect of the

tender system on employees needed to be clarified, he said. The tendering of routes created instability among employees regarding employment benefits, he added.

Putco chairman Albino Carleo said in his 1992 review that the bus industry in general appeared to be divided on the issue of a large-scale introduction of tendering.

Until problems associated with tendering had been resolved, particularly those relating to industrial relations, Putco was reluctant to give the system the support indicated the year before, Carleo said.

# Sabta blames former adviser for conflict

THE SA Black Taxi Association (Sabta), riven by discontent among its 18 regions, is blaming former national adviser James Chapman for creating divisions that could lead to violence.

But Chapman, who resigned from Sabta and parent body Fabcos in March last year, said yesterday Sabta should lay the blame on its own management.

A City Press report quotes Fabcos CE Jabu Mabuza as accusing Chapman of "driving a wedge in the taxi industry" by teaming up with Sabta affiliate Pretoria United Taxi Association (Putu) to launch

3/10/92 24/11/92  
THEO RAWANA (332)  
certain schemes for members.

This, he said, came at a time when attempts were being made to get all taxi bodies together to stop the violence and he feared "what Chapman is doing in sowing the seed of division will trigger off the kind of violence" not yet seen.

Chapman said he had been approached by PUTA to work out better packages — including on insurance and repair work — for members. Written permission had been received from Mabuza, Chapman said.

Other regions had approached PUTA for the facilities, but he stressed that these regions remained loyal Sabta affiliates.

Sabta should "replicate" the packages he and PUTA were providing, rather than blame him for the discontent, he said.

Sabta public affairs director Mike Ntlatleng said yesterday Mabuza, who was not available, was the only person mandated to comment on the issue.

PUTA chairman Enos Makena said Chapman was not to blame as the association had approached him, and he had refused until Sabta had given the go-ahead.



# Rail, bus subsidies 'distort'

Political Staff

SUBSIDIES for rail and bus commuter services, to the exclusion of minibus taxis, caused distortions in the transport industry.

In its report on urbanisation, which was released at midnight, the President's Council Committee for Econo-

mic Affairs said the exemption of commuter transport from VAT was equivalent to an indirect subsidy.

It recommended that different policies regarding the taxation of various forms of transport be adjusted to prevent further distortions in the market.

The report said minibuses

had come to stay and had "created a new situation in mass transport thinking".

It said minibus taxis offered long-distance as well as intra-urban services and offered mobility to those who were unable to provide their own transport.

The report said minibus taxation brought transport much

closer to people's homes and destinations than buses or trains. They were also important in creating jobs.

Minibus taxis had greater influences than other forms of commuter transport. The report recommended that city terminuses, which were used extensively by taxis, be upgraded.

(332) CT 25/11/92

## 'Make room for traders'

Municipal Reporter

332 9/26/11/92

TAXI associations are to insist that informal traders are represented at all talks on the future of the station deck.

(1538)  
The co-ordinator of the Cape Peninsula Informal Traders Association, Mr Hassan Khan, said after a meeting with 13 taxi associations that the associations had been "totally unaware" of the negative impact that moving the Strand Street rank to the station deck would have on informal traders.

FM 27/11/92 (332)

improved progressively: R7,8m for the six months to June 1991, R12,2m for the first half of the 1992 year, and R16,8m for the latest six-month period.

Total pre-tax profit of R29m for 1992 was four times the aggregate pre-tax results of the previous six years, which had swung erratically between a high of R19m in 1988 and a similar loss in 1986.

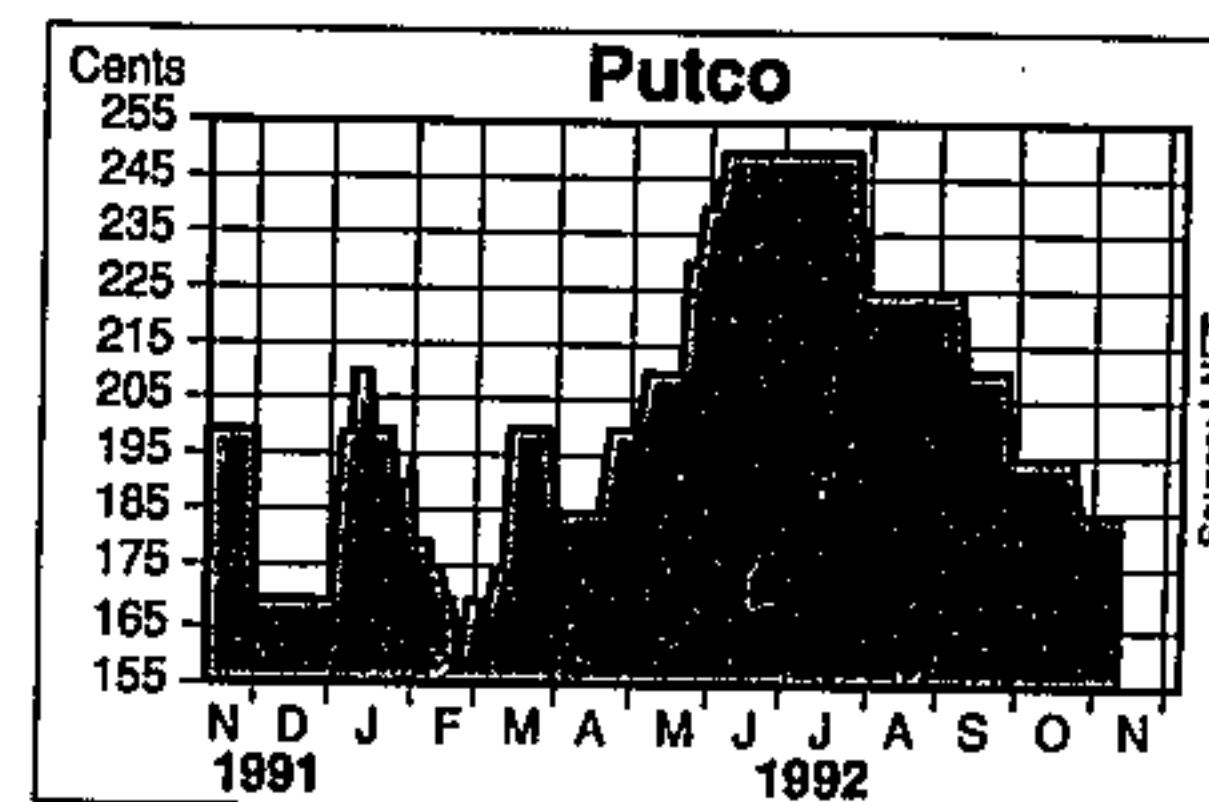
An interesting aspect of the turnaround is that it has been achieved despite further deterioration in almost every ratio measuring asset usage. For instance, the composite passenger/km ratio, the most comprehensive indicator of overall group activity, plunged a further 24,3% last year after a 43,5% decline in 1991.

While this is partly explained by 1991 containing an element of the urban routes cancelled during that year, the change in emphasis to long-haul routes has still not had the desired effect of improving either average "bus occupancy" (the average number of passengers carried by each bus still in operation), which last year declined by a further 11,5%, or the average distance travelled by each bus still in service, which was down 8,8%.

The continued deterioration of these ratios could indicate that, despite the improvement in profits, Putco is not yet out of the woods. Annual loss of passenger support remains alarming, with a further 14% decline to 84m in 1992, bringing the total loss from the 1982 peak of 3 967m to 79%. One would at least want to see signs of returning stability (after a decade of deterioration) in asset usage before giving a clean bill of health.

But the low capacity usage gives some idea of what could be achieved by reversing the downward trend. This is probably a prerequisite if Putco is to start earning a reasonable return on funds employed, which remains inadequate. Last year's gross return on total assets was only 10,3%, with net return on

FM 27/11/92 (332)



equity only marginally higher at 11,2%.

Over the years, total assets and equity funds have been materially inflated by asset revaluations. The nondistributable reserve applicable to bus revaluations amounts to almost 263c a share (out of total net worth of 476c) and property revaluations account for another 82c. Though one can accept the logic of including the bus fleet in the balance sheet at depreciated current cost, there would appear to be some who question whether, in a sale, the fleet would realise anything like the upgraded book value attributed to it despite a continuous rebuilding programme which is progressively reducing the average age of buses still in service.

This could partly explain why the market has not responded positively to the profit turnaround.

Since the FM's review of the 1991 annual report, the share price has slipped from R2 to 185c. If one deducts from this the net cash, which has doubled from 41c a share to 88c, the market has, by implication, downgraded its valuation of Putco's operations even more drastically from 159c a share to 97c.

At a time when, as chairman Albino Carleo notes with some concern in his review, results can be radically affected by social unrest, it remains difficult to place a fair value on the company. It is tempting to conclude the market has gone overboard. Putco has managed to survive the crisis confronting the mass transport industry. After restructuring its operations, it is again a strong cash generator. Even if conditions deteriorated to the point where it was forced, as it threatened to do 18 months ago, to withdraw from the industry and liquidate, the break-up would almost certainly yield more than the market's present valuation of the company.

Brian Thompson

PUTCO FM 27/11/92

## Surviving the crisis (332)

**Activities:** Operates mass transport services.

**Control:** Carleo family 52,5%.

**Chairman:** A Carleo; MD: J A Visser.

**Capital structure:** 26,4m ords. Market capitalisation: R48,8m.

**Share market:** Price: 185c. Yields: 16,2% on dividend; 28,8% on earnings; p:e ratio, 3,5; cover, 1,8. 12-month high, 250c; low, 160c.

Trading volume last quarter, 359 000 shares.

Year to Jun 30	'89	'90	'91	'92
ST debt (Rm)	2,3	5,5	4,6	—
LT debt (Rm)	nil	nil	nil	nil
Debt:equity ratio	—	0,03	(0,10)	(0,19)
Shareholders' interest	0,66	0,62	0,58	0,56
Return on cap (%)	(0,3)	(4,0)	(3,8)	10,3
Turnover (Rm)	346	365	360	398
Pre-int profit (Rm)	(0,8)	(8,5)	(7,4)	23,3
Pre-int margin (%)	(0,2)	(2,3)	(2,1)	5,8
Earnings (c)	3,5	18,1	(13,7)	53,2
Dividends (c)	8	320*	30*	30
Net worth (c)	708	498	431	476

\* Special dividend.

**When Putco** cancelled most of its urban-based passenger services early last year, it effectively conceded defeat in its uneven battle with minibuses for control of short-haul commuter routes. Though it lost that skirmish, results since then suggest it may have won the war.

The turnaround in profits has been dramatic. From a R13,6m loss in the first half of the 1991 year (which prompted Putco to announce its intention of withdrawing from the transport industry), pre-tax profit has



Putco's Carleo ... radical effects of social unrest



# Ikoza faces blackout

■ Electricity will be cut off unless residents pay bills by tomorrow

By Lulama Luti

THE whole of Tokoza will be plunged into darkness if residents fail to pay their electricity bills by tomorrow.

According to notices issued to residents, the nearby Alberton Town Council said it would discontinue the supply of electricity to the entire township if "insufficient money" was collected by December 1.

This warning comes after lengthy discussions between the Tokoza Civic Association, the Alberton and Tokoza town councils, the Transvaal Provincial Administration, the Tokoza Local Dispute Resolution Committee. It also comes two weeks after power was cut off in the township.

Earlier this year the Alberton council, which is the bulk supplier of electricity to Tokoza, agreed to restore electricity if the Tokoza council paid an outstanding electricity bill of R2,2 million.

Several calls

Sowden

30/11/92

A further deal that was entered into in July stated that electricity supply on a 24-hour basis would be provided on condition community organisations advised residents to pay their accounts.

However, despite several calls to residents by the LDRC to pay for electricity consumed, it was learnt that by Tuesday last week residents were still not paying enough money to cover the costs of the electricity being supplied.

## Boycott threat over taxi killings

■ Councils urged to end violence

By Lulama Luti

THE KwaThema and Springs town councils as well as the Transvaal Provincial Administration have been given until December 4 to end the violence or face a consumer boycott.

The chairman of the KwaThema Civic Association, Mr Kenny Madalane, said if concrete steps to stop the violence had not been taken by the stipulated date, the community would embark on a consumer boycott.

The killings have claimed the lives of 65 people. Sowden 30/11/92

This decision follows a protest march to the local police station and a subsequent sit-in at the council offices on Saturday.

# PFV sets up a freight unit

Business Day Reporter

PFV Insurance Brokers has set up SA's first comprehensive risk management unit for the freight transportation industry.

Known as PFV Transportation Risk Managers, the newly formed group would help clients reduce their cost of risk, and increase profitability, deputy MD Victor Vaz said.

"Until now each player in the freight transportation industry had been assessed independently, and only from a simple cost of insurance viewpoint."

This led to excessive and unnecessary insurance costs, for example, where allocation of liability among industry players resulted in double insurance, adding to costs. Vaz said by combining traditional marine insurance broking with transport risk control and analysis, the group aimed

to provide every link in the freight transportation chain with effective risk management.

The unit would assess and service freight operators' legal liabilities and develop risk financing mechanisms to suit freight operators and cargo owners.

Analysis of the logistics of transportation, storage and distribution options would allow freight forwarder and cargo owner to evaluate transportation methods.

"There is also a need to enlighten the industry on how to manage risks and minimise, or regulate, exposures," Vaz said.

The formation of the group was part of the restructuring of PFV Natal into PFV Corporate, PFV Natal Consolidated and Transportation Risk Managers.



# Verster names three generals

*30/11/92*  
SADF chief Gen Kat Liebenberg, former MI head Gen Rudolph Badenhorst and CCB chairman Gen Eddie Webb had all allegedly ordered the disappearance of CCB documents, the Webster inquest has heard.

SUSAN RUSSELL

This emerges from a transcript of a portion of evidence given in camera by former CCB MD Col Joe Verster.

Verster is one of a number of former CCB operatives who have been subpoenaed to testify at the inquest on Wils academic and anti-apartheid campaigner David Webster who was gunned down outside his Troyville home in May 1989.

The former CCB MD, who has said his life would be in danger if he was recognised, has been allowed to testify in camera to protect his identity.

It was disclosed at the inquest last week that Verster wrote a letter to President F W de Klerk in May in which he alleged that four generals, including Liebenberg, had influenced subordinates in the CCB to alter documents or make them disappear during the Harms Commission in 1990.

Cross-examined by State counsel Jamie Van Vuuren, Verster named Webb, Liebenberg and Badenhorst in connection with missing documents.

Van Vuuren asked Verster whether Webb was involved in the orders given for the disappearance of documents.

"There was more than one general involved in it," Verster replied.

"There was on occasion, I think, Gen Badenhorst, if I can remember correctly. I think there were also suggestions that Gen Webb, on occasion, did it.

"I speak under correction, but I think there were people who worked for me who said that Gen Liebenberg had done the same," Verster said.

He was asked by Van Vuuren whether these documents had referred to CCB projects inside or outside SA.

He replied that although the focus of attention at that time (during the Harms Commission) was on the CCB's internal activities, this was just one element of a greater organisation.

"We were more worried about the methods, the external activities, how we functioned abroad," Verster said.

He added there had been concern to protect CCB operatives who worked underground in the "private sector".

The inquest continues before Judge M Stegmann today.

# Army museums in firing line

*30/11/92*  
TIM COHEN

FIVE of the army's six military museums are in the firing line as the SADF joins other government departments in the battle to balance their budgets.

The SADF has decided it will no longer run its military museums at Klapperkop and Schanskop, two of the five forts that were built on the hills around Pretoria just before the second SA war.

The military will also relinquish control of museums in Bloemfontein, at the Donkin reserve in Port Elizabeth, and at Fort Beaufort.

Navy and air force museums will not be affected, nor will the popular museum of military history, which adjoins Johannesburg zoo, which is run by the National Education Department.

The city council of Bloemfontein has already taken over that city's museum, and administrators are being sought for the Pretoria bases.

SADF public relations officer Capt Ivor Little said it had been decided to consolidate the army's museums into the museum at the Castle in Cape Town.

The SADF hoped all of the museums would remain open, but if new administrators could not be found, they would close.

Some of the museums' exhibits would be moved to the Castle. However, many were privately owned, and owners would decide what should be done with them.

# Sabta told to look at members' interests

THEO RAWANA

THE taxi industry was in a state of decay and could be saved only by the SA Black Taxi Association (Sabta) putting the interests of its members first, former national adviser James Chapman said on Friday.

Chapman said in an interview that a concept he had hatched with Sabta affiliate Pretoria United Taxi Association (PUTA), which was turned down by Sabta, was the only one guaranteed to trigger a 50% growth in the industry in just four years.

Chapman said they had identified 40 new areas of income for the industry, from postal and furniture deliveries at off-peak periods to serving health services and tourism.

"After I resigned from Sabta in March, PUTA members came to me and, saying the taxi industry was in a mess, asked me to work out a scheme that would address the needs of members at grassroots level.

"They complained that taximen were not making money while some one else in Sabta was. The bank rates and the insurance premiums were the highest in the country, they said."

Repossessions were rife and resale prices were unrealistically low, leaving the operator with a huge debt. Chapman and the PUTA executive came up with a plan called TaxiMax that aimed to maximise the industry.

Chapman said it involved getting regional members to join a club that would subscribe to a strict disciplinary code.

"We managed this by going directly to the suppliers and cutting out the middle man," said Chapman.

Insurance premiums were brought down from Sabta's R13 000 a year to R5 800 and finance on vehicles was cut by 50%.

"We took the scheme to Sabta and they turned it down," Chapman said. Now other regions were coming to Pretoria in droves seeking the TaxiMax concept.

"Among these are the East Rand, the Orange Vaal, Rustenburg, Soweto, the whole of Cape Town, the Eastern Cape and the whole of Natal."

Asked how he saw the scheme working nationally, Chapman said: "We would need to decentralise operations, each region operating its own TaxiMax under franchise."

He added: "I took these ideas to Sabta for the good of the taxi industry and they turned them down, and now they accuse me of causing the disintegration of their organisation. I find that difficult to understand."

# PEANUTS

By Charles Schulz



# Femco Technology

# Church heads plan more

*30/11/92*

*(2011)*



# Plea to stop taxi killings

By Stan Hlophe

332

MEMBERS of the Soweto Taxi Services have been urged to stop the killings which claimed nine lives in recent weeks.

The appeal was made by the chairman of the Johannesburg region of the Southern Africa Black Taxi Association, Mr Moferefere Simelane, at a meeting in

■ Official's plea to direct forces to build the industry:

Tshiawelo, Soweto, at the weekend.

"Let us stop the violence. It will not get us anywhere. Let us direct our forces to building this powerful industry.

"If you continue with this senseless killings, the whole world will laugh at you."

## BUSINESS

# Bus sales to hit record low

B10AM 1/12/92 (332)  
BUS sales forecasts were down to a record low of 400 units this year compared with 554 sold last year and the average of nearly 4 000 units a year purchased in the '70s, industry sources said yesterday.

Southern African Bus Operators Association (Sabo) director Prof Jackie Walters said recession, unemployment and taxi industry growth were the main reasons for declining sales.

Taxis continued to encroach on bus passenger volumes. Bus operators were targeting more profitable long distance routes in excess of 20km but taxi operators, who traditionally covered routes between 10km and 20km,

were travelling ever increasing distances to boost falling passenger numbers.

Consequently many buses stood idle. Instead of new buses being bought, idle buses were scavenged for parts or old buses rebuilt, he said.

Passenger numbers at Putco, SA's largest bus commuter company, had dropped steadily over the past six years to 84-million in its financial year ended June 30 1992, from 98-million in 1991, 143-million in 1990 and 219-million in 1987.

Associated Automotive Distribu-

tors marketing director Mike Elsbury said bus sales were forecast at 400 this year, with a slight improvement to 450 forecast next year.

Dorbyl Transport Products MD Rob Duff said bus sales would improve dramatically only once a future government realised public transport was a socio-economic necessity that needed to be funded accordingly.

After 1993 bus subsidies for white pupils would be phased out and parent organisations would have to pick up the tab, said Walters. Black pupils would remain unsubsidised.

Bus operators would continue to discount tickets of black pupils.

## Trencor, Mobile in share split <sup>332</sup>

By Derek Tommey *DTM*

*2/12/72*  
Transport company Trencor and its pyramid Mobile are proposing a 10-for-one split of their ordinary shares and their six percent convertible debentures.

They are proposing to split each of their 5c shares into 10 shares of 0,5c. Trencor is proposing to split each of its six percent debentures of R91 into 10 of R9,10, and Mobile to split its six percent debentures of R22,50 into 10 debentures of R2,25 each.

The companies advise shareholders and holders of convertible debentures to exercise caution in dealings as the market price of the securities after the sub-divisions should adjust to about one-tenth of the price prior to the sub-divisions.

Trencor shares have risen by around 66 percent in the past 12 months from R103 to R172, while Mobile shares have risen 56 percent from R25,75 to R40,50.

The effect of the split will be to price Trencor shares at around R17,20 and Mobile shares at R4,05, which should improve marketability.



# Taxi industry in a mess, says Sabta

THE SA Black Taxi Association (Sabta) admitted yesterday that the taxi industry was in a state of collapse and announced plans to seek the help of government, car-makers, civic organisations and unions.

Recent reports have been loud in pointing out that the industry, and more specifically Sabta, was in a chaotic state, but the organisation had steadfastly denied this.

Sabta said in a statement yesterday that a meeting it held with its rival, the National African Federated Transport Organisation (Nafto), had concluded that the taxi industry was "fast moving to demise".

Public affairs director Mike Ntlatleng said it was resolved that urgent meetings

would have to be held with government, motor manufacturers and civic and labour organisations to discuss ways and means of saving the taxi industry.

The organisations would be looking into the possibility of buying vehicles directly from manufacturers, cutting out dealers.

In discussions with government the organisations would be looking into the question of subsidisation.

Fare structures would be discussed with civic and labour organisations. Sabta says its members have not raised fares for the past five years despite escalating costs.

THEO RAWANA (332)

BIDAY 2/12/92

REPRODUCTION CONFORMS WITH PERMISSION OF ORIGINATOR

th other business groups

# All is well at Fabcos, says boss Ngcoya

■ Reports of 'disintegration' rejected:

By Mzimkulu Malunga

FOUNDATION for African Business and Consumer Services (Fabcos) president James Ngcoya says his organisation will survive.

He was responding to media reports that the organisation was disintegrating.

He said a consultative conference was held together with the annual general meeting where members rejected speculation about the collapse of the organisation.

"In fact, we are stronger than ever before. The rationalisation programme has put us on a healthier financial footing.

"Some people mistook these measures for bankruptcy, hence slanderous allegations that Fabcos is collapsing. We are now able to reopen some of the closed offices and have re-employed some of the workers we retrenched," said Ngcoya.

## Five re-employed

According to an official of Fabcos five people have been re-employed. He would not give their names.

After last Thursday's meeting Ngcoya extended a hand of friendship to former senior officials of the organisation who were now "apparently trying to disrupt the organisation".

"Our doors are open for any of Fabcos' former employees who might have grievances against the organisation," he said.

Ngcoya who is also president of Fabcos' biggest affiliate, the Southern Africa Black Taxi Association (Sabta) rejected reports that the association was in tatters.

He said at an emergency meeting held on November 14 almost all Transvaal regions with the exception of the Pretoria United Taxi Association (Putu), rallied behind the marketing arm of the association, Taxi SA Marketing.

Putu had drafted a memorandum - which it claimed had the support of 13 Transvaal regions - demanding the resignation of the Sabta executive and the severing of ties with Taxi SA Marketing during the AGM of the Transvaal Taxi Association.

However, Peter Manamela of region one said the regions had not distanced themselves from the grievances. Instead they only resolved not to get embroiled in an internal dispute of Taxi SA Marketing.

"The grievances still stand. Even the TTA executive agreed that they were genuine.

"The executive only wanted them to come procedurally," he said.

On the situation in the Western Cape, Ngcoya said two senior officials who recently dissociated themselves from Sabta had been summoned to the national office to explain their "unprocedural" resignations from the association.

The two, Clement Ramatlakane and Basil Nagel, were yet to respond to the executive's call.

However, despite the confidence reflected in Ngcoya's statements there was still some concern within the hierarchy as to the signals the media reports had sent to the corporate world.

Another source of worry was the fact that two former employees of the organisation, James Chapman and Gaby Magomola still jointly owned 36 percent of the shares in Taxi SA Marketing.

This effectively meant that no major decisions could be made without their consent.

With animosities running high between Chapman, Magomola and the company, there were doubts whether the business would operate smoothly before the matter was resolved.

When the "giant" was born in July 1988, strong emphases were put on the sharing of resources and the creation of a "black rand".

In Fabcos' structures, provisions had been made for chambers of commerce to be easily integrated into the family - a move which was seen by many as ideally marked for the National African Federated Chamber of Commerce and Industry.

Since among all the affiliates, Sabta had the best resources, it had to carry the burden while others were catching up and efforts were being made to raise funds from the private sector.

Things did not go according to plan. The organisation wanted to raise R2 million within two years to reduce the burden on Sabta but the target could not be achieved, prolonging the dependency, one of the sources of the alleged discontent within the Sabta membership.

Also, though in theory Taxi SA Marketing was operating under a mandate from Fabcos' executive, in certain instances the leadership took the back seat while officials of the company ran the show.

Power struggles and personality clashes aside, Fabcos.

## COMPANIES

### Trencor, Mobile seek share split

THE directors of diversified transport group Trencor and its pyramid, Mobile, have proposed a ten-for-one share split of the two companies' ordinary shares and 6% convertible debentures. (332)

An announcement by UAL Merchant Bank said the respective boards had proposed each of the ordinary shares of 5c each in the share capitals of Trencor and Mobile be sub-divided into 10 ordinary shares of 5c each. The proposal, subject to JSE approval, had been made to increase tradeability of shares. BIDM 2/12/92

Trencor shares have been scaling new highs, rising to R172 yesterday from R105 at the beginning of the year. Mobile's shares have risen to R40,50 from R26,50. Trencor's above-average growth has re-

#### DUMA GOUBULE

sulted in the company being named Business Times' top company for the second successive year. Trencor directors have a 26,8% interest in the company, while Mobile holds another 47%.

The announcement said it had also been proposed that each of the 6% convertible debentures of R91 and R22,50 issued by Trencor and Mobile respectively, be subdivided into 10 convertible debentures of R9,10c and R2,25c. Shareholders and holders of convertible debentures were advised to exercise caution in dealing in their securities as the market price following subdivision was expected to adjust to about one-tenth of the prices before.



# Assets of Tollgate firms may be seized

232  
STAN 3/12/92

CAPE TOWN — Assets of five Tollgate Holdings subsidiary companies which owe Amalgamated Banks of SA (Absa) R369 million may be seized in terms of a Supreme Court order.

Mr Justice Brand gave Tollgate subsidiaries Motorvia, Enterco, Travelcor Cape, Horizon Tours and Safaris, and Greyhound Coach Lines until December 15 to show why an interim order that Absa be authorised to take possession of all their property and movable assets should not be made final.

The liquidation of Tollgate Holdings was imminent, the court was told.

Tollgate Holdings chairman Julian Askin said on Tuesday night: "We certainly owe the banks money, but they have made no demands and we have serviced our debts."

"We have reduced our debt from R700 million to R300 million."

"We put together what we regarded as a sensible proposal but we received no reply from them. If they consider this is a sensible reaction, it doesn't make sense."

In papers, Absa group executive, risk control, Daniel Brits said all five companies were indirect subsidiaries of Tollgate Holdings.

TGH was a holding company listed on the Johannesburg and London stock exchanges, and owed Absa some R305 million with potential further liabilities of R64 million from overdraft and other banking facilities and guarantees to TGH and its subsidiaries. — Sapa

## Assets of Tollgate firms may be seized

CAPE TOWN — Assets of five Tollgate Holdings subsidiary companies which owe Amalgamated Banks of SA (Absa) R369 million may be seized in terms of a Supreme Court order.

Mr Justice Brand gave Tollgate subsidiaries Motorvia, Enterco, Travelcor Cape, Horizon Tours and Safaris, and Greyhound Coach Lines until December 15 to show why an interim order that Absa be authorised to take possession of all their property and movable assets should not be made final.

The liquidation of Tollgate Holdings was imminent, the court was told.

Tollgate Holdings chairman Julian Askin said on Tuesday night: "We certainly owe the banks money, but they have made no demands and we have serviced our debts."

"We have reduced our debt from R700 million to R300 million."

"We put together what we regarded as a sensible proposal but we received no reply from them. If they consider this is a sensible reaction, it doesn't make sense."

In papers, Absa group executive, risk control, Daniel Brits said all five companies were indirect subsidiaries of Tollgate Holdings.

TGH was a holding company listed on the Johannesburg and London stock exchanges, and owed Absa some R305 million with potential further liabilities of R64 million from overdraft and other banking facilities and guarantees to TGH and its subsidiaries. — Sapa

UK and SA listings suspended

# Tollgate in provisional liquidation

8/10/92 3/12/92

LINDA ENSOR

CAPE TOWN — Tollgate Holdings (TGH) and four of its subsidiary companies were provisionally liquidated in the Cape Town Supreme Court yesterday after Absa refused proposals for a restructuring of its debt and an injection of new capital.

Urgent ex parte applications were brought for the winding up of the subsidiary companies, Motorvia, Enterco and Enterco subsidiaries Greyhound Coachlines and Quicksilver Coach Lines.

Absa brought the application against TGH, a transport and leisure group listed on the London and Johannesburg stock exchanges. The TGH listing was suspended on both the LSE and JSE boards yesterday.

Absa group executive for risk control Daniel Brits said in his affidavit that an investigation by Absa had shown that TGH had been paid out more dividends from its subsidiaries in the 1990 and 1991 financial years than it was legally entitled to.

"Had the dividends from the subsidiaries conformed to the legal limits, TGH would have had insufficient distributable reserves out of which to declare the dividends which it in fact paid to its own shareholders," Brits said.

He said 75% of TGH's issued share capital had been lost or had become useless for the business of the company and its liabilities exceeded its tangible assets by R134m.

TGH owed Absa R305m for loans advanced, including an overdraft facility of about R94m, and other banks were owed about R70m by TGH subsidiaries. These included Standard Bank and Investec Merchant Bank which had begun to make

payment demands on TGH and its subsidiary Fetlar Foods.

McCarthy Finance was also taking action to enforce a claim of R3,9m against TGH.

Brits said TGH's subsidiaries were valued at end-December at R327,4m, while its share capital and share premium account totalled R193m.

Absa's urgent application followed a battle between TGH and Absa over who was to initiate the liquidation proceedings.

The successful ex parte applications yesterday succeeded the interim order obtained by Absa on Tuesday seizing the assets of five TGH subsidiaries — Motorvia, Enterco, Enterco Cape, Horizon Tours & Paris and Greyhound Coach Lines. Papers for the ex parte applications were filed on Tuesday and precipitated Absa's application to seize the assets.

The outcome of the proceedings was that Absa failed to perfect its bond over the available assets and was a preferred creditor, not a secured one as it had hoped.

Brits said the effect of the provisional liquidations of the subsidiaries would be to remove the only viable businesses from the group, which would aggravate its precarious financial situation.

He said Absa had instituted a monitoring system in TGH from early November to protect its interests and control the outflow of funds. All inflows would be used to reduce TGH's overdrafts.

Absa had told TGH chairman Julian Askin that a restructuring would require a

□ To Page 2

## Tollgate

substantial injection of new capital by TGH shareholders; if this took place Absa might consider injecting new capital itself.

But returning from a trip to the UK in November when he discussed the matter with TGH shareholders, Askin said no shareholder injection of capital would be forthcoming unless Absa was prepared to restructure the debt.

Absa rejected this suggestion, Brits said, as it would have involved substantial debt write-offs.

Absa also rejected a set of proposals submitted by TGH in November after it had rejected suggestions made in August to restructure the debt. The August proposals involved Absa writing off or cancelling about R160m of its debt, "ring fencing" an additional R99m, investing another R82m in preference shares in TGH and granting the group a working capital facility of about R30m.

The November proposals involved either a buyout, a controlled liquidation involving the sale of some of TGH's viable businesses or an immediate liquidation.

In terms of the buyout proposal, Absa would release certain sureties and take

over certain assets to reduce TGH's exposure to Absa to R182m. This would be converted to backdated, five-year redeemable preference shares with a coupon of 50% of prime bank rate. Absa would also make available as secured working capital a further R30m financed by bankers' acceptances for two years.

A consortium of some of the present shareholders together with the new shareholders would make an offer to minority shareholders and then delist TGH. A separate Absa loan to a consortium shareholder overseas would also be converted into five-year preference shares.

The effect of the buyout proposal would be to leave earnings of R5m, which would be sufficient for the R4m a year required for other bank claims and contingencies. The scheme was rejected by Absa.

TGH's financial position deteriorated in the six months to end-June and it made an operating loss of R7,8m and its net asset value declined by about R47,7m. Brits said there was no possibility of the group achieving the projected operating profit of R56m for the full financial year.

□ From Page 1



# Absa rules out salvage talks

CAPE TOWN — There was no possibility of Absa re-entering negotiations to salvage the provisionally liquidated Tollgate Holdings (TGH) group at this late stage, an Absa spokesman said yesterday.

The diversified leisure and transport group was provisionally liquidated on Wednesday with debts of R305m to Absa, and subsidiaries owing R70m to other banks. **BIDM 4/12/92**

The Absa spokesman said the only possible source of finance to assist TGH would be funds raised in the liquidation of the four provisionally liquidated operating companies, provided they achieved a decent liquidation price.

The four principal subsidiaries which were provisionally wound up were Motor-

**332** LINDA ENSOR **58**

via, Entercom — which operates Springbok Atlas Safaris, Greyhound Citiliner, Showtime International, Six Street Studios and Moving Media — Greyhound Coach Lines and Quicksilver Coach Lines.

Sanek Cape's Steven Gore and Cape Trustees Rob Walters have been appointed joint provisional liquidators. Walters said last night they had spent yesterday investigating the assets and liabilities of the group and had looked into which divisions to keep operating.

Talks had already been held with a party interested in acquiring a division.

TGH directors were unavailable for

☐ To Page 2

## Tollgate

**BIDM 4/12/92**  
comment yesterday, but in a statement said the provisional liquidation of the four companies would enable them to trade in a "relatively unhindered" way.

"This action had to be taken as no agreement could be reached with the bankers on the restructure of the group's debt. It is the group's real hope that, notwithstanding the action that has been taken, a deal can be struck with the bankers, while simultaneously minimising any further losses to the bankers."

The statement said that at the time that the controlling consortium of TGH acquired control of the group in 1990, it inher-

**332** ☐ From Page 1  
ited about R600m of debt arising from TGH's previous acquisitions.

About R400m of this debt and interest had been repaid over the past two-and-a-half years.

"The group, however, is no longer able to service the balance of debt out of its current earnings, particularly given the decline in earnings from the steep and deepening economic recession, high interest rates, industrial strikes amongst some of the group's major customers, political violence in the country which has reduced levels of tourism, and the drought which has severely affected the group's agricultural trading operations."

# JSE suspends listing of Bester Investments

By Roy Cokayne and Patrick Hahne

The Johannesburg Stock Exchange (JSE) has suspended the listing of building and property development group Bester Investments Ltd following the provisional liquidation of the group's main operating subsidiary, Bester Homes (Pty) Ltd.

Bester Investments Ltd executive chairman and Bester Homes (Pty) Ltd director Theunis Bester said the provisional liquidation did not mean the entire group was on the verge of collapse and final liquidation.

This was confirmed by Gerrit van den Berg, Northern Trans-

vaal regional general manager corporate division of Amalgamated Banks of South Africa Ltd (Absa), which brought the provisional liquidation application in the Pretoria Supreme Court on Wednesday.

"The final liquidation of Bester Homes (Pty) Ltd is definitely not on our agenda," said Van den Berg. He said that because there was more than one creditor bank involved, they had opted for the provisional liquidation as a mechanism to make it easier for the creditor banks to enter into a scheme of arrangement.

Bester said: "The whole idea is the downsizing of the company, and we are proceeding with that."

## Holdains to raise R180-m

Finance Staff

Holdains, the paper and packaging group in the Matbak stable, has announced a R180 million rights offer to finance its acquisition of a 50 percent stake in Crown Cork Company SA.

Beverage can maker Crown Cork is the local subsidiary of US group Crown Cork & Seal. The proceeds of the renounce-

# Business as usual for Tollgate subsidiaries

Finance Staff

CAPE TOWN — Four major companies employing about 2 500 people are "carrying on business as usual" after the collapse of their parent company, Tollgate, in the biggest Cape company crash this year.

Tollgate Holdings was placed in provisional liquidation in the Supreme Court on Wednesday.

Joint liquidators are to be appointed to run the companies and a deal is expected to be struck with bankers to keep them going.

Absa, which inherited the Tollgate accounts when it took over Bankorp, applied for liquidation as a last resort after unsuccessful attempts to keep the group afloat.

The banking giant should recover some of its money if and when Tollgate's remaining assets are sold off.

But with Tollgate's debt to Absa topping R305 million, the bank is thought to have already written off most of the liabilities as a bad debt.

The main operating companies left in the shrunken Tollgate empire are:

- Motorvia, the group financing division and operator of the Motorvia car ferry business.
- Enterco, whose main divisions are Springbok Atlas Sales, Greyhound Culliner, Showtime International, Six Street Studios and Moving Media.
- Greyhound Coach Lines.
- Quicksilver Coach Lines.

Christo van Niekerk, Motorvia director, said that barring a few technicalities it was business as usual. He expected to be notified about the future of the vehicle ferrying operations shortly.

## Greyhound

An employee at Greyhound Culliner confirmed that services were still running.

Motor Racing Enterprises (MRE), which manages the Kyalami racing track, is not affected by the provisional liquidation order against Tollgate Holdings.

MRE was acquired from Tollgate through a management buyout by two directors, Dave

# Cemco in black but skips payout

By Sven Linnsche

Despite a marked decline in turnover, engineering group Cemco, engineering group Africa (Cemco) returned to profitability in the year to end-September.

However, in view of the poor outlook for trading conditions in the current financial year the directors have decided not to pay a final dividend on the ordinary shares.

Turnover in the 12 months fell from R325.2 million to R265.3 million but net operating income showed a strong turnaround from a loss of R4.7 million to profits of R5.1 million.

Attributable income recovered to R397 000 (loss of R7 million), which translates to a sharp improvement in earnings per share to 4.4c from a loss of 78c.

The directors say that while the group achieved a marked improvement in full year results, deteriorating conditions in the second half affected the group's performance, with all divisions experiencing shrinking markets.

# Tight controls help recovering Metcash

By Stephen Cranston

Metro Cash and Carry (Mecash) continued its recovery, with earnings per share up to 14.7c compared with 2.2c in the four months to October 1991.

A dividend of 6c has been declared.

In the year to June 1991, prior to its acquisition by Premier and the appointment of Carlos dos Santos as group MD, Metro had reported losses.

Dos Santos says that trading conditions remained difficult, but the results were "well ahead of expectations," and were largely due to the strict cost control programme, financial discipline and reduced shrinkage.

Gross profit margins were tight, but the operating margin improved from 0.45 percent to 1.49 percent.

Dos Santos attributes the improved results to a highly motivated and focused management team.

"The guys are beginning to believe in themselves and are moulding into a formidable team," he says.

"They work to well-defined goals and guidelines. Progress is monitored regularly and incentive bonuses are linked directly to performance."

Turnover rose by 20 percent on a comparable basis to R2,652 billion. Attributable income increased more than tenfold to R24.1 million.

In particular, interest payments of R9.7 million were transformed into net interest received of R6.9 million.

The group has a strong balance sheet, with net cash resources of R223.8 million. Current liabilities, mainly creditors, rose 5 percent.

Metro expects its effective tax rate to remain at 34 percent in the second half.

During the period four small Metro stores were closed, an old Trade Centre was replaced with a new store in Pretoria and the Metro in Upington was replaced.

The group now has 176 Metro outlets, five Trade Centres, four Smax stores and 11 Metbuild outlets.

It has investments in trading operations in Malawi, Mozambique, Portugal and Hong Kong.

Dos Santos says the volatility of the environment and the poor economic conditions make forecasting difficult. But with the Christmas and Easter trading periods to come, the second half should be better than the first.

STAFF 4/12/92



# Soweto taxi war over

*Sowetan 4/12/92*  
THE bickering which has plagued Soweto Taxi Services (STS) and claimed nine lives is over for the time being.

This follows a hectic meeting in Soweto yesterday at which the former executive, led by Dan Morabe, and the present executive, led by Raymond Mchunu, pledged to throw their guns and knives into the sea and work for peace.

Present were the executive committee of the Southern African Black Taxi Association (Sabta), Johannesburg region, led by chairman Moferefere Simelane and STS general membership.

Four men have appeared in the Johannesburg Magistrate's Court charged with murder following the deaths of Mac Hlongwane, Watson Monakisi, Fisher Makhoba, Peace Sithole, John Dubazana, a Mr Mabizela, a Mr Mazibuko, a Mr

■ **End to a conflict which has seen nine people lose their lives:**

Ngcongolo and a Mr Mofokeng.

Both parties committed themselves to working towards peace and making STS a giant in the Sabta region.

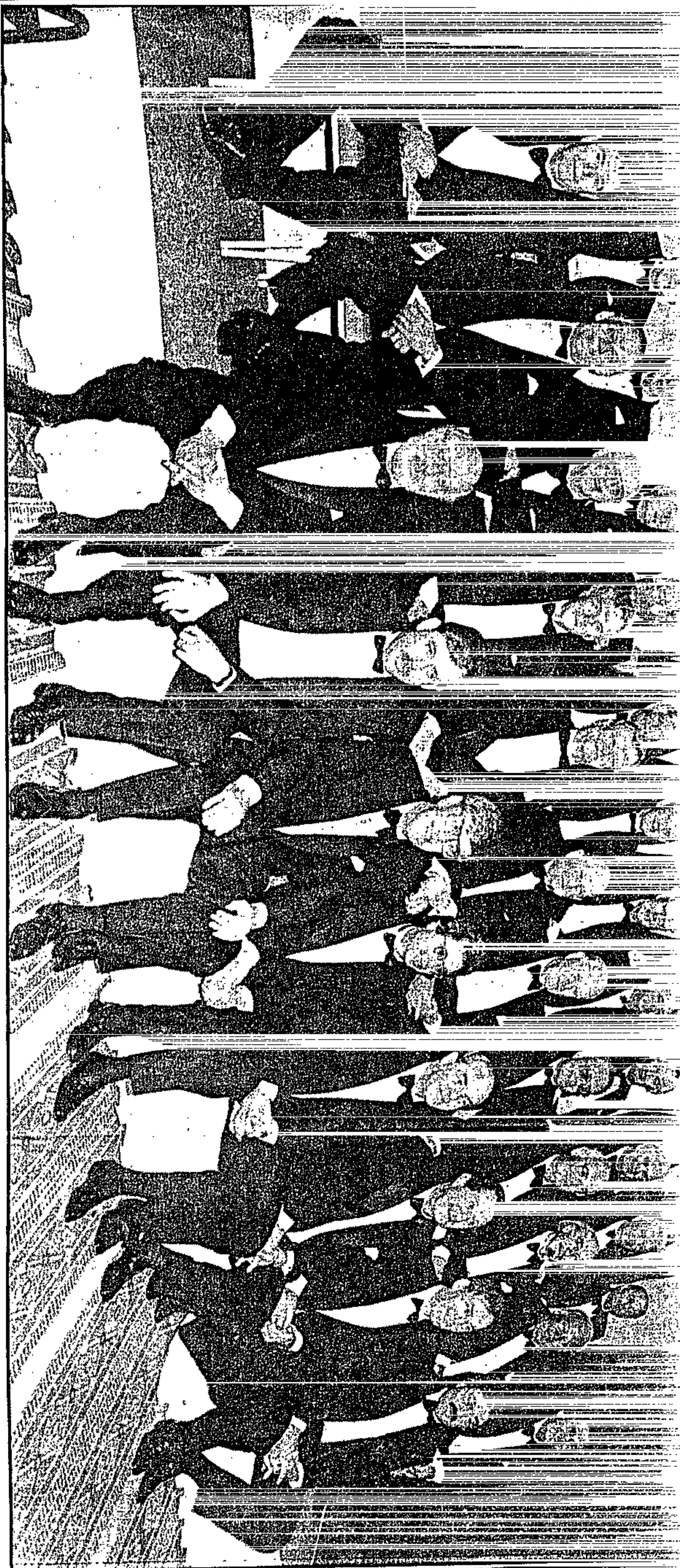
The warring parties, who were at each other's throats for the past three months, agreed to the following conditions proposed by the regional executive:

● A four-man committee to be co-opted to STS executive whose main duty would be to monitor the prevailing violence.

● STS constitution to be reviewed by the region.

The next elections will be held in February.





**TRUCKING** and manufacturing company Trenchor scooped — for the second time in a row — top prize in the Business Times Top 100 company award.

Accepting on behalf of the company at a black tie function at the Carlton Hotel on Monday night, group managing director Ray Hasson attributed success to the efforts of Tremcor staff, many of whom never get to don a tux and attend lavish affairs.

He said most of the staff had stuck with the company since its infant years in the transport industry and remained dedicated to it.

Trencor has rewarded investors with a simple average annual return of 246.26% over the past five years.

Hot on its heels is Investec, with 172.32% and Pepsco, with 129.15%.

The awards excluded companies that showed too little trade on the JSE as well as trusts, holding companies, pyramids, exploration companies and non-SA companies.

## Paying tribute to Business Times' Five Businessmen of the Year, Finance Minister

Fixing the debt  
trap, the doubt  
trap, the down  
and out trap

**Business Times Reporter**

Derek Keys said four — Brian Joffe, Stephen Koseff, Gary Maude and Tom Vostoo — were in the business of making worthwhile money while Reserve Bank governor Chris Stals was trying to make making money worthwhile

Mr Keys says SA faces three traps: a debt trap, a

doubt trap and a down and out trap.

He says a recent confidential report on SA by the IMF criticised the growing budget deficit, saying that it was feared that it may be as high as 6% or 7% of GDP.

### Mr Keys says latest esti

mates show that the deficit is likely to be about 8%, which will mean that Government's interest bill, the second highest item of expenditure after the R23-billion spent on edu-



## DEREK KEYS

**DEREK KEYS ...**  
Keynote speaker at this month's T&E 1000

cation, is likely to jump from R18-billion to R22-billion next year.

6. Brown and any other item

The solution to the debt trap was to cut expenditure, false taxes or allow inflation to take its course. The third option was not

FRONT ROW (left to right): Sydney Press (Edgars, 1974); Stephen Koseff (Investec, 1992); Gary Maude (Gengold, 1992); Brian Joffe (Bidcorp, 1992); Mervyn King (Tradegro, 1987); Eric Elierine (Ellerine Holdings, 1972); Nate Kirsh (Kirsh Industries, 1981); Jeff Liebsman (W&A Investment, 1990).

**SECOND ROUND:** Chris Stals (Reserve Bank, 1992); Nic Wierhahn (Labour Law Referee, 1981); Kobus Loubser (SA Railways, 1976); Clive Menell (Anglovaal, 1979); Derek Keys (Gencor, 1987); Donald Gordon (Liberty Life, 1970); Ian Mackenzie (Stanbic, 1978); Aaron Searl (Seasol Investment, 1982); Conrad Strauss (Standard Bank, 1986); Len Miller (OK Bazaars, 1988); Bert Cottrell (NCR, 1971); Eric Samson (Macsteel, 1989).

Mr. Keys says capitalism has its periods when it loses its way, when people start losing confidence in what tomorrow may bring.

Mr Keys says sales of beer and cigarettes dropped in August for the first time in living memory. "This is

living memory "This is

He says the economy needs to be restarted to take SA out of the cumulative doubt trap. "We need to do this before too long."

Mr Keys says there is an enormous cost to delayed growth, one percent growth forgone is social pensions for one million people for ever.

"We've thrown away more than 1% during the past few years."

Mr Keys says underdevelopment has firmly established itself in SA during the past few years. This sector is characterised by low incomes, high fertility, poor nutrition, bad health, poor work potential and poor education.

**He says that when he came to government he was fond of**

saying he was there to do deals. The deal he is offering to business is simple "I'll fix the debt trap, you fix the doubt trap and together we'll fix the down and out trap."

**THIRD ROW:** Peter Wrighton (Premier Group, 1991); Michael O'Dowd (Anglo American, 1995); Francis Le Riche (Sentrachem, 1990); Henri de Villiers (Standard Bank Investment Corporation, 1985); Ronnie Lubner (Plate & Glass, 1985); David Brink (Murray & Roberts, 1991); Ian McEae (Eskom, 1989); Leslie Boyd (Anglo American Industrial Corporation, 1988); Gavriel Rely (Anglo American, 1981); Brian McCarthy (McCarthy Group, 1987); Pieter Badenhorst (UBS, 1986); Eugene van As (Sappi, 1990).

**FOURTH ROW:** Neil Jewell (Trencor, 1991); Cecil Jewell (Trencor, 1991); Ton Vosloo (M-Net, 1992); Christo Wiese (Pepkor, 1988); Louis Shill (Sage, 1989); Grant Thomas (Mabak, 1989); Peter Joubert (Afrox, 1991); Vic Hammond (Eggars, 1990); Chris Saunders (Tongaat, 1970); Bill Venter (Allied Technologies, 1977).

**Piet Badenhorst (UBS, 1986); Eugene van As (Sappi, 1990)**

**FOURTH ROW:** Neil Jowell (Trencor, 1991); Cecil Jowell (Trencor, 1991); Ton Vosloo (M-Net, 1992); Christo Wiese (Pepkor, 1988); Louis Shill (Sage, 1969); Grant Thomas (Malbak, 1989); Peter Joubert (Afrox, 1991); Vic Hammond (Eggar, 1990); Chris Saunders (Tongaat, 1970); Bill Ventler (Allied Technologies, 1977).



# Trencor is tops

332

By JEREMY WOODS

CLOSE to R2-billion in foreign currency has flowed back to South Africa — or is committed to come back — from Trencor's export activities and overseas operations.

The funds, says Trencor executive chairman Neil Jowell, came from these sources over a nine-year period but relate mostly to the past six years.

Trencor, the winner of this year's Business Times Top 100 Award, currently derives some 60% of its net earnings from export and overseas operations.

Trencor's growing export business has been helped substantially over the years, by SA's General Export Incentive Scheme. *6/12/92*

"Without *GETS* we wouldn't be as competitive. It is not quite so necessary in the good times, but in the tough times it really comes into play," says Mr Jowell.

How much are Trencor shares a hedge against rand depreciation?

"The important point for us is that rand depreciation keeps us competitive and keeps the workforce going. If the rand started appreciating against our competitors' currencies it would make selling exports that much harder and cause unemployment at home."

■ See Page 5

PO

C

DY

GI

GENERAL







Crosscape Express.

● Motor trade and tyres where the group has a 25,6% interest in Contred which owns Goodyear, Mastertreads and Tren-Tyre.

● Exports and foreign operations. The latter includes large minority holdings in the Textainer group, a world leader in container leasing.

Neil Jowell says: "We find the best people we can to do the job, motivate them, mainly financially — then give them the authority to get on and run their own show."

"Our managers have true operational freedom and accept as the other side of that coin strict financial reporting and control."

Mr Jowell believes that giving management the authority to run its business is a crucial factor in attracting and keeping the right senior people.

## BAD

Another important part of the Trencor business philosophy is to stick to businesses, the company understands best.

"When we make an acquisition, we try never to get too far away from the business that we know," says Mr Jowell.

Nowhere can this be better illustrated than in Trencor's development.

It started life as a garage in Springbok, Namaqualand, run by Joe Jowell, the present chairman's father, and his partner Jaap du Plessis.

The first big break came in 1930 when South African Railways closed its road transport service between Bitterfontein, where the railway line ended, and Springbok.

Road conditions were bad and few people had vehicles.

Unable to collect their supplies from Bitterfontein, the good people of Springbok went to their garage for help.

# TOP 10

## NUMBER 1

### 1987: R10 000 1992: R1

That is what they received. Jaap du Plessis built up a lorry from an old Buick and Joe Jowell was soon on the road to Bitterfontein.

It was a historic trip which did not end when Joe Jowell's first truck returned to Springbok laden with the town's supplies.

It was the start of a long and successful journey into the future which resulted in the small transport base on which today's fast-moving Trencor was built.

By the time Neil Jowell and his brother Cecil came into the business, Jowell's Transport of Namaqualand was a thriving concern whose red trucks were a familiar sight across the landscape.

In 1973 after his father died, Neil Jowell took over as chairman armed with a BCom LLB from the University of Cape Town and an MBA from Columbia University in the US.

The company expanded its growing transport base and started looking for acquisitions.

## EARLY

Trailer manufacturer Henred was bought in the late 1960s and was a major milestone for Trencor, taking it into manufacturing in a big way.

The purchase of British Leyland's trailer manufacturing side and the Fruehauf franchise for South Africa introduced Trencor to Fruehauf, the largest trailer maker in the US.

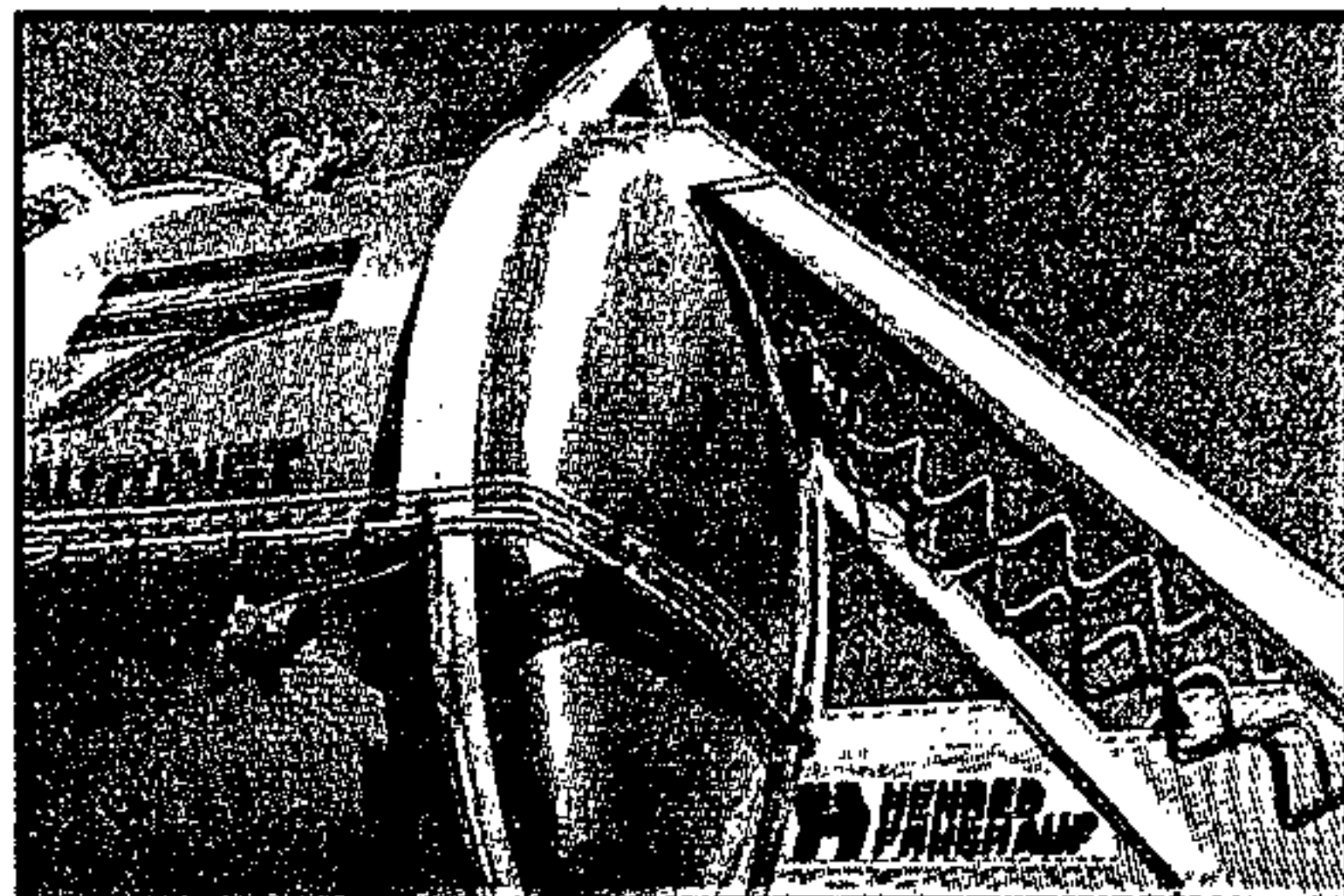
When containerisation became popular, Fruehauf started making containers

and Trencor's management watched.

Mr Jowell's early days in the transport business moved into manufacturing in the States.

"But in catching on, we learnt a lot at manufacturing French Fr."

Trencor's more than 10 years a year



Trencor subsidiary Henred-Fruehauf designs and builds a range of truck trailers and road tankers, like this 40 000-litre stainless steel fuel tank.

## COMPANIES

### Directors to acquire Racy Enterprises

EDWARD WEST

332

THE Racy Group is to sell its operating subsidiary Racy Enterprises to directors Cyril, Elliot and Ralph Hendler for R12,75m cash from January 1 1993, it was announced today.

Racy Group is the holding company for its long distance transport subsidiary Racy Enterprises, trading as Hendler's Industrial Carriers.

Hendler's Industrial Carriers owns diesel engine workshop company Dinsa Holdings which trades as Diesel City.

Racy will be constituted as a cash shell with cash resources equivalent to about 51c a share. Racy was untraded at 47c on Friday.

Racy's listing is to be suspended following the disposal and should no further assets be acquired within eight months, the listing will be terminated. Racy Enterprises's shares and claims against Dinsa Holdings is to be sold to Racy Group chairman Ivor Jacobson for R3,5m.

Directors gave as rationale for the disposal the capital intensive nature of Enterprises's transport fleet and reduced margins in Enterprises and Diesel City.

They said in current conditions, a dividend was unlikely to be declared at the end of the financial year to March 31 1993.

In the six months to end-September 1992 Racy Group's turnover increased to R33,2m from R32,4m at the same time last year. However, operating profit fell substantially to R1,4m (R3,4m). Operating margins dropped to 4% from 10,6%.

Leverage came down to 39,1% from 39,8%. Interest payments were lower at R887 000 (R1,1m). The after-tax rate fell to 32,1% (42,6%) and taxed income plummeted 77% to R318 000 (R1,4m).

Earnings a share amounted to 1,2c compared with 5,4c in 1991.

### Ill-timed expansion drags down Mashold

LINDA ENSOR

CAPE TOWN — The 38-year-old mail order and direct selling group Mas Holdings (Mashold) reported its first loss of 3,55c (25,64c) a share in the six months to end-August, due mainly to its ill-timed expansion into the UK.

An operating loss of R871 000 (R5,9m profit) was suffered on a 13,3% rise in turnover to R110,9m (R97,8m). This translated into an attributable loss of R830 000 (R5,6m profit).

Neither Mashold nor its parent Mashold Consolidated Investment Holdings declared an interim dividend and no improvement in the results were expected for the full financial year because of the difficult economic conditions.

However, group MD Marco van Embden said the group was expected to return to profitability in the following financial year.

Newly acquired UK mail order subsidiary Magic by Mail performed far worse than expected due to the UK recession, group financial manager Brian Taylor said.

He added that an inquiry was under way in the UK regarding claims against the vendors of the company in terms of their warranties arising from queries by UK

Customs and Excise over the basis of valuation of imports for VAT and duty purposes.

Also, the activities of Wondercooker UK, which was launched towards the end of 1991, had to be curtailed severely because sales did not meet forecasts and this, together with overhead costs, had resulted in losses.

Van Embden said marketing and overhead costs of the two UK operations had been cut and all fixed costs for Wondercooker UK had been converted to variable costs relative to sales.

He said remedial action had to improve profitability throughout the group and consolidate the business.

"The group has taken swift action in cutting overheads and has rationalised all non-profitable areas. A stock reduction programme is currently under way and a one-year strategic plan has been implemented for each subsidiary to ensure optimum performance during the course of next year."

The core mail order subsidiaries catering for black consumers had shown improved profits over last year despite deteriorating

trading conditions and fierce competition from a flood of cheap imported, second-hand clothing.

However, the recession, unrest, mass action and violence had affected direct selling subsidiary Tablecraft severely and the Grolier subsidiary, which sells books, encyclopaedias and such like, also experienced a drop in profit.

Van Embden said Mashold, one of the largest customers of the Post Office, had negotiated a bulk user reduced rate structure with effect from this month and this would improve the group's cost structure.

The export development programme into Africa had continued and new markets, with great potential, had been accessed.

### EXECUTIVE SUIT

GEEZ, MR. STONE, I WAS HOPING FOR A POSITION WITH A BIT MORE RESPONSIBILITY.





# Absa 'may lose R250m on TGH'

CAPE TOWN — Sources close to the liquidation of Tollgate Holdings (TGH) suggested at the weekend that Absa might have to write off as much as R250m of its R305m loan to the provisionally liquidated company.

But an Absa spokesman said it was premature to speculate on a figure as much would depend on the prices fetched on liquidation.

TGH chairman Julian Askin said that if the bank had accepted the group's reconstruction proposals rather than taking the "totally unnecessary" action of applying for provisional liquidation, then no write-offs would have had to be made.

Regarding a report yesterday that Absa was investigating TGH's sale of Motor Racing Enterprises to former TGH director Merwyn Key, Askin said the deal was a proper commercial, "arm's length" transaction which had been approved by Absa.

The deal had served to reduce debt and generate real cash flow at a time when TGH had been threatened by a lack of sponsorships after government withdrew tax concessions. "The allegations of undue preference are absolute nonsense," Askin said.

TGH director Lawrie Macintosh said Absa's court action had taken the directors totally by surprise as they were busy negotiating a debt reconstruction package and were awaiting a response from Absa.

It was apparently when Askin was forewarned about the planned attempt by Absa to gain possession of the group's main operating subsidiaries, that TGH made the pre-emptive application, in the interests of all creditors, for the provisional liquidation orders on the subsidiaries.

Sources suggested that creditors and shareholders could not hope for large payouts from the liquidation, given the fact that TGH's liabilities exceeded its assets by R134m; that prices fetched for the sale of operat-

LINDA ENSOR

ing subsidiaries under liquidation would be lower than normal; and that the sales would take place in a recessionary environment in which businessmen were reluctant to invest.

Macintosh felt that the main Tollgate operating subsidiaries — Motorvia, Entercor, Greyhound Coach Lines and Quicksilver — should be allowed to continue operating, at least until an economic upturn, when good prices could be fetched for them. The sale of the four companies in the right circumstances would offset a substantial part of Absa's R305m debt, Macintosh said.

He said they were sound, well-managed businesses but the taint of a provisional liquidation would make suppliers and consumers nervous and the businesses would fetch much less than they were worth.

Macintosh still held out the hope that Absa and TGH directors could work out a solution which would be in the interests of creditors, shareholders and staff. Despite the public statement by Absa that no salvage deal was possible, Macintosh believed an attempt should at least be made to find one.

He estimated there were about 3 000 people employed by the group whose jobs would be jeopardised by a liquidation, apart from the spinoff effects of such an event.

Meanwhile, speculation — denied by Absa — mounted as to the behind-the-scenes machinations which led to Absa's altered view of its TGH liability. Some sources said that with the Absa-Bankorp merger, control of the TGH account had passed from Senbank executives to Volkskas men.

The move against TGH was seen as part of a fierce political battle taking place within the Absa group between its the Trust Bank and Volkskas contingents.



81 PM 7/12/92  
**Finrand clamps  
hit ship owners**

~~FILE~~ EDWARD WEST (332)

THE new constraints imposed on the finrand have provided unexpected difficulties for local ship owners wanting to register vessels under foreign flags, says Northern Steamship director Chris Shone.

Shone said local shipowners could either register newly purchased vessels in SA or in other countries — most commonly through the establishment of one-ship offshore companies owned by the SA company.

However, the formation of an overseas company through which funds would need to be channelled for the purchase and registration of a vessel was classified by the Reserve Bank as an offshore investment.

The finrand constraints indicated that international finance would have to be sought to finance offshore investments. However, said Shone, foreign bankers and institutions were reluctant to deal with SA shipowners on this basis because of sanctions.

Negotiations were under way with the Reserve Bank, Shone said.

# Taxi bodies unite for road safety

TODAY sees the launch in Johannesburg of a nationwide Christmas road safety campaign involving the three major black taxi associations.

Special patrol minibuses, sponsored by local oil companies and motor manufacturers, will also be deployed in the Western Cape to assist black taxis and traffic authorities.

Initiated by the National Transport Policy Forum (NTPF), a broad body of political and transport organisations, the "People's Road Safety Campaign" is focused specifically at responsible road use by minibus taxi operators.

In a statement yesterday the NTPF said special patrol minibuses had been acquired to assist taxis needing assistance, to transport stranded passengers, to help at the scenes of accidents and co-operate with authorities.

NTPF spokeswoman Ms Moira Winslow said yesterday the agreement was "historic" because the SA Black Taxi Association (Sabta), the National Federation of Taxi Organisations (Nafto) and the Federated National Taxi Organisation (Fento) had united for the project.

MICOR FM 11/12/92 (262)  
**Return to sender** (332)

**Micor** may not be a bluechip industrial but it is at the summit of the Micor Group pyramid — a pyramid soon to be removed.

Subject to shareholders' approval, the Micor businesses are to be disposed of to a consortium of Micor executive directors, including chairman Cecil Kaplan and deputy chairman Mark Kaplan, for cash. The proceeds will be distributed to shareholders, who will also be given the opportunity of acquiring their proportionate share of Micor's 91.8% interest in Micor Industrial (Micind). Micind's listing will be retained and the group's core operations contained within Micind. After the disposal, Micor will have net assets of R15m cash — or 91c a share.

Reasons for the disposal are two-fold. Micor's directors say a continued listing serves no real purpose. Tradeability is thin and unlikely to improve, given limited institutional interest and recent trading results.

Second, additional funding is needed for growth. Kaplan says this cannot be satisfied in terms of Micor's present structure and facilities — particularly in respect of the

FM 11/12/92 FOX

foreign finance business. (262) (332)

Micor is exempted by the Registrar of Companies from making disclosures about foreign subsidiaries, so shareholders remain in the dark as to what the consortium is buying out.

Micor will distribute 29,859c per share to shareholders registered on Friday January 15 by reducing the ord's par value from 10c to 0,001c. Shareholders will later receive a 60,86c cash dividend and have the right to buy their share of Micor's interest in Micind in the ratio of 130 Micind shares for every 100 Micor held at 20c — a 65% discount to NAV. Finally, Micor will be delisted.

Kate Rushton



# A racy deal could favour the directors

13/12/92  
ON AUGUST 12, Racy Holdings chairman Ivor Jacobson signed the company's accounts for the year to March 1 after penning these words:

"Turnover is budgeted to increase by 15%, and provided operating margins do in fact improve this will lead to greater group profitability."

"Ignoring unforeseen circumstances and provided the long-awaited improvement in the economy will be felt in 1993, earnings should increase."

Had I been a Racy shareholder I could have been forgiven for detecting a note of optimism in those words.

Certainly the company did not do too badly in what was a tough year to March. Earnings were down a few points to 8.4c a share, but dividend cover was a most conservative four-plus.

Tangible net asset value was 83.4c a share, debt was manageable at 40% and the cost of financing it had been falling steadily. Directors jointly held more than half of the road transport (Hendlers Industrial Carriers) and truck-rebuilding (Diesel City) company.

On June 3, after the year-end but before the annual report, Racy announced that Sundial Investments, a company controlled by Racy directors Elliot, Ralph and Cyril Hendler, had conditionally bought control of Racy from Ivor Jacobson Holdings at 60c a share, excluding a proposed dividend of 11.5c a share.

Subject to approval, Sundial would have made a similar offer to the minority of Racy.

It was not to be. Two weeks later, Racy announced that the agreement had been terminated, but that other negotiations were under way.

Perhaps somebody had made a more attractive offer closer to the net asset value? There was talk on the market of a deal with Laser Transport.

But shareholders remained in the dark until November 27, when again they were warned of negotiations. This Monday, they finally learned their destiny.

Subject to certain conditions, Racy will dispose of its entire shareholdings and claims in operating subsidiary Racy Enterprises to the three Hendlers for R12.75-million, leaving Racy as a cash shell worth only 51c a share.

Racy's controlling shareholders intend selling their shares in Racy and only then will the minority be made an offer. JSE regulations allow eight months for such a deal.

The directors give the following as rationale for the disposal:

"The capital-intensive nature of the long-distance transport fleet operated by Enterprises, coupled with reduced operating margins in both Enterprises and Diesel City, have resulted in an unsatisfactory rate of return on capital employed."

"Based on current trading conditions it is considered unlikely that Racy would be in a position to declare a dividend in respect of its financial year ending 31 March 1993 and, accordingly, the directors consider that the inter-

ests of the shareholders would be best served by disposing of the operating subsidiaries of the company."

Things must really have deteriorated since Mr Jacobson signed the accounts fewer than four months ago.

If the deal is approved, the Hendlers and Enterprises have agreed to sell Enterprises' interest in Dinsa (trading as Diesel City) to Ivor Jacobson or his nominee for R3.5-million.

Advisor to the minority, Standard Merchant Bank, says it is a fair and reasonable deal.

To my mind, minorities are getting a raw deal. Monday's announcement outlines the financial effects of the proposal, had it been in place for the year to March 1992 and the proceeds invested at prevailing money-market rates.

Earnings would have halved and the net asset value dropped 39% to 51c a share. Had the deal been in place for the six months to September this year, earnings would have edged up from the 1.2c a share announced in the interims on Monday to 1.6c, but the net asset value would still have dropped to 51c a share.

No loss was made in Racy's interims, turnover crept up 3% to R33-million but margins were hammered (the economy, competition, strikes and stayaways were to blame). Still, interest-bearing debt was reduced, and the interest charged and tax rate also fell.

Yet the directors felt it necessary to charge an extraordinary item of R260 000 as costs incurred in various negotiations to dispose of Racy Enterprises or Dinsa, which were unsuccessful.

Managing director Alan Jacobson will continue at Dinsa for the foreseeable future. He says the June deal at 60c plus 11.5c dividend fell through because the price was too high, even though close to net asset value. He says valuing assets is subjective and returns on those assets were considered in arriving at what he believes is a fair price.

He says a company has to budget for increased business, and the 15% forecast rise in turnover would only have kept pace with inflation. New business had not come to fruition.

I asked him if the directors involved in the buyouts were not being too generous in taking on 100% exposure to the two lemons in Racy instead of the 54% currently held?

He says that other buyers were sought, to no avail. "The R260 000 spent on negotiations is an indication of the lengths we went to find a buyer."

In summary, a minority shareholder who thought he would get at least 71.5c worth of cash out of the company when the Hendlers made their June offer for control now have to be satisfied with holding shares worth 51c in a cash shell for up to eight months after the deal — arranged by the directors to dispose of the company's assets to themselves at a lower price than was considered in June — is approved by shareholders, of which the majority is the directors themselves.

# Taxi operators 'root cause of violence'

CT 15/12/92 (332)

By BARRY STREEK  
Political Staff

THE immediate and root cause of the violence among minibus taxis in Alexandra lay with the taxi operators themselves, a Goldstone Commission committee said yesterday.

There was an underlying power struggle for control of the industry.

While the committee's report deals with the situation in Alexandra, it said this was "an offshoot" to its main inquiry into violence and intimidation in the taxi industry in Cape Town.

"Resorting to any kind of physical violence is unacceptable..."

"All members of both taxi associations should practice tolerance and

refrain from provocative acts such as jumping a queue or illicitly using a route or pick-up point."

What was needed was "less selfishness, more talk to solve problems, less anger, greater respect for the rights of other operators, and a genuine desire to provide safe, efficient transport".

The provision of formal taxi ranks should enjoy the urgent attention of all municipalities.

"It became clear during the inquiry that a lack of business skills hampered operators in understanding the nature of competition and the economic forces involved.

"Fair, firm and consistent law enforcement is needed to combat the lawlessness and lack of discipline."

# Police officer denies fabricating a crime

Staff Reporter

POLICE at no stage "fabricated a crime" to leave their posts at the Nyanga taxi terminus where they were acting as buffers between members of the feuding Webta and Lagunya taxi associations.

ANC MP for Claremont Mr Jan van Eck last week told the Goldstone commission of inquiry into the Western Cape taxi war it was his impression that police withdrew two police vans which were acting as "buffers" between the two groups on February 19 this year to "open the way for an attack on Lagunya supporters by Webta".

Warrant Officer Daniel Swart of the Internal Stability Unit denied the allegation. He said he was in charge of about 18 policemen who were regularly posted at the rank to keep the two groups apart.

Five police vehicles were parked at the rank to prevent conflict.

During the morning a man told him his bicycle had been stolen in the nearby KTC squatter camp.

WO Swart said he contacted a colleague in KTC by radio to tell him to watch for the bicycle. Later a police "Nyala" containing a bicycle and a suspect arrived at the rank.

While he was talking to the complainant, a large group of Webta members, armed with sticks, came running in his direction.

The policemen formed a line to block the Webta advance and ordered them back, he said.

WO Swart said that day Mr Van Eck complained to him about a police van racing in KTC.

At no time did Mr Van Eck complain about police vehicles making way for an attack by Webta.

The hearing continues.



## New shipping link to Far East

EDWARD WEST

VOLKSWAGEN Jetta exports and the opening up of world trade has resulted in one of the world's largest ship owners, China Ocean Shipping Company (Cosco), entering the SA-Far East trade in January.

Its first vessel, Fuyuanshan, was scheduled to sail from Durban on January 21 and from Port Elizabeth on January 24 for Singapore, Hong Kong, and Dailan in China, a statement from Cosco's SA agents John T Rennie & Sons said.

Cargo would also be accepted for other Chinese, Far Eastern and south Asian ports on a feeder basis.

Cosco's service would initially provide for the carriage of containerised cargo only, with two sailings a month by four multipurpose vessels on a fixed date basis. 332

John T Rennie & Sons director Dez Murray said trade between SA and mainland China was expected to grow significantly. 333

He said Cosco's decision to enter into SA-Far East trade was prompted by SA and China opening up to world trade. B10m

The vessels were also expected to transport Volkswagen SA's Jetta exports to China. 15/12/92

Volkswagen SA recently had this year's export order to China of 6 000 Jettas worth R182m increased to 8 900 worth R287m. Further export orders were being negotiated, it was reported.

# Causes of taxi wars spelt out

By Helen Grange <sup>STAN</sup> 15/12/92

The root causes of violence in the Alexandra taxi industry lie in a struggle among taxi operators, who are intent on achieving their own ends without regard for the commuting public.

This is the finding of a Goldstone Commission committee which began an inquiry into the Alexandra taxi wars on September 30.

In its report, the committee recommended that the two main taxi associations, the Alexandra United Taxi Association (Auta) and the

Alexandra-Randburg-Midrand-Sandton Taxi Association (Armsta), establish a line of communication, and that members should practise tolerance and refrain from physical attacks.

The committee said the chairmen of both taxi associations had agreed the current status quo was completely unacceptable. The chairmen had already met, and there were discussions on ways to achieve lasting peace through co-operation.

Expanding on its findings, the committee said it was clear that the rivalry for members had reached a point where one taxi association was trying to outbid the other

in saying how many members it had.

This manifested itself in petty tricks such as turning up at a meeting in large numbers when the expectation was for a smaller group, or disrupting attempted negotiations by a display of ultra-sensitivity regarding arrangements and procedures.

A factor fuelling the tension was the sheer numbers of operators plying their trade, a basic ingredient to be found in other parts of the country where the minibus taxi trade could be found.

Factors aggravating the commercial competition included the high cost of vehicles, maintenance and insur-

ance.

In Alexandra, there was no formal rank for minibuses. It was said in evidence that an estimated 500 or more vehicles operated at one place in Wynberg, Sandton, during peak hours.

"Bringing order to the situation has been attempted only by the warring taxi associations themselves. It is not surprising that, when tensions mount, the ranks are the places where trouble erupts," the committee report said.

Evidence had also emerged that permits were being fraudulently obtained. This allegation is being investigated by the police.

332

**NEWS** Talks underway to end violence • Transkei results will not be covered

# Matric results out January 4

## Results will be in Sowetan:

WHETHER or not you have passed your matric exams is one of the biggest worries you have at the moment.

But, take heart, you won't have to wait long. And it is all thanks to Sowetan. We will be bringing you the results from 7 regions of the Department of Education and Training on January 4.

## Self-governing territories

The regions to be covered include the Northern Transvaal (Gazankulu and Lebowa), Johannesburg, Highveld, the Diamond Fields in the Free State and the Orange Vaal. More than 180 000 candidates sat for the exams in these regions. A total of 325 000 fulltime Standard 10 candidates wrote this year's DET matric exams, including pupils from schools in the self-governing territories and independent states Ciskei, Bophuthatswana and Venda. Transkei sets its own matric exams.

Riko has stream of

# Taxi wars tackled

THE root causes of violence in Alexandra's taxi industry lie in a power struggle between taxi operators intent on selfishly achieving their own ends without regard for the commuting public.

This is the finding of a Goldstone Commission committee which began an inquiry into the Alexandra taxi wars on September 30.

In its report the committee recommended that the two main taxi associations, the Alexandra United Taxi Association (Auta) and the Alexandra-Randburg-Midrand-Sandton Taxi Association (ARMSTA), establish a principle of communication and that members should practise tolerance and refrain from physical attacks.

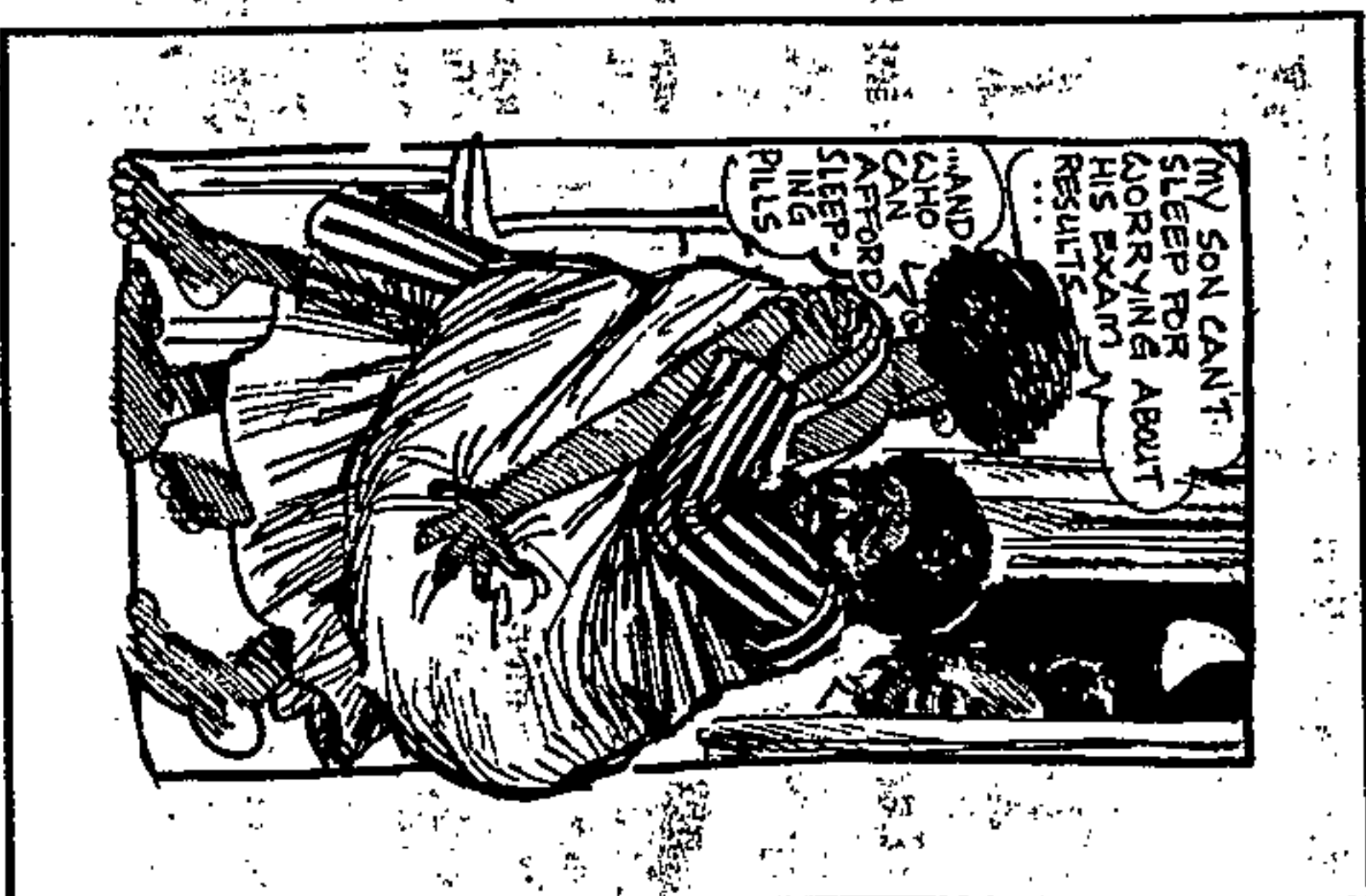
The committee said the chairmen of both taxi associations had already met and there were positive discussions on ways and means to achieve lasting peace through co-operation, the committee said. Expanding on its findings, the committee said it was clear that the rivalry for members had reached a point where one taxi

Greed one of the root causes of feuding factions in industry:

This manifested itself in petty tricks such as turning up at a meeting in large numbers when the expectation was for a smaller group, or disrupting attempted negotiations by a display of ultra-sensitivity regarding arrangements and procedures.

A factor fuelling the tension was the sheer number of operators plying their trade, a basic ingredient to be found in other parts of the country. It was said in evidence that about 500 or more vehicles operate at one place in Wynberg, Sandton, during peak hours.

"It is not surprising that when tensions mount, the ranks are the places where trouble erupts," the committee report said.





1993 Grand Prix 'not affected'

# Kyalami new casualty of TGH collapse

B/DAM 15/12/92.

CAPE TOWN — Tollgate Holdings (TGH) subsidiary Kyalami International Circuit, which owns SA's prestigious motor racing track north of Johannesburg, was provisionally liquidated in the Cape Town Supreme Court yesterday in an urgent application brought by Absa Bank.

However, sources said the liquidation would not affect the Formula One Grand Prix scheduled for March 1993. Absa also undertook yesterday not to disrupt any Kyalami events "as far as possible".

The provisional winding-up of Kyalami follows a spate of orders granted at Absa's request over the past two weeks against insolvent companies in the TGH group. The group itself was provisionally liquidated with debts to Absa of more than R300m.

Absa advocate Gavin Woodland said in court that Kyalami had "sunk to the same financial doom" as other TGH companies.

Absa Cape regional manager Dudley Davies said in his affidavit that Kyalami owed R2,1m to consulting engineers and contractors, R27m to financial institutions and more than R300m to Absa for cross-guarantees provided for the debts of other companies in the TGH group.

Kyalami's sole source of income was the rental it derived from Motor Racing Enterprises (MRE), projected at R4m for 1993, R4,4m for 1994, R4,84m for 1995 and R5,3m for 1996, plus an additional R1m rental for each Formula One Grand Prix held at the track. No rental was payable for the first four months of the contract to end-December 1992.

Davies said TrustBank was owed R12m,

332

LINDA ENSOR

Société Générale R5m and Volkskas R10m. This R27m debt was secured by mortgage bonds over Kyalami's 70ha property.

The concurrent creditors were K & M Contractors, owed R1m; Basil Read, owed R800 000; Digby Meyer & Associates, owed R150 000; and Bing, Walker & Associates, owed R145 858.

Absa's application was precipitated by a letter of demand to Kyalami from consulting engineers Bing, Walker for payment of R145 858 for its "contract audit" on upgrade work at the circuit.

Kyalami had employed firms of consulting engineers and contractors to upgrade the facilities and Bing, Walker estimated the costs had escalated from about R11m to R22m.

MRE, which leases the Kyalami track and promotes the Grand Prix, would negotiate with Absa to buy the property, MRE MD David McGregor said yesterday. He said he and fellow director Mervyn Key would approach Absa to exercise their option to purchase the Kyalami property, which had a bonded price of R27m.

McGregor and Key bought MRE from TGH subsidiary Entercom in a management buyout a few months ago. Although the deal was subsequently approved by Absa, questions have been raised whether "undue preference" was given to Key, a former TGH director.

McGregor said the provisional liquidation would not affect next year's Grand Prix as MRE had a binding lease to use the property until the end of 1996.

# Angry taxi drivers blockade liner access

Staff Reporter

9/15/12/92  
332

ANGRY taxi drivers last night blockaded one of the accesses to the luxury cruise liner Berlin in Table Bay harbour as drivers protested their exclusion from the immediate area, saying they are being "pushed" out of the Waterfront.

Harbour security kept taxi drivers some 200 metres from the Berlin's gangplanks as passengers stepped off the liner onto private tour buses.

About 15 taxis had blocked the entrance for over four hours.

Police arrived to negotiate and the blockade ended about 9.30pm.



# Causes of taxi war pinpointed

UNBRIDLED commercial rivalry and intolerance among rival taxi associations were the main causes of taxi violence in Alexandra township, the Goldstone commission said yesterday.

Releasing its report on the taxi violence in Alexandra, north of Johannesburg, the commission said the immediate and root causes of the violence lay with the taxi operators themselves.

But the report also pointed a finger at the authorities, saying it was clear the sudden booming of the minibus taxi industry in Alexandra was not foreseen and no timely strategy was devised to accommodate it and to deal with the industry's problems.

There was no formal taxi-rank. At one rank, more than 500 taxi operators plied their trade, but there were no facilities such as shelters and toilets.

The commission recommended the first step towards the resolution of the conflict in Alexandra between the Alexandra United Taxi Association (AUTA) and the Alexandra Randburg Midrand Sandton Taxi Association (ARMSTA) was to establish proper channels of communication between them.

The establishment of formal ranks in Alexandra was an important priority.

The commission suggested a joint committee be formed to administer taxi ranks and routes. It suggested the private sector assist national taxi organisations in providing training in business, marketing and entrepreneurial skills. — Sapa.

# Mandela: church cannot retreat now

ANC president Nelson Mandela yesterday called on the church worldwide to warn adherents against the dangers of superficial change in SA that would leave power and privilege in the hands of whites.

Speaking at the centenary of the Ethiopian Church in Southern Africa in Potchefstroom, Mandela said the church "cannot afford to retreat to the coziness of the sanctuary, tempting as it may be, in these confusing and challenging times".

The church in SA had no option but to join agents of change and transformation in the task of acting as midwife at the birth of democracy.

## Support

He rejected the contention that the church had been left out in the cold since February 2 1990 and had to take "a lonely walk in search of an identity and a role" following its earlier central contribution to the fight against apartheid.

In trying to marshal the support of "the powerful and influential institution that the church is", the ANC president remained cautious and said he would not support policies which subordinated churches in any way to the government of the day.

He suggested the role of the church during transition and beyond should be:

- To warn adherents in SA and in the International Ecumenical Movement against the dangers of superficial change that would leave power and privilege in the hands of whites and a few affluent blacks.

BILLY PADDOCK

- To keep in public focus the legacy of apartheid and help to design strategies for addressing it;

- To position itself to act as the conscience of the present and future society — as a "ministry of values";

- To take an active part in the mobilisation of society for democracy which should include education aimed at creating a culture of tolerance and at enhancing the moral fibre of the society;

- To play the essential role of fostering national reconciliation "underpinned by confession and restitution". The church could help the reconciliation process through a clear and unambiguous rejection of false reconciliation, as it did during the years of its fight against the apartheid heresy, he said;

- To focus energy on the war against violence and to help identify root causes "so this scourge can be eradicated";

- To take an active part in building a new nation through social reconstruction of the family and community, democratising political institutions and the economy; and

- To gear itself to take over some of the burden of education because this could no longer be left to the state alone.

Mandela said he was not being prescriptive to the church, but was convinced that unless society made full use of the potential the churches had, the democratisation of SA would be slow and distorted.

# Call-up refusals to be investigated — SADF

STEPHANE BOTHA

EVERY individual case of non-reporting for national military service would be investigated and the offender prosecuted if necessary, the SADF said yesterday. Reacting to the public refusal in Cape Town yesterday by a group of 21 young men facing January call-ups to report, the SADF said the Defence Act still provided for the conscription of white male citizens.

"The status quo will be maintained until the Defence Act is amended," a spokesman said.

The End Conscription Campaign (ECC) in a statement expressed full support for the 21 individuals.

Since February 1990 many people have assumed that the whites only call-up was something that would not survive for very long in the 'new' SA.

"Now, almost three years later, thousands of young white South African men are again facing call-ups for military service," the ECC said.

The SADF would not comment on the number of conscripts called on to report for the January intake.

"However, all eligible white males are called up for duty and allotted to various areas of service.

"Furthermore, every individual case of non-reporting will be investigated and, if necessary, prosecutions will be instituted against offenders," the spokesman said.

The ECC criticised the SADF's approach, saying that those who objected to serving in the SADF under the whites only conscription system were under threat of being convicted as criminals for doing so.

The continuation of whites only conscription served government's purpose of maintaining the SADF as its own private army, thereby dragging out the conflict and retarding the entire process of finding peace, the ECC said.

The call-up system was developed in line with the policy of apartheid which had been rejected by most people in SA, the ECC said.

Meanwhile, the SADF has already received several nationwide applications for its voluntary short service system introduced last week.

The voluntary period service system was intended to provide some relief for Citizen Force and commando members, the SADF said when it announced the system last week.

Copyright © 1991 by the South African Press Syndicate. All rights reserved. Printed in South Africa.



## Sale of Tollgate coach company in the pipeline

BDA/L LINDA ENSOR 17/12/92

CAPE TOWN — An unidentified, JSE-listed company and a consortium of Springbok Atlas Safaris managers are on the verge of finalising a deal to purchase the company from the provisionally liquidated Tollgate Holdings (TGH) group. (332) (223)

The transaction would involve the purchase of Greyhound Coachlines coaches which are currently leased by Springbok Atlas.

In addition, a separate deal for the sale of Greyhound Citiliner which also leases coaches from Greyhound Coachlines was being negotiated, a TGH provisional liquidator said this week.

Springbok Atlas financial manager Patrick Vella confirmed the deal was nearly finalised and said he and MD Ricardo Dell'Erba were personally involved. A separate company would be established, staff would be retained and contracts with other coach rental companies taken over.

Vella said Springbok Atlas was a profitable company which had an estimated 40% of the SA touring coach market and was a leader in hiring charter buses.

The provisional liquidation of TGH had resulted in tremendous pressure from creditors and required that Springbok Atlas pay for all its purchases up front in cash. However, the company had continued to trade.

## NPS plans taxi peace indaba

JOHANNESBURG

The National Peace Secretariat plans to hold a conference on taxi wars, it announced yesterday.

All parties involved in taxi violence, including representatives from all taxi associations, the Minister of Transport, financial institutions and transport unions, were invited to the January meeting. — Sapa



# Angry taxi drivers lose their 'slice'

332

ARG 17/12/92

STEFANS BRÜMMER  
Staff Reporter

EMOTIONS are running high between taxi drivers, Waterfront management and port authorities after simmering disputes erupted into taxi blockades at the docks this week.

The tourist season is hotting up but taxi drivers say they are unfairly barred from getting their slice.

Port and Waterfront authorities maintain that restrictions are necessary because of congestion, to ensure proper control, or to protect tourists from exploitation.

The latest confrontation occurred on Monday night when about 15 taxis partially blockaded access to the cruise liner Berlin at B-berth for several hours.

At the Waterfront about 10 taxis blockaded the traffic circle outside the Victoria and Alfred Hotel for half an hour, leaving after a police warning.

Drivers said they took action because they were being "pushed" out of the harbour and the Waterfront.

On Tuesday, port authorities, a Waterfront representative and taxi driver representatives met for talks facilitated by harbour police. No details were made public, but police and assistant port captain Graham Davidson said the meeting was "in good spirit" and said another was planned.

A spokesman for the taxi association Capco branded the meeting "fruitless".

The spokesman said the next talks — for which no definite date had been set — would be too late. Taxi operators could not afford to lose out on the tourist season.

Drivers say:

● The taxi rank at A Berth, where most passenger liners berth, is too far from disembarking passengers and not clearly visible. One driver said the rank was behind the terminal building and passengers had more ready access to buses.

Mr Hein Matthee, Portnet assistant security manager, disputed that the A-berth rank was inferior. He said that passengers had to walk through the terminal building when they disembarked and that the taxis were in full view and close by.

● Customers have to walk unacceptable distances to and from ships



**DISPUTED STAND:** Three taxis park at the traffic circle outside the Victoria & Alfred Hotel where Waterfront management has allocated only two bays. Taxi drivers say the bays are insufficient, but management says taxis cause congestion.

Picture: HANNES THIART, The Argus.

at the Landing Wall, where foreign fishing vessels berth.

"Rubbish girls" (prostitutes) could enter in private cars, yet taxis on legitimate business had to stay out, a driver said.

He said taxi drivers were suffering. "Some have families, some have children. You take his work, you cut his throat."

Mr Matthee said barring taxis from the Landing Wall had become necessary because they clogged the pier, which was only a few metres wide. There had been complaints from companies which needed access to make deliveries or supply fuel.

He said new arrangements were that central area taxis could go only as far as Vanguard gate 400m or 500m from the Landing Wall. Three docks taxis at a time were allowed inside the gate, but not on to the pier.

He said he understood taxi drivers had problems. "They are fighting for their lives and I am with them all the way, but one cannot open everywhere."

● At the Waterfront a main bone of contention is that there are only two waiting bays for taxis. A driver said there were about 5 000 parking bays, but taxis were allocated only two.

He claimed that Waterfront management was trying to get rid of taxis and Waterfront security officers had instructions to "give us hell".

A letter from Waterfront estates manager Mr Duncan Cloete to taxi drivers and owners threatens "that if all malpractices do not stop with immediate effect, I will have no alternative but to obtain a court interdict to restrain the parking of any taxi whatsoever in the Waterfront".

Then taxis would be allowed only to drop customers or pick up when called by phone.

He said he expected 1,6 million people and 600 000 vehicles to visit the Waterfront this month and Dock Road was already congested. Taxis blocked the road and the V & A Hotel circle.

A major problem was fares, which varied between R2,50 and R8 a km.

"So tourists say they are being ripped off and call me to say it's the Waterfront's problem."

The two bays were only temporary and a new rank would be opened behind the Victoria and Alfred Wharf. Mr Cloete disputed drivers' claims that the new rank would be out of the way, saying the opening of the shopping complex had "changed the face of the Waterfront" and that it was the main attraction.



**Taxi violence** (332)

THE national peace secretariat is to hold a conference aimed at fighting taxi violence and achieving co-operation within the SA taxi network.

The secretariat said yesterday the conference would be held in collaboration with the Goldstone commission, probably in Johannesburg in January. The Transport Minister and representatives of taxi associations, transport unions and financial institutions would be invited to attend.

REPORTS: Business Day Reporters, Sapa.

31/07/81 18/12/92

MICOR

332

FM 18/12/92.

# Neutralising the minority vote

In a week in which the UK's Cadbury report pointedly highlighted the inadequacies of non-executive company directors in exercising a variety of powers, directors of an SA company gave their names and approval to yet another scheme which attacks minority shareholders' pockets. The proposals made by the board of Micor have inspired widespread discontent.

The Micor affair reveals, once again, the shortcomings in SA's Companies Act, and the inadequate protections provided to minorities. The JSE's hands are tied; so are those of the Securities Regulation Panel because the deal's structure involves the purchase of assets rather than control of a company. This type of transaction is not covered by the Takeover Code.

Among institutions that hold positions in Micor, either directly or on behalf of clients, are Cape-based Allan Gray and a trading subsidiary of Sechold. Between them they probably hold about 20% of the issued equity in Micor — substantial but insufficient to block the board's intentions.

Micor is a holding company whose subsidiaries are principally centred on international and domestic freight, travel and finance. Directors with 44,9% of the equity control the company. The composition of the board reflects ultimate control by the Kaplan family, father Cecil and son Mark.

Indeed, only one director, the ubiquitous Gerald Rubenstein, can be defined as non-executive. Of the remainder, Messrs Barradas and Beevers are employees; a third, Mick Delahunt resigned in protest against the terms of the offer.

A consortium has offered to purchase Micor's businesses for R15m cash; subsequently, shareholders can purchase a proportionate share in Micor's subsidiary Micind. There are a number of pertinent features.

The first is that the consortium comprises the Kaplan father-and-son team, together with other partners, some undisclosed. The Kaplans hold 60% of the interest in the consortium. In other words, the directors are buying out the business.

The second is that Micor's business includes activities undertaken outside SA. In 1986 the directors obtained an exemption from the Registrar from making any disclosures about foreign subsidiaries, an exemption which has been extended. The irony won't be lost on members. Exemptions were introduced to protect SA companies from sanctions; now they are being used by controlling shareholders against minorities.

The third is that the proposals — which have been accepted by Micor's board — will be put to shareholders for ratification at a meeting in terms of S228 of the Act. This

requires approval by a simple majority only. Deputy chairman Mark Kaplan referred questions to DMB Securities' Roger Laing, corporate consultants to the board, who confirmed the Kaplans may legally vote their shares in support of their proposal.

Asked why Micor's controlling shareholders had not submitted their proposals for ratification in a more democratic manner, Laing says: "Section 228 is widely employed in transactions of this kind. Costs are relatively low, there is a time advantage, and there is an element of certainty."

Minority shareholders say the offer is desirous relative to the underlying value of the company and its operations. An institutional manager says minorities cannot arrive at the true value of the company. Chairman Cecil Kaplan denies that. He claims the exemption extends only to the names of subsidiaries. "Profits and assets are consolidated in the annual statements," he says.

Micor's financial statements show NAV at about R2/share. After-tax profit for 1992 was R3,1m — equivalent to 19c/share. The present price for the sector in which Micor is listed is 14. Applying that would give a purchase price of R2,66/share; a 10 multiple would give R1,90/share. These figures stand in stark contrast to the 90,7c/share offered by the consortium.

"That," says Laing, "is an unacceptable argument. I don't think anyone would buy this company on an earnings multiple of 10. Before this deal was announced, Micor traded around 65c. The offer is more than fair and reasonable."

Micor's directors say comparisons with

JSE's Carter ... relying



the JSE's Industrial Holdings index are inappropriate as the company is comparatively small, Micor's earnings and dividend yields have historically been at substantial dis-

## WHAT MICOR'S WORTH

	Micor		Micor ex Micind	
	1991	1992	1991	1992
Turnover (Rm) .....	526	731	170	269
Pre-tax profit (Rm) .....	2,8	4,0	2,0	2,9
Profit before extra ord items (Rm) .....	2,5	3,1	1,8	2,2
EPS (c) .....	15,2	19,0	11,2	13,5
NAV (c) .....	183	200	114	150

counts to the index, and its working capital requirements require a high dividend cover.

Kaplan claims the offer to Micor shareholders to take up proportionate holdings in Micind effectively increases the offer price to nearly 139c. "That's beside the point," says an affected minority. "Micind is composed solely of local operations. Acceptance of the offer effectively removes any participation in the lucrative overseas businesses."

Minorities feel aggrieved, and their sense of being short-changed is supported by former Micor director Delahunt's statement that he "believes the proposed sale price equivalent to 90c grossly inadequate and detrimental to Micor shareholders who are not members of the consortium."

The JSE has approved the transaction. Director of Operations Neil Carter says: "In terms of the professional information supplied by the auditors and reporting accountants, which state the proposals are fair and reasonable to Micor shareholders, we have to rely on that opinion. We've taken all possible practical steps to ensure full disclosure has been made. The matter rests on valuation, and the JSE is entitled to rely on professional opinion."

Micor minorities point out that auditor Kessel Feinstein, which supplied the fair-and-reasonable certificate, is also Micor's reporting accountant. "In those circumstances, how can we be expected to accept the certification? It would make more sense if we were able to appoint our own auditors to verify KF's statement."

KF senior partner Zel Rangecroft protests that his firm would never put its name to an incorrect certificate. "As professionals we express an independent opinion." Asked about Delahunt's attitude, Rangecroft says: "We took cognisance of his views and concluded it was merely a difference of opinion."

Few options are available to protesting

P.T.O.

FOX FM

18/12/92

~~332~~ (332)  
minorities. It is highly unlikely, especially if the Kaplan consortium votes its shares, that minorities will be able to overturn the proposals. The only viable option appears to be to make use of S252 of the Act, which provides relief from oppression — a provision rarely used successfully.

The Kaplan-led consortium isn't buying out minorities in Micor because it is philanthropic; it is doing so because its participants see an opportunity to enhance their own wealth. That is not unreasonable *per se*. But it must not be achieved at the expense of others.

David Gleason & Kate Rushton



**NEWS** ANC, NP had suspected Dikgang was not happy ● Sadtu issues protest note

## Taxi drivers' ultimatum

*Sowetan* 18/12/92

■ **Union wants more offloading points:**

THE South African Taxi Drivers' Union has lodged a complaint with the Pretoria Traffic Department in protest against the alleged harassment of taxi drivers in the city.

The union has sent the Chief Traffic Officer, Mr HJ Nicklin, a memorandum giving his department a seven-day ultimatum to meet their demands.

Mr Maurice Bokaba, Sadtu's secretary, accused the traffic authorities of failure to provide adequate loading and off-loading facilities. Taxi drivers were subjected to a series of traffic offences as a result.

"Previous discussions held between us and the authorities have shown there was a dire need for an urgent implementation of a strategised operation order.

"The existing rank is too small and therefore cannot accommodate all taxis operating in Pretoria," said Bokaba.

He said the traffic department had seven days to respond to the union's demands, failing which they would disrupt the smooth running of traffic.

A consumer boycott of white businesses would also be embarked upon, subject to consultation with political organisations. Acting Chief Traffic Officer Mr Jimmy Allison confirmed having received the memorandum.

## Moseneke's resignation a blow to PAC

*Sowetan* 18/12/92

**By Ismail Lagardien**  
Political Correspondent

DIKGANG Moseneke's resignation from the Pan Africanist Congress on Wednesday was a loss the Africanists could have prevented and which they did not need, political observers have noted.

Intelligence sources in the ANC and senior Government officials yesterday said they had sensed Moseneke had been unhappy in the PAC lately - especially because of the movement's obdurate stance on negotiations.

■ **Ex-PAC leader touted as future judge:**

It was true Moseneke's law practice had been neglected during his tenure as the first deputy president of the PAC, but he felt that if he got his way in the PAC, he would stay on.

"It appears as if the Apla issue was the last straw," an ANC executive said yesterday.

Cabinet sources yesterday said Moseneke was "probably the best thing that had happened to the PAC in recent months".

"In all our contact with him, he has shown a keen interest to involve the PAC in negotiations at the highest level," this source said.



In a curt statement issued in Johannesburg yesterday, the PAC's president, Mr Clarence Makwetu said "it was a pity" Moseneke had announced his resignation in the media before the movement's national executive council could discuss it.

Speculation is also rife that Moseneke's recent promotion to Senior Counsel and the very strong possibility of him becoming a Judge.

From all over, yesterday, however, the perception is that the PAC had lost "its only really presentable face."

# CLEARANCE

# Imperial pounces on Springbok Atlas

ST Times (8455) 20/12/92 332  
THE Imperial Group has spent R32-million in two major deals this week. The rapidly growing motor group bought coach tour operator Springbok Atlas from provisionally liquidated Tollgate Holdings for R7,25-million in cash just days after operating company Imphold bagged the remaining 25% of Imperial Truck Systems from a group of pensioners for R24,4-million.

In the respective cases, shares in Imperial Group — 1,1-million — and Imphold — 3,7-million — were issued to investors to raise the necessary cash. The purchase of Springbok Atlas was sanctioned by the liquidators.

Bill Lynch, executive chairman of Imperial Group, says he sees tremendous potential for Springbok Atlas, as it is totally compatible with Imperial's operations.

"It is nicely profitable and fits in with our use of vehicles in the transport industry, our ability to maintain and service them and with our insurance interests. It is a natural extension of our interests, as we are closely associated with tourism."

Springbok carries more than 500 000 local and international passengers each year and is the single biggest user of hotel rooms and Park Board accommodation in SA. It also has contacts with large business houses.

Springbok will retain its existing personnel, assets

By DON ROBERTSON

and senior management.

According to Springbok chief executive Riccardo Dell'Erba, there were a number of bidders for the company.

"We are delighted to enter the fold of the Imperial Group. There is vital synergy between us in the transport field. It is an ideal marriage."

# Springbok a R7,25m bargain for Imperial

CAPE TOWN — Imperial Group's "bargain" purchase of Tollgate Holdings (TGH) subsidiary Springbok Atlas Safaris for R7,25m included the acquisition of about 89 luxury coaches, minibuses and trailers, according to papers submitted to the Cape Supreme Court.

Springbok Atlas is a leading national tour and coach operator, providing luxury and semi-luxury coaches for hire and for package tours. It carries more than 500 000 local and international passengers annually and is the single biggest user of hotel rooms and Parks Board accommodation in SA.

The deal was approved by Absa, major creditor of the provisionally liquidated TGH group, which had debts of more than R305m. It included buying coaches from Greyhound Coach Lines and trailers from Quick-

LINDA ENSOR

silver. Those involved in the deal admitted that Imperial had got a bargain price but said the provisional liquidators had also got a good deal.

In a presentation to Absa in May, former TGH director Mervyn Key said replacing Springbok's coaches would cost about R60m. In 1991 the firm's operating profit was R3,7m. Operating profit of R6,2m on a turnover of R90m was budgeted for the 1992 financial year. Minutes of the presentation were annexed to Absa's application for provisional liquidation of TGH.

One of the TGH provisional liquidators, Stephen Gore of Sanek, said in court papers seeking approval of the Springbok Atlas sale that the piecemeal sale of its assets under forced sale conditions would realise a simi-

lar amount as the purchase price of R7,25m after payment of administration costs, auctioneers' commissions and other costs. (332)

However, he said the purchase price was considered fair in the circumstances. Gore emphasised that it was imperative for the company to be sold before it was irreparably damaged in SA and abroad by the news of the provisional liquidation of TGH. Many tours organised through Springbok Atlas could be cancelled.

"The news of the demise of Springbok Atlas Safaris is spreading throughout Europe. Competitors in the package tour field are taking advantage of this and it is essential that the agreement be sanctioned as a matter of extreme urgency to ensure the continuity of the business and to obviate the tourist industry in SA suffering a severe setback."



## New sea service links SA, China

PETER DELMAR

332

ONE of the world's biggest shipping lines, China Ocean Shipping (Cosco), next week starts a direct service between SA and mainland China with twice-monthly sailings. *BLOMM 22/12/92*

On December 29 the Fuyuan Shan will leave Hong Kong for Singapore, Durban and Port Elizabeth, returning to Singapore, Hong Kong and Dalian in mainland China.

Cosco deputy MD Ma Jie Lin said the line would commit four multi-purpose vessels to the service: "We have secured the contract to carry VW vehicle exports from Port Elizabeth to Dalian. This base load will be supplemented by a variety of export cargo."

# Trencor's Contred stake sold to Consol

B/day 22/12/92 (332)

CAPE TOWN — Anglovaal subsidiary Consol has bought Trencor's 25,6% minority stake in tyre manufacturer and distributor Contred for R210m.

A statement released today said the deal made Contred a wholly owned subsidiary of Consol, which besides its rubber and tyre interests, was involved in glass and packaging manufacture.

Trencor director Cecil Jowell said Consol had made an "eminently satisfactory" offer for Trencor's stake. Trencor had not been dissatisfied with its investment in Contred but had decided it could better use the R210m received from the sale.

The R210m brought Trencor's cash reserves to just more than R300m, part of which would be used to follow its rights in the \$64m Textainer rights issue. Trencor said in November it had acquired a substantial minority shareholding in the off-shore Textainer group, a major player in international container leasing.

Jowell said Trencor also wanted to have cash on hand to meet demand for funds by its container export business.

Trencor had regarded its stake in Contred as a portfolio investment. There was nothing intrinsically wrong with the

LINDA ENSOR

business, despite the threatened removal of import controls. Contred had made a profit last year in difficult circumstances, though earnings had dropped.

Jowell said that when making projections for Contred over the next five years, consideration was given to the structural issues facing the tyre industry, including the threatened increase in low-price imports when quantitative import controls were abolished. But price, rather than these factors, was the deciding issue.

In the last annual report, Trencor chairman Neil Jowell said the impact of these measures on the tyre industry would be considerable. "We anticipate a good performance in the future, but structural issues in the industry will be a critical factor affecting their ability to improve results in the year ahead," he said.

Contred operates through subsidiaries Tycon — which makes Goodyear and Kelly tyres and tubes, conveyor belting, industrial rubber products and PVC foodwrap — and Tredcor, which makes tread rubber and retreads and distributes passenger, truck, earthmover and tractor tyres.

# Flitestar domestic fares to go up next year

8/00m 22/12/72  
FLITESTAR has announced it would increase its business and economy class domestic fares by 8% and 7,5% respectively from January 4.

A spokesman said yesterday the increases were as a result of hikes in landing fees and taxes.

SAA has already announced a 5% increase in business and economy fares from next month.

Flitestar MD Jan Blake said air fares in the country were generally too low. "The cost structure is high and what we are doing is to try to shrink the gap between it and the fares," he said.

THEO RAWANA  
and LLOYD COUTTS

He said the increase was not designed to put Flitestar fares on a par with SAA's. Flitestar fares were slightly below those of SAA.

The Department of Transport recently increased airport levies per passenger to R5 for domestic flights and R20 for international flights.

Comair MD Pieter van Hoven said his company had no immediate plans to increase its fares but could reconsider such a decision in the new year.

"We've not increased our fares

(332)  
since we started on the Cape Town route and we're not taking any decision with regard to amending fares ... but that doesn't mean we are not going to," he said.

Van Hoven said Comair's Cape Town prices — the only route on which it competes with the other two domestic airlines — were about 40% below those of SAA and Flitestar.

A full economy return ticket on SAA will cost R1 020, on Flitestar R1 008 and Comair's will remain R678.

"Then there are a variety of discount prices," he said.



# Soweto council defies TPA order to cut costs

THEO RAWANA

SOWETO City Council management committee chairman Jabu Mnguni has defied the TPA which has threatened to dissolve the council unless it puts its finances in order.

Mnguni said yesterday the TPA could not dictate to him as he was governed by an Act of Parliament — and not by the administration.

"The TPA has no right to tell me what to do with my staff. I cannot be dictated to by the TPA — I am governed by the Black Local Authorities Act. The TPA can ask me, but not tell me what to do," Mnguni said.

He said he could go to the TPA when he was short of funds.

Referring to a recent incident when council staff demanded their annual bonuses, he said: "I managed to pay bonuses, without help from the TPA."

"We can cut costs 10% as ordered by the TPA. I know

I have to do some reshuffling, but I am still conducting my investigations."

Mnguni said he was busy with his legal advisers.

"I cannot just retrench people. I will conduct legal retrenchments."

A TPA spokesman said the administration would not comment on Mnguni's statements.

Transvaal administrator Danie Hough ordered the Soweto and Diepmeadow councils last month to show they had taken remedial steps by December 15 or face dissolution.

Among the cost-cutting measures ordered by the TPA was a 10% reduction in staff.

The TPA said its executive committee discussed the councils' representations yesterday and would decide on them in early January.

## Top Sabta man resigns

PRETORIA — An executive member of the SA Black Taxi Association (Sabta) resigned from the organisation yesterday, saying the executive was just a rubber stamp for outside parties which made the decisions.

Fani Enos Makena said in a statement the Sabta executive was no longer in control. (332)

Makena said he was resigning also as treasurer of the Transvaal Taxi Association, but would remain as chairman of the Pretoria United Taxi Association.

He said Sabta was reluctant to change "incorrect policies that were hurting membership". (233)

The time had come for Sabta to stop looking for scapegoats. It should "rather examine the organisation itself for the real problems and find answers that work". — Sapa. (B10AM 22/12/92)

## Police to implement ideas to combat taxi violence

STEPHEN COPLAN (332)

THE police would implement without delay the constructive recommendations made by the Goldstone commission in connection with taxi violence, SAP commissioner Gen Johan van der Merwe said yesterday.

In its report on taxi violence in Alexandra township in Johannesburg, the commission suggested that "firm, fair and consistent law enforcement" was needed to stem lawlessness and combat the lack of discipline in the taxi industry. (B10AM 22/12/92)

Van der Merwe said cases of taxi-operating by individual policemen and allegations of the fraudulent issuing or obtaining of permits were being investigated.

The report said that in the past a policeman had served as chairman of one of the Alexandra taxi associations.

It was "heartening" that the report found allegations of corruption and unwillingness on the part of police to investigate cases properly and to combat violence were baseless. Misunderstandings, rather than misdeeds, seemed to be at the root of complaints, Van der Merwe said.

# SAP probes claim of police manipulation of taxi trade

By Helen Grange

Goldstone Commission evidence that some policemen are running taxis in Alexandra, and that taxi permits are being fraudulently issued or obtained, is being urgently investigated by the SAP.

In a statement yesterday, Commissioner of Police General Johann van der Merwe said he had taken note of findings in the Goldstone committee's report on public violence and intimidation in the taxi industry, and had instructed that recommendations about police relations with taxi operators be implemented.

In its report, the committee advised the police to maintain good public relations, ensure that lines of communication were kept open, and that complainants received feedback on the progress of investigations.

The committee heard evidence that taxi permits were being fraudulently obtained through consultants.

A number of allegations of negligence or corruption

against the SAP in general, and individual policeman, emerged during the inquiry, but were proved groundless.

Van der Merwe said it was "heartening" that these allegations were found to be untrue, but conceded that there appeared to be a breakdown in communication with complainants. He had taken steps to remedy this.

● The National Transport Policy Forum (NTPF) has warned taxi owners not to buy white-wall tyres imported from eastern Europe.

Such tyres did not conform to the required standards for tyres on commercial taxis, and could not withstand the climatic conditions in South Africa, said the NTPF.

Some of the tyres were marked M&S, which stood for "mud and snow".

Taxi owners were also warned not to buy tyres sold at the side of township roads, as many of these had been regrooved. Such tyres were a "timebomb".

## Senior Sabta official quits

PRETORIA. — An executive member of the South African Black Taxi Association (Sabta) yesterday resigned from the organisation, saying the executive was merely a rubberstamp for outside parties which made the decisions. (332)

Mr Fani Enos Makena said in a statement he was also resigning as treasurer of the Transvaal Taxi Association.

He said Sabta was reluctant to change "policies that were hurting membership". — Sapa

22/12/92



## UK subsidiary of Tollgate for sale

332 ~~BE~~ LINDA ENSOR ~~BE~~

CAPE TOWN — Tollgate Holdings' (TGH) provisional liquidators are negotiating the sale of the group's UK subsidiary, Jatón Holdings, but it appears unlikely it will fetch the £11,5m (about R63m at the time) for which it was bought in December 1991.

Jatón Holdings is the largest independent distributor of industrial fasteners and wire mesh products to the wholesale trade in the UK. It also manufactures and distributes electrical installation components and fittings. B / Day 23/12/92

News of the pending deal follows the recent sale of TGH subsidiary Springbok Atlas Safaris to Imperial Group for R7,25m, a price which has to be seen in relation to the operating profit of R6,2m expected for the 1992 financial year.

Jatón Holdings was acquired at a price-to-earnings ratio of 9,9 times based on estimated 1992 earnings.

Provisional liquidator Bessie Bester of Cape Trustees said there were serious buyers for Jatón in the UK and SA. A deal should be finalised in January. Management was also interested in a buyout.

Bester said that purely on the basis of the accounts, the net asset value of the company, excluding goodwill, was about £4,3m. With goodwill, the company would be worth about £9m, but using this figure under liquidation conditions was not realistic, he said.

Buying Jatón would be a "nice" investment for an SA company, which would acquire an offshore asset in rands, thereby spreading its risk abroad, he said.

On the other hand, a UK company might, with Reserve Bank approval, be able to pay for the acquisition through the financial rand.

# news in brief

## Eskom supports residents

ESKOM has given its support for residents of Vosloorus in the ongoing electricity crisis in the township. *Sowetan 23/12/92*

At a Press conference at their Braamfontein offices yesterday, Eskom officials denounced the actions of the Vosloorus Council and said the council was punishing innocent people by indiscriminately cutting off electricity supplies to the East Rand township.

Eskom reaffirmed its commitment to help solve the problem, but stressed that the dispute was essentially between the residents and the council.

Meanwhile, the Vosloorus Council announced yesterday that the electricity supply to the township had been reconnected subject to residents paying R100 for service charges by December 28.

## Makena was sacked - TTA

*Sowetan 23/12/92*  
THE Transvaal Taxi Association said yesterday Mr Enos Makena was expelled from the TTA's executive and did not resign as he had claimed. *(332)*

Makena said on Tuesday he was resigning from the SA Black Taxi Association because Sabta's executive was merely a rubber stamp body. However, the TTA said Makena was expelled by the disciplinary committee after he had refused to distance himself from newspaper reports ascribed to him which brought the TTA into disrepute. His expulsion from the TTA also affected his position on the Sabta executive committee.

## Springbok figures 'incorrect'

LINDA ENSOR

332

CAPE TOWN — Absa has contested the forecast profits of former Tollgate Holdings (TGH) subsidiary Springbok Atlas quoted by Business Day this week, saying that in fact the company made R86 786 in net trading profit in the year to end-December 1991. *BIDAY*

For the nine months ended September 1992 a net trading profit of R260 803 was made. *24/12/92*

Quoting correctly from a presentation made to Absa in May this year by former TGH director Mervyn Key, Business Day said forecast operating profits for the company this year were R6,2m. This was compared with the sale price of R7,25m paid by Imperial Group. Minutes of the presentation were annexed to Absa's application for the provisional liquidation of TGH this month.



## Flitestar lifts passenger load by 72%

FLITESTAR's December passenger load had shown a 72% increase over last year's festive season and was the highest achieved by the airline since its launch 14 months ago, the airline said yesterday.

Flitestar spokesman Allan Fabig said the airline was encouraged by the trend, but added it was "still very difficult out there".

"Our passenger load this month was just under 70% of capacity, but we need more than 70% to start making a profit. It's a bad market, and Flitestar has done well to drive their market share up in this environment," he said. Fabig said last Christmas season's passenger load was 40%. The airline had not increased the number of

KATHRYN STRACHAN

carriers since then. (332)

MD Jan Blake said with travel industry estimates of static or even declining holiday season air travel, Flitestar's figures indicated a substantial increase in market share. BLOAM 28/12/92.

The Johannesburg/Cape Town route was particularly successful. Durban flights were holding their own, but they were not at the same high levels, he said.

In a bid to increase its holiday traffic share the airline had offered lower fares on the main domestic routes for a two-month promotional period which closed at the end of January, said Blake.

# Filestar spreading wings

By David Canning

STAN 28/12/92

STAN 28/12/92

332

DURBAN — Filestar, a child of deregulation, has launched itself into the international market at a time when it — like other South African airlines — is losing money on the domestic market.

However, it believes opportunities must be taken when available if it is not to be shut out forever.

Moreover, the airline says new routes now to be opened — including Germany, India, the Seychelles, Argentina and the United Kingdom — should pay for themselves in a relatively short period.

## Mega-carrier

Filestar believes it could grow to play a fairly important role in the international market in five years, although it will always be small by mega-carrier standards.

Through aggressive marketing, including innovative pricing and servicing, the one-year-old airline initially made rapid progress on the domestic market to reach its target of a 25 percent market share by April.

Since then the recession and additional competition from the third player to enter the market

fray — Comair — have eaten into the margins of the entire industry.

Jan Blake, managing director of Trek and Filestar, says: "All three major participants (SAA, Filestar and Comair) logically stand in a position where they cannot make money."

Filestar and its major investors have not disclosed financial figures for the airline, other than to say (in the Rentmeester annual report) that initial losses have been capitalised and amortised.

Filestar insists it is being very selective about international routes and only seeking out those that are potentially profitable.

In October it obtained rights to fly to Bahrain, which holds promise of considerable two-way trade with South Africa.

The UK and Germany are popular routes for South Africans. India and South Africa have special ties owing to the number of Indians living in South Africa.

The group's Luxavia airline historically built up a very good links with the Seychelles before SAA put a stop to this.

Filestar says flights to Germany and the Seychelles will start in the first half of 1993. Flights to India and South America will follow later.

The London flights, which could be up to three a week, will only be considered once other routes have been established.

Filestar's Philippa Sparrow points out that international operations are not really new — holding company Trek for years has operated Luxavia flights into Europe at the low-price end of the market.

Filestar is seen more as an up-market business-oriented service, augmenting Luxavia.

## Application

Although most South Africans have thought of Filestar solely in domestic terms, she points out it applied for its first international routes only a few months after its October 1991 launch.

Its early application to fly to Mombasa was blocked after objections from SAA. However, negotiations on the issue are still in progress.

Blake says deregulation will only succeed in South Africa if all its principles are strictly adhered to by SAA.

It cannot really be achieved while SAA continues to be subsidised by the fiscus — reflected in its recent large deficit.

SAA has to operate as a viable entity and must be forced

to match revenue and expenditure.

He hopes this point will be reached in the new year once the Government makes a decision after a Competitions Board inquiry into whether deregulation is being implemented.

While deregulation is occurring in many national markets, Blake stresses that, owing to national interests, it is most unlikely ever to be achieved on international routes.

Filestar is owned by the Rentmeester group (43.75 percent), Safmarine (37.5 percent) and Muelklin (18.75 percent).

Rentmeester says in its report, compiled at the end of November, that certain start-up losses have been amortised over 60 months.

It describes Filestar's load factors as being at internationally acceptable levels, but adds that fare dilutions have placed pressure on margins — resulting in losses being experienced on domestic operations.

"It is expected these fare dilutions could continue for some time due to over-capacity and an inadequate general fare structure in the domestic market."

"On the international aviation side, the level of competition (frequency, capacity and price) has increased on the overseas route."

# Bus sales likely to hit record low

THE forecast for bus sales had been revised down to a record low of 400 new units for 1993, industry sources said at the weekend.

This compares unfavourably with the 554 units sold last year and annual average sales of 4 000 units during the '70s and early '80s.

Dorbyl Transport Products MD Rob Duff said: "Bus sales have never been at a lower level, and no upturn will be seen until government recognises the socio-economic right of the man in the street to have public transport at his disposal."

He said a number of different studies were under way, but uncertainty regarding deregulation was hampering possible progress.

A Mercedes Benz spokesman said government orders were down substantially for 1993. Government departments were either not buying, or had opted for smaller units.

The sources said the recession, growth in the taxi industry, high costs of capital expenditure and unemployment were also seen as major causes of the decline in sales figures.

Busaf executive director Ray Karshagen said 1993 would be similar to 1992 when the industry "went through one of its toughest years to date".

The lack of policy direction within the sector was making investment opportunities difficult, he said.

However, the sale of second-hand buses had increased to fill the gap created in the market by declining sales of new buses, he said.

Johannesburg transport marketing director Jenny Gray said, notwithstanding the poor conditions in the industry, delivery of 19 new buses would be taken early next year. An-

13/12/92 28/12/92  
ROBERT WICKS

other 23 new buses would be leased through a finance company.

"This overcomes the problem of engaging in outright purchase which is difficult, given the level of expenditure required by the department," Gray said.

A slight increase in commuters had been noted during 1992 but it was not sufficient to boost revenues beyond a "holding even" level.

Gray said the possible emergence of a new Public Transport Authority and the movement away from a subsidy scheme to a four-year contract programme was also adding to the level of uncertainty in the sector.

Johannesburg transport technical director Brian Appleby said he was optimistic passenger volumes would pick up in the new year. The department had acquired 42 new buses, representing a 10% fleet replacement.

Appleby said the bus industry had itself to blame for its predicament.

"A traditional approach has been followed in SA with many people in the sector feeling that a new style of bus was not needed."

"We are currently looking at a modern new design which will be comfortable, modern and appealing to the public," he said.

Some industry sources indicated a viable new export market in Africa could be opening up in the new year for 60-seater buses.

Karshagen said his company had received numerous inquiries in recent months.

"Unfortunately many regional countries face major financing problems. If enough foreign exchange was available, a number of large orders could be met," he said.