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 600, 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.

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.

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

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-

ised that between five and seven jobs are created for every one on the actual ship construction, if the subcontractors, 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 manufacture 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-

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

By DAN DHLAMINI

TAXI operators scored a partial victory this week when Transport Minister Piet Welsemood 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.
Taxi sales slump as bad debt rises

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 R25 000.

The Southern African Black Taxi Association (Saba) and the Federation of Black Taxi Operators and Consumer Services (Fabcos) operate the Saba Foundation, a stipend 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. But the decline in minibus sales has been a severe blow to motor manufacturers. Mr Lebese says that in previous years, minibus sales to members totalled about 600 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 41% 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%.

Nestle sells dairy arm

NESTLE is selling its refrigerated dairy division, Hambronn. This follows the disposal of its Lecini beverage interests to Royal Beecham. Nestle corporate affairs manager David Upshon says the group is focusing on fast-moving consumer goods. Growth potential comes from instant drinks, milk powders and condensed milk.

"Nestle has been operating in SA for 78 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.

OLDER AND OLDER. The taxi fleet ages and minibus costs soar.
Taxi drivers blast for clamping on handcarts
Taxi drivers turned blind eye

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.

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 MOLWARI 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 Sinumue Long Distance Taxi Association.

East Rand police spokesman Lieutenant Willem 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

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 Burrows 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

By DAN DHAMINI

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.
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 become 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.

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

A R1,6m extraordinary item written off brought net income to R715,000, 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.

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

By Garner Thompson
Star Bureau

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 650 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 airliners 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 says a tremendous challenge trying to break the monopoly 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 Long Sik said at the weekend.

The meeting had been set during talks with Transport Minister Dr Piet Welsgemoed 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

Winnie Mandela was yesterday re-elected as chairman of the ANC’s FWV 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 FWV.

Other members of the region’s executive elected yesterday are Gwendoline Mahlahhu as deputy chairman, Lindiwe Masiko as general-secretary, Maria Majoapelo as assistant general-secretary and Marjorie Roko 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 unscathed efforts she had made on behalf of women who needed her for direction.

Two other nominees for chairman, Antoinette 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 Aswat, as well as the murder of young activist Stompie Seipie.

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.

‘dangerous’ former attorney

He was again arrested on Wednesday in Pretoria police appointment certificate in the name of a Sergeant Venet as an identity and credit card in the name of VC.
Hauliers’ figures reflect road transport decline

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 15.8c 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 R3.8m loss in its financial year to February 1992 from a R867,000 loss in the previous year. It blamed the drought, 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 R323.8m.

“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 costs 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 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 R4.5bn 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.
Contracts for SA firms cause row

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.
Suspended taxi fare

Mike says Sabta

Spoken word on 12/11/92

By WomanCorp

The Southern Africa Black Tax Association
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 1.5-million tons of food needed to feed Zimbabweans.

This follows discussions last week between SA Transport Minister Piet Welgemeer 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.
Anger mounts as taxi operators rake in cash

By Brian Sokutu 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 Soweto, yesterday, ignored 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 R370 daily, or a possible R2,698 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, Nacta 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 increase.

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

According to Spornet southern Transvaal spokesman Ian Blesdale, 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 Manoeopa said at yesterday’s meeting all local associations affiliated to the National African Federated Transport Organisation and the Southern Africa Black Taxi Association bucked 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. However, 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

DURBAN - The student leader at the centre of the Natal University controversy, Knowledge Mdaloze, 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 Mdaloze’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 then baton-charged.

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

Durban campus vice-principal Prof Christopher Crosswell 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 Kempen said an university senate voted against a motion proposed by students' representative council president Glen Robbins that the case of Mdaloze 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.

Tensions run high in Maritzburg stayaway

MARITZBURG - 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 600 people from townships around Maritzburg converged on Market Square in the city centre throughout yesterday and undertook to continue their stayaway to force 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.

Taxis to decide on boycott support

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

Committee spokesman Ronnie Maneni said that Saba had 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 Matsila’s national office agreed in principle to support the boycotts.

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

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

Meanwhile, Mamoepe 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.

Spornell 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.

Police said the vehicle apparently went out of control after its brakes failed. One of the occupants, a rifleman from 3 SA Infantry Battalion, was killed 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 10 percent.

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

A member of the meeting committee, Mr Ronnie Manzobe, said he was optimistic Sabsa would make a 'positive decision' at the meeting.

"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 African Congress and the Azanian People's Organisation to protest against violence on 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 massacre,"
Sabta cuts taxi fares in support of train boycott

MINIBUS taxi fares would be cut by 20% today in support of the week-long train boycott, Sabta said yesterday.

Boycott steering committee spokesman Ronnie Mamoea said he “applauded the move” taken by Sabta and nine affiliates operating in the Soweto region. Sabta also agreed to relax demarcation agreements and “encourage” people with their own vehicles to transport workers.

Commuters will pay between 20c and 50c less a trip.

Mamoea said SpoorRent had complained that the boycott, called in protest against violence on trains, “was hurting” and had asked the committee to call it off.

SpoorRent reports that Soweto trains were virtually empty yesterday, with other lines having lost from a quarter to half their normal number of passengers.

Police said two people were injured when they were thrown from moving trains at Booyens in Johannesburg and Keitalo Stand in the East Rand.

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.

Sapa reports that in a raid on the Klipspruit squatter camp yesterday morning police arrested a man they believe to be involved in the killing of narcotics detective Sgt Raymond Maritz last weekend.

Nine people, including two youths, were arrested, in political violence on Wednesday, police reported.

Three people were killed in Soweto on Wednesday and in another incident, five men wielding knives attacked a Meadowlands woman, injuring her.

Unknown attackers opened fire on a home at Zindingini in the Table Mountain area of Natal and killed four people.

The necklaced youths were found dead at Mangweneli location in Bulwer, Natal.

Meanwhile, the ANC yesterday welcomed news of the OAU virus monitoring group’s visit to SA next week.

Inkatha Freedom Party president Mangosuthu Butheleizi has appealed to his party and the KwaZulu legislature to do everything to assist the delegation.

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

Waste disposal rivals in court

ALLEGATIONS of industrial espionage and the unlawful use of confidential information were made in a dispute between two rival waste and toxic effluent disposal companies which came before the Rand Supreme Court yesterday.

Waste-Tech (Pty) Ltd is seeking a series of interim orders against its rival Wade Refuse which it claims is using confidential analytical data and customer information supplied by a former Waste-Tech employee.

Wade Refuse denies it is using confidential information and claims Waste-Tech is attempting to crush competition in what had been a monopoly.

The matter, which resumed for argument before Judge L Serrurier yesterday, began in March when Waste-Tech obtained a court order in camera against its rival.

In terms of the order granted by Judge L Lazarus, the deputy sheriff was authorised to seize documentation from Wade Refuse which Waste-Tech claimed was confidential information. The court also granted temporary interdicts preventing Wade Refuse from using the information.

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.

Waste-Tech counsel B Nugent SC told the court that former employee Alistair Gillespie resigned in April last year and went to work for Wade Refuse.

Gillespie subsequently approached chemist Steven Elliot, who was in charge of Waste-Tech’s laboratory, and asked him for certain documentation and information relating to waste disposal, its analysis as well as customer information.

Elliot did this over a number of months, Nugent said, and received money before resigning in December and going to work for Wade Refuse. In February Elliot fell out with his new employers and was dismissed.

He then went back to his former employers and told them what had happened, Nugent said.

Elliot, a British citizen, alleged that after he was dismissed by Wade Refuse he had to sign a restraint agreement, undertaking to leave SA and not return for three years.

Nugent submitted yesterday there was prima facie evidence that Wade Refuse was using information and analytical data belonging to Waste Tech to compete unlawfully with its rival.

Argument continues today.
Taxi fares to be cut until 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 (Saba) 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.

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

Some commuters have accused taxi owners of causing an increase in 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 knew the dates, we could have delayed the increase. I know it looks bad."

Costa's Amos Masando 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 metropolitan 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 cooperate with 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 sovereignty 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.

But he supported the visit afterclouding 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 OAU had never been able to give its version of the violence to the OAU.

Creditors 'seeking Chiavell's fall'

By Susan Smuts

Oil tycoon Marino Chiavell'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 Daily Mail reports.

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.

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A Marino, a NPO, appeared to have numerous assets, he could not find the "small change" to pay Orconsult, Mr Mostert said.

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

Dr Chiavell had taken Mostert said.

Mr Levin questioned whether the "true son" for the post-1994 situation had been established. A lot of money had been involved, serious allegations of insolvent had been made against "a man of means in a noble family."

"I am afraid it is not as simple as it seems," he said.
Fares hike under fire

Sowetan Reporter

MOST callers to the Sowetan/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 manner" 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

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 Toffie.

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

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

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.
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 23-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 transhipment port, catering to cargoes 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 3 600 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 straddle carriers 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.
Flitestar wings way to profit in 18 months

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 Morocco 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.

Fees

Managing director Jan Blake says Flitestar achieved a 65% loading on its 25 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 50% boarding, 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 movements 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 about 18 months with the recoupment of all start-up costs.

"We intend to increase the fleet of Airbuses and turboprops 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 plans 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.
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.

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, Oscar Lebese 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 looking up to government for funds and that is unfair on the taxpayer at a time of economic downturn,” Lebese said.

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

Meanwhile, ADRIAN BADLAND 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 referring 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

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 contain 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.
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**

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 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.

Nata's secretary general, Mr Ntisi Mathlomo, said the Nata 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.

Saba's marketing director, Mr Cyprian Lebese, 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.

Lebese, 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 casing of hire purchase agreements earlier this year had little effect on buying patterns because banks were cautious about new transactions.
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 knee-cap 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.
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 1,000 to 1,700 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 Roizin notes the number of summonses against individuals have not increased dramatically, but the rand value 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 Roizin.

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 Roizin.
Tollgate keeps up its return-to-profit trend

CAPE TOWN — Tollgate Holdings (TGH) chairman Julian Askim 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 34.3c a share compared with the previous year's loss of 83.3c. Undiluted earnings were 13c (loss of 135.6c). 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 earnings. Wilmot-Sitwell added that negotiations under way for the sale of City Tramways properties would bring in about R85m and help to cut further TG'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 R185m, if the proceeds of the R71.5m sale of City Tramways was included retrospectively.

Turnover dropped 8% to R515.5m (R598.5m), but the operating margin soared to 7.9% (4.3%) to produce a 68% growth in operating income to R43.5m (R25.3m). Interest paid fell to R38m (R47.7m), so that pre-tax income before abnormal items showed a profit of R7.3m 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 R23.3m) was produced.

Askim said in the profit announcement the restructurings 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 Jaton Holdings, acquired in December, would make a contribution this year.
Azapo plea to end taxi war

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 Mthule Phasha, said the organisation 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 evil thing about this taxi war is that innocent people are caught in the crossfire 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.
UNICORN Lines and CMB have launched an express container service between Southern Africa, East Africa, the Arabian Sea and Indian sub-continent.

Ships will call at Durban, Natal, 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

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 Garvitie 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 privatization 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

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 retraction.

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 retraction 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 retrace 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 retraction.

"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

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 N P 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

Staff Reporter

FIVE bus routes in the southern suburbs, and one in the northern area, 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.
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 taxi 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 Sinamaya Taxi Association drivers, allegedly armed with guns and knobkierries, 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.
Train thugs targeting taxis now, says ANC

810 Jan 4 1992

THESE 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 the shooting had 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 Masi Kubeka dismissed as "nonsense" the allegations that Inkatha-supporting hostel dwellers were behind attacks on taxi commuters.

Another police spokesman Lt-Col Thembel 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 Clydes Association of Northern 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 22 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
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 as high as 17.

There are signs that hostel-based
attacks on Soweto commuters are
shifting from the trains, whose securi-
ty has been tightened following last
month's train boycott, to taxi oper-
tors.

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
Mzhinhlophe hostels.

On Tuesday, a taxi driver and six
passengers were killed when the driv-
er 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 pas-
sengers were killed when their taxi
crashed into a wall during a struggle to
prevent a number of men from hijack-
ing the vehicle. Two of the hijackers
were caught, beaten and handed to the
police by residents. They are under
police guard in hospital.

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
Mshayazafe 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 com-
ment.

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 circum-
cstances 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 impos-
sible for them to be on every taxi."

Meanwhile, with both trains and
taxi regarded as moving deathtraps,
Witwatersrand commuters are rapidly
running out of transport options.
New airline in wings

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 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.
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 Bason said yesterday. He added that cargo handled was an even mix of exports and imports and included coastwise goods.

Bason 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," Bason 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 reported 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 4.8-million tons from 4.8-million tons last year while exports declined to 23.7-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, Bason said.

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

TREASURING WATER

<table>
<thead>
<tr>
<th>Year to March 31</th>
<th>1991</th>
<th>1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Lin (Rm)</td>
<td>1,528</td>
<td>1,664</td>
</tr>
<tr>
<td>Equity-aids earnings (Rm)</td>
<td>2,591</td>
<td>2,607</td>
</tr>
<tr>
<td>Earnings per share (c)</td>
<td>1,118</td>
<td>1,124</td>
</tr>
<tr>
<td>Dividend (c)</td>
<td>325</td>
<td>345</td>
</tr>
<tr>
<td>NAV (R)</td>
<td>132.12</td>
<td>152.65</td>
</tr>
</tbody>
</table>

"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 Mineroo 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 intention 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 Glaton

TOLLGATE HOLDINGS

End of the beginning?

The first phase of corrective procedures is almost over. Most entities that were either hopelessly unprofitable or required too much time or resources have been closed 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 concealed much activity.

UK-based Jaton Holdings, a wholesaler of

industrial fasteners and wire mesh products (Leaders November 15), was effectively acquired in December. The balance sheet includes Jaton, 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 writebacks 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 gallimamus of normal and abnormal items that it has no real meaning and is no indicator of this year's prospects. Dividends 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 Jaton 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 Tramways sale (but not the sale of Tramways 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 Hirston
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 inter-ethnic township violence to defend themselves and passengers, Southern Africa Black Taxi Association (Saba) communications manager Molefe Rapo-dile warned yesterday.

"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.
The shipbuilding group Kvaerner Deutschland has appointed Zakrzewski Waerman of Durban as its after-sales service and spares 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

Sudan 10/6/72

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 Sinamuvu Association.

Springs members claim police restrain them and not the rival faction and that cases of violence against Sinamuvu members are never investigated.
Caught in the middle of the Phoenicians' war

The scope of the Trojan problem

Contrary to the Trojan myth,

Two major points fail in the

"WHY" is often difficult to argue in his favor.
**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 markets:** Price: 120c. 12-month high, 240c; low, 120c. Trading volume last quarter, 110,000 shares.

<table>
<thead>
<tr>
<th>Year to Feb</th>
<th>'88</th>
<th>'89</th>
<th>'90</th>
<th>'91</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST debt (Rm)</td>
<td>7.1</td>
<td>18.7</td>
<td>25.1</td>
<td>20.8</td>
</tr>
<tr>
<td>LT debt (Rm)</td>
<td>15.1</td>
<td>10.8</td>
<td>7.6</td>
<td>7.2</td>
</tr>
<tr>
<td>Debt-equity ratio</td>
<td>0.40</td>
<td>0.61</td>
<td>0.65</td>
<td>0.49</td>
</tr>
<tr>
<td>Shareholders' interest</td>
<td>0.50</td>
<td>0.46</td>
<td>0.47</td>
<td>0.52</td>
</tr>
<tr>
<td>Int &amp; leasing cover</td>
<td>9.0</td>
<td>3.31</td>
<td>0.83</td>
<td>0.13</td>
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<tr>
<td>Return on cap (%)</td>
<td>8.8</td>
<td>12.4</td>
<td>0.4</td>
<td>0.3</td>
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<tr>
<td>Turnover (Rm)</td>
<td>142.5</td>
<td>174.6</td>
<td>180.3</td>
<td>181.9</td>
</tr>
<tr>
<td>Pre-int profit (Rm)</td>
<td>9.7</td>
<td>18.7</td>
<td>7.6</td>
<td>1.0</td>
</tr>
<tr>
<td>Pre-int margin (%)</td>
<td>7.2</td>
<td>9.0</td>
<td>4.2</td>
<td>0.5</td>
</tr>
<tr>
<td>Earnings (c)</td>
<td>26.0</td>
<td>37.3</td>
<td>0.6</td>
<td>(15.4)</td>
</tr>
<tr>
<td>Dividends (c)</td>
<td>9</td>
<td>13.5</td>
<td>3.5</td>
<td>nil</td>
</tr>
<tr>
<td>Net worth (c)</td>
<td>275</td>
<td>291</td>
<td>283</td>
<td>284</td>
</tr>
</tbody>
</table>

Most trying last year were 11,000 mandays 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 15% 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 been scaled down accordingly and seems to have the reserves to keep going for some time — including tax losses estimated at R21m to set off against future income. Stein Harris

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**CARGO CARRIERS**

**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 26% 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 R578 return, will commence on August 3.

Special fares at R390 return will be available for married couples, the military, senior citizens and children.

SAA and Flitestar charge R680 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 Eles 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 109 passengers would receive a “no frills” service.
Taximen delighted but hawkers dubious

By Peter Davies

Those who regard the present Bree Street taxi and bus ranks as a disreputable, 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, 9,000 taxis and 1,000 buses daily.

The multimillion-dollar centre has 10,000 m² of retail space available for shops, banks and fast-food outlets. The perimeter of the proposed hi-tech rectangle extends to Simmonds, Bree, Fihn Extension and West streets.

But others are less enthusiastic about the development.

The corner of Bree and Sauer streets – where jostling throngs of commuter/swarm during peak hours – is the street-hawkers’ domain.

Stalls range from multi-coloured tarpaulin tents to a simple sheet of plastic on the ground. Wares include fresh fruit, snacks, bubble gum, cigarettes, talcum 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 a chance to take over.”

“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 a chance to take over.”

Taxi driver MJ Dzvame 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 clean.”

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 is not deserving of such a reputation.

At the head of the queue for taxis destined for Randburg is a novel “lost property officer” – 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 Bunas: – your ID document awaits collection from the Bree Street taxi rank marked Randburg-Jan Smuts.
R250m fraud cases

THE Office for Serious Economic Offenses — 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 Gilboy's case, the JSE-Old Mutual investigation and Replin.

This week the OSEO secured its first conviction in the Supreme Court in a R12-million fraud case involving prominent Pretoria liquidator Manie Rhoodie. He was sentenced to fines totalling R100 000 and given a seven-year prison sentence suspended for two years.

The OSEO investigation, headed by J C Gerber, began last August. Mr Prins says: "We are excited 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 Gilboy'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 involving former Replin 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 Kenny Fecht, 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.
SA from anarchy
Call to rescue
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, Domenico 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 in and out of Johannesburg coincide almost perfectly with Flitestar's scheduled flights between the two cities.

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 R3387, Alitalia was offering a promotional fare to other European destinations including London by way of Rome — of R2760.

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 that 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 percent of SAA's passengers on the Johannesburg/Nairobi route.

The National Transport Commission's decision follows the uncontested granting 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 currently 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 service 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.
Flitestar aims for Victoria Falls

By John Miller

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

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.

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.

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

Almost all of the 9000m² 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 scale of shares to taxi owners in a company that will operate the service station.
CULTURE

THE MINISTER OF EDUCATION AND
CARE MATERIEL

1. Where is the education and care material for the Confirmation Programme located?

2. What are the criteria for selecting the learning material?

3. How is the curriculum structured to ensure comprehensive coverage of the topics?

4. What methods are used to assess student progress?

5. Are there any special arrangements for students with special educational needs?

6. What is the role of the school principal in the implementation of the curriculum?

EDUCATION AND CARE MATHERIEL

The education and care material for the Confirmation Programme is located at the Education and Care Material Centre. The criteria for selecting the learning material are based on the needs of the students and the objectives of the programme. The curriculum is structured to ensure comprehensive coverage of the topics and is assessed through a combination of formative and summative evaluations. Special arrangements are made for students with special educational needs. The role of the school principal is to ensure the implementation of the curriculum.

2019-05-21

CULTURE

THE MINISTER OF EDUCATION AND
CARE MATERIEL

1. Which of the following is the most important part of the Confirmation Programme:
   (A) Moral Education
   (B) Religious Studies
   (C) Social Sciences
   (D) Language Development

2. What are the key objectives of the Confirmation Programme:
   (A) To prepare students for full membership of the church
   (B) To promote moral and ethical values
   (C) To improve academic performance
   (D) To develop leadership skills

3. How long is the Confirmation Programme:
   (A) 1 year
   (B) 2 years
   (C) 3 years
   (D) 4 years

4. Who is responsible for implementing the Confirmation Programme:
   (A) The school principal
   (B) The religious leader
   (C) The department of education
   (D) The parents

5. What is the role of the Confirmation Programme:
   (A) To educate students about the church's beliefs and practices
   (B) To prepare students for the sacrament of Confirmation
   (C) To provide a foundation for further religious education
   (D) To promote the church's social and charitable work

EDUCATION AND CARE MATHERIEL

The important part of the Confirmation Programme is Moral Education, as it prepares students for full membership of the church. The key objectives of the programme are to prepare students for the sacrament of Confirmation and to promote moral and ethical values. The programme is 1 year long and is implemented by the religious leader. The role of the Confirmation Programme is to educate students about the church's beliefs and practices, prepare students for the sacrament of Confirmation, provide a foundation for further religious education, and promote the church's social and charitable work.
Taxi drivers warn against heavy fines

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 Sisken and Prinseco streets to submit a memorandum to the Minister of Transport and Telecommunications, Mr Piet Wollemsood, 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 4000 members in Pretoria, said they asked the Minister to intervene and release about 2000 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'

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 Icasa seminar on Local Government Administrations in Transition. "The government's budget looks good, but there is R12 million less for upgrading," he explained.
Plan for single association — all obstacles overcome

PEACE DECLARED IN TAXI WAR

CITY
Smiles end bitter war of the taxis

By DANIEL SIMON

PEACE was officially declared in the Peninsula's vicious taxi war yesterday.

Hundreds of minibus taxi drivers in the 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 Maliyu 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 Magwayl yesterday afternoon when he (Mr Magwayl) demanded a cassette tape containing interviews with taxi officials and dignitaries.

The journalist alleged that Mr Magwayl 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 BATE

LONDON. - THE ANC's ulMkhonto we Sizwe (MK) wiser than 1,000 members by the Nkomazi began to 're-arrive'.
A year of misery

Activities: 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 ord. and 178,000 5.5% prefs. Market capitalisation: £15.6m.
Share market: Price: 300p. Yields: 7.2% on dividend; 13.3% on earnings; p/e ratio, 7.5; cover. 1.9. 12-month high, 530p; low, 300p.
Trading volume last quarter: 16,615 shares.
Year to Feb 28 39 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 18.7 11.85 6.88
Turnover (Rm) 258.2 362.0 370.2 380.8
Pre-int profit (Rm) ................... 21.6 37.0 25.3 14.8
Pre-int margin (%) ................... 8.4 10.2 6.8 3.9
Earnings (p) ................... 1.21 1.44 0.71 0.40
Dividends (C) ................... 0.38 0.46 0.26 0.21
Net worth (C) 1,034 1,034 1,088 1,088

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 Bolton 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 21c for 1992. That illustrates the sacrifices being made.

Companies

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 contracting 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-slow 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 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 (Bolowar), held 65%, looks in better shape. But it is the same story: the recession is hurting, disposable incomes have retreated and Bolowar’s positioning at the upper end of the market hasn’t helped. Neither has a 5% drop in national sales volumes. Bolowar 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 Bolowar 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.
'Closer look' still needed at taxi war

THE bloody Western Cape taxi war has 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 police men 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 Langa (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 the 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.
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 65 people had been killed in Cape Town's taxi war, the report said.
end to taxi warfare

Tom Boya calls for
**Drop in tax rate pushes up profit**

MDA GOUtule 29/11/92

**Finance Group GDG**

Finance has reported a 12.6% advance in attributable profit in the year to April, helped by a sharp drop in the tax rate. Attributable profit increased to R9.7m (1991: R8.5m) which translated into earnings of 36c (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 69% 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 NTSOELENGOE

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.

"It's the company's responsibility to provide taxis during funerals," said the MBTOA chairman. "We have to maintain our traditions and have respect for the dead.

NDABA'S MESSAGE

Ndaba said that if the drivers continue their greedy behaviour, they will have no alternative but to refer the matter to the local civic association and the community.

"They cannot expect us to keep 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 refer the migrant taxi owners to the police, but as of today, their licences have been revoked.

"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 Hlopo

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, retraining programmes, 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 organisation, 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

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. 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.
Putco raises fares

HOMELAND commuters began paying Putco's higher fares yesterday, marking the start of an average 12.5% increase for 130,000 passengers nationally from July 21/06/97.

A Putco spokesman said the company had sought a 16.5% 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 Miedernd 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.

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.
ANC seeks new transport policy

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 5.5% of GDP and taking into account the contribution of ancillary transport, possibly as much as 10%. About 5.5% 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 R21m 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 channelled 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 modified the subsidisation of agricultural vehicles.

Manufacturing distribution costs added up to 20% 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 R10bn 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 concentration of businesses and on food prices would come into play in this regard, she said.
Alex carnage accused
walks free 11/11/72

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 Pelrus 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.
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 Codetsa 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 Fumani Mkhize, who was arrested in January for the murder of Sgtn "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

In a show of moral support, 10 khaki-clad, flag-waving members of the Afrikaner Weerstands beweging 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 Jeremias Jesaja Benudenhout, 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
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 Veenendaal and Darrel 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' jailed over illegal gun

Returned ANC exile Kgatso Branden Samson (39), 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 Pietermaritzburg 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 Pietermaritzburg.

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.
Minibus taxi 'races' pose danger

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 16,409 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 13 of the more than 3,500 taxis operating in Cape Town showed that one admission of guilt fine was paid. 46 cases were struck off the roll, 67 cases were withdrawn and 954 warrants of arrests were outstanding.
Rightwingers fear unfair trial in Namibia

Court Reporter

Orde Boerevolk members Leonard Veenendaal 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 Namibian 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 M J 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 Veenendaal and Mr Stopforth to Namibia.

Judgment was reserved.
Permits given 'overloaded' taxi facilities

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 702 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

COUNCIL 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 Lingelethu 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.
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 told the police that it was there 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 that 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. 26/11/92

The State alleges that the two attempted to murder Karel Lebetha, 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 Burgh and robbed him of his BMW car.

Reports by CP correspondents and Sapa 331
Three Azanla men get 7 years for bomb attack

POTGIETERSRUS — 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 10km outside the northern Transvaal town last year.

Samuel Maluleka (22), Anthony Palagangoe (21) and Michael Mokhoage (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.
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 Piet Gerienger 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 Gerienger said traffic police did not enter Khayelitsha 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 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 Mallinich, appears for the ANC, the Black Sash and the Cape Town Peace Committee.
Apla case resumes
Sequel to alleged attempted murder of three policemen.

Sowetan Reporter
THE trial of two alleged Apla members resumes in the Bloemfontein Regional Court tomorrow after an adjournment of three weeks.

Lebogang Magq (23) and Velile Mxhhasana (20), have pleaded not guilty to the charge of attempted murder of three policemen.
They face an alternative charge of bombing Batho police station in Mangaung township and causing damage to property.
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 claiming with traffic officials about "strange tickets and summonses" arriving in the post and "harassment" 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 Fiac 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

No party blames Vaal train violence

State defends taxi policy

No party blamed

Vaal train violence
Pupils warned about stayaway

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.

Kathryn Strachan and Ray Hartley

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.

Trials may be held on camera

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 Tony Mamoepa said yesterday.

CHARLIE PRETZLIK reports

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.

Another letter from Gluckman, which De Klerk received early last week...
Police to protect Wynberg taxi users

Staff Report

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 Mkhaze 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 taxes

**RECRUITER REPORT**

An interview with the唱歌

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Statistics given to the committee by Cape Town traffic manager Mr Werner Smit tell their own story:

- Minibus taxi accidents in the Western Cape increased by 28 percent from 2,542 in 1988 to 3,256 in 1989.
- Drivers committed 16,490 traffic violations in 1989. Of these, 5,089 were for vehicle defects and 4,236 for driving without permits.
- A random study involving 12 of the more than 5,000 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 964 warrants of arrest were outstanding.
- Identifying culprits 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 intersecion was 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 a rate minibus taxi operator blocked 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 economy.
- 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 Gerigger 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 Mohuza, SA Black Taxi Association executive member, said the anxiety 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 10,000 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 talk about phasing out subsidies but was taking no real action.
- Mr Mohuza added that political organisations were all fighting for political territory, trying to influence events in the taxi industry and politicalising 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.
Taxi permits 'not issued willy-nilly'

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 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

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 Boerenvolk members, Mr Justice M.J. 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 Unita 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.
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 (Sabella) 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 indicators 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

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 22km to work yesterday as transport ground to a halt.

The death of STA treasurer Philemon Mahlangu brought the ongoing taxi feud between the Springs Taxi Association and the long-distance Sinamva 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 organisation had tried to remove taxi drivers of the STA.

Police spokesman Captain Ida van Zweel 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 9mm cartridges at the scene. Two people were arrested and investigations were continuing, she said.
Bid to end taxi feud

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 during the past two days to try and resolve the bloody taxi feud which has so far claimed one life. "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 violence 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.

A mass meeting is to be held on Sunday to try and bring about peace between the feuding taximen. South African Press Association.
Taxi services resume as police promise protection

By Abel Mabelase
East Rand Bureau

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 Sinamusa (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 KwaThema Civic Association and the Springs Taxi Association.

The organiser of the KwaThema Civic Association (KCA), Kennedy Madlane, 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

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.

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.
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 recommend to operators be subjected to a set of regulations.

Federation spokesman Mr Cor Faling said they were "keen to collar those tow-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 Failing said a motorist who was injured in or in a state of shock could be coerced into signing a document allowing a tow-truck 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 collision with some panel-beaters could go unchallenged 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.
AK attack at offices of taxi body in Springs

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 Tsholoane, 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 Schlabele, 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.
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 Bestier, GM of Automat's Coach Express, a Transetra 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. If 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 tourists may decide to cancel their trips.

Dell’Erba would like to buy European coaches, at R550,000 to 700,000 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 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 soothing 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 Doryl 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 Bestier: "Their quality has improved so much that they now compare favourably with the imported products."
Saba to spread its wings wider

By Jeshua Keboro

To diversify into fields like tourism and hotels services.

Business

Big plans for Saba's Sun City meeting

Empirical specification

unemployment rate

The Industry

By Joshua Keboro

The issue was to create job opportunities for those who are unemployed.

Creating more of clear vision who can identify their needs men of the industry.

Clear vision who needs men of the industry.

Can identify their needs men of the industry.

Sponsorship

The Sun

Jesha Keboro

10/17/92

National Fax Body Plans

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Sabat

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Transport costs ‘block SA export growth’

The cost and availability of transport is rated as a major obstacle to SA's export growth, a recent SA Foreign Trade Organisation (Safoto) 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 director 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 25%-30% annual inflation were taxes, labour costs, and vehicle costs which had doubled every three years.

Road Freight Association spokesman Mike Allstoun 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 R14-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 2.3% 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.
Forum cancelled after police raid

The proposed establishment of a joint negotiations forum including the Pretoria City Council and the Central Transvaal Civic Association (CTCA) was cancelled this week after a police raid on the parish church of CTCA president Father Sman-galiso Mkhathwi.

Mkhathwi, 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.

Civic representatives said at a Central Wistwaterrand 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 the raid was carried out by 50 police officers and soldiers who had taken part in the three-hour raid on the St Charles Lwanga Catholic Church in Soshangwe.

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 Soshangwe 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 Aistes.

The SAAF's task mainly would consist of communication fighters. 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.

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.

SA Long Distance Taxi Association (Saldis) president Peter Rabali said he could not say if Saldis 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 Showshine, 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 attempt to abduction was foiled by police intervention on Wednesday.

Rabali was non-committal on the incident, but said Zimbabwean bus operators had reneged on an agreement with his organisation.

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.

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-Reuters.
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 12000 commuters on 27 major routes covering more than 100000 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 Busiens of Montagu Gardens and Eliewierds of Stellenbosch to take over the routes, ensuring that few bus services in the Boland towns of Malmesbury, Wellington, Paarl, Franschoek, Stellenbosch, Somerset West, Strand and Gordon's Bay would be affected by the closure of depots.

Eliewierds 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, Manre 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 Flyestar rates.

The normal fare for economy class on SAA is R660 and Flyestar R662. Comair's will be R642.

SAA and Flyestar Apex excursion fares are R869 and R869 compared with Comair's R530.

Comair will use a one-class, 105-seater SAA 727.

In Comair's Citi Liner 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 30, 1993, economy tickets will cost R2 990. 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 R618 return for a midnight flight to Johannesburg to R660 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

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 Boxhall-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 10% 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 (Satta), the SA Long Distance Taxi Association (Saldta), the local Hawkers' Association 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 600 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." Boxhall-Smith said.

The 7.2ha site, three blocks from Newcastle's CBD, would offer 4 500m² of retail space, including a butcher, 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/m² are being asked, with an additional R5/m² 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," Boxhall-Smith said.

A return on the R10 investment of 15.1% was predicted for 1994, rising to 18.1% in 1995 and hitting 22.8% in 1998. These figures were based on revenues expected from leases after expenses at 30% occupation and had been confirmed by auditors Ernst & Young, Olivier said.
Many crimes, the work of suspects granted bail

The government were massive a part, secret.

The capitol region where masses of rape

And in beach

Of suspects granted bail

Married during unrest

Posto bus worth R2,8m

He said police were being of their division in the real drive of the vehicle.
Heathrow upsets Virgin plans

LONDON — Virgin Airlines' prospects of starting flights to Johannesburg by Janu-
dary dimmed further yesterday when the man responsible for slotting in new flights
at Heathrow Airport said he was unable to accommodate them.

Peter Morrisey, MD of Airport Co-ordi-
nation Limited, which handles flight sched-
uling at British airports, said Heathrow
was unable to accommodate the arrival
slots that Virgin had applied for.

Heathrow was the most congested air-
port in the world and Morrisey said "it
probably won't be possible for us to offer
Virgin the slots" by January.

Virgin had a "primary shortage" of
ext morning arrival slots — which Vir-
gin 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 Heath-
row — a daily landing and a take-off.

Morrisey said: "The process of allocat-
ing slots is continuous — we've allocated
the available slots to Virgin from Novem-
ber this year to March 1993."

Virgin spokesman Will Whitehorn said:
"at the moment we could not operate a

Virgin

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 mil-

 Virgin

March 1993

1994. But he hoped changes planned
at Heathrow, and an overhaul of the sched-
uling system, might enable Virgin to be
accommodated. He would meet Virgin of-

ically on Monday.

Meanwhile, Stephane Bothma re-
ports that hundreds of prospective pas-

sengers who rushed out to make use of SAA's
cut-price tickets to London were unsuccess-
ful when all the seats on the first eight
flights were sold minutes after bookings

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 500 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 avail-
able for January and February.

When he announced the offer, Van der
Veer said SAA had waited months for a
daylight landing slot at Heathrow. The air-
line had been unable to obtain a daytime
take-off slot, so discounted prices were not
available from London to Johannesburg.
'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 Tinini, and passenger Willard Mareko, as well as the fatal shooting of July Mphambaniso and the attempted murder of Kortman Malakana, the police—who are alleged to have a finger in the pie regarding the incidents—that 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. (337)

Klerksdorp lawyer Puna Moroko, to whom Mthembu has confessed, has sent the affidavit to the regional commissioner of police in the Western Transvaal, Brig SP Nienaber, the ANC and the PAC. (336)

In his affidavit Mthembu claims that in May this year, he was at his home in Luipaardvlei when he was approached by a member of the block committee of a Jouberton squatter camp, who said taxi men Shakes Tshwaedi, Brand Baleto and Khalibe wanted to see him.

He said he joined the men and they proceeded to Capt Viljoen's office in Potchefstroom.
Civic association, have agreed to merge.

Rival taxi bodies to merge.

Rival taxi associations in spring, watched by the legal.

News Rider to turn Corsini into a barrel in a day next bed.
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 DC6, 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 glassware 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.

Regional Air bought a 55-seater Convair, approached Transkei Airway and suggested it could service the daily Umtata/Johannesburg route at a cheaper rate.

“We fly the route as Transkei Airway in the same manner as we serviced Air Botswana,” says Mr Thompson.

Flushed with success, Regional Air has 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 applies everything from ticket sales service to catering and crew. The service is flown as South East Airways and Regional Air has access to 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 Rwandair Airline and it is holding discussions with Luanda Airways.

Mr Thompson sees the company operating a network of services throughout Africa, 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 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 is a number of fixed costs such as salaries, capital and insurance, which are there whether the aircraft is on the ground most of the time.”

“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 its 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 the company was that airline, makes Regional Air ‘a huge responsibility’. Regional Air has to maintain its aircraft in top condition.

An advantage is that it is based in South Africa, where skilled maintenance staff and 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 on the route as there are some 2000 beds available in Kariba but no scheduled direct flight.

“Currently the traveler must take either a charter flight or a route via Harare or Victoria Falls. The airfare is higher, there is no cost of the overnight stay and the two 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 Convair, which are overpower 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. Flietstar 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 R598 and to Durban at R599 — among the lowest fares available on the market, a Flitestar spokesman said yesterday.

An SAA economy class, daytime, Johannesburg-Cape Town return flight costs R660, 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.

Due to the increasing demand for night flights, Flitestar would also introduce early morning Johannesburg-Durban flights at return fares of R390, 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 R44.

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.
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 Sun 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

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: R156m). This increase 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.
Off course

Activities: Freight courier and travel services.
Control: Anubis Trust 59.5%.
Chairman: M J Wessels.
Capital structure: 46.1m ords. Market capitalisation: R444m.
Share market: Price: 95c. Yields: 1.7% on earnings; p/e ratio, 56.9; 12-month high, 140c; low, 80c. Trading volume last quarter, 660,483 shares.

Year to Feb 23 99 98 97 96 95
ST debt (Rm) 10.8 16.9 10.5 14.0 11.0
LT debt (Rm) 4.6 4.3 4.5 4.2 3.2
Debt/equity ratio 0.76 0.74 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 8.6
Pre-int profit (Rm) 11.4 13.0 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 59.8 54.6

Uniserv’s claim to being 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, allowed 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 fluctuation with other southern 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. Gundelingsers 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 46c 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.

Marylee Gregg
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 1,000 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 20,000 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 $29/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 28,000dwt vessels being paid about $4,500 a day for trips from SA to northwestern Europe and about $5,000 a day for trips from SA to the Far East. Inquiries for liner type vessels have been steady.
Changes affect tax benefits of plane ownership

ANDREW KRUMM

An August 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.

Aviation Finance director Volker von Widdern said the amendment would not affect the size of the market, but hurt tourism through its impact on the charter industry. The infrastructure for tourism must include an airlift, and when you restrict the airlift, 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.

"For an owner who often flies to a situation, where, in order to enjoy the tax benefits, he rolls over the recompense values into a larger, larger aircraft." The owner's inability to keep over the recompense values the amendment would cut out the market drastically in the future," he said.

Even taking account of a 40% tax allowance for the 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.

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 Kanaelo Maketha said.

Maketha's statement came as a price war loomed in SA's domestic flight market between Fliettair and Comair — a war in which SA has said it would not take part for the moment.

Maketha warned that those travel agencies which were not geared towards providing their services cost-effectively would be hard pressed to maintain their standards.

Fliettair and Comair recently announced a cut of up to 65% on fares on the popular Johannesburg-Cape Town route and industry sources speculated that SA would soon announce a cut of about 5% on its flight prices.

However, the speculation was strongly denied by SA spokesperson Leon Ellis, who said that such an announcement would be made in the foreseeable future.

Fliettair 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 SA would eliminate all competition.

Collectors expected to snap up Harvards

ARMSCOR has put up for tender 21 SAAF aircraft — including two Harvards which the company says are collectors' items.

On Sunday Armstron advertised 19 AM-5CM Bostok aircraft, Bostok spares and two Harvard TIs.

The Bostoks were built for the SAAF by the former Atlas Aircraft Corporation and used mainly for reconnaissance, an Armstron spokesman said yesterday. They were ideal

Skal congress major boost for Cape tourism

CAPE TOWN — The Cape tourism industry is to receive a boost by the arrival of about 1500 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

Skal members are all senior personnel in travel and tourism related industries. The organisation has a membership of more than 15 000 in about 25 countries.

About 1800 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.
CAPE TOWN — Trancor Transport, part of the JSE-listed Trancor 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 fulfill the contract to the satisfaction of all," said Trancor Transport CE Deon Blignaut.

To cope with the massive contract, Trancor Transport had invested more than R17m in 25 trucks, six pantechnicons, 20 skeletal trailer interlink sets, 400 mini-containers, high frequency radios and other equipment. It would also be recruiting 60 additional drivers to start operations on scheduled routes from August.
**NEWS IN BRIEF**

**Taxi permits revised**

TWO of SA's biggest taxi associations, SABA and SADISA, have persuaded government to abandon the new permit system for taxi operators, and revert to the old scheme.

SABA president James Ngcuya 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**

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, he said, being finalized, would be published soon in a Government Gazette.
Police told inspectors to stop enforcing law

Staff Reporter

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 operators, 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

Johannesburg

Two of South Africa's biggest taxi associations, Saba' and Saldia, have persuaded the government to abandon the new permit system for taxi operators and revert to the old scheme, it was reported yesterday.

Saba' president Mr. James Nigeva 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'

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 dessert that...
Putting end to taxi war

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 (Saba) to which all taxi associations were affiliated, were fruitless. - Sapa.
Airlink Airline unveils R5,5m expansion plan

STEFHANE BOTHMA

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 R53m 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, Mutsapa, Maputo, Bloemfontein and Umata; from East London to Umata, 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 Sangwani said the latest rejection of appeals for some form of financial assistance for 'commuters meant his organisation 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 reintroduction of subsidies after the latest increase in Putco fares.

But Dr Piet Welsgebraaid said that while negotiations were continuing with regional services councils to contribute partially to increased costs, the subsidy amount allocated by the Treasury for 1992/93 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 Thembile 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 Mxuyanahlas, had responded at the time of going to press. — elnews
GDM planning to broaden base

By Leigh Hassell

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 6.8 (sector average 12.5), with a dividend yield of 6.2 (sector average 4).
Government take to task over duty on luxury buses

By Stephen Cranston

The chairman of Tollgate Holdings (TGH), Julian Askim, has slammed the Government for the high level of import duties on luxury coaches.

Writing in the TGH annual report for 1991, Mr Askim 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

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 Jaton 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 Askim 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

GARTH and Murray Bolton, sons of Cargo Carriers founder Des Bolton, have been appointed joint MDs of the calling transport group. (BOLTON SHIPYARD)

Cargo, formed in 1966 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.
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, Welgemeoed surely already knows this.
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 track drivers such as track hijackings, long-distance driving and owner-driver schemes in which companies have been encouraging drivers to take part.
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.

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 Denis Norman to cancel all permits 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 (Salida) president Peter Raball 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," Raball 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

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 specialist fairs unit, formed 15 years ago, is a key ingredient in the overall freight management package, says project manager Nigel Hasselau.

"As many exhibitors 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, sea freight 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

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 15% 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 49%.

Jacobson said reduced capital expenditure in 1992 — the present fleet could sustain turnover growth — and the profit ploughback, resulted in reduced borrowings to R2,7m (R9,8m). Consequently, gearing fell to 40.5% (49.4%).

Earnings a share fell to 84c (94c), 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 (3.6) 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 87c 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 Sthekeng on August 3.

Their car was hijacked by their attackers. A police spokesman said yesterday the men were arrested after police and the journalist's car had been seen at a filling station in Evaton.

The men were expected to appear in the Sthekeng Magistrate's Court yesterday.

CHARLEY PRETZLIK reports that ANC PWV area spokesman Ronnie Mamoepa said Inkatha supporters were in the ramp-up in Ratanda township near Heidelberg after a march led by Inkatha official Thembu Khosa 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 to 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.

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 with 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 Nhosi 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 Marchison 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 13 people had died in violence in the area since August 1.

Move to protect bus drivers

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.
Taxi wars could end in commuter chaos

By CHARLENE SMITH

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 60 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 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 (Armst) were shot. Seven Armst 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 does any of his executive.

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 avertting 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”. Stanbic 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.”
Hundreds on best positions

In cut-throat road transport business

Keen on move to bigger premises

The Express Cargo, which is due to operate at the end of the year, has been moved to bigger premises and is scheduled to operate in 1990.

The company in 1985 a Dollar and worked on the express cargo system, which is operated by the National Express System.

ON THE MOVE... Cargo Cargo branch manager

The aim is service and economy
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 Joyce Archery as a
milestone in the company's eight-year history.

The move also stands as a tribute to the enter-
preneurial spirit of Mr Archery 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 organi-
sation with branch offices
throughout the country, a
staff complement of 250
and a fleet of 125 trucks;
Mr and Mrs Archery have
spurred the move from small to big company
with their only qualifications being a Standard 8
and Standard 9 school cer-
dificate respectively.

And Mr Archery 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
acquired while working for a
Johannesburg-based
freight company. He also
leaned heavily on his wife for
the administration side of
the business.

"The early work of the
company involved local
collection and deliveries
for existing freight com-
panies earning about 5c
a kilogram," he recalls.

In 1985 Mr Archery relo-
cated to Johannesburg
and rented a house in Bertram
from where he operated
the business
After three months, he
expanded his one-bakkie
fleet by adding a truck—a
5-tonne lorry. His wife ran
the books as well as help-
ing to market the company.

It wasn't long before they
outgrew the Bertram
house and moved to prem-
ises 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 Car-
go had also built up a sub-
stantial client base of its
own and in 1986, moved to
bigger premises in the Den-
ver area. It wasn't long be-
fore an additional ware-
house had to be built onto
these offices.

"We were then faced with
the problem of our oper-
ations being split with re-
ceiving and dispatch in two
different buildings. This
was not a healthy from both
a cost and control point," says Mr Archery.

They decided last year to
move to the new complex,
consolidating the Johan-
nesburg operation and head-
offices under one roof.

EXPRESS Cargo has invested R120 000 in the development
and implementation of a tailor-made, fully integrated com-
puter system as a tool to better its service to customers.

"The new system will not only speed up our administra-
tion procedures but will also enable us to keep track of
each item of cargo at any point in the collection/delivery
cycle," says Daisy Archery, 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 spe-
cific 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 56% and, based on the strength of forward bookings, expected this to move up to 75% within three weeks, he said.

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 to other destinations.

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

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," Mr Bell said.

"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 $2, but if a taxi is hailed on the route, a trip costs $1.20.

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," he said.

"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 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," he said.

Mr Bell plans to appeal to the National Transport Commission.
Victory for peace in Alex taxi row

By Brian Sokutu

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 (Armsa) 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.

Temper 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 Armsa members were protesting against high levies of up to R35 - meant to subsidise administration costs for both associations - imposed on them by the joint Armsa-ATA taxi patrol squad. Armsa members claimed the levies were benefiting only ATA members.

According to the agreement, the joint taxi patrol squad would cease collecting fees from Armsa 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.
Golden Arrow
‘willing to talk’

Staff Reporter

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, Codeta, at any time.
Ramaphosa and Roel Meyer hold apparently successful meeting
Foreign activity helps Trencom

CAPE TOWN — Transport and manufacturing group Trencom 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 906c a share from 734.8c from which total dividends of 186c will be paid compared with last year's 164c.

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."

Trencom 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 R97.7m (R82.9m), with pretax income increasing by 28% to R170m (R132m), of which R17m was interest earned on R280m raised in the debenture issue. On a slightly higher tax rate, attributable profit rose 23.6% to R169m (R136.2m).

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 Conted 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 lower prices and attractive credit terms.

Jowell said that for most of the year Trencom 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 effect on the results.
Unitrans proves to be highly competitive

By Stephen Cranston

In spite of competitive conditions in the road transport industry, Unitrans increased earnings per share by 33 percent to R111.1c.

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 19.5 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 R66 million in surplus cash.

Profit before tax increased by 38 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.
Activites: Engaged in international and domestic air and sea freight and property development.

Control: Yin Wo 42.5%

Chairman: M Hamilton-Barns

Capital structure: 14.1m 1s. 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
Debenture ratio ........ 0.76 0.64 0.27 0.26
Shareholders' interest 0.93 0.87
Int & leasing cover 24.7 1.61 - 1.13
Return on cap (%) ........ 12.0 8.8 - 7.0
Turnover (Rm) ............ 3.6 5.8 25.6 8.3
Pre-tax profit (Rm) ........ 0.4 0.8 (1.1) 0.8
Profit margin (%) ........ 10.2 13.5 - 10.9
Earnings (c) .............. 0.91 0.02 (1.86) 0.11
Net worth (c) ............. 11.7 8.7 5.3 3.4

† 12 months to February. * 18-months. † Annualised.

requirements. 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 debentures 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 1c. Perhaps the increase in issued shares will improve marketability but the counter remains one for punters.

Kris Raskin

Quick Holdings

Climbing off the floor

This is another company that was painfully slow in complying with the provisions of the Companies Act and the JSE's reporting re-

continue -

TRENCH\

Bearing the costs

Trenco'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, Trenco 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 Trenco'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 Trenco'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 softens.

Gerald Wakes
BLACK business received a major boost with the announcement of a R250 million truck-financing scheme by Nedfin and Financbank.

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 business people 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.

Financbank 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, Afromar 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.

Handy-sized cargoes were fixed to Turkey at $12.50-$12.70/ton levels. A 50,000 ton grain cargo from the US Gulf to SA was fixed at $14.50/ton. A 21,000 ton grain cargo to Mozambique paid $37.15 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 services to create jobs, counter and hold

By Josuha Raboroko

CHANGING DIRECTION

Sabbia Collins

Services to create jobs, counter and hold
to move into tourism, counter and hold

Speaker's will include PAC Vyo

The reason for the change is to

Last week's chaos on the

new generation who are

The Association's council

are looking for new strategies within the

outside the taxi industry to

On new strategies within the
council

332 31/8/12

Speaker's will include PAC Vyo

The reason for the change is to
to move into tourism, counter and hold
Taxi bribes ‘would amaze’ board man

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.
Permits granted 'on merit'

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.

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 believed the introduction of a computerised system would eliminate such irregularities.

Earlier, he said the board took "a more accommodating approach" to the issuing of taxi permits between September 1988 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.
Computer crackdown on black marketeers in permit system

Taxi action pledged

Dennis Krawczyk

[Image]
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.  

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 or on before September 25 or telephone the secretary at (012) 350-4640.
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 Rosouw, 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 Ntatleng 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 Ntatleng.
Goldstone to investigate Alex taxi wars

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 Rosseau, 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 (Saba) said it welcomed the inquiry, as the organisation itself was "too close to the situation to find solutions to problems".

Saba 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. Taxi 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 X868, Pretoria 0001.

The information should arrive before September 25.
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.
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 the 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.”

He conceded that he had attended a meeting on March 2 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 Lingolethu 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

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), Stuttart Van Lines (in the Laser Group) and Reepack (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.

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 1988.

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 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.

“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’

Staff Reporter

A “PHALANX” of police protected the Western Cape Black Taxi Association from its rival, Langa, 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 Langa 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

'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 Sahta 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

GRINDROD Unicorn Holdings' (Grincor's) attributable profit increased 35% to R6.6m from R4.9m 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 24% to R319.9m 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 (R24 000). As a result, taxed income was 17% higher at R14.5m (R12.3m). After increased income of R389 000 (R306 000) from associate companies, attributable income was 35% higher at R15.8m (R6.4m).

The number of shares on which earnings were based increased to 39.6-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 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.
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 15.6:1. (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 9.3.

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, Jaton Holdings is a recent acquisition; it distributes industrial 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 Minkin
‘If taxi-war dead were white, Govt would act’

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 Griesel, 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 DJ Rossouw, SC.

Ms Zille said proposals by the Cape Town Peace Committee that taxi permits be revoked, vehicle owners be required to register, 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”.

As for 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.

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.

CT 419192
Police 'apathetic' about complaints of taxi-war violence

DENNIS CRUYWAGEN
Staff Reporter

THE police do not follow up complaints about the taxi war in Langa, 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 Langa 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 68 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 Higg's "gave him no choice".

The hearings are proceeding.
Tollgate debt cut but still unacceptably high

CAPE TOWN — Tollgate Holdings, which had interest-bearing debt of R155m after its sale of City Tramways this year, is negotiating the sale of its property portfolio, valued at about R130m 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, which slowed and stayaways had affected the Motovia subsidiary, which transports motor vehicles throughout southern Africa and is usually a solid contributor to profits. Askin said Motovia had started the year well, but with new car sales down about 30% this year, and little likelihood of improved, its business was unlikely to 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 lull 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 Jaton Holdings was trading well and would achieve modest growth this year. Askin said Jaton 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 Ngooya in his address to the organisation's annual conference here.

Mr. Ngooya said Sabta had established peace committees in all provinces to try to stop the violence in the taxi industry.

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. — Sapo CT
Taxis: Police role alleged

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 23, 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 circumstances 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 Wecta member Mr Michael Gunayio 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 (Nato) to gain control of the taxi industry.

The ANC had denied this when she approached them on the matter.
Sapia keeps wheels on the right road
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.

John Mahura, CE of mother body Fabs 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".

Mahura 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.

"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," Mahura 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," Mahura 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 Langaya claimed
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 20 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 Clikel.

About 50 UN observers are to come to SA in the coming weeks to study ways of encouraging the transition toward non-racial democracy.

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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 "indefinite 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 "lacks some coherence", the perception developed that the Western Cape Black Taxi Association (Wehta) was receiving preferential treatment over its rival, Lagunya.
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 its 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.
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.

Today's published results for the multi-faceted group show sales up by 39% to R151,2m in financial 1992 from R106,6m in 1991. Pre-tax profit jumped to R33,95m (1991: R2,81m).

After paying higher tax of R419 000 (R258 000), attributable profit was higher by a quarter at R13,14m (R3,51m) which translated into earnings of 15c (15,2c) a share. A dividend of 6,5c (6c) 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 52% stake, climbed to 4,2c (3,1c) a share off a 30% increase in turnover to R435,4m (R325,3m). A dividend of 2c (Sc) 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.
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 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, but 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.

Constable murdered at Wimpy

A 27-year-old taxi expatriate was shot dead in a Wimpy during a mugging on March 14.

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The victim, Mr Niek Adendorp, was a taxi driver in the Cape Town area. The police confirmed that the shooting took place at the Wimpy in Stellenbosch, where the victim was reportedly mugged and shot.

The police are appealing for information to help identify the suspects involved in the shooting.

The victim's family has described him as a hardworking and good-natured man. They are heartbroken by the loss of a loved one and are calling for justice to be done.

The police are urging anyone with information about the shooting to contact them immediately.

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Safren stays on even keel

By Stephen Crampton

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 25c 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 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 CMF Transport, which was the main component of the extraordinary loss of R2.2 million reported by the group.

Group turnover rose by 7.5 percent to R4,698 million, while operating profit before depreciation was up 8.9 percent to R367 million.

The depreciation charge for the year fell from R243 million to R215 million, which enabled operating profit to rise by 13.3 percent to R772 million.

Because of major capital projects, net interest received of R2.9 million in 1991 turned into net interest paid of R29.5 million.

Group long-term borrowings increased from R822 million to R1,066 million. Cash resources fell from R655 million to R413 million.

The net worth per share increased by 17.4 percent to R25.06.

At the present share price of R91.50, Safren sits on a P/E ratio of 14.3 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% on the basis of 2,309,033 ordinary shares for every 100 held.

Deputy chairman and CEO 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 R56m 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 rand 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 R367m (R362m) 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 R27m (R28m) was being considered.

CMB Transport, a broad-based Europ-
Codeta 'sorry' for blockade

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 the Codeta's formation - with the merger of Lagunya and Wextra 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 Kithana Kamteek apparently swore at a policeman and was arrested.

Mr Kamteek 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 Kamteek released and issued with a summons. Mr Kamteek threw the summons away as he left the police station.
Apology for Claremont taxi blockade

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.

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.

The committee was given an apology from the Convention for a Democratic Taxi Association official, Mr Zollie Sombalo, for the incident.

Police and traffic department representatives and about 20 taxi drivers attended the inquiry.

Earlier the commission heard from Sergeant Quintin Laye how an arrested taxi driver, Mr Ritchie Kamene, had told him: "You are a bushman, you must f... off."

Traffic policeman Mr Arthur Kolbee said he had ticketed Mr Kamene for parking in a no-stopping area and obstructing buses.

Colonel Dowd said that he had arranged for Mr Kamene, who was held at Claremont police station, "to be released on summons."

He said that at 3.28pm he was told minibus taxis were blocking roads in the vicinity of Claremont station.

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.

At that stage 10 minibus taxis were blocking Main Road, causing severe traffic congestion. Traffic policemen were redirecting vehicles.

He tried to tell taxi drivers about the procedure after an arrest. But they would not listen and shouted: "He must be released."

The hearing continues.
Taxi disruption: A-G intervenes

Staff Reporter

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
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.
Peaceful taxi men being penalised

VUSI KAMA
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 Siphiwe Mool, 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 Mool. "We cannot legalise war when our aim is to end it."
Margins squeezed

Activities: Transportation contract carrier with diesel engine workshop facilities.

Control: Directors 54%.


Capital structure: 29.7m shares. Market capitalisation: R12.3m.

Share market: Price: 48c. Yield: 4.2% on dividend: 17.5% on earnings; p/e ratio: 6.7.

Year to March 31 '89 '90 '91 '92
ST debt (rhm) ........ 5.1 6.8 5.5 5.8
LT debt (rhm) ........ 5.2 6.2 4.3 3.2
Debt/equity ratio .... 0.60 0.52 0.44 0.37
Shareholders' interest 0.48 0.43 0.47 0.48
Inter & leasing cover 10.2 3.6 3.1 3.4
Return on cap (%) ... 17.4 12.8 17.0 12.9
Turnover (rhm) ..... 46.2 55.9 64.4 66.4
Pre-int profit (rhm) .. 6.1 5.4 7.1 5.8
Net profit (rhm) ..... 6.5 5.2 2.6 2.0
Net worth (rhm) ........ 65.9 71.6 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 overcapacity 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

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 rebuilders Diesel City remained under pressure from declining business, in line with outbacks 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 break even.

Jacobsen 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 receivng and invoicing service are under way and may eventually extend to collection of debtors.

The objective is to add value.

Jacobsen, 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.
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 Hawton 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 R35m 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 R3.5. A reaction to the steady share price rise was long overdue. But the price will recover quickly with any signs of improvement in the local economy or international trade.

Gerald Hitchon
Express containers

UNICORN Lines and CMB Transport, which is based in Antwerp, launched a joint express container service to the Middle East in May, 1972.

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 500 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 transhipment port.

The service will be controlled and operated from Unicorn's head office in Durban.
"Attacks, kidnapping to force bus service out"

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

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 Swazi drivers and SA vehicles were stored in Bulawayo two months ago.

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 Swazi are reported to oppose SA minibuses taking their business. Government efforts to resolve the dispute have failed.

SA taxi boss Peter Haskins, who is chairman of the National African Minibus Taxi Organisation, yesterday confirmed reports of the fighting, but said he did not have details. Reports said combats burned each other's vehicle and then fought with fists. At least 100 people were involved.

After the fighting, police and the kobokwie-wielding mineworkers escorted the SA minibuses out of Manzini.

Leon attacks govt over gambling Bill

BILLY PADDICK

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 vociferous opposition on the parliamentary standing committee on justice — MP Tony Leon (DP).

Leon has opposed the Bill most fervently because it "flies in the face of free market principles", and he complained on a recent 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 contradiiction 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 cartell, 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 TRNC states, while he was busy negotiating the reincorporation of these into SA.

Leon said the Bill is a rewriting of 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.

Trader facing illicit gem deal charges

DIAMOND dealer Maurice Katz was arrested by gold and diamond branch detectives moments after allegedly concluding an illegal diamond deal worth R50 000.

Katz, 44, and co-accused Louis Attard, 38, both of Bedfordview, appeared briefly in the Johannesburg Regional Court yesterday on charges of illicit diamond dealing.

The two men were released by Magistrate H Wolff, with a warning to appear on October 28.

Officials check on Chinese hawkers

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.

The move followed complaints from the Johannesburg 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.

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 country.

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.
Codeta to be quizzed over bus shootings

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:

- When a minibus taxi was stopped for a traffic offence, other minibus taxi drivers converged on the scene and intimidated traffic officers;
- Traffic officers’ tickets 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 room’s 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 R20 000 a year, the report said.

Inefficiency of the operating plant caused excessive icing on 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 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 32 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-47s, were travelling in a taxi with a Durban registration. They opened fire on a taxi at Bargwanath taxi rank on Monday, killing one person and injuring three.

A Soweto Taxi Association source said yesterday the attack at Bargwanath taxi rank could be related to a feud that began at Durban railway station.

Spring Taxi Association secretary

Violence

Simon Mokotong claimed his organisation had lost 32 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 the 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.
ANC's Mr Andrew Mlangeni and Mr George Negota

Forum meets minister

Body makes representations on spiraling violence

The newly formed National Transport Policy Forum has made representations to the Minister of Transport, Mr Piet Welsuem, during a meeting in Pretoria this week.

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 meeting, 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 Rabaji, representatives of the Transport and General Workers Union, Mr S Sihosana and Mr G Randell, and executive director of Law Review, Professor Louise Tager.

A spokesman for the forum said the meeting was “cordial”.

Sowetan 25/9/12
Minibus crackdown

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.
SAFCOR FM 25/9/92

Playing the liquidity card

Saforc, 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
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.

Saforc'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 pce, 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.

Maryam Greg
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. "

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 R5.97 million in the comparative period last year to R7.57 million, with operating income up from R1.24 million to R1.52 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 take-over with a view to selling off its assets, analysts said.

Based on its current net asset value of 36c a share and the number of shares in issue, its assets are worth about R5,7bn. 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 R1,50 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 take-over is impossible.

Major shareholders include the Industrial Development Corporation with a 15,5% 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 & McKee analyst Hennie Vermeulen said the share price prevented Iscor from raising funds by a rights issue because a shares 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.

However Frankel, Max Pollack, Vindervine 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.

Kartunuggested that because the share was tradable, 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.

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 11,9c 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 has 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 and initial losses had been capitalised and would be amortised over 60 months. Group turnover declined to R39,4m (R195m) but an operating profit of R8m was generated compared with last year's R2,2m loss. The interest bill dropped to R4,6m (R6,6m). While the total attributable loss decreased to R4,2m (R2,7m), the attributable loss from subsidiaries improved from R8,7m to a loss of R9,7m.
New staff stay on

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.
Sabta safety campaign (22)

THE SA Blackand
Association (Sabta)

will begin a three-
month nationwide
campaign aimed at
campaign drivers
overweight and
overloaded vehicles.

Sabta said a state-
ment yesterday that
overloading was a
major cause of
road accidents.

Soweto 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 & 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.

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.

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 CT110092
PE traffic department demands security fence

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 000 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 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 pothole on the Caprivi Strip which would give hauliers direct access to countries such as Malawi and Zambia, bypassing Zimbabwe altogether.

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.
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. (S10m) 2/10/92.

He said it would be difficult to match the earnings increased, to 83c from 73c, 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 1.781 would be maintained in future. The total dividend increased by 27% in the 1992 financial year to 47c.

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.
CAPE TOWN — Maintaining earnings in the current year to end-June would represent a more than satisfactory result for Trencor, 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 Trencor'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 Trencor 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.
Loads Stalled

Bid for Bigger

BY SEAN VAN ZAT

332

SUNDAY TIMES, BUSINESS TIMES, OCTOBER 4, 1992
IT'S a long way from Ros checkout where Wolfgang Vo gel was born to Cape Town where he lives today — in years, a distance of 49.5 'H wad (4455).

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."

"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 Malawi.

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

HARARE — South African road hauliers yesterday threatened to blockade the Beitbridge border post unless the Zimbabwean 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 from South Africa. "We are concerned that the Zimbabwean hauliers can operate freely 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 Welsgomoed 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 Welsgomoed 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

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.

Altering 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.
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 Durrant, 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 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 Roskruge 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 nationalise services and retrench more than 500 employees.
Murray & Roberts optimistic about Africa

Jenner cautious in forecasts

Kersey turnover breaks

Companies
A temporary minibus taxi rank will be provided on the deck of the Cape Town station, 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

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 extended 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 band saw 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 policemen in the fighting, three of whom he said were taxi operators in Alexandra.

Mogale told the commission — chaired by advocate 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

Petrol increase a blow to consumers and hopes of an inflation rate drop

The 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 RELATION 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, 1955, 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 (post address: Private Bag X117, Pretoria, 0001), Within one month of the date of publication of this notice.

<table>
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<tr>
<td>Name of employer's organisation: Lawn Mower Association of South Africa.</td>
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<tr>
<td>Date on which application was lodged: 12 August 1992.</td>
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<tr>
<td>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, Krynau, 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.</td>
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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 vertelings van artikel 4 van die Wet:
(a) Die mate waarin 'n bewaarmakende werkgewersorganisasie verteenwoordigend is, word ingevolge subartikel (4) bepaal volgens die feite soos hulle bestaan het op die datum waarop die aanvraag ingediend is, en wat die lidmaatskappy betref, word alleen lêe wat ingevolge artikel 1 (2) van die Wet op voorommete datum volwaardig lêe was, in aanmerking geneem.
(b) Die procedure voorgestel deur subartikel (2) moet gevolg word in verband met 'n beswaar wat ingediend word.

D. W. JAMES,
Nyuwerheidsregisterstrateur.
(9 Oktober 1992)

KENNISGEWING 901 VAN 1992
DEPARTEMENT VAN MANNEKRAG
WET OP ARBEIDVERHOUDINGE, 1956
AANSOEK OM VERANDERING VAN DIE REGISTRASIEBESTEK VAN 'N WERKGewERSORGANISASIE

Ek, David William James, nywerheidsregisterstrateur, maak ingevolge artikel 4 (2) soos toegepas deur artikel 7 (5) van die Wet op Arbeidverhoudinge, 1956, hierby bekend dat 'n aanvraag om die verandering van sy registrasiebestek ontvang Is van die Lawn Mower Association of South Africa. Besonderhede van die aanvraag word op onderstaande tabel verstrekt.

Enige geregistreerde werkgewersorganisasie wat teen die aanvraag beswaar maak, word versoek om binne een maand na die datum van publikasie van hierdie kennisgewing sy beswaar skriflik by my in te dien, p.a. die Departement van Mannekrag, Mannekraggebou 123A, Schoemansstraat 215, Pretoria (posadres: Privaat Sak X117, Pretoria, 0001).

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<tr>
<td>Naam van werkgewersorganisasie: Lawn Mower Association of South Africa.</td>
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<tr>
<td>Belange en gebied ten opsigte waarvan aanvraag gedaan word: Werkgewers betrokke by die grasmaai- bedryf in die landdrosdistrikte Alberton, Bloemfontein, Brits, George, Kliprivier, Krynau, Lower Umfolozi, Middelburg (Transvaal), Nelspruit, Oos-Londen, Pieterburg, Port Shepstone, Roodepoort, Springs en Uitenhage, Wonderboom, en van Kempton Park en Krugersdorp soos die gebiede ten opsigte van laasgenoemde twee landdrosdistrikte op 12 Augustus 1992 saamgestel was.</td>
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Vir die doeleindes hiervan beteken "Grasmaaiersbedryf" die bedryf waarin werkgewers en hul werknemers met mekaar geassosieer is vir die verkoop, vernuwing en/of herstel, versiering en inmekغاارس، tydens die herstel, van grasniers en grassynasmijiene (uitsonderend landbouerusting wat vir boerderybedrywighede gebruik word), maar omvat dit nie—
(a) die vervaardiging, en daarmee gepaardgaande montering uit saamstelende dele, van grasniers en grassynasmijiene nie;
(b) the manufacture of bedding and upholstery; and all associated activities.

Postal address of applicant: P.O. Box 3528, Johannes-


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

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.

| 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. |

KENNISGEWING 900 VAN 1992
DEPARTEMENT VAN MANNEKRAG

WET OP ARBEIDSVERHOUDINGE, 1956
AANSOEK OM REGISTRASIE VAN ‘N WERK-

GEWERSORGANISASIE

Ek, David William James, Nywerheidsregisterateur, maak ingevolge artikel 4 (2) van die Wet op Arbeids-

verhoudinge, 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 onder-

staande tabel verstrekt.

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 (pos-

adresse: Privaat Sak X117, Pretoria, 0001).

| Naam van werkgewersorganisasie: Pretoria United Long Distance Taxi Association. |
| Belange en gebied ten opsigte waarvan aansoek gedoen word: Werkgevers wat die geregistreerde eie-

ners is van motorvoertuie en opsigte waarvan hulle in besit is van ‘n geskiktheidsertifikaat en ‘n openbare padvervoerpermiss wat magtiging verleen vir die vervoer van pendelaars in die provinsie Transvaal. |
| Posadres van aanvraag: Boomstraat 354, Pretoria, 0002. |
| Kantooradres van aanvraag: Boomstraat 354, Pretoria. |
KO for Kaye?

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 Hinch
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 Motorwia 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 totalling 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 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 Hinkens
Transport revamp planned for W Cape

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, Mr Joy Musi, 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 Chikwapi, Intercape and Citi-Line 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...
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 26 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 28-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 has 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. 

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 26c a kilometre to 22c a kilometre. The average minibus taxi used 270 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 R20 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

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’

If SA wanted to attract tourists and keep consumer prices down, the entire transport system would have to be revamped, Transport Minister Piet Welgemeed said yesterday.

In a speech delivered on his behalf by Transport deputy director-general Malcolm Mitchell, Welgemeed 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 R1.6bn a year — and for urban transport infrastructure — about R500m a year — needed to be addressed, he said.

Welgemeed 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 Welgemeed.

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

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.
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/Sandton 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
UNITRANS

Due for rerating

Activities: Road freight transport.

Control: Murray & Roberts 85%.

Chairman: A M van der Colff; CE: E Gutierrez-Garcia.

Capital structure: 52.4m ords and debentures.

Market capitalisation: R368m.

Share market: Price: 705c. Yields: 3.8% 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

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† 12-months to March 31. ‡ 16-months to June 30.

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 boosted 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 R50m 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 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.

Marylov Greig
By THEMBA KHUMALO

VIOLENCE has erupted between taxi drivers 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 necked him between Westonaria and Randfontein.

An ANC Youth League spokesman said the dead youth was Koos Mnyaka, who died of severe burns at Kagiso's Leratong Hospital on Thursday.

Another unidentified youth who was allegedly abducted from Mohlakeng by angry taxi drivers on Tuesday and hacked with axes and pangas is believed to be in a critical condition at Soweto's Baragwanath Hospital.

Late 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 taxi drivers drew firearms.

Subsequently a meeting was held between the taxi drivers, 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 ANC Youth League 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, taxi drivers 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 Bishop's 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 taxi drivers said, was the last straw, prompting them to take the law into their own hands.

Commenting on the hijacking of taxis to Bishop 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.
THE Cape Organisation for a Democratic Taxi Association has disputed 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.
Butco urged to hold back on layoffs

Protests over job cuts...
Longrail on track for improved profit

EDWARD WEST

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 R3,822m from R3,439m. No turnover amount was disclosed.

Interest was higher at R1,519m from R1,349m and tax was higher at R1,168m from R928m. Current liabilities climbed to R20,039m from R17,430m in the first half of 1991 and from R15,711m 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 established 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
Staff Reporter

MORE than 600 minibus taxi drivers were prosecuted in a month during a traffic department clampdown on moving traffic violations.

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."

"Big minibus taxi clampdown: 600 booked in month"
about these remained a well-guarded secret. Now that exports and foreign operations are Trencor’s largest earnings contributors (up from 5% in 1987 to almost 60% in 1992), there is a threat from inside SA that export earnings could be severely impeded.

This is Trencor’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, Trencor 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 Contiro’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 2,865m 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.

Trencor’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 Hirschon
Urgent meeting on taxis

By AYESHA ISMAIL

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. (SS2)

The city council and taxi representatives confirmed the meeting but refused to disclose details. (SS2)

Last week former Western Cape chairman of the South African Black Taxi Association (Saba), Mr Basil Nagel, “disaffiliated” the national executive and head office, because of “unconstitutional procedures and a lack of concern for Western Cape members”.

But Saba’s head office has accused “Saba Western Cape” of sowing confusion and creating divisions.

In a strongly worded statement, Saba National said it did not recognize any body in the Western Cape other than Codetsa (Convention for a Democratic Taxi Association) — the merged warring Western Cape factions — and that Codetsa Saba’s Western Cape office no longer existed.
Collusion lies behind heists

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 cargoes was R30m.

Of the 35 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 Nafoa-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 38 Nafoa 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

DUMA GOUGBULE

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 34.8% 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 R181.3m (R192.9m).

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.
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 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, 66 Mt, compared with 2.4 Mt by Durban, 111.8 Mt 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.
Overloaded trucks to cost taxpayers R268m

By SEAN VAN ZYL

OVERLOADING of commercial vehicles is expected to cost the taxpayer about R68-million this year in road repairs, says transport planner Rolf Beunink.

His claim is based on research by traffic consultant firm Lextran, 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 overloaded commercial vehicles is more than R54-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 R50-million.

Quick

A source says the damage inflicted on roads and bridges brought to light may be a prime concern for the DoT. It admits that there is inadequate funding to maintain the network.

Besides limited funding, 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-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 overloaded offenders. In the same time, about 61% 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 Lextran, 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 overloaded 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 80% of overloaded 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 "road bandits".

Modest

Mr Beunink says that in 1990 about 55 400 manhours were spent on overloaded control countrywide. In comparison, from January to August this year roughly 65 000 manhours were devoted to overloaded 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 1 780 overloaded 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 stage 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 staff to ensure greater success in overloaded prosecutions. Because of the complex criteria used to determine legal loads, few overloaded prosecutions have been upheld by the courts.

The fine for overloaded 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.
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 Tencor'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. Tencor chairman Neil Jowle' says the reasons for non-disclosure involve the methods used to avoid sanctions which, if disclosed now, could still embarrass Tencor 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 $83.2m to fund new leases. TCC has been built by the TI group to raise funds in the US through a public limited partnership, 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 Textainer makes in SA each year are exported. Textainer is a longstanding customer.

Jowle' won't say what revenues or profits are generated from sales to Textainer. But Textainer's latest report shows that about 60% of attributable earnings, or R78m, was earned from manufacturing and exports.

Textainer is planning a R64m rights issue next month. Tencor will follow its rights at a cost of R30m. It's been suggested that Tencor controls more than 35% of Textainer, though Jowle' denies this. Until the rights issue is concluded, the interest cannot be quantified. Tencor raised R260m through its own rights issue last November and will easily fund this.

Jowle' 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, Tencor 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.

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Financial Mail • November 6 • 1992 • 91
Dorbyl Marine to shut plant in stages.

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.

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 aboard 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

Trencor, a manufacturer of dry-freight and tank containers, has bought a stake in Prime Source Holdings, a California container leasing company, for R8-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 1996, its shares were traded at R5.

A Trencor spokesman says details of the latest purchase will be released shortly.
30 Cape taxi associations break with Sabta report

ABOUT 30 western Cape taxi associations had broken away from Sabta claiming that the national organisation did not cater fully for its members in the region, according to a report in an Eastern Cape newspaper.

Former western Cape Sabta chairman Basil Nagel had also invited the Convention for a Democratic Taxi Association (Codeta) — a loose amalgamation of taxi associations formed when peace was restored after last year’s taxi wars — to join the splinter group, according to King William’s Town-based Imvo newspaper.

Nagel reportedly said the national body’s failure to negotiate with Wesbank on the increased number of repossessions of members’ vehicles was one of the causes of the breakaway.

Calling for the taxi industry to be run on a regional basis, Nagel also claimed that Sabta’s structure resembled government in that every issue was worked out in Pretoria and western Cape members were getting no benefits from the arrangement.

The planned western Cape organisation would cater for the taxi industry in the whole region stretching from Cape Town to the Boland, Nagel said. The report said 30 associations, each with 250 members had aligned themselves with the proposed new organisation.

Meanwhile, Codeta chairman Kidwell Magwayi distanced his organisation from the 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.
A four-hour taxi protest disrupted traffic in Cape Town city centre. Staff Reporter LENORE OLIVER was at the scene of the turmoil.

PEAK 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 Buitenkant 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 Mbazi 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

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.
According to recent reports, public transport in the capital city is facing several challenges. The city, which is one of the most densely populated in the country, is struggling to keep pace with the growing demand for public transport services. Overcrowding on buses and trains is common, leading to longer travel times and reduced comfort for passengers.

The problem is compounded by the lack of investment in new infrastructure and the aging of the current fleet. This has led to a decline in the quality of service, with frequent delays and breakdowns. As a result, many residents are turning to other transport options, such as personal vehicles and ride-sharing services, which are contributing to increasing traffic congestion.

The city's public transport authority is aware of the situation and is taking steps to address the issue. They are working on expanding the current network and introducing new technologies to improve efficiency and reduce environmental impact. However, more is needed to ensure that public transport remains a viable and accessible option for all residents.

In conclusion, the challenges faced by the city's public transport system are significant, but with the right investment and planning, it is possible to improve the service and make it more attractive to commuters. This is crucial for the city's sustainability and the well-being of its residents.
Staff Reporter

POLICE did not disarm a large group of Webeta 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 Webeta 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

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."
City traffic brought to standstill

City traffic was disrupted for more than four hours today in the city's downtown area when more than 100 taxi drivers blocked off streets in protest against plans to phase out licensed taxis in the city.

The protest began at 7 a.m. when a group of drivers blocked off streets in the city centre, causing traffic jams for hours. The drivers were demanding better wages and working conditions.

The protest was met with heavy police presence, who eventually used water cannons and tear gas to disperse the crowd. At least four drivers were arrested and charged with causing a public disturbance.

The blockade caused massive disruptions to traffic, with some routes being closed for长达 four hours. The city council has been under pressure to address the drivers' concerns, which have been ongoing for months.

City officials have promised to announce a new plan in the coming weeks, which could lead to further protests if the drivers' demands are not met.

By ANTONIA PARSON

The drivers' union has called for a meeting with city officials to discuss the situation further.
Mayor pleads for taxi men

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.
Law will take its course, taxis told

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 Kudwell Magwayi, internal stability unit head Brigadier Frik Kellerman, traffic chief Mr Wouter Smit, deputy city administrator 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.

“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 65 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.
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 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 hesitate 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 international 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, Welcom, 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 Welcom but he believes management has the situation under control. Transport and freight provided 93% of MIC's pre-tax profits.

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 R434 000.

Prospects for growth for all divisions are tied to the economy but MIC is better rated than its parent. It offers a 4.7% dividend yield and a p/e of around 6.4.

Kaye Hutton
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 Velden said yesterday that the Cape Times had incorrectly reported that he would be pleading on behalf of the blockers 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.
Fewer cars on roads

Faster service means

The Cape Pnrism has
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

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.
Regulation is vital for public transport

...
'Clip-on' trailers in demand nationally

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 Bureau of Standards.

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 Q8 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 Nomatyal 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 members 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."
Boy attacked in front of police — evidence

Staff Reporter

POLICE did not intervene when Webeta 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 Nomatyana 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 week's 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.
Conference to focus on taxi industry violence in South Africa

Staff Report, 332

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 chairman of the National 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 Fischer of the NFS will head a sub-committee responsible for this initiative.

For further information, telephone Val Pauquet on (011) 886-0717 or fax her on (011) 886-0094.
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.

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 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

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 aggressive, but they were not threatening anybody in particular,” he said.

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.
Get the joyriders off the taxi routes

The Goldstone Commission report on taxi violence on the Reef does not go far enough in appointing blame, argues taxi driver RAY NXUMALO

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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 Rian 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 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.

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.

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.
OK again for Kaye

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

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 Hershon
City's taxis to wait

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 25 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 established James Chapman and Associates, an informal sector business development firm of consultants, which he used to launch the New Wave Taxi Mix 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 bypasses 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 jockeying for control of Sabta, Fabbco 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 Nlatieng, 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.
Inter-city bus firms merge

Customers will benefit from lower bus fares on all routes:

Sowetan Reporter

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.

"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.
COMPANIES

Putco dubious about tender system

THE tender system to eventually replace subsidized 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.

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 (Puta) to launch 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 Nlabeni 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
'Make room for traders'

TAXI associations are to insist that informal traders are represented at all talks on the future of the station deck.

The co-ordinator of the Cape Peninsula Informal Traders Association, Mr Hassan Khan, said after a meeting with 12 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.
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 43,3% 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 8,6%.

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 3967m 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 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 Alan 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.
Council offices on Saturday.

The Sitkoo home owners have filed a legal action against the Sitkoo Home Owners Association, claiming that the association has violated their rights and breached the terms of their agreements with the association.

The Sitkoo Home Owners Association, on the other hand, has denied any wrongdoing and has claimed that the association has acted in accordance with its bylaws and regulations.

The case is currently pending in court.

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By Lima Llull

over taxi killings

Boycott threat

Ikezoa faces blackout

Electricity will be cut off unless residents pay bills by tomorrow.
PFV sets up a freight unit

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.
By Kathy Schwab

The转身ners were out in full force today, ensuring that the church was properly prepared for the upcoming festivities. With the holiday season looming, the转身ners were busy making sure that the church was decorated and ready for the Christmas season. The转身ners worked tirelessly, hanging lights, setting up decorations, and ensuring that everything was in place for the upcoming events.

Meanwhile, the members of the church were busy with their own preparations. Many were getting ready for the Christmas Eve service, setting up their homes for the holidays, or simply enjoying the company of friends and family. The church was filled with the sounds of music and the laughter of children, creating a festive atmosphere.

As the day wore on, the转身ners continued their work, ensuring that every detail was taken care of. The members of the church watched as they worked, grateful for the dedication and hard work that went into making the Christmas season special.

By evening, the church was ready for the festivities. The转身ners had completed their tasks, and the members could relax and enjoy the upcoming holiday season. The church was alive with the spirit of the season, and everyone was looking forward to the upcoming month of December.
Plea to stop taxi killings

By Stan Hlophe

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 Molerefore Simelane, at a meeting in Tshiamwelo, 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

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 over 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.


Associated Automotive Distributors marketing director Mike Elsbury said bus sales were forecast at 400 this year, with a slight improvement to 450 forecast next year.

Dorothy 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

By Derek Tommey

Transport company Trencor and its pyramidal 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 R23.59 into 10 debentures of R2.359 each.

The companies advise shareholders and holders of convertible debentures to exercise caution in dealings as the market price of the securities after the subdivisions should adjust to about one-tenth of the price prior to the subdivisions.

Trencor shares have risen by around 66 percent in the past 12 months from R100 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, carmakers, 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 (Nafco), had concluded that the taxi industry was "fast moving to demise".

Public affairs director Mike Ntatieng 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.
All is well at Fabcos, says boss Ngcoya

Reports of 'disintegration' rejected:

By Mzimkulu Malungu

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 (Puta), rallied behind the marketing arm of the association, Taxi SA Marketing.

Puta 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 Manamola 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 Ramatikane 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 personal animosities 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.

An announcement by JSE-listed merchant bank Trencor said the respective boards had proposed each of the ordinary shares of 5c each in the share capitals of Trencor and Mobile be subdivided into 10 ordinary shares of 5c each. The proposal, subject to JSE approval, had been made to increase tradeability of shares.

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 resulted 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 R52.50 issued by Trencor and Mobile respectively, be subdivided into 10 convertible debentures of R9,10c and R5,25c. 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

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, Travelco 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 Ashin 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 R360 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 R369 million with potential further liabilities of R64 million from overdraft and other banking facilities and guarantees to TGH and its subsidiaries. - Sapa
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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 R760 million to R500 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 R308 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

CAPE TOWN — Tollgate Holdings (TGH) and four of its subsidiary companies were provisionally liquidated in the Cape Town Supreme Court yesterday after Absa refused to consider proposals for reorganizing its debt and an injection of new capital.

Urgent 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 1989 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 revenues 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 R40m, 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 Petlar Foods.

McCarthy Finance was also taking action to enforce a claim of R32m against TGH.

Brits said TGH’s subsidiaries were valued at end-December at R327.4m, while its share capital and share premium account totalled R136m.

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, "Cape, Hortence Tours &" 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 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 substantial injection of new capital by TGH shareholders; but this took place after 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 a 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 the sale of some of TGH’s viable businesses or an immediate liquidation.

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 securities and take over certain assets to reduce TGH’s exposure to Absa to R162m. 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’ acceptance 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 debit 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 R6m 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 R6m for the full financial year.

To Page 2
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 R360m to Absa, and subsidiaries owing R70m to other banks.

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-Via, Enterco — 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 Bob 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 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 1998, it inher-
Holdings to raise $790m

Student Unions in trouble: 

Trouble in college backlines

Students in crisis: 

Trouble in college backlines

Trouble in college backlines

Trouble in college backlines

Trouble in college backlines
Soweto taxi war over

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 Mosebe, and the present executive, led by Raymond Mcunu, 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 Mofokeng Simbacesile and STS general membership.

Four men have appeared in the Johannesburg Magistrate's Court charged with murder following the deaths of Mac Hlongwane, Watson Monokisi, Fisher Makheba, Peace Sihlole, John Dubezana, a Mr Mabizela, a Mr Mazibuko, a Mr Ngcengolo and a Mr Molokeng. 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:

1. A four-man committee to be co-opted to STS executive whose main duty would be to monitor the prevailing violence.
2. STS constitution to be reviewed by the region.

The next elections will be held in February.
Fixin' the Dept.

TIMES-NEW-ROBSON (973)

AND OUT TRAP

STUART (803) 6/17/72

TRAP, THE DOWN

TRAP, THE DOUBLE

TIME-NEW-ROBSON (973)
CLOSE to R2-billion in foreign currency has flowed back to South Africa — or is committed to come back — from Tencor's export activities and overseas operations. The funds, says Tencor executive chairman Neil Jowell, came from these sources over a nine-year period but relate mostly to the past six years.

Tencor, the winner of this year's Business Times Top 100 Award, currently derives some 60% of its net earnings from export and overseas operations.  

Tencor's growing export business has been helped substantially over the years, by SA's General Export Incentive Scheme.  

"Without GIEIS, 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 Tencor 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 cheaper and cause unemployment at home."

*See Page 5*
CELEBRATES ITS OPENING WITH VERY SPECIAL OFFERS

THE PALACE

TOP THIS WEEK'S BIGGEST STAR WITH OUR HITS

1989: 100% 1990: 100% 1991: 100% 1992: 100%

NUMBER 1

TOP 100

Success Wrappers

SUNSTAR TIMES, SUNDAY TIMES, SUNDAY TIMES 6 1993
That is what they received. Jaap du Plessis built up a lorry from an old Buick and Joe Jawell was soon on the road to Bitterfontein.

It was a historic trip which did not end when Joe Jawell'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 Tencor was built.

By the time Neil Jawell and his brother Coeli came into the business, Jawell's Transport of Namaqualand was a thriving concern whose red trucks were a familiar sight across the landscape.

In 1978 after his father died, Neil Jawell 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 Heured was bought in the late 1960s and was a major milestone for Tencor, 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 Tencor to Fruehauf, the largest trailer maker in the US.

When containerisation became popular, Fruehauf started making containers and Tencor began the equipment wars.

Mr Jawel's early days in the manufacturing States.

"But in catching up, we learnt at first hand what manufacturing is all about."

Tencor 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

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 Dinma 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 Dinma Holdings is to be sold to Racy Group chairman Yor Jacobson for R3.5m.

EDWARD WEST

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% (42.8%) 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

CAPE TOWN — The 38-year-old mail order and direct selling group Mas Holdings (Mashold) reported its first loss of R355c (R5.6c) a share in the six months to end-August, due mainly to its ill-timed expansion into the UK.

An operating loss of R771 000 (R3.5m profit) was suffered on a 13.3% rise in turnover to R110.9m (R78.7m). This translated into an attributable loss of R820 000 (R6.5m 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 vendor 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 import, second-hand clothing.

However, the recession, unrest, mass action and violence had affected direct selling subsidiary Tablecraft severely and the Grollier 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 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.

LINDA ENSOR

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 Mervyn 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 Laurie 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 R135m, that prices fetched for the sale of operating 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 - Motor Racing, Via, 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 R255m 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 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 was denied by Absa - mounted as to the behind-the-scenes machinations which led to Absa's altered view of its TGH liabilities. 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.
Finrand clamps hit ship owners

EDWARD WEST

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 cooperate with authorities.

NTPF spokeswoman Ms Molra 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 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

foreign finance business.

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 ords’ 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 Rabinow
A racy deal could favour the directors

ON AUGUST 12, Racy Holdings chairman Ivan Honan announced the company’s accounts for the year to March after gaining these words: ‘Turnover is budgeted to increase by 10%, and provided operating margins do in fact improve this will lead to greater group profitability.’

‘Agreement for a loan of $1 million at 9% for the year to March 31, 1990, earnings should increase.’

Had I been a Racy shareholder I could have been forgiven for detecting a note of optimism in these words.

Certainly the company did not do badly in 1990/91. Earnings were down by 20c a share. But dividend cover was a most conservative four per cent.

Racy’s net asset value was $1.25 a share. Debt was manageable at 60%. And the cost of financing had been falling steadily. Directors held more than half of the debt transport (Hendon Industrial Carriers) and truck-rebuilding (Speedy) company.

On June 1, after the year-end, but before the annual report, Racy announced that several investments, a company controlled by Racy directors Elliot, Ralph and Cyril Honan, had been sold. The company, owned by director Ivan Honan, held about 30% of Racy. The sale, however, divested 13c per share. Subject to approval, the directors would make a further offer to the minority.

It was not to be.

Two weeks later, Racy announced that the agreement had been terminated, but that the other investments were under way.

Perhaps somebody had made a more attractive offer 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 30, when again they were warned of a renegotiation. This Monday, they finally learned their destiny.

Subject to certain conditions, Racy will acquire 80% of its major holdings from the Enterprise Group Limited. And for $2 million, leaving Racy at a cash shell worth only 5c a share.

Racy’s controlling shareholders named selling their shares in Racy and only 5c a share as a result of the company’s poor performance:

‘Subject to a decision by the board on the matter of the relationship between the company and the shareholders in respect of its financial position during the year ended March 31, 1990, and, accordingly, the directors consider that the interests of the shareholders would be best served by disposing of the operating subsidiaries of the company.’

‘The company is notified by the directors of the company that in the event of the company’s accounts being approved by the directors of the company, the directors of the company would recommend to the company in the event of the company’s accounts being approved by the directors of the company, the directors of the company would recommend to the company in the event of the company’s accounts being approved by the directors of the company, the directors of the company would recommend that the shareholders of the company vote to sell all their shares in the company to the interested parties on the terms of the agreement.’

Earnings would have doubled to $1 million in the year to March 30, 1991.

‘Subject to the approval of the company, the directors of the company would recommend to the company that the company’s accounts be approved by the directors of the company, the directors of the company would recommend that the shareholders of the company vote to sell all their shares in the company to the interested parties on the terms of the agreement.’
Taxi operators ‘root cause of violence’

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 Laguna 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 Laguna 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 Dalian 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 sailings a month by four multipurpose vessels on a fixed date basis.

John T Rennie & Sons director Derek Murray said trade between SA and mainland China was expected to grow significantly.

He said COSCO's decision to enter into SA-Far East trade was prompted by SA and China opening up to world trade.

The vessels were also expected to transport Volkswagen SA's Jetta exports to China.

Volkswagen SA recently had this year's export order to China of 6 000 Jetta worth R162m increased to 8 600 worth R207m. Further export orders were being negotiated, it was reported.
Causes of taxi wars spelt out

By Helen Grange

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 (Autax) and the Alexandra-Randburg-Midrand-Sandton Taxi Association (Arms) 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 insurance.

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 said.

Evidence had also emerged that permits were being fraudulently obtained. This allegation is being investigated by the police.
Rico has stream of

Friction sets the tone, no doubt, as the story unfolds.

In schools, the self-reinforcing success and
competitive and expanding on the fringes, the
association was eager to solidify the other in

of leading actions in industry:

Greed one of the root causes

Taxi Wars Tackled

Matrix results

News talks underway to end violence • Taxi wars results will not be covered

Wednesday December 15, 1993 Silver

QWERTY
1993 Grand Prix 'not affected'

Kyalami new casualty of TGH collapse

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 R500m.

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 1988, R4.4m for 1989, R4.6m for 1990 and R5.3m for 1991, 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, 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 R1.1m; Basil Reid, owed R800 000; Digby Meyer & Associates, owed R150 000; and Bing, Walker & Associates, owed R145 000.

Absa's application was precipitated by a letter of demand to Kyalami from consulting engineers Bing, Walker for payment of R146 658 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 Emcor 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 blockaded liner access

Staff Reporter

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.
cannot retract, now

Call up Republicans to be

Mandela: Church
Sale of Tollgate coach company in the pipeline

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.

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 Chilister 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 Sec-cretariat 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’

STEFANIA BRummer
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 heating 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 16 taxis partially blocked access to the cruise liner Berlin at berths for several hours.

At the Waterfront about 10 taxis blocked 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 Buxted said the meeting was “in good spirit” and said another was planned.

A spokesman for the taxi association Cargo branded the meeting “fruitless”.

The spokesman said the next talks — which no definite date had been set — would be too late. Taxi operators could not afford to lose out on the long season.

On Tuesday.

The taxi rank at A Berth, where mixed passenger liners berth, is too far from the terminal for passengers to use, it is hard to see passengers clearly and only one driver per rank was used. The rank was behind the terminal building and passengers had more ready access to buses.

Mr Hein Matthee, Portside 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 of the buses.

Customers have to walk unacceptable distances to and from ships 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.

Mr Matthee said blocking taxis from the Landing Wall had become necessary because they closed the pier, which was only a few metres wide. There had been complaints from companies which needed access to make deliveries or supply food.

He said new arrangements were that central area taxis could go only as far as Vanguard gate 40m or 50m from the Landing Wall. Three dozen 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 block of contention is that there are only two parking 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 threatened “that if all malpractices do not stop immediately, 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 1,000 people and 600 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 ranged between R2.20 and R5 a km.

“Taxi drivers 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**

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.

*Reported by: Sunday Times Reporter, Cape.*
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 the 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 Barraudas and Boevers are employees; a third, Mick Delahunth, 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 Kaplan 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 Kaplan's plans are legal and 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 de facto 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 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

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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 Delahunth'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."

KAP 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 Delahunth'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 shareholders.
minorities. It is highly unlikely, especially if
the Kaplan consortium votes its shares, that
minorities will be able to overturn the pro-
posals. The only viable option appears to be
to make use of S252 of the Act, which
provides relief from oppression — a provi-
sion rarely used successfully.

The Kaplan-led consortium isn’t buying
out minorities in Micor because it is philan-
thropic; 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 Gleave & Kerr Rushen
Monsenke's resignation a blow to PAC
Imperial pounces on Springbok Atlas

THE Imperial Group has spent R15-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 Track Systems from a group of pensioners for R21.4-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 200,000 local and international passengers each year and is the single biggest user of hotel rooms and Park Board accommodation in S.A. It also has contacts with large business houses.

Springbok will retain its existing personnel, assets and senior management. According to Springbok chief executive Riccardo Dolfi-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.”

By DON ROBERTSON
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 85 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, a major creditor of the provisionally liquidated TGH group, which had debts of more than R350m. It included buying coaches from Greyhound Coach Lines and trailers from Quicksilver. 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 R8.7m. 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 similar amount as the purchase price of R7.25m after payment of administration costs, auctioneer's commissions and other costs.

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

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.

On December 29 the Fuyuanshan 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.”
Cape Town — Angloval’s subsidiary Consol has bought Trencher’s 25.8% 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.

Trencher director Cecil Jowell said Consol had made an “eminently satisfactory” offer for Trencher’s stake. Trencher 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 Trencher’s cash reserves to just more than R300m, part of which would be used to follow its rights in the $64m Textainer rights issue. Trencher said in November it had acquired a substantial minority shareholding in the offshore Textainer group, a major player in international container leasing.

Jowell said Trencher also wanted to have cash on hand to meet demand for funds by its container export business.

Trencher had regarded its stake in Contred as a portfolio investment. There was nothing intrinsically wrong with the 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 its last annual report, Trencher 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 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.

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 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

SOWETO City Council management committee chairman Jahn Mgungi has defied the TPA which has threatened to dissolve the council unless it puts its finances in order.

Mgungi 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," Mgungi 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 the city and as a former councillor, but I am governed by the Black Local Authorities Act."

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.

Taxi Enos Makena said in a statement the Sabta executive was no longer in control.

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".

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.

Police to implement ideas to combat taxi violence

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 his 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.

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 malice, seemed to be at the root of complaints, Van der Merwe said.
SAP probes claim of police manipulation of taxi trade

By Helen Graze

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 policemen, 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 whitewall 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 re-grooved. 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.

Mr Fami Enos Mzakana 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
UK subsidiary of Tollgate for sale

Cape Town - Tollgate Holdings (TGH) provisional liquidators are negotiating the sale of the group's UK subsidiary, Jaton Holdings, but it appears unlikely it will fetch the £11.5m (about R63m at the time) for which it was bought in December 1991.

Jaton 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.

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 R5.2m expected for the 1992 financial year.

Jaton 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 Jaton 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 £5m, but using this figure under liquidation conditions was not realistic, he said.

Buying Jaton 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.
**Eskom supports residents**

ESKOM has given its support for residents of Vosloorus in the ongoing electricity crisis in the township. **22/12/92**

At a Press conference at their Breamfontein office 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.

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**Makena was sacked - TIA**

THE Transvaal Taxi Association said yesterday Mr. Enos Makena was expelled from the TIA's executive and did not resign as he had claimed. **23/12/92**

Makena said on Tuesday he was resigning from the SA Black Taxi Association because SABA's executive was merely a rubber stamp body. However, the TIA said Makena was expelled by the disciplinary committee after he had refused to distance himself from newspaper reports ascribed to him which brought the TIA into disrepute. His expulsion from the TIA also affected his position on the SABA executive committee.
Springbok figures 'incorrect'

LINDA ENSOR

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.

For the nine months ended September 1992 a net trading profit of R269 803 was made.

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 carriers since then.

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.

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.

KATHRYN STRACHAN
Fletcher Spreading Wins
Bus sales likely to hit record low

Robert Wicks

THE forecast for bus sales had been revised down to a record low of 400 new units for 1983, industry sources said at the weekend.

This compares unfavourably with the 854 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 1983. 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 1983 would be similar to 1982 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-

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 1982 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 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 comforting, 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.