B

SERVICES SECTOR — Accom. Liquor & Catering — General.

1975 — 1979

HANSARD 4 Q. column 266-7.
25 February 1975.

288

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Prices of South African wines in hotels and restaurants

*22. Dr. A. L. BORAINE (for Mr. G. H. Waddell) asked the Minister of Economic Affairs:

(1) Whether any representations have been made to his Department during the past six months in regard to the prices charged by hotels and restaurants for South African wines; if so, (a) by whom and (b) what was the nature of the representations;

(2) whether any steps have been taken by his Department as a result of such representations; if so, what steps; if not, why not.

†The MINISTER OF ECONOMIC AFFAIRS:

(1) (a) and (b) No. The Price Controller and I have, however, taken note of alleged unreasonable price increases.

(2) The Price Controller is investigating the alleged unreasonable price increases and I shall according to his findings determine what steps should be taken.

Question.....
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TRANSVAAL PUBS OPEN TO COLOUREDS, INDIANS

By HANS STRYDOM

THE 230 000 Coloureds and Indians in the Transvaal have been entitled for years to sleep, eat and drink in all White hotels in the province without being aware of this right. This applies to 711 hotels.

This amazing disclosure was made by the Deputy Secretary for Justice, Mr F. J. le Roux, when he testified to the Select Committee on the Liquor Amendment Bill. The committee's report was tabled in Parliament this week.

It is also clear, from Mr Le Roux's evidence that a licensee's right of admission power cannot be exercised solely on the grounds of race or colour at these hotels, but only on grounds of a person's conduct or dress.

The right enjoyed by Coloureds and Indians in the Transvaal to enter White hotels extends also to Coloureds and Indians from other parts of the country visiting the province, but it does not extend to Africans.

However, the new Liquor Amendment Bill, introduced this week authorises the Minister of Justice, upon receiving an application by an hotel or restaurant and a recommendation from the National Liquor Board, to open any hotel in South Africa to Coloureds, Asians and Africans.

Visiting Blacks and Black diplomats will be able to stay at any hotel in the country by right derived from their entry into the Republic. This will not apply to migrant workers, however.

The opening of hotels to all races is seen as the most significant move the Government has made since its Ambassador at the United Nations, Mr Pik Botha, promised, last November that race discrimination would be abolished in South Africa.

While, initially, the Government is expected to classify only about ten hotels in the country as being open to all races, more and more hotels are likely to apply for classification as social mixing becomes commonplace.

The next step, obviously, would be to grant the same right of admission to certain cinemas and other places of entertainment.

On the rights of Coloureds and Indians in the Transvaal, Mr Le Roux stated that they could take up accommodation and drink at 711 hotels in the province.

"A coloured and an Indian can walk into any hotel in the Transvaal, as we understand the legal position, and if he wants to have a drink, or eat a meal in the afternoon, he is free to do so, if the licensee allows him," he said.

"Group Areas legislation does not prohibit his presence in the hotel. That is my submission."

He explained that the licensee's right to refuse admission could be exercised only under certain circumstances — for instance, when a customer was drunk.

"But if the client takes the matter to court, the licensee will have to furnish the magistrate with satisfactory reasons for his refusal."

Mr Gordon Waddell, Progressive Party MP for Johannesburg North, asked: "Is the management of an hotel, for example, the Carlton Hotel, not entitled to turn away a client at its discretion?"

Mr Le Roux replied: "No, unless, for example, the client is drunk."

Visitors

It was clear from the evidence given to the committee that the Department of Foreign Affairs has played a key role in initiating the changes in liquor and hotel laws.

The Secretary for Foreign Affairs, Mr Brand Fourie, told the committee that the number of Black visitors to South Africa had increased greatly in recent years. In the year ended July 1974, 1 245 official Government visitors were received from African states. Of these 221 were not from neighbouring states.

Mr Fourie appears to have favoured the United Party and Progressive Party proposal to the Select Committee that hotels should be open to all races, the right of admission being left to the discretion of the management. The proposal was defeated, however, by six votes to four by the Nationalists on the committee.

While supporting the Liquor Law amendments, delegates of the Federated Hotel Associations of South Africa (Fedhasa) were concerned about the number of hotels to be opened in this way.

Mr M. Pietersé, one of Fedhasa's delegates, said that when hotels were opened "overnight" to all races in Namibia there was chaos.

"It should be done peacefully and over a period. I

Visitors

It was clear from the evi-

HANSARD 17 Q. 943.
13 May 1975.

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National Diploma Course in Hotel Management and Administration

*8. Mr. R. J. LORIMER asked the Minister of Indian Affairs:

Whether the Hotel and Catering School has instituted the National Diploma Course in Hotel Management and Administration, referred to on page 75 of the Report of his Department for 1973-'74; if so, how many students are enrolled for the course.

The MINISTER OF INDIAN AFFAIRS:

No. Bursaries promised by private and hotel organizations did not materialize until long after the commencement of the classes for 1975.

Mr. Speaker, if I may anticipate the supplementary question of the hon. member, the course will be instituted next year and 15 students are expected to enrol.

lows:-

Science	5.0%	Engineering	-%
Arts	5.3%	Social Scie	-%

are noted

The four faculties cons[illegible] to consider the Secretary
the two subject exclusi[illegible] for
[illegible] be equable that an amendment to the
present exclusion rules should be included in the 1975 prospectus. Faculties, in considering this, should bear in mind that a tightening of exclusion rules beyond first year level will probably be a necessary accompaniment.

iii) That consideration of revised entrance requirements for the 1976 intake should be given immediate attention. Statistical information and suggestions for discussion by faculties will be provided shortly. In the meantime strict adherence to present entrance requirements for 1975 for all faculties and the imposition of an upper limit in student numbers based on the undergraduate intake into all faculties at the 1974 level is recommended.

Concluding Remarks:

In giving consideration to the above recommendations the following points of fundamental importance should be borne in mind:

a) We cannot make any serious claim to be a quality university in our present situation - where approximately 50% of the students entering the University fail to qualify.

b) Our present student numbers include a substantial minority whose presence is unjustifiable on academic grounds.

dent I'm going to relate here is a relatively minor one when compared with the hardships, frustrations, insults and indignities suffered daily by Blacks.

I write about it not so much because it happens to have involved me personally as for the fact that it exposes the fallacy and hollowness of claims that race discrimination in this country is on the way out.

I write about it for other reasons also. It exposes, in my view, the inconsistencies, double standards and even hypocrisy practised by certain individuals and institutions that one would expect to be above such things.

I was refused accommodation at a well-known White hotel in Johannesburg — last weekend — in spite of earlier assurances that my booking would be "okayed". The hotel has accepted Blacks before and countinues to do so. But it operates under a law which differentiates between South African Blacks and those from outside the country travelling under international passports.

White colleague

I was with a White colleague and we both needed to sleep at this hotel for the sake of convenience. It is within walking distance of Jan Smuts Airport and wer were to catch an early morning flight from there to Durban on Sunday.

The White man at the reception desk, who described himself as "the manager," took one look at the form on which I had just given my nationality as South African and said emphatically: "I'm sorry, but I cannot accept this booking." There was an unmistakeable finality about the way he said it.

Recently Mr Obed Kunene (right), editor of the Natal Zulu newspaper, Ilanga, told how courteously he had been received at a White hotel and wondered if things were really changing. Here he writes of a reverse experience last weekend which supplies an answer.

My colleague tried to explain that there must be a mistake, a misunderstanding, as he hadper sonally spoken to the hotel management and had been assured my booking would be "all right." It was no use. The man behind the desk was adamant.

We both looked at each other, temporarily confused and numbed into speechlessness. I thought I saw tears welling in my colleague's eyes. Were they tears of rage or sympathy or both? I wondered. I felt a big lump in my throat.

Significance

It was 11 pm and we were tired and hungry after a long drive from the Northern Transvaal town of Pietersburg. At that moment I guess we were both painfully reminded that, however much we may fraternise and accept and treat each other as equals in our journalistic calling, treat each other as equals in our journalistic calling, we are different in the eyes of South African law and tradition.

I guess we knew then, as we have always done, the true significance of the colour of our skins. His accommodation was assured. Mine was not. I am Black and South African. Therefore I had no room at the inn.

We stood outside the hotel in the biting cold of the highveld night, debating our next move. My colleague insisted he was not sleeping in that hotel, unless I went in too. I thought it was noble of him.

We considered the possibility of trying some White hotels in the city where this sort of nonsense is not practised anymore. But we feared it would be taking a chance as hotels do run out of accommodation, especially at weekends.

I considered the possibility of heading west to my own people, to friends in Soweto. But at that time of the night (with n of a single Black taxi in sight) and with a 7 o'clock flight to catch in the morning, it was not altogether pleasant.

There were two other possibilities — a march to the nearest police station and a request for voluntary overnight detention or a sleep in one of the seats in the departures concourse at the airport.

We were still racking our brains when three men — two Whites and a Coloured person — arrived and went straight to the reception desk. One was a top English academic, the other one of Afrikanerdom's most highly respected university lecturers and the third a top Coloured educationist — the only member of his race group throughout the country to earn a White man's salary.

All three had come from the same conference that we had just attended at the University of the North (Turfloop).

Their arrival saved the day, or rather the night for me. For having accepted the Coloured man with no questions asked, the manager was confronted by my colleague and asked to account for the differential treatment between the Coloured guest and myself.

Humiliated

I learned later that "the manager" was greatly discomfited. He was most effusive in his apologies and even went into an exaggerated display of courtesousness. He eventually led us into two rooms, explaining (unnecessarily I thought) as he went that they were double rooms but he would charge us for singles.

The point I want to make about this incident is not that I was humiliated and that my dignity as a man was insulted. It is not even that I was turned away, momentarily as it happened, at a White hotel.

God knows, I have suffered worse before, including having a pair of cold handcuffs clamped round my wrists and being marched through the busy streets of Durban to a police cell for not having my pass with me. And so, for that matter, have thousands of my fellow Blacks.

First to go

What really raised my hackles was that the incident occurred barely hours after I had sat through two days of conference at Turfloop. Two days during which prominent and influential Whites, from the State President, Dr Nico Diederichs, to university professors and DRC dominees, repeatedly stressed the need for the normalisation of race relations in South Africa.

All agreed that one of the first things to go, if South Africa is to gain the respect of the world outside, is discrimination based on the colour of a man's skin and group to belongs. I believe that we were indeed when I discovered the State President official Foreign tion conference checked in at hotel in where we were But to get to Johannesburg

Superficial

I was annoyed fact that the hot had welcomed Pietersburg delegation same group as that would not in Johannesburg for consistency. As for disc being on the way I can say is that this is being done ficially and designed to further

(275)
STAR 10/10/75
5
THOUGH
See also SERVICES AT AIRPORTS FOR BLACKS - THE ENTIRE WEEK

HANSARD NO. 15

11/5/76

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990 Applications for liquor licences

749. Mr. R. M. CADMAN asked the Minister of Justice:

(1) (a) How many applications for new liquor licences have been considered by the National Liquor Board during each of the past three years and (b) how many such applications were (i) granted, (ii) refused on merit and (iii) refused because of technical defects in the applications;

(2) whether applicants are allowed to rectify technical defects in applications before they are considered on merit; if not, why not.

The MINISTER OF JUSTICE:

		1973	1974	1975
(1) (a)		285	307	350
(b)	(i)	122	122	150
	(ii)	133	159	169
	(iii)	30	26	31

(2) No. The relevant enactments are peremptory. The applicant can, however, after the technical defect has been rectified ask that a special meeting of the Board be convened to consider the application. Such applications usually enjoy sympathetic consideration.

Audio/visuals

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show any audio
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videotape?

or your
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meeting room

s a meeting
udience and as
your subject?

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able to see?
r platform?
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g of one or
creens?

(e) Will everyone be able to hear? Will you need to use a microphone? Is there a public address system already installed? Will there be any distracting noises and can these be silenced during your presentation?

(f) Can the room be darkened easily? Are there sufficient power supplies for any projected visuals or recorded sound?

Visuals

(a) What equipment will you have at your disposal? Will there be an experienced projectionist available?

(b) Are there any suitable visuals or other aids (e.g. films, videotapes, sound tapes, slides, etc.) already available?

(c) What facilities are there for obtaining or making others you may need?

Budget

Has a budget already been prepared? If so, how much money has been allowed for:

HANSARD No. 2 COL. 83, 84, 10/2/78

284

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Discotheques/swimming pools/night clubs in hotels with international status

55. Mr. D. J. DALLING asked the Minister of Justice:

EBRUARY 1978

84

Whether any new conditions have been applied or are being contemplated in regard to the use by persons of different races of (a) discotheques, (b) swimming pools and (c) night clubs in hotels with international status; if so, what conditions.

The MINISTER OF JUSTICE:

No.

Star
Pretoria
27/2/78

Bar still whites-only

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Pretoria Bureau

The Pretoria Bar Association remains the only one in South Africa which does not admit other races into its ranks.

This follows the defeat of a motion, supported by the majority of advocates attending the association's annual general meeting on Saturday, to scrap Clause 5 — a colour bar clause — in its constitution.

It is understood that 50 members voted for scrapping the "whites only" clause, and 40 voted against amending the constitution. There were apparently no abstentions in the vote.

The society's constitution, however, requires a vote of more than two-thirds of those present and eligible to vote to make amendments to it.

Mr Kees van Dijkhorst, chairman of the Pretoria Bar Association, confirmed that a meeting was held on Saturday, but declined to comment further on it.

23/4/78

No firm offers yet to manage ailing Tollman Towers

SUN EXPRESS

288

NO written offers have yet been received by the provisional liquidators of the stricken hotel management company of Tollman Towers to take over the business, although negotiations are going on with a number of interested buyers.

In spite of the hotel's problems, it is still holding its own and could be a viable proposition, according to Ron Spies, managing director of the company which up until now has been managing the hotel under a contract from the building's lessors, Tollman Hotels (Pty).

Spies says that the hotel is still "ticking over" and that he is prepared to make an offer to the liquidators to continue running the hotel. However, if the hotel business drops off by more than 10% "through any adverse publicity", he will have to reconsider the position.

Spies points out that the jobs of over 200 staff are at stake, and that he is sure that the business can be saved. "It is intrinsically viable," he says.

Word is that approaches have already been made by one of the interested parties to Tollman Hotel's shareholders to either convert their loan accounts into shares in the hotel operating company, or to accept that they have lost all and write off these loans.

This would eliminate outstanding debts and could pave the way for someone to make a reasonable offer to the provisional liquidators, which could then make the hotel viable. Such an offer, however, is believed to have been rejected by the hotel operating company's shareholders.

Southern Sun, which holds a notarial covering bond of around R250 000 over the funiture in Tollmans, could call-up the bond, make an offer to creditors and effectively take the hotel into their stable.

However Sun don't appear to be falling over themselves to make the offer, no doubt influenced by the existing over-supply of hotel rooms in the 5-star category. Sun's Landdrost Hotel already caters adequately for this section of the group's business, and the company is not over-anxious to take on additional superior hotel accommodation in the city.

Sun, it seems, would be quite happy to negotiate with any prospective purchaser of the hotel operating business, even to the extent of leaving most of its R250 000 in the business just as long as it is satisfied with the new management team.

But any such team would need a minimum of R150 000 working capital as well, Sun estimates, and would also have to make an acceptable offer to creditors

Appeal against Sunday music conviction fails

By ROY DEVENISH

A JOHANNESBURG restauranteur who allowed a band to play in his restaurant on a Sunday has had his conviction in terms of the Sunday Observance Act upheld.

Robert Samuel Ziegler, part-owner and manager of "The Branch Office" in Jeppe Street, was convicted in the Johannesburg Regional Court last year under Section 7 of the Transvaal Republic's Sunday Observance Act of 1896.

Ziegler was fined R100, or one month conditionally suspended for five years.

His appeal, in the Pretoria Supreme Court, before Mr Justice van Reenen and Mr Acting Justice Goldstone, was dismissed and the conviction and sentence upheld.

In the appeal it was claimed that the music provided was background music to add to the enjoyment of customers' meals, and was not entertainment.

The court was told that, on the evening of Sunday July 10, 1977, detectives visited "The Branch Office".

A band, "Scandal", was playing on a stage and drinks were being served.

The band had been playing a sort of jazz music, according to the evidence, and not music of a sacred nature.

The police ordered Ziegler to stop the band playing, which he did.

Taking law into their own hands

Financial Editor

TEAROOM owners and the managers of bottle stores are taking the law into their own hands over the Receiver of Revenue's decision not to allow GST paid on bottles to be returned to customers when the bottles are brought back.

A tearoom owner, who does not wish his name to be published, said yesterday that a bottle of Coca Cola cost 42c to which 2c GST had to be added.

"When the customer comes back with the bottle I refund 14c but, as I am not allowed to give him back 1c in tax, he has paid 2c on a transaction which cost 30c.

"This is not in accordance with the Receiver of Revenue's rounding-off table and it leads to charges that tearooms are cheating their customers.

"I am not prepared to put up with this and have decided to refund 1c in addition to the 14c deposit refund."

Meanwhile, Mr. Trevor Pearman, regional manager for Rebel Discount Liquor Stores, said that he would give an additional 4 percent on any refunds of any nature that are made on bottles regardless of how they were acquired.

Transaction

The view of Mr. J. J. Swanepoel, Durban's Receiver of Revenue, is that the sale of bottles and contents is one transaction. The return of empties is another.

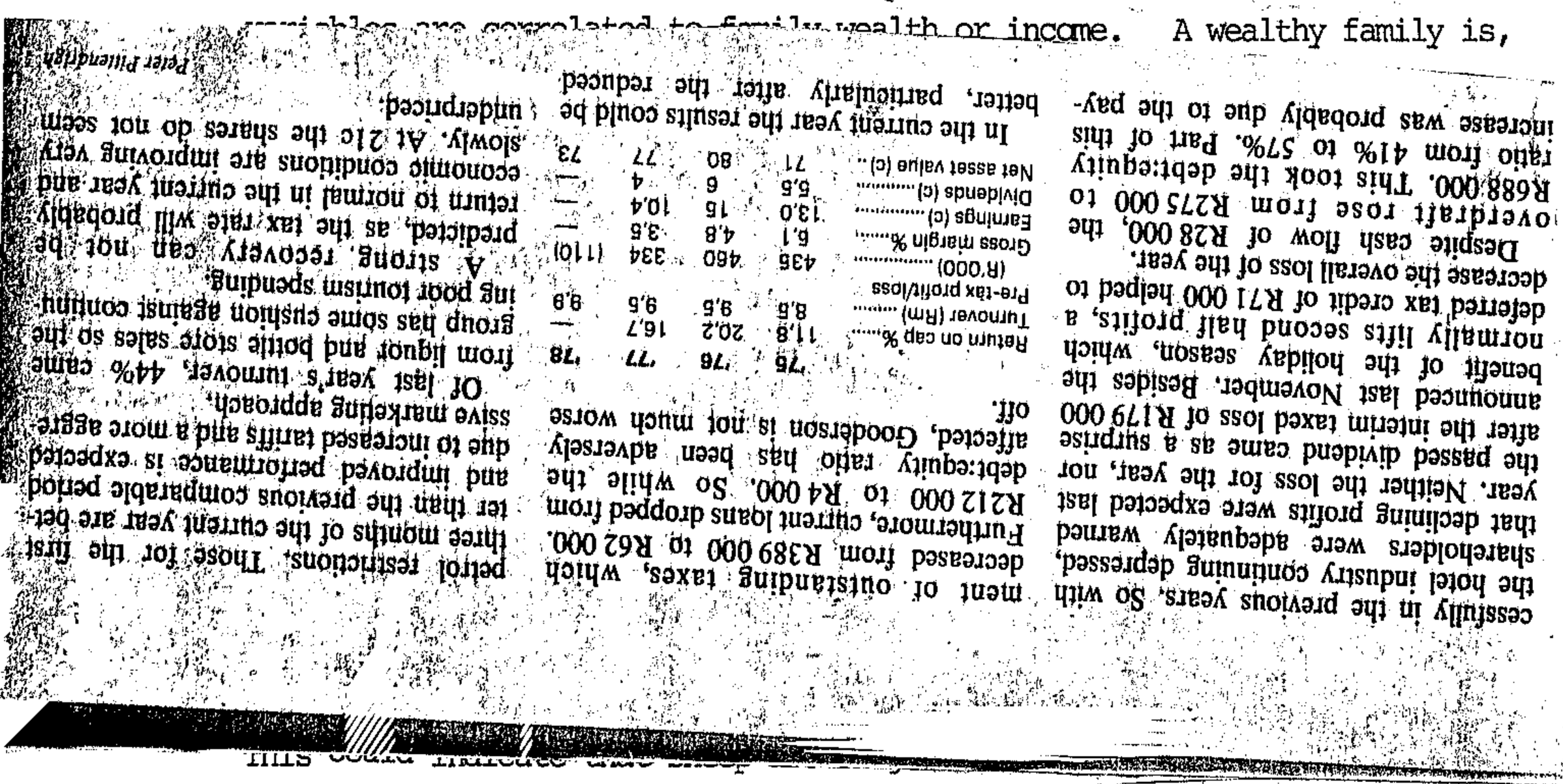
If the contents of 12 bottles is R2,54 and the total deposits on the bottles is R1,68, giving a total of R4,22, the tax will amount to 17c.

When the bottles are returned, the customer gets R1,68 and nothing more.

Mr. J. E. Lansley, owner of the Honey Bun Tearoom, has pointed out that although items costing less than 12c are not subject to tax, if a number of small items are bought together GST must be levied on the total cost.

Variables excluded (in sequence given): HWC, EDUCAT, HNC, REMIT, HNA, HUA, HWFA, AGE, HUC, HSA.
Where variables have the same meanings as indicated in earlier equations.

Equations (8) and (9) provide some interesting comparisons and show the contrasting ways in which homeland families view the possession of cattle and sheep. Equation (8) shows that almost 15% of the variation in the number of cattle owned by a worker's family is explained by the net earnings of the worker, his educational level and the number of school-going adults and children in the family. Once again it would be invidious to assign a direction of causation here because it is likely that all these variables are correlated to family wealth or income. A wealthy family is,



GOODERSON HOTELS (288)

Recovery in sight FM 18/8/78

Activities: *Operates 11 hotels and eight off-sales outlets, mainly in Durban. Hotels include the Lonsdale, Claridges and Beach in Durban, and the Century in Cape Town. The directors beneficially hold 73% of the equity.*

Chairman: *R H Gooderson; managing director: A W Gooderson.*

Capital structure: *2,1m ordinaries of 50c. Market capitalisation: R439 000.*

Financial: *Year to February 28 1978: Borrowings: long and medium term, R178 000; net short term, R648 000. Debt:equity ratio: 57%. Current ratio: 0,5. Group cash flow: R28 000.*

Share market: *Price: 21c (1977-78: high, 40c; low, 15c; trading volume last quarter, 25 000 shares).*

As the chairman pointed out a year ago, costs and expenses were cut back successfully in the previous years. So with the hotel industry continuing depressed, shareholders were adequately warned that declining profits were expected last year. Neither the loss for the year, nor the passed dividend came as a surprise after the interim taxed loss of R179 000 announced last November. Besides the overdraft rose from R275 000 to R688 000. This took the debt:equity ratio from 41% to 57%. Part of this increase was probably due to the payment of outstanding taxes, which decreased from R389 000 to R62 000. Furthermore, current loans dropped from R212 000 to R4 000. So while the debt:equity ratio has been adversely affected, Goodersons is not much worse off.

In the current year the results could be better, particularly after the reduced

	'75	'76	'77	'78	
Return on cap %	11,8	20,2	16,7	—	
Turnover (Rm)	8,6	9,5	9,5	9,9	
Pre-tax profit/loss (R'000)	435	460	334	(110)	
Gross margin %	6,1	4,8	3,5	—	
Earnings (c)	13,0	15	10,4	—	
Dividends (c)	5,5	6	4	—	
Net asset value (c)	71	80	77	73	

petrol restrictions. Those for the first three months of the current year are better than the previous comparable period and improved performance is expected due to increased tariffs and a more aggressive marketing approach.

Of last year's turnover, 44% came from liquor and bottle store sales so the group has some cushion against continuing poor tourism spending.

A strong recovery can not be predicted, as the tax rate will probably return to normal in the current year and economic conditions are improving very slowly. At 21c the shares do not seem undepriced.

Peter Pillendrigh

economic grounds. The higher the wage and t
earners the more sheep are owned by the famil
number of cattle is influenced relatively lit
suggesting that cattle are held for many addi
viewed as a form of economic investment. The
also partly explain why the number of cattle
the wage levels of workers.

2.10 Goats, Pigs and Chickens

The distribution of goat ownership is indicate
workers tend to keep less goats than sheep.
families kept no goats at all while 97% had 20
that goats were not as important as cattle or

Butterworth Hotel all set to go Indian

LIQUOR LICENCE STILL A STUMBLING BLOCK FOR BLACK BUSINESS CONSORTIUM

By Evelyn Holtzhausen

THE BUTTERWORTH Hotel in Field Street, Durban is on the verge of being the only hotel in the city zoned for whites, to be owned and occupied by Indians and coloureds.

"All we need is a permit to sell liquor and the hotel is ours," said Mr Devraj 'Thumba' Naidoo, chairman of Forbros (Pty.) Ltd., — a group of Indian businessmen who bid R475 000 for the building and property in March last year.

The hotel was auctioned by Durban property agents, J. H. Isaacs Geshen and Co. (Pty.) Ltd., on condition that a permit was granted for it to be owned and occupied by Indians or coloureds and that a liquor licence was granted.

Negotiate

The hotel has an insured value of R1,3 million and was sold to Forbros without the moveable fittings. Mr Naidoo said the company will have to negotiate with another company, Hotel Sona (Pty.) Ltd. to buy those fittings.

"But we are doing nothing until we have that liquor permit," said Mr Naidoo.

"And if we get it we will turn the hotel into one of the top hotels for Indians in Durban. It will have nightclubs, restaurants and we may even re-open the steak house on the ground floor," he said.

Mr Naidoo was reluctant to comment further: "I do not want to prejudice my liquor licence application," he said.

In May last year, the Liquor Board turned down an application for the hotel's licence to be converted from white to Indian or coloured.

Speaking at a special meeting of the board in April 1977, Captain S. S. Weyers of the South African Police Liquor Staff opposed the licence changeover saying that poor whites would be deprived of cheap hotel accommodation if the hotel was converted from white to black.

No reason was given for the board's decision to refuse the licence changeover, and the Butterworth's hotel registration was cancelled in August last year.

The hotel was once a leading nightspot with popular restaurants and entertainment. It was also the first South African home for thousands of immigrants when it was the official staging post for the Department of Immigration.

It was placed under provisional liquidation in June last year after being found to have debts of more than R370 000.

Permit

Mr Trevor Warman, director of commercial and industrial sales at Isaacs Geshen, said the permit granted to Forbros did not mean the area was rezoned for Indians. But he hinted that the permit might signal a move by the Government and the Department of Community Development to recognise the expanding interests of Indians in the area bordered by Soldiers Way, Commercial Road and Grey Street.

Mr Tom Bryce, deputy city engineer in charge of planning, said he could not see the liquor permit having any significant effect on the city. "We don't plan in terms of race," he said.

Mr Naidoo refused to say if he intended to apply for international status once he had the liquor permit, "But I do see it being so centrally situated, as possibly being a meeting place between East and West.

"I just don't want to jump the gun," he said.

No less than 70% of the workers with rural ties spent less than 1 month in the country during their last leave or after the termination of their last contract. The median time period was three weeks. This short period of absence from work could be due to the extensive use of the call-in card system which, as in the case of Murray and Stewart, required the contract worker to return within three weeks.

We tried to establish whether there were any objective factors that determined the time that workers would have liked to spend in the country when their contract or employment was terminated. A backward stepwise regression was therefore performed.

(288) RDM 4/10/78

Cafe owners apply to sell cheaper milk

By SHEILA STEVENS
Staff Reporter

THE price of milk sold in cafes could drop if an application by cafe owners to sell milk in bottles as well as plastic containers and cartons is successful.

Milk in plastic containers and cartons costs 37c a litre in cafes, while milk delivered in bottles costs 30c or 31c a litre.

Mr Awie Visser, manager of the Milk Board, said the sale of milk in bottles would mean a higher turnover for cafes and a lower price for consumers. "Pricewise it's a good idea, but there are difficulties regarding the control and return of bottles," said Mr Visser.

He said the Board favoured the idea and would hold discussions with milk distributors and local authorities to canvass their feelings on the matter.

He was unable to say when the board would reach a decision regarding the cafe owners' application.

Some health departments specify that cafes can only sell milk in hermetically-sealed containers.

Consumer spokesmen yesterday welcomed the possibility of cafes selling milk in bottles.

"One can only support a reduction in the price of any basic food to the consumer," said Mrs Betty Hirzel, chairman of the Consumer Union.

Mrs Toni Frere, secretary of the Housewives' League, said: "If it's going to mean cheaper milk, we welcome it."

But consumer ombudsman, Mr Eugene Roelofse, had certain reservations. "Provided that health regulations can be complied with, it would be a good thing," he said.

"However, when one looks at the track record of cafe owners, who have so often jumped the gun on price rises and are so adept at selling off old stock at new prices, this move of theirs should be looked at very carefully."

HOTELS

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Bed-ridden

FM 22/10/78

Statistics released by Pretoria University's Bureau of Financial Analysis show that hotels are still battling.

Room occupancy in August was only 2% higher than in the same month in 1977. For the first eight months of 1978 average room occupation rates were 2,3% higher than in the corresponding period last year; 1,7% higher for the year ended August 1978.

Four-star hotels increased occupancy by 7% compared with August 1977. Five-star hotels upped occupancy by 11%. But one-star were up only 4,3%, two-stars 8% and three-stars 11,2%.

The average total gross income went up 11,4% during August compared with a year ago. Average total gross income for the first eight months increased by 9%, for the year ended August a paltry 8% average.

Profit figures aren't disclosed by the Bureau but Johannesburg's five-star Carlton GM Pat Burton sums it up. "An 8% gross revenue increase won't take care of inflationary costs. Depending on the operation it would be very difficult to translate this percentage into improved net earnings. It's very difficult for a hotel to improve its return on investment when inflation is running higher than the improvement in turnover."

Blacks reject hotel proposal

RDM 19/1/79

288

By VELELENI MASHUMI
Pretoria Bureau

THE COMMUNITY council of Pretoria's Mamelodi township yesterday rejected a Central Transvaal Administration Board proposal that an hotel be built in the township.

The proposal was rejected on the grounds that the hotel, estimated to cost over R2 500 000, would be a luxury which the community could do without. It could be considered after the township's housing shortage had been attended to, the council decided.

Councillor Zikhali Ndlazi moved that the erection of the proposed hotel be sheeved and that the housing of people on the waiting list be made the first priority. The council adopted his motion unanimously.

The township's former mayor, Mr Alex Kekana, said in support of Mr Ndlazi that the money earmarked for the hotel could be used to build a teachers' training college in the area.

He said an hotel would be of little value to the community, but a teachers' training college would be of immense value.

Another councillor, Mr H M Pitje, who is also information officer of the National African Federated Chambers of Commerce, said an hotel was necessary but the administration board or the community council need not build it. He suggested that a private person should build it.

"It is bad practise for a Government to enter private business. Ours is a free enterprise system. I therefore feel that a site should be made available to a private person to build the hotel," Mr Pitje said.

A resolution to make a site available, and to advertise for businessmen to build the hotel, was adopted.

Hotel tariff hike will hit elderly

By CHUCK MITCHELL

RESIDENTIAL hotels throughout the Reef, many already operating far below capacity, have been advised to raise tariffs by 10% from March 1 by the Transvaal Association of Hotel and Accommodation Establishments.

The recommended tariff increase, announced yesterday, will affect more than 4 000 people, many of them old age pensioners living on fixed incomes who reside in many of the 40 hotels represented by the association.

According to TAHAE figures, tariffs at residential hotels range from R100 a month to R350 a month. The average tariff is about R150.

Mr David Pickton an executive board memeber of TAHAE, yesterday defended the suggested price increase, saying it was absolutely necessary to meet increasing hotel overhead costs.

He said rising food costs, soaring electricity and water rates and higher staff wage bills were the causes.

"Up to now, hotels have been absorbing all these increases without passing them on to residents," Mr Pickton said.

But several hotel managers in the Johannesburg area fear any tariff increase would drive away even more residents from half-filled establishments.

The manageress of the 350-room Mimosa Hotel in Berea, Mrs Maureen Jordaan, claimed she could not afford a hike. Most guests are old age pensioners.

"We are only half full now," she said.

"We increased our rates only two months ago and we are still struggling. After that, we lost more than 12 people. A 10% increase for us would be unrealistic. We just can't afford to lose any more residents."

The manager of the Hotel La Rosa in Johannesburg said the directors would meet soon to discuss the association's recommendation.

He feared a tariff rise could cause a panic among guests and herald a mass exodus from the hotel.

The manager of the White Hall Hotel in Berea said about half his 195 rooms were occupied. He said a 10% increase was adequate but admitted that many of the pensioners staying there would be severly hit.

"I suppose the increase will affect them like all the other increases in the enconomy — badly," he said.

The assistant manager of the Golden Crest Hotel in Johannesburg refused to comment. Asked if he expected people to leave, he snapped: "It's none of your business."

Mr Frank Ward, manager of Berea's Jacaranda Hotel, said he was unsure if the hotel would raise its tariffs.

"We have not had an increase in two years. For that reason we would think very hard about raising our rates.

"We are barely making a profit but at least we are not losing money," he said.

Mr Ward added the 300-room hotel was more than 75% full, which he said is much higher than most other residential hotels.

GOODERSON

The plot thickens

Documents lodged with the Rand Supreme Court reveal that Bevjen Finance, the purchaser of Quirinale Hotel — one of the hotels in the VIP Hotels group to be sold to the Gooderson Hotels group — has twice defaulted on instalment payments.

The first involves R5 000 due before March 31 1977 by Louis Greenberg, one of VIP's directors, on transfer of Quirinale's liquor licence. Litigation is pending. Then, on January 10 1979, two bills drawn on Bevjen for a total of R2 500 were dishonoured, marked "account closed" by Standard Bank. This was the January instalment payment on the R185 000 purchase price and consequently John Duarte, the vendor, advised Bevjen that the agreement was cancelled.

According to the application, Greenberg blamed the bank for dishonouring the cheque as the group's banking account had been transferred to Barclays in Durban. According to the application, Greenberg claims written instructions had been sent to Standard, Hillbrow. Greenberg even offered to pay the outstanding sum in cash but was advised by the seller that the agreements were considered terminated.

It is hardly conceivable that Gooderson's MD Alan Gooderson, would have continued with negotiations to the point of publishing an announcement and relisting the shares, if he had known of the disputed ownership of one of the hotels involved in the deal. Yet Duarte claims a letter was sent to Gooderson explaining the situation earlier this month.

Regarding the terms of the agreement, it would appear that Gooderson drove a hard bargain. He not only receives 45c a share, albeit in monthly instalments over a year, but gets four major hotels, Durban City Garages and a hairdressing salon for a mere R275 000, which will also be paid in 12 monthly instalments.

On the other hand, VIP Hotels also appears to have done well out of the deal, by selling to Gooderson its four hotels, a Krugersdorp property and a computer company, at least two of which have been in financial difficulties in the past, for R1,2m — by comparison a very favourable consideration.

The balance sheet and justification for these differentials are awaited eagerly by most minority shareholders. *Peter Pittendrigh*

GOODERSON

Cashing up

(288) FM 9/3/79

It is still not clear why VIP Hotels withdrew its 45c-a-share offer for Gooderson Hotels. One can only guess that litigation involving the Quirinale Hotel and Taylors Travelodge, which were to be sold to Gooderson as part of the deal, prompted the withdrawal.

Goodtel shareholders are probably anxious to know how — and why — VIP managed seven of their group's 11 hotels over the holiday season. Evidently, the cash flow which temorarily accrued to VIP has entangled the affairs of the two companies. MD Alan Gooderson, however, is not prepared to comment on the possibility of claims against any of the parties involved. All he is prepared to say is that the accountants of both groups are finalising the year-end accounts.

The fact that some of Gooderson's hotels were turned over to Pendelis Tsiltiklis and Lionel Greenberg, both directors of VIP, before the deal was finalised, still requires explaining. Perhaps the idea was that funds for the purchase of Goodtel were to come from cash flow from these hotels.

Evidence that these directors and their companies may be strapped for cash is that VIP has failed to pay any instalments on the Taylors Travelodge purchase pending the establishment of another VIP company. The company, Penlou, has subsequently been registered but has now offered the creditors only 20c in the rand for claims of R275 000 against Travelodge (currently in liquidation). VIP is in danger of losing due to default on purchase instalment payments. John Duarte, the previous owner, has given VIP until March 20 to pay, failing which he will exercise his right to reclaim the hotel under a suspensive sales agreement.

Goodtel, which was illiquid at the end of February 1978, can hardly afford to give up any cash flow. On the last balance sheet, current liabilities amounted to R1,3m and current assets only R688 000, leaving a R618 000 shortfall on working capital at the year end.

Gooderson is confident that the group will show a considerable improvement this year. Ten of the hotels are to receive a new image under the banner of Republic Inns, although the group will continue as Goodtel. Gooderson tells the *FM*; "the group has already been turned around." So, hopefully, the 1978 loss will not be repeated this year.

The reaction of shareholders was to bid the share up to 36c on Wednesday's relisting.

Peter Pittendrigh

City may get more hotels

A-RGUS 20/3/79

288

Municipal Reporter

MAJOR international hotel chains not yet represented in South Africa are thinking of coming to Cape Town.

The Argus understands that at least two chains based overseas, one in America, are investigating the possibility of opening five-star standard hotels in the city.

The head of a major South African chain confirmed that his firm was carrying out a feasibility study for building a new hotel here although he said he was not yet negotiating for a specific site.

HOTELS PACKED

Mr David Bloomberg, chairman of Captour, said in an interview that the city's hotels were now packed out and booked solidly until the end of April and in some cases well into May.

The five-star hotels already had bookings for June and July.

He said that since the formation of Captour, Cape Town had been marketed vigorously overseas for the first time and this was meeting with a fair measure of success.

MORE TOURISTS

The days when the Cape Town season ended abruptly in mid-January, when the Transvaal schools went back, were now over and the improvement in the tourist industry would have a ripple effect throughout the economy.

'The city is crowded out,' said Mr Bloomberg. 'And unless more hotels are built there is going to be a tremendous problem in the future.'

example was set, so that a very [illegible] established in contrast; finally the emperor w[illegible]ath those he did not want to kill, so that he[illegible]ror who could not be pushed around.

The shattered Republic fled to y[illegible] empire collapsed it was offered to you over the h[illegible] on the appeal of the emperor. Your help was sou[illegible]u were brought in, just as in the past mighty comma[illegible]led from wars abroad to bring aid to the fathe[illegible]

Thus, son and father, you perform[illegible]ciprocally at one and the same moment: he gave to [illegible]stored it to him.

7. Dio Cassius lxviii,3.1: Nerva rul[illegible]ce remarked: 'I have done nothing that would p[illegible] the imperial office [illegible]vate l[illegible]

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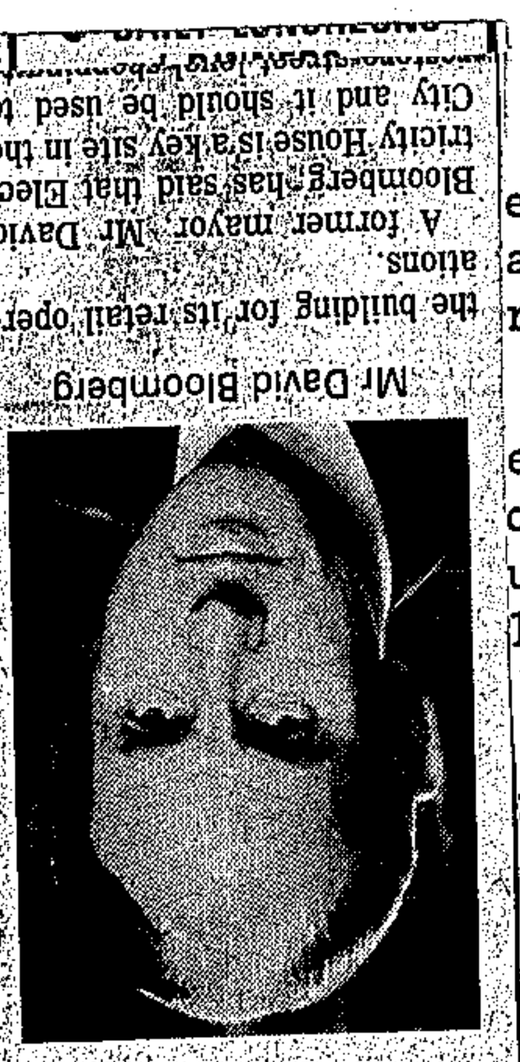

Mr David Bloomberg

the building for its retail operations.

A former mayor, Mr David Bloomberg, has said that Electricity House is a key site in the City and it should be used to

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fore it is sold.

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Burg Streets.

The deal, believed to involve a buildings which face Strand and

Municipal Reporter

CAPE TOWN, which is enjoying an unprecedented tourist boom, may get a second multimillion rand hotel in the centre of the City.

The Cape Times can disclose that an "irrevocable option" on a major hotel site is held through nominees acting for a leading hotel company. The site is known as the Sanlam/Waldorf site, bounded by St George's Street, Shortmarket Street and Burg Street.

A decision on the project is expected within the next two weeks.

This follows a report earlier this week that the Southern Sun hotel chain hoped to build a R15 m hotel on the site of Electricity House and two adjoining buildings which face Strand and Burg Streets.

The interest of at least three major hotel groups in city properties follows the tremendous upsurge in tourism.

It has also been learned that Nasionale Pers, a major Afrikaans newspaper and magazine company, wants to buy City Park, which the City Engineer's department is due to vacate soon for the move down to the new civic centre on the Foreshore.

The firm has made offered a figure in the region of R3 m for the building and has indicated that it wants to talk over the deal with the council. Nasionale Pers is also interested in at least two other city sites.

It has been estimated that by the middle of this year 19 percent of City offices will be vacant and at present there are "ghost blocks" of offices standing empty in key areas of the old city. Property in the central business area has been selling for well below municipal valu-

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Second big new hotel planned for City

30/3/79

CT Council buys ground for hotel development

LT. 31/3/79 (258)

By TONY ROBINSON
Municipal Reporter

THE City Council yesterday bought three properties for a total of R1,24 million to make it possible for the Southern Sun group to build a R15 m hotel in the heart of the City.

The buildings will be demolished and the sites consolidated with the Electricity House site to give Southern Sun almost an entire block for the new venture.

The properties are the Parkers/Zuckerman's building, on the corner of Strand and Burg Streets; the vacant Maskew Miller Building, on the corner of Burg and Castle Streets; and the old Trident Building Society building in Castle Street.

The options on the properties were negotiated by Mr Henry Marcus, of John Marcus and Son, for Southern Sun. In terms of the hotel company's deal with the council, the City exercised the options yesterday morning paying R1 242 000 for the three properties.

Now the sites will be consolidated with the Electricity House site and leased to Southern Sun on a long-term basis. So far no details of the lease arrangements have been released but it is understood that the firm will pay a ground rental and rates on the property for more than 50 years.

The price paid for the Parkers/Zuckerman building, which has a municipal valuation of R651 880, was R700 000. The Maskew Miller property, which has a valuation of R392 770, cost the City Council R400 000 and the price for the Trident building was R142 000.

The Town Clerk, Mr H G Heugh, said a full statement on the Electricty House project would be made early next week. He said the statement would also deal with the R3 m offer made by Nasionale Pers for the City Park building.

Property experts are surprised that the council has bought more properties at a time when the City has been strongly criticized for not disposing of the buildings and sites it no longer requires.

Mr Marcus, however, told the Cape Times he believed the City had made an excellent deal that would be to the advantage of the ratepayers.

The site, which Mr Marcus says he assembled, means that the new hotel will occupy almost the entire block and only the Allied Building Society building will remain. The hotel will have streets on all four sides — Strand, Burg, Castle and St George's streets.

Mr Sol Kerzner, chief executive of Southern Sun, was not available for comment yesterday.

City hotel: Plea by architects

ARGUS 3/4/79

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THE Cape Provincial Institute of Architects has asked that the task of designing the proposed R15- to R18-million Southern Sun hotel for the centre city be given to a Cape Town firm of architects.

Mr Ian Cruickshank, institute president, said while the City Council no doubt concluded a good deal with Southern Sun, it was 'unfortunate' the council did not include a condition that the project be undertaken by a Cape Town firm of architects.

'This would have been a good thing,' he said. 'In Cape Town several major projects have been designed by people outside the city.'

While Johannesburg, Durban and Pretoria architects received considerable work from homelands, their counterparts in Cape Town had virtually no developments from which work was forthcoming.

THE FEES

'By awarding this project to a local firm the fees will at least remain in Cape Town, with the concomitant benefits.

'In addition, one might expect a greater appreciation of the needs of that part of the city.'

The Town Clerk, Mr H G Heugh, said while he would mention this aspect to Mr Sol Kerzner, Southern Sun's chief executive, it would have been 'unethical' for the council to lay down to the developer what architect should be employed.

'If things turned sour, we would be put in an impossible position,' he said.

Meanwhile, Mr Kerzner said from Johannesburg yesterday it was hoped to make the new hotel one of the finest in the world.

GREAT POTENTIAL

'Cape Town has great potential for overseas tourists. Major, exciting hotels are part and parcel of attracting these tourists.

'With our investment we will be making a big effort to market Cape Town,' he said.

The hotel would be 'pretty spectacular' and would have restaurants, pubs, banqueting and convention facilities. 'We are not only looking for the useful local business, but the international one as well.'

Mr Kerzner believed the hotel would make a meaningful impact and be a great boost to tourism in the city.

R20 m hotel: A place in the Sun for City

CAPE TIMES 3/4/79

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Municipal Reporter

THE HUGE new hotel which the Southern Sun is to build on the site of Electricity House will be the greatest thing for tourism since the Jumbo jet, Mr Clyde Davidson, Captour's publicity director, said yesterday.

He was commenting on the official announcement that a start is to be made on the building of the 300 to 400 bedroom hotel within a year.

The hotel will cost an estimated R15 m but the final cost of the fully fitted building might be as high as R20 m. It will be by far the biggest hotel in the City.

Details of the deal with the council were announced by Mr Bill Peters, chairman of the executive committee, at a press conference yesterday. In terms of the deal Southern Sun will lease the site from the City Council for 65 years and at the end of this period the site and the building will become the property of the City Council.

Property experts say Mr Sol Kerzner, chief executive of Southern Sun, has negotiated a very favourable deal for his group but they also agree the big new hotel will give the City a welcome boost.

Mr Peter Spikernell, chairman of the Hotel, Bottlestore and Restaurants Association of the Cape, said he was convinced there was room for the hotel in the City. "It also means that we will have the Southern Sun organization promoting Cape Town and that will benefit the whole City."

Mr Davidson said there was a tremendous need for hotel accommodation in the City, especially the five-star accommodation which most international tourists wanted.

Mr Peters explained that Southern Sun had negotiated options on three properties in the same block as Electricity House which the council then bought for R1,242 m. These sites were consolidated with the Electricity House site. The result was a hotel site covering the whole block bounded by Strand, Burg, Castle and St George's Streets except for the Allied Building Society property.

Reduced rental

Mr Peters said Southern Sun made it clear that they would require five years to erect, commission and get under way a hotel of this size and some assistance was needed during this period in the form of a reduced rental.

It was agreed that the firm would pay R120 000 a year for the first five years and R180 000 in the sixth year. This rental on the site would rise by R10 000 a year till it reached R240 000 in the 11th year. After this it would escalate at the rate of 2 percent a year.

An alternative arrangement which would apply after the initial five years was a percentage of the room revenue — 1,5 percent up to R20 m plus 1 percent for revenue between the R20 m and R30 m mark and 0,5 percent of revenue above the R30 m. This alternative would apply if the yield was greater that the yield from the fixed rental.

Only interest

The rental of R120 000 a year for the first five years will only pay the interest on the money the City borrowed to buy the additional properties required for the consolidated site. This figure represents 5 percent of the value of the total site. In the 6th year this percentage will rise to seven.

At present the rates for the consolidated site, including Electricity House, are R102 000 a year. Once the hotel has been built the rate income will be an estimated R320 000 a year.

The Town Clerk, Mr H G Heugh, said the council was advised by the City Treasurer, Mr J B Watkins-Baker, in the negotiations. He said the council had originally asked for escalation at the rate of 6 percent but this had proved unacceptable to Mr Kerzner.

He said the council "didn't try to squeeze the last drop of blood out of Southern Suns" as it wanted to encourage the firm to build the hotel.

STAR
3/4/79

Mixed dancing banned

Own Correspondent

CAPE TOWN — There is to be no dancing at "international" sports clubs when black guests are present, says the Minister of Justice, Mr Kruger.

Answering a question put to him in Parliament by Mr D J Dalling, the Progressive Federal member for Sandton, Mr Kruger said this was one of the conditions by which a club could receive international status.

Other conditions were that liquor, meals and refreshments could only be sold or served to non-white people if they were sportsmen or an official who accompanied sportsmen, or a guest of a member of the club.

Mr Kruger said 68 of 88 applications for international status at sports clubs had been approved on December 31, 1978.

One club, the Maccauvlei golf club in Sasolburg, had had its application refused.

Applications by eight clubs, seven in the Transvaal and one in Natal, were technically incomplete, while another 11 Transvaal applications were withdrawn.

R20 m hotel: A place in the Sun for City

(283)

CT, 3/4/79

Municipal Reporter

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Headaches for all at S.A's mixed hotels

17/4/79 N.M

288

Mercury Correspondent

JOHANNESBURG — International status is giving headaches to an increasing number of South African hoteliers and their Black guests.

The cause of the headaches, according to hoteliers, is the anomalies and contradictions contained in the laws governing "international" hotels.

For instance, only Black visitors holding foreign passports can use all hotel facilities.

South African Blacks are not permitted to drink in men-only bars. Neither can they dance, unless by special permit. Yet they are allowed to eat in the hotel's dine-and-dance restaurant.

Blacks may swim in an "international" hotel pool, but only if resident at the hotel. And they can be served liquor at mixed-sex bars if resident or are bona fide guests of a resident.

Liquor service

Yet the law also states that South African Blacks who are not resident can be served liquor only if they are taking, or are about to take, a meal on the premises or are attending a function there.

These and other details of apartheid in action are highlighted in the 1978 Survey of Race Relations in South Africa — just published in Johannesburg by the S.A. Institute of Race Relations.

The survey reports that at last year's Liquor Board hearings "international" status was granted to 58 of South Africa's 1 448 hotels — 19 in the Transvaal, 13 in Natal, three in the Free State and 23 in the Cape.

And, contrary to popular belief, it was not only 4- and 5-star hotels that were granted this status.

Rooms limit

The survey also points out that there is a 10-15 percent limit on rooms for Blacks in "international" hotels — and that certain key hotel posts like maitre d'hotel and chief chef are reserved by law for Whites in all "White" hotels.

Only White bands and cabaret artists can perfom in "White" licensed premises, according to a ban imposed 12 years ago and the ban remains.

But last year the Minister of Justice announced that ad hoc exceptions could be made for musicians at "international" hotels.

must devise a mix of procedures that fit these resources. If his firm is small, he must judge the response of consumers, trade, and competition in light of his position and resources and the influence that he can exert in the market. He must look for special opportunities in product or method of operation. The small firm cannot employ the procedures of the big firm. Though he may sell the same kind of product as the big firm, his marketing strategy is likely to be widely different in many respects. Innumerable instances of this fact might be cited. For example, in the industrial goods field, small firms often seek to build sales on a limited and highly specialized line, whereas industry leaders seek patronage for full lines. Small firms often elect to go in for regional sales rather than attempt the national distribution practiced by larger companies. Again, the company of limited resources often elects to limit its production and sales to products whose potential is too small to attract the big fellows. Still again, companies with small resources of the cosmetic field not infrequently have set up introductory marketing programs employing aggressive personal selling and a "push" strategy with distribution limited to leading department stores. Their initially small advertising funds have been directed through these selected retail outlets, with the offering of the products and their story told over the signatures of the stores. The strategy has been to borrow kudos for their products from the leading stores' reputations and to gain a gradual radiation of distribution to smaller stores in all types of channels, such as often comes from the trade's follow-the-leader behavior. Only after resources have grown from mounting sales has a dense retail distribution been aggressively sought and a shift made to place the selling burden more and more on company-signed advertising.

The above strategy was employed for Toni products and Stoppette deodorant in their early marketing stages when the resources of their producers were limited (cf. case of Jules Montenier, Inc.)[3]. In contrast, cosmetic manufacturers with large resources have generally followed a "pull" strategy for the introduction of new products, relying on heavy campaigns of advertising in a rapid succession of area introductions to induce a hoped-for, complete retail coverage from the start (cf. case of Bristol-Myers Company).[4] These introductory campaigns have been undertaken only after careful programs of product development and test marketing have given assurance that product and selling plans had high promise of success.

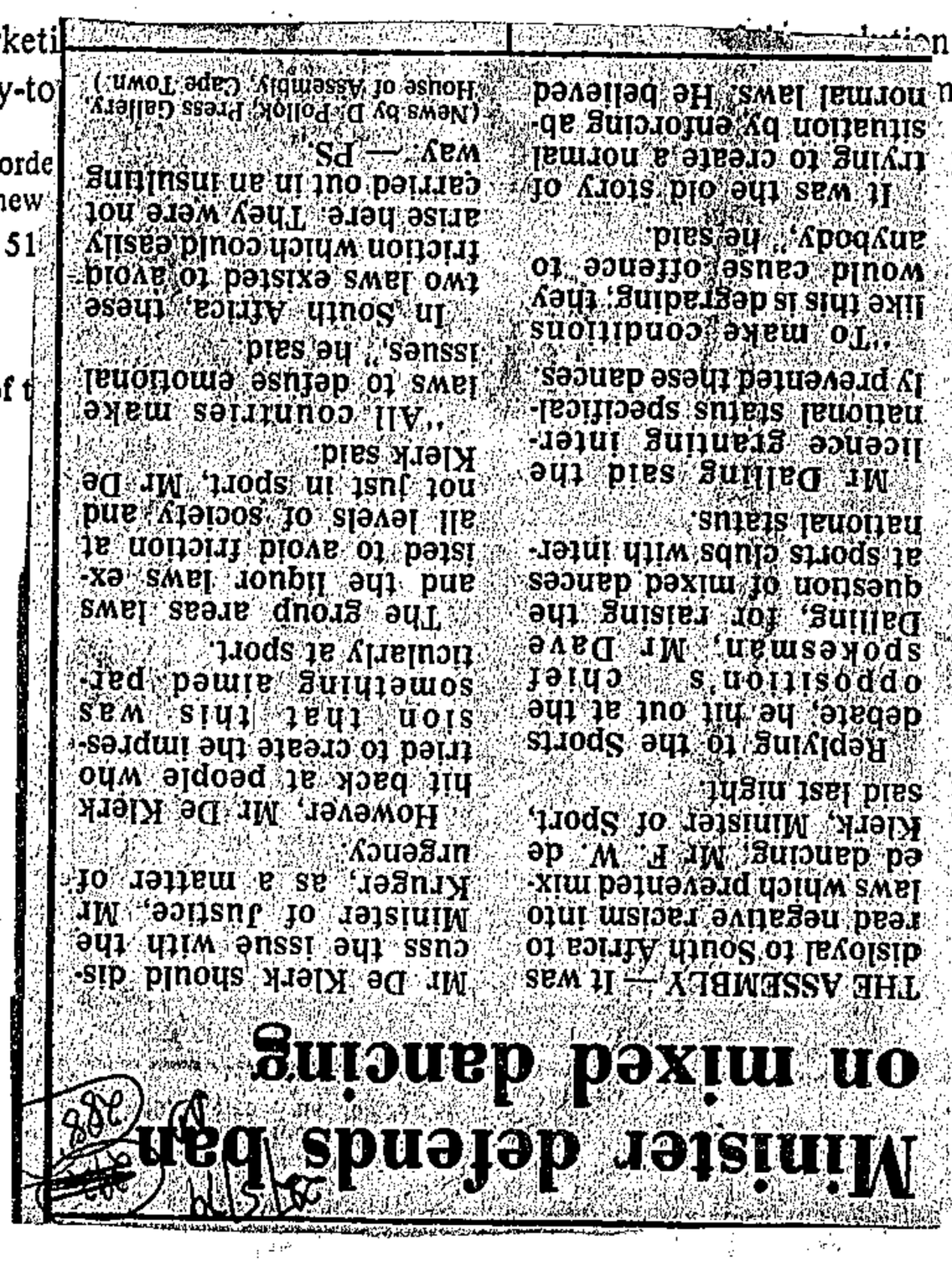
Many additional instances of the varying strategy employed by small versus large enterprises might be cited. But those given serve to illustrate the point that managements must fashion their mixes to fit their resources. Their objectives must be realistic.

LONG- vs. SHORT-TERM ASPECTS OF MARKETING MIX

The marketi…n that comes from day-to… that a

[3] Neil H. Borde… hard D. Irwin, Inc., Homew…

[4] *Ibid.*, pp. 51…



Minister defends ban on mixed dancing

THE ASSEMBLY — It was disloyal to South Africa to read negative racism into laws which prevented mixed dancing, Mr F. W. de Klerk, Minister of Sport, said last night.

Replying to the Sports debate, he hit out at the opposition's chief spokesman, Mr Dave Dalling, for raising the question of mixed dances at sports clubs with international status.

Mr Dalling said the licence granting international status specifically prevented these dances.

"To make conditions like this is degrading; they would cause offence to anybody," he said.

It was the old story of trying to create a normal situation by enforcing abnormal laws. He believed that a

(News by D. Pollok, Press Gallery, House of Assembly, Cape Town.)

way. — PS.

carried out in an insulting friction which could easily arise here. They were not two laws existed to avoid

In South Africa, these issues," he said.

"All countries make laws to defuse emotional

Klerk said.

not just in sport, Mr De all levels of society and

Mr De Klerk should discuss the issue with the Minister of Justice, Mr Kruger, as a matter of urgency.

However, Mr De Klerk hit back at people who tried to create the impression that this was something aimed particularly at sport.

The group areas laws and the liquor laws existed to avoid friction at all levels of society and

SA hotels 'face disaster'

288

Argus 4/6/72.

SOUTH AFRICA'S hotel industry faces 'real disaster', according to hoteliers, because new liquor legislation could create retail monopolies, while more liquor outlets are proposed at a time when there is no growth in consumption.

Delegates to the 30th annual conference of the Federated Hotel Associations of South Africa (Fedhasa), which began in Cape Town today, said the smaller hotels could be practically eliminated by these trends — and they represent more than 90 percent of all registered hotels.

At the Fedhasa conference this week there are going to be harsh words said about the new liquor legislation piloted in Parliament by the Minister of Justice, Mr J T Kruger.

KWV

Already the powerful KWV organisation has been accused of 'imposing its will' on Government thinking.

The first shots were fired today by Mr Mike Pieterse, president of Fedhasa. In his conference address he said hotels were in 'the doldrums' at present with one star and two star hotels most badly hit, and they represented 93 percent of the country's hotels.

'Without their liquor trade and especially without off-sale privileges, 80 percent to 90 percent of these hotels could not exist,' Mr Pieterse said.

VAGUE

Referring to the new liquor legislation, he said 'the total structuring of the liquor industry at this time is so vague nobody can predict a future for one and two star hotels and the individual retail liquor distributor who is not tied to a producing merchant.'

Without referring to KWV by name, he added: 'Through concessions once again brought about by legislation, the whole retail distribution industry has been manoeuvred in such a way that we are heading towards the creation of monopolies and, more serious, the ultimate elimination of small hotels as a viable unit as well as the few free liquor retail operators still left in the field.

INQUIRY

He welcomed the Board of Trade Inquiry into the liquor trade, adding that many feared that by the time the board had reported 'it will be too late.'

Speaking specifically on new provisions enabling grocers to obtain retail liquor licences, Mr Pieterse said that with liquor consumption at a standstill, it was 'illogical' to proliferate licences at this time. 'It is one of the worst remedies that could be applied,' he added.

CLOSED SESSION

Tomorrow in a closed session a 'gloves off' debate on the issue is expected. Three aspects of the new liquor legislation in particular will be highlighted. These are:

- Proposals to grant licences to farmers' co-operatives which are themselves not viticulturists and to wine farmers.
- Proposals to extend liquor outlets to grocers.
- The role of the KWV in the liquor trade — what one delegate today referred to as 'the resounding KWV victory for themselves in imposing their thinking on the legislature.'

Threat to future of country hotels

IT would be a tragedy if the smaller country hotels disappeared from the South African scene for they offered city dwellers a break in quiet, recreational surroundings with traditional hospitality, according to a Cape hotelier.

Mr R Strassberger was born in the Clanwilliam district, and for the past 26 years has owned the local hotel — one visited by author H V Morton during research for his book, In Search of South Africa.

At this year's Fedhasa conference, which opened in Cape Town today, the future of the smaller hotel — more than 90 percent of all South Africa's hotels — will come sharply into focus, because Fedhasa believes their future is in jeopardy.

'You can't compare us, with our one star, to a five-star hotel,' Mr Strassberger said. 'We try to give five-star service, but it is very personal. My wife and I know all the guests, and living in a country hotel is to live among friends.'

The country hotel, he said, was not just a local bar or place for visitors to stay on holiday or overnight. It was a community centre, the place for wedding receptions, parties, dances, evenings out.

'This is where you find the life of the community,' Mr Strassberger said. 'If these hotels vanish, it will not just be the hotel industry that loses, but our national life will be the poorer, and our towns will never be the same. You can't do without them.'

To him, country hotels mean rest from the city, where tired businessmen or families can 'get away from it all,' to a place where there are no traffic snarl-ups, but lakes, rivers, mountains, scenic drives, hikes and the beautiful veld flowers of the Cape.

'I would never pack up my country life for a city — not for a million rands,' the hotelier declared.

'I've brought up five children there, and now two of them are returning to hotels. My daughter Ilse has cordon bleu training, and my son Emil is at a hotel school in Johannesburg.

'You can understand why so many city visitors after their first stay say they never realised how pleasant it was in the country — and they come again and again.'

Denial on City hotels allegation

288

C. Times 4/6/79.

THE managing director of Captour, Mr John Robert, yesterday described as "nonsense" a statement by a senior British Airways official that Cape Town's lack of hotel accommodation was "frightening".

The British Airways director of commercial operations, Mr Gerry Draper, was quoted in a South African travel industry magazine, Travel News, as saying that South Africa lacked the facilities for an influx of tourists which would result from lower fares between South Africa and London.

Negotiations between South African Airways and British Airways to consider lower fares are under way. The new fares deal is expected to involve the introduction of the three-class system on the South Africa-London route.

Replying to Mr Draper's statement, Mr Robert said Cape Town's hotel accommodation had proved to be adequate, even with a concentrated influx of tourists over a three-to-four month period, as experienced in the past 12 months.

If fares were reduced this year, the increase in overseas tourists would be gradual. "I do not see a sudden influx" Mr Roberts said.

Cape Town could cope with a gradual increase which would encourage the hotel industry.

One of the country's leading hotel groups, Southern Sun, recently entered into an agreement with the City Council to build a hotel with more than 400 hundred bedrooms on the site of Electricity House and adjoining properties. Work will begin on the project later this year.

However, Mr Robert added, the infrastructure of a city's tourist industry was not based on overseas tourism alone. Overseas tourists were "the cream on the top".

Hotels could not be built just to provide five-star accommodation for tourists for three months of the year, he said.

Mr Draper said three major obstacles in the way of mass international travel were airport congestion, lack of fuel, and the tourist infrastructure.

Lower fares, he said, would create "fantastic opportunities" for South Africa.

City warned on big problems in tourist trade

288
Argus 5/6/79

A WARNING that Cape Town was posing serious problems for South Africa's tourist trade, because of a shortage of hotel accommodation and other facilities, was made in the city last night by Mr L le Grange, Minister of Tourism.

Mr le Grange told the Federated Hotel Associations of SA (Fedhasa) that a reassessment of South Africa's market approach was needed, particularly in view of increased tourism from South America, Asia and Africa.

'It is becoming increasingly evident that a shortage of hotel accommodation in our larger centres may lead to serious problems — Cape Town is especially a source of concern.

'In Johannesburg and Durban the problem is not as serious as it is in Cape Town. But, unless there is timeous planning and development in this regard, I foresee grave problems.

NEW VENTURES

'The fact that at least one large hotel development in Cape Town is being planned is encouraging. However, this relief could be temporary if similar new ventures do not follow soon.'

Mr le Grange also said South Africans must welcome tourists of all races, customs and backgrounds and 'make them feel at home.'

Mr le Grange emphasised that the majority of the hotel industry's labour force of 60 000 was non-white. Existing training centres produced about 700 a year, which was 'disturbingly' inadequate.

'It is clear that considerably increased emphasis will have to be placed on training all races for all levels of work in hotels if this industry is to be kept abreast of growth and development,' he added.

State must do more — plea

A PLEA to the Government to have more serious approach to tourism (the world's second-largest industry) in order to improve South Africa's share of the market, was made in Cape Town yesterday by Mr Mike Pieterse, president of Fedhasa.

Mr Pieterse said in the hotel industry's opinion the budget vote for tourism was too small, while he found he could not keep track of the number of successive Minister of Tourism as the portfolio changed hands so often.

At the same time he praised the Department of Tourism and Satour for their 'enthusiastic approach' to attract visitors to South Africa, in spite of an inadequate budget.

IN ECONOMY

'I would call on the Government not to underestimate the importance of tourism in the country's total economy,' Mr Pieterse said.

Mr S Kerzner, Fedhasa's tourism committee convenor, told the conference that after two 'gloomy years' there had been a marked improvement in tourist arrivals in South Africa.

Bankrupt hotels may still trade

Court Reporter

THE PROVISIONAL liquidators of a company that owns six Natal hotels were yesterday granted leave by a Durban judge to continue running the businesses and borrow up to R100 000.

The order was made by Mr. Justice Leon after an urgent application by the provisional liquidators of Durban Public House Trust Limited, Mr. John Stanley Evans and Mr. William Adam McFarlane.

The company, which was provisionally wound up on Tuesday, owns and runs the Mayfair Hotel, the Parade Hotel, the Empress Hotel and the Outspan Hotel in Durban and the Stanger Hotel on the North Coast.

It also owns, but does not run, the Normandie Hotel in Durban.

Phased out

In papers before the Judge in chambers, Mr. Evans said that he and Mr. McFarlane had agreed that the hotel businesses, which could not be closed down overnight, should be continued until they could be sold as going concerns or brought under control and gradually phased out.

The hotels were either full, or nearly full, due to the influx of visitors for the Military Tattoo and other seasonal attractions and the guests would find it hard to get similar accommodation.

Although few, if any, of the hotels generated a profit they could be expected to produce a positive cash flow for at least July and stocks could be converted to cash at retail profit margins.

More difficult

If the hotels ceased trading, the liquor and other licences would be jeopardised and the liquidator would find it more difficult to dispose of the businesses at a reasonable price.

It did not yet appear necessary to borrow money, but a detailed investigation still had to be made. The monthly turnover of the company was about R300 000 and staff had to be paid wages and salaries.

Major creditors, who were owed R590 000, had agreed to the businesses continuing.

Mr. Peter Combrinck (instructed by Shepstone and Wylie) appeared for the provisional liquidators.

Ballito Bay on the bandwagon

Construction of a new holiday concept likely to appeal to many South Africans is due to start soon at Ballito Bay north of Durban.

The promoters, Brongrant Promotions (Pty), are confident it will revolutionise the hotel industry in South Africa.

The project, called La Montagne, entails building a R5 million luxury hotel on a 2ha beachfront property at Ballito Bay.

Says Brongrant's managing director, Mr Basil Botha: "La Montagne is unique because it will introduce to South Africa the highly successful European concept of 'time sharing' for holiday accommodation."

The concept means you can buy your own accommodation in La Montagne on a "time basis" — a facility accommodated in South Africa's sectional title legislation.

It also means your accommodation costs are pegged for as long as you own your "unit".

Says Mr Botha: "It's exactly the same as buying a house or a sectional title apartment. The time of the year which the participant buys belongs to him and his heirs and estate for the rest of time.

"It can be bought and sold like any other fixed property or it can be rented and you can take out a building society bond against it," he said.

To date more than 950 week units have been sold with a total value of more than R2,5 million.

La Montagne will be built to five-star specifications and the 300-odd "flats" will be backed up by restaurants, dining room, bar, squash facilities, swimming pool, tennis courts and gymnasium.

Prices range from R850 for one week for a two-bed luxury suite out of season to R4 400 for the same suite in peak season.

The suites are more than just sleeping accommodation as each has complete kitchen facilities, lounge, built-in bar and outside braai terrace.

A two-bed suite costing R850 can be secured for a deposit of R127 with monthly instalments of R17 spread over 43 months.

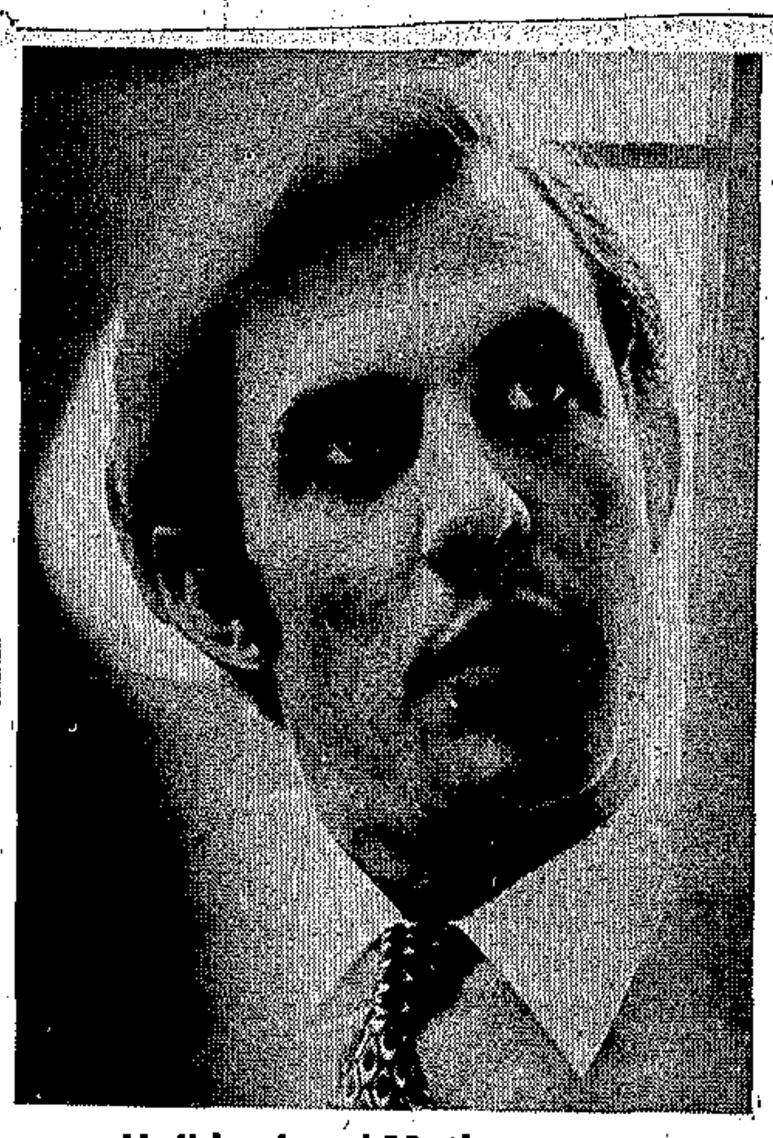
"And that is the total cost" says Mr Botha, adding: "That is all you ever pay again for holiday accommodation for the rest of time."

One of the major reasons why the project had been such a success, Mr Botha said, was the fact "we are offering swap facilities in Europe whereby people buying accommodation in La Montagne can swap their facility with 36 hotels scattered throughout the Continent."

The first guests are expected to be accommodated in La Montagne early in 1981.

A number of corporate organisations have bought into La Montagne, offering the units as executive incentive schemes whereby top management can take a holiday at company expense.

Buying a unit on that basis is tax deductible.



Holiday Inns' Mathews . . . "well insulated"

year ago. "We were still in recession then. It was difficult to pinpoint what caused the drop in occupancy. Petrol restrictions may have had a limited effect." He doesn't foresee "a drastic reduction in occupancy and revenue."

Southern Sun group marketing manager Bruce Hutchison says the need will be for "creative marketing". Weekend business, he agrees, is hardest hit and what's necessary is to market deals which incorporate "different modes of transport. The worst is the speed limits when one drives any distance." To date there's little to show as a direct result of the June restrictions. The July school holidays were heavily booked. The months which will show what's happening, he reckons, are August, September and October.

Holiday Inns MD Nigel Mathews says it's a bit early to decide how things are settling down. Initially Inns in Harrismith, Ermelo and Pietersburg suffered bouts of cancellations. Occupation dropped roughly 3%-4%. It could be as high as 6%-7% over weekends but foods and beverage revenues are being maintained. But, says Mathews, "We have a good enough spread and with a strong emphasis on tourist business and urban Inns we're well insulated."

Eastern Transvaal resort hotels boast of record occupancies during the July vacations. The 50 room Drum Rock, near Nelspruit, says there's been "a very slight downswing in occupancy but what we have on the books looks good."

Manager Ben Filmalter says most of the lowveld hotels are organised into a promotional body, Lowveld Tourist Promotions. "We're now offering 15%-20% discounts on booking over weekends. It's better to make little profit than no profit." The first week after the restrictions were introduced in June, he says Drum Rock had "massive cancellations". There were seven people in the hotel one night. That soon changed back to the average pattern which, he says, is "87% room occupancy year round."

Aad Zevenbergen says June and July monthly hotel ratios surveys will show how hotels are faring. "We expect little or no effect on three, four and five star hotels. Small hotels close to town may pick up trade and hotels close to airfields are likely to benefit."

On the April survey in which 21,5% of hotels registered with the Hotel Board participated, representing 48,9% of the available number of rooms in SA, there's a moderate upswing in hotel fortunes. Average room and bed occupancy in all hotels was only marginally higher respectively 2,80% and 3,22%, compared with April 1978 but average total gross income increased 12,38%.

The Garden Route area showed gross income hikes of 28,38%. Cape Town rose by 23,54% and inland holiday resorts increased income by 23,29%. Five star hotels scored best — their income increased by 14,63%. One star hotels trailed with 11,18%.

HOTELS FM 20/7/79 (68)

Petrol woes

"The general feeling is the tap's been turned off," laments Johan van der Linde, MD of Rawdon's hotel near Nottingham Road in Natal. June petrol price hikes, closing of filling stations over weekends and speed restrictions are lowering hotel occupancy dramatically he claims. "A further petrol price rise would be the death blow."

It's early days to comment on what long term effects will be, say Fedhasa, hoteliers polled by the *FM* and Pretoria University's Bureau of Financial Analysis director, Prof Aad Zevenbergen. Crucial to survival may be "being within reach of a tankful in both directions," ventures Fedhasa executive director Schalk Schoombie. Zevenbergen anticipates the latest round in increases and restrictions may effect hotels less severely than the last filling station weekend closings two

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program bygedra: Dr Sheila T.
mede-professor van Ekonomie,
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140 'open liquor licences granted

By ROY DEVENISH

THE National Liquor Board has granted 140 applications for "international status" to South African hotels, restaurants, theatres and sports and social clubs.

A spokesman for the board confirmed yesterday that the licences, which came into effect at the beginning of this month and are valid for a year, had been granted.

There are a further eight applications still under consideration and if all are granted the total of international establishments could rise to 148, six more than were granted last year.

International status allows South African liquor-licensed premises to serve alcohol to blacks without a permit.

The spokesman said this year there had been 181 applications, with one held over from last year.

Of these 31 had been refused, one rejected on technical grounds and two withdrawn by the applicants.

Last year, there were a total of 199 applications of which 142 were granted.

In the Transvaal there are now 21 international hotels.

Three new applications, from the Devonshire and the Rosebank, both of Johannesburg, and the Winkler in White River, have been approved.

There are now nine international hotels in Johannesburg, three in Pretoria, two in Kempton Park and one each in Groblersdal, Pietersburg, Louis Trichaardt, Tzaneen, Ermelo, Vanderbijlpark and White River.

Two Johannesburg restaurants, the [illegible] and the Zoo Lake, are the only Transvaal restaurants to have received full international status liquor licences.

Greatermans and the Top of the Campus, both in Johannesburg were granted wine and malt licences.

The only two Transvaal theatres to receive international status are the Civic and His Majesty's, both in Johannesburg, while the Rand Club and the Scientific and Technical Club in Johannesburg are the only Transvaal social clubs to receive similar status.

The Germiston Sporting Club and Benoni Turf Club, the Johannesburg Turf Club and the Rand Sporting Club are the three Transvaal racecourses allowed to go international.

And 19 Transvaal sports clubs have also been granted international status.

Pretoria clubs granted international status are: Harlequin Club, Irene Country Club, Pretoria Country Club, Pretoria High School Old Boy's Club, SAR's Recreation Club (Berea) the Christian Brother's College Old Boys and the Swartkop Country Club.

Johannesburg clubs are: Houghton and Kensington Golf Clubs, the Old Johannian Club, the Transvaal Automobile Club and the Wanderers Club.

Professor W.H.B. Dean
Dr J.P. Duminy
Professor G.F.R. Ellis
Biskop A.W. Habelgaarn
Mnr E.V.E. Howes
Professor N.F.Kaplan
Ds. W.A. Landman
Mnr G.K. Lindsay
Sir Richard Luyt
Professor S.J. Saunders
Professor H.W. van der Merwe
Mede-professor D.J. Welsh
Professor Monica Wilson

Mennonite Central Committee se Konferensie oor: 'Die Rol van Geskiedkundige Vredeskerke', Gaborone, Botswana. Verhandeling voorgelê oor: 'The Role of Churches in Promoting Justice in Southern Africa' (Oktober).

Konferensie van die Afrikaanse Calvinistiese Beweging, Potchefstroom (Oktober).

(c) Deelname aan Welsyns- Professionele en Openbare Organisasies

is aangestel as die Suid-Afrikaanse [illegible] Raad van die Internasionale Sosiologiese Vereniging vir die tydperk 1978-1982.

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HOTELS

FM 27/7/79 (285)

Bridging the gap

Cape Town's hotel accommodation will receive another boost with the sale of the Shore Plaza Hotel on the foreshore, to the Heerengracht Hotel, part of the Trust Bank organisation. The purchase price has not been disclosed.

The 2-star Shore Plaza is to be upgraded to a 4-star, and re-named the Capetonian. Operations, costing several millions, to refurnish the hotel will start on August 1, altering three floors at a time. All rooms will be air-conditioned, and redecorated in the Cape Dutch style. The restaurant will specialise in Cape dishes and seafood.

Situated close to the rail and air terminals, the Capetonian has been pitched at 4-star rates to close a gap between Cape Town's three 5-star hotels and its cheaper ones. Rates will be about R25 a day for a single room and R19 per person in a double room.

The Ritz Plaza at Seapoint (Cape Town's largest hotel with 250 rooms and nearly 500 beds) will continue to be operated by Plaza Hotels.

XVI SYMPTOMS AND ILL-DEFINED CONDITIONS

	W		A	
	M	F	M	F
0-1	0,51	0,54	2,10	1,24
1-4	0,04	0,04	0,21	0,35
5-24	0,01	0,01	0,09	0,06
25-44	0,05	0,05	0,28	0,17
45-64	0,44	0,18	1,73	1,04
65+	1,84	1,95	8,32	6,56
ALL	0,22	0,23	0,56	0,38
NO.	463	485	199	134

XVII ACCIDENTS, POISONINGS AND VIOLENCE

	W		A	
	M	F	M	F
0-1	0,85	0,69	0,70	0,31
1-4	0,49	0,21	0,31	0,27
5-24	0,71	0,22	0,68	0,20
25-44	1,18	0,30	1,43	0,37
45-64	1,25	0,42	1,55	0,40
65+	1,26	0,71	1,34	0,91
ALL	0,95	0,33	0,95	0,29
NO.	1973	677	333	104

ALL CAUSES

	C		B	
	M	F	M	F
0-1	133,70	119,02	91,30	88,18
1-4	17,22	16,21	10,23	9,93
5-24	2,26	1,25	1.64	1,12
25-44	8,80	4,96	4,78	3,70
45-64	24,27	17,87	18,06	15,57
65+	96,90	71,79	53,38	45,89
ALL	14,62	11,00	8,77	8,13
NO.	16632	12847	18348	13062

	W		A	
	M	F	M	F
0-1	21,76	16,18	40,44	27,11
1-4	1,17	0,94	2,42	2,39
5-24	1,05	0,46	1,31	0,74
25-44	3,02	1,47	4,33	2,48
45-64	17,46	9,49	26,27	18,72
65+	73,62	54,55	92,20	82,93
ALL	9,44	7,40	8,03	5,51
NO.	19600	15374	2828	1967

HOTELS FM 21/9/79 (288)

Lucky for some

Well-heeled travellers are back on the road (or in the air) in force, but Mr and Mrs Average are still staying at home, to judge by the latest hotel occupancy figures.

Pretoria University's Bureau of Financial Analysis July statistics show a 18% occupancy gain for five star hotels, a 17% gain for four star hotels compared with July 1978 figures.

But one star hotels dropped 3,5%, two star dropped 3,6%, and three stars improved a marginal 4%.

Says Aad Zevenbergen, Bureau director, "Regional results are particularly interesting with Cape Town, the Rand and Pretoria scoring best." Cape Town July room occupancy showed a 17,5% increase. Gross total income rose 28%. The Rand and Pretoria room occupancy upped 14,5%, total income 18,5%.

Cape Town's improved occupancy probably stems from the continued influx of South American tourists, says Zevenberger. Hotel groups add that increased local business travel is also responsible for the hotel industry's better performance in the cities. Says Johannesburg's five star Carlton Hotel manager, Pat Burton, "July occupancy is up in excess of 20% on July 1978. But tour visitors are down and business represents the majority of visitors." The Carlton now averages a mid-seventies percentage occupancy.

David Wigley, Southern Sun group GM for city hotels enthuses, "Trends in Cape Town and Johannesburg are to strong trading, at least 25% above last year."

Occupancy in Southern Sun's one five star and two four star hotels in Cape Town averages in the low seventies. Southern Sun's Johannesburg five star Landdrost occupancy is up "in excess of 20%," says Wigley. The three star Sunnyside Park occupancy rose just under 20%, with a year round average running in the high seventies. Wigley says, "the main reason is much more active business travel. In the Cape, the Argentinian tourist boom continued throughout the winter months with tourism generally at a higher level this winter."

However, the flip side of the coin is depressing. Following Friday closures of petrol stations, increased fuel prices and speed restrictions, motel, inland holiday resort and rural hotel occupancy has been savaged.

In the Cape, Transvaal, Natal north and south coast, room occupancy losses in July averaged 6%-12%. Zevenberger says it is due "to a large degree to the petrol situation".

The Cape Province (excluding Cape Town) hotel occupancy slumped 11%; motels were down 11% on occupancy and 7% on income. Inland holiday resorts reflected the down trend with a 12% occupancy loss and a minuscule 2% income rise. Natal north and south coast hotels were down 8% on occupancy, 0,5% down on income.

Fedhasa executive director Schalk Schoombie feels it is early days to generalise about the trends. He sees the reasons for the slump as "the general economic situation which runs through everything. The increased petrol price and reduced speeds were the final straw".

Schoombie says small country transit



Holiday Inns MD Nigel Mathews . . . coaches to Swaziland

hotels, dependent on commercial travellers, have felt the pinch for months. "Businesses are going in increasingly for mail shots. Commercial travel has been rationalised or cut out altogether. Before, these small hotels were busy from Monday to Friday. Now their trade is often cut to four days a week."

Holiday Inns are running coaches to Swaziland and Maseru which helps immeasurably. Only the Harrismith Inn, a staging post between the Rand and Durban, shows a loss of roughly 5% but this is also stabilising says Ted Hirst, Holiday Inns sales and marketing director. "There are no perceptible consequences following the restrictions." But he admits that the speed limit "is a little worrying". It's far more than that for the guys running a small country hotel.



Southern Sun MD Sol Kerzner . . . trends to strong trading

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report for the selected urban areas accou
about 100 000 residual deaths 'are not cat

the cost of raising the necessary funds has to be taken into account. The funds themselves are already justified by comparison with the alternative methods of provision, but there are additional costs involved in raising them: interest on loans, or administrative and incentive costs of raising taxation. These are normally insignificant for any given project, but may affect the overall amounts available for the health budget.

Where the methods of providing a given service use the same kinds of resources in different proportions, the decision-making can be simplified by means of Linear Programming, though health service choices cannot usually be presented in the simplified w

2. CHOICE OF PROGRAMMES

So far, we have discussed methods of cho
objective. But what tools are availabl
ives themselves? Can anything be said
to be given to particular diseases or ag
more to child welfare clinics or care of

Overall criteria are needed, and they h
way that they can guide these detailed c
problem is not only to relate resources
to relate the various objectives to eac

There are various means of doing this;
expenditure be accounted for by the en

2.1 Programme Budgeting

Programme budgeting, also known as bu
presentation of expenditure data acco
is directed. Thus, projects to comb
geriatric problems, sanitation progra

This is necessary:

(a) to know the cost of pursuing each objective;

(b) to group together activities with the same objectives which can be compared by cost-effectiveness analysis;

(c) to know the effectiveness of a given amount of money when spent on different objectives, so that choices can be formulated in terms of the alternatives we might afford - so many geriatric day care centres, so many child welfare clinics, etc.

Financial statistics are not traditionally arranged on this basis but in categories such as 'salaries', 'transport', 'medicines', etc. A separation, e.g. between expenditure on different disease groups or age groups cannot be made.

The grouping of expenditure into programmes is an art. Pole, an econo-
[illegible] the U.K. Department of Health, writes:


'Taxes' protect the Sheebens SAB
Police call for legal black pubs
By TONY STIRLING
Chief Reporter
PROTECTION money is paid to keep many of Soweto's estimated 4 000 thriving shebeens open in an industry which the liquor trade calculates involves — on a national scale — hundreds of millions of rands" annually.
South African Breweries, which has done intensive studies of the shebeen industry and supports calls to "legalise" the illicit trade, believes the question of legalisation of shebeens is urgent and unless dealt with, could soon lead to unrest.
Mr Colin Hall group general manager of SAB, who is personally familiar with many of the better-known shebeens throughout the country, said in an interview yesterday that on a national scale the shebeen industry's turnover could be counted in terms of "hundreds of millions of rands".
"It is difficult to say precisely how many shebeens there are in Soweto. I do not think the figure of 4 000 is far off the mark," he said.
In 1978, SAB in a presentation to a major rival, KWV, suggested legalisation of the shebeens. It still supports that call.
Mention was made in that document of protection rackets relating to shebeens. Mr Hall said yesterday that although it was difficult to state how much corruption there was, their research pointed to the existence of such corruption, which the shebeen kings and queens allude to as "taxes".
Yet police raids do take place. The head of the Soweto CID, Brigadier Carel Coetzee, said that since last weekend 28 shebeen owners had been arrested.
Mr Hall said his own experience and the research of SAB had shown shebeens were socially familiar with many of the better-known shebeens throughout the country, said in an interview yesterday that on a national scale the shebeen industry's turnover could be counted in terms of "hundreds of millions of rands" annually.
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Mr Colin Hall group general manager of SAB, who is personally

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(*b*) The Master or any such officer may report to the Court any facts ascertained by him which appear to him to justify the Court in postponing the hearing or dismissing the application and shall transmit a copy of that report to the applicant or his agent and to the company.

347. Power of Court in hearing application.—(1) The Court may grant or dismiss any application under section 346, or adjourn the hearing thereof, conditionally or unconditionally, or make any interim order or any other order it may deem just, but the Court shall not refuse to make a winding-up order on the ground only that the assets of the company have been mortgaged to an amount equal to or in excess of those assets or that the company has no assets.

(2) Where the application is presented by members of the company and it appears to the Court that the applicants are entitled to relief, the Court shall make a winding-up order, unless it is satisfied that some other remedy is available to the applicants and that they are acting unreasonably in seeking to have the company wound up instead of pursuing that other remedy.

(3) Where the application is presented on the ground that the company commenced business before the Registrar had certified that it was entitled to commence business, the Court may, instead of granting a winding-up order, give directions that the company shall obtain such certificate from the Registrar or make such other order as it thinks fit and the Court may order the costs or any part thereof to be paid by any person who in the opinion of the Court is responsible for the default.

CAPE HOTELS F.M. 21/12/79

Filling the shell (288)

For two years the old Shell House in Cape Town's Greenmarket Square has been nothing but that — a 6 000 m² shell. And an acute financial embarrassment to its owners, unnamed families and the trusts connected with Swafil, the Walvis Bay fishing company.

Last week, the imposing Cape Victorian hulk changed hands for an undisclosed figure, reportedly well short of R1m, and is now to be converted into a three-star hotel for an additional R1,5m.

The buyer is Greenmarket Investments Pty, whose shareholders are Ovenstone Investments, Cape of Good Hope Savings Bank (which is chipping in bond finance) and one-time master innkeeper Fred Gottgens, who is putting part of his yacht-building profits of recent years into both equity and management. The new establishment will be know as "The Inn on the Square."

The new team has turned its back on the five-star South American tourist trade and will be concentrating on providing a home-from-home for visiting businessmen — badly needed since so much Cape hotel space has been sucked into the tourist ambit.

The inn will have 170 air-conditioned rooms with all mod cons and is expected to come on stream next September.

Michael Doyle, who put it all together, says the deal took a year and was one of the most difficult he has handled.

TABLE II

	WHITE		ASIAN		COLOURED		BLACK	
	Male	Female	Male	Female	Male	Female	Male	Female
Rheumatic Heart Diseases (390-398)	115 1.2%	121 1.5%	28 2.5%	15 1.9%	120 3.9%	139 4.4%	49 2.1%	56 2.9%
Motor Vehicle Accidents (E810-E819)	750 38.0%	287 42.4%	122 36.6%	28 26.9%	572 26.3%	161 24.7%	282 15.1%	59 18.2%
Suicide (E950-E959, E979) *	485 24.6%	104 15.4%	42 12.6%	13 12.5%	84 3.9%	18 2.8%	76 4.1%	11 3.4%
Homicide (E960-E969)	59 3.0%	41 6.1%	41 12.3%	2 1.9%	680 31.3%	167 25.6%	806 43.1%	89 27.5%
Total Accidents, Poisoning and Violence (E800-E999)	1973 100%	677 100%	333 100%	104 100%	2175 100%	652 100%	1868 100%	324 100%

* E979 "Suicide and self inflicted poisoning by motor vehicle exhaust gas" is a code used in South Africa which does not appear in I.C.D. (8th revision). See Ref. 13.

F.M. 21/12/79

Filling the shell

288

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3 hotels planned for city

Argus 30/3/79

288

Property Editor

NEGOTIATIONS are in progress that may lead to three new major hotels in the centre of Cape Town — two facing on to Greenmarket Square and one on the Electricity House site.

The Southern Suns group is interested in the Electricity House site on the corner of Strand and St George's Streets and is negotiating with the City Council which owns the site.

The director of the Heerengracht Hotel, Mr O Stehlik, said his directors met today to discuss the possibility of taking over the empty Shell House on Greenmarket Square to convert it into a hotel.

After the meeting Mr Stehlik said his directors were now looking at other sites as well in the city centre to build a hotel. 'That is our intention,' he added.

FOR SALE

Shell House, which was vacated by Shell when the company moved to its new building in Lower Burg Street several years ago, has been up for sale for R1-million for some time. It will have to be altered considerably to turn it into a top-ranking hotel.

A leading firm of property agents confirmed today that they were negotiating on behalf of another hotel chain for a site known as the Sanlam Waldorf site, bounded by St George's Street, Burg Street, Shortmarket Street and Hout Street.

Southern Suns has been shown 11 sites in the city, according to Mr Jeremy Day of Dunlop Heywood, leading property agents.

MOST DEFINITE

'Several hotel chains are investigating sites in Cape Town, but it seems that the Southern Suns group is the most definite in its plans to start a new hotel. And it appears it wants the council's property, Electricity House.'

Among the sites shown to the Southern Suns directors was one in District Six opposite the Good Hope Centre.

Confirming this today, Dr David Mort, managing director of Real Estate Development and Research Company, who are consultants to the Department of Community Development on District Six, said Southern Suns had turned down the site after making investigations.

It is understood Southern Suns also turned down the empty Shell House after investigating the cost of renovating the building.

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(a) DARWIN - the chief city of NORTHERN TERRITORY, which is administered by the FEDERAL GOVERNMENT from CANBERRA in NEW SOUTH WALES.
(b) PERTH - State Capital of Western Australia.
(c) FREMANTLE - the SEAPORT for WESTERN AUSTRALIA.
(d) ADELAIDE - the STATE CAPITAL & chief SEAPORT of SOUTH AUSTRALIA.
(e) MELBOURNE - STATE CAPITAL of VICTORIA and chief SEAPORT.
(f) SYDNEY - CAPITAL of NEW SOUTH WALES. PORT noted for SYDNEY BRIDGE.

288

SERVICES SECTOR – Accom., Liquor etc. – General

1-1-81 – 31-12-80

with selected major categories of disease. Clearly, this is an entirely hypothetical situation. However, these competing risks life tables not only provide an indication of the relative importance of various disease categories to both the overall mortality experience and also to expectation of life of the three communities, but also, since there is an appreciable relationship between the reduction of mortality and the increase in life expectancy, any improvement will give rise to additional improvement in the expectation of life. Thus, if the diseases included in Fig. 6 are associated with any of the causes of death, then the increase in the expectation of life will be 50% [illegible] ption of Neoplastic Diseases and Diseases of the Circulatory [illegible], the 'coloured' community stand to gain most from measures [illegible] the selected diseases included in Fig.6. Of particular importance are the Infectious and Parasitic Diseases, diseases which are frequently amenable to the implementation of relatively simple methods of prevention.

ACKNOWLEDGEMENT

The writers wish to thank the Board of the Colonial Mutual Life Assurance Society for their generous financial assistance.

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(327)
(288)

Clergyman complains of hotel discrimination

EAST LONDON — A Transkei minister has expressed bitter disappointment with accommodation problems he encountered at two Aliwal North hotels recently because he was a black man.

In a letter to the editor of the Daily Dispatch, the Reverend N. S. Nyembenya, of Nqekezweni Mission in Transkei, said the hotels' staff had not inquired about his country of abode and he was given a shabby room with no lights in the drivers' quarters of one hotel.

"This treatment is totally opposite to what Dr Koornhof said in a speech at Sacla in Pretoria on July 11 last year," Mr Nyembenya said in his letter.

He was forced to stay over at Aliwal North on November 27 last year as he could not get transport to convey him to his destination, Herschel, before dark.

"At sunset I apprpached the Hotel Criterion. As I entered the hotel, I was attended by a black man and I observed that he was shocked to hear another black man asking for accommodation in the hotel. He left me to call a receptionist.

"The staff of the hotel was also shocked to see a black man in the lounge. The receptionist told me that there was no accommodation in the hotel, but I gathered from her expression that there probably was accommodation, but not for me."

At the Somerset Hotel, Mr Nyembenya was told there was no accommodation for blacks.

"I asked the black man who told me this: "What is wrong with blacks? Do they not pay? Fortunately I am prepared to pay and there is no place for me to sleep except at this hotel'."

Mr Nyembenya said he was again taken to a receptionist who promised him accommodation in the drivers' quarters.

"She told me I could not get meals and I slept in a shabby room with no lights.

"I was never asked about my country of abode. In my mother country, Transkei, there is no colour discrimination. South African whites should also learn to be human," Mr Nyembenya concluded his letter.

Spokesmen for both hotels pointed out that neither has international status, nor suitable accommodation for black people.

The manageress of the Criterion Hotel, Mrs Adrianson, said her hotel had never discriminated against blacks and there was "no nastiness involved" in refusing accommodation. — DDR

[illegible] Officer of [illegible]; Age, [illegible]omic Region. [illegible] 1974. Research [illegible] ficiency of [illegible] tion of [illegible] D. P.V. [illegible] No. 63e of [illegible] outh Africa.

patients with the same blood pressure. Yet age bore no relationship to 'decisions to treat' at MOPD, pointing to the randomness of such decisions.

3. 70% of patients who were started on antihypertensive therapy in May 1975 had ceased to return for what should be lifelong medication after twelve months. Moreover, the attendance behaviour of the group continuing to attend at one year had been quite erratic.

Little impact was thus being made on the problem of hypertension, no
the community but as it presented to the outpatient department of th
hospital. Considerably less than 30% of new hypertensive outpatien
be gaining any real benefit from therapy and this was attributable i
first instance to poor outpatient compliance with (or, more crudely
ance for) ongoing therapy.

Although numerous suggestions have been made for improving patient attendance and pill-taking compliance, few of these have been evaluated rigorously. Such studies as have been done have occasionally yielded surprising results. Teaching programmes among hypertensive Canadian industrial workers significantly improved patients' knowledge of their disease but did not alter their pill-taking compliance or drop-out rates. [8] Dropouts from inner city hypertensive clinics in America cited waiting time and poor doctor-patient relationships as the major reasons for their non-compliance. In contrast to the average of 7½ minutes they spent with the doctor, they waited an average of 2½ hours prior to examination and almost 2 hours at the pharmacy, an experience probably akin to that of patients in this study. [9]

What emerges clearly from the literature is that the quality of practitioner-patient interaction (most often nurse-patient and pharmacist-patient interaction) is the most important determinant of subsequent compliance.[10] It is precisely this sort of interaction that the overworked clinical doctor is most ill-equipped and unable to provide. Several North American chronic disease programmes are consequently using nurses in the routine management of hypertension - with considerable success.

Two clear conclusions emerge from our study and from the literature cited above.

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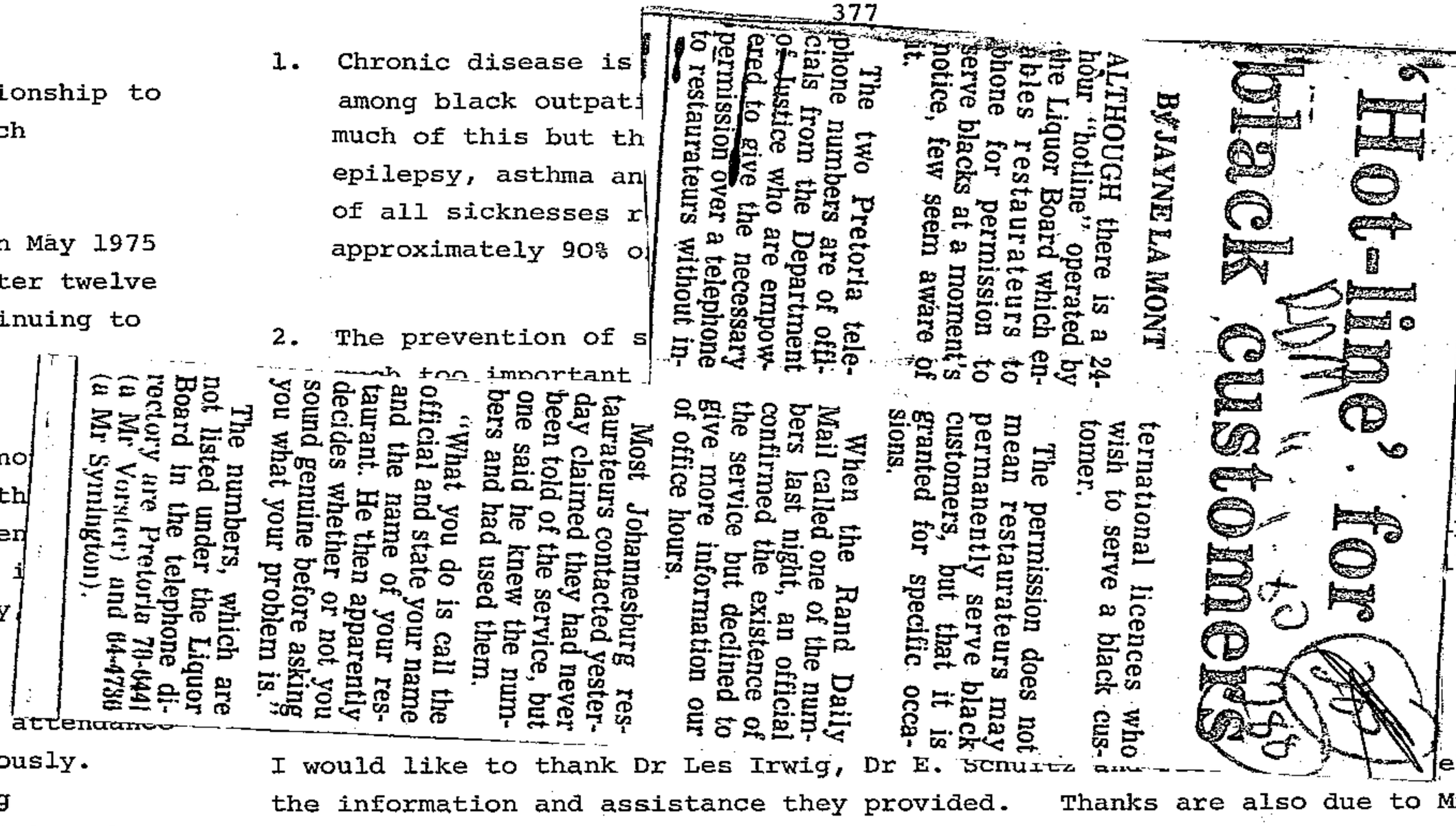

'Hot-line' for black customers

By JAYNE LA MONT

ALTHOUGH there is a 24-hour "hotline", operated by the Liquor Board which enables restaurateurs to phone for permission to serve blacks at a moment's notice, few seem aware of it.

The two Pretoria telephone numbers are of officials from the Department of Justice who are empowered to give the necessary permission over a telephone to restaurateurs without international licences who wish to serve a black customer.

The permission does not mean restaurateurs may permanently serve black customers, but that it is granted for specific occasions.

When the Rand Daily Mail called one of the numbers last night, an official confirmed the existence of the service but declined to give more information our of office hours.

Most Johannesburg restaurateurs contacted yesterday claimed they had never been told of the service, but one said he knew the numbers and had used them.

"What you do is call the official and state your name and the name of your restaurant. He then apparently decides whether or not you sound genuine before asking you what your problem is."

The numbers, which are not listed under the Liquor Board in the telephone directory are Pretoria 71-4441 (a Mr Vorster) and 64-4788 (a Mr Symington).

I would like to thank Dr Les Irwig, Dr E. Schurtz and [illegible] for the information and assistance they provided. Thanks are also due to Mr H. Hankhazana and the staff of the records department at NEH, without whom the original study would not have been possible.

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Hotel grading 'farce'

CONDITIONS and restrictions on the admittance of local blacks and coloured people to white' hotels make the entire system of 'international status' a misunderstood farce, Cape Town hoteliers have complained.

'The words "international status" mean exactly what they say,' one hotelier said, 'and carte blanche admittance applies only to visiting, passport-holding blacks or accredited representatives of foreign governments. The widely held belief that the same privileges apply to local blacks is completely wrong.'

The hotelier and his legal representative — both of whom asked not to be identified — said that local black or coloured people were not permitted to enter any public bar, could not take part in any form of dancing to licensed premises, could not use a hotel swimming pool unless they were bona fide guests resident in the hotel and could be served liquor or refreshments only while taking a meal on the premises or waiting to do so.

The licensing laws also restricted the number of beds occupied by blacks or coloured people to not more than 15 percent of the total number of beds ordinarily available.

Foreign passport holders, however, could visit and use any hotel whatever for any purpose, whether it had been granted international status or not.

'The general public, and particularly the more affluent blacks who entertain and can afford to do so at hotels, seem to be under the impression that "international status" means that any and all facilities will be made available to whoever wants to use them, but this is not true and has led to some unpleasant incidents,' he said.

EXPLANATION

This is particularly true where local blacks have, in the past, been admitted to restaurants and been served food and liquor, but have then been turned away on the odd occasions when a dance was being held in the restaurant.

'How do you explain to such people that they may take a meal or drinks only when a dance is not in progress? How do you explain to a man who has perhaps taken some important guests to a theatre that you can give him a nightcap only if he eats a meal?'

The liquor licensing laws do say, however, that the Minister of Justice or any person acting under his directions may, in a particular case, suspend any conditions or restrictions' applied to local blacks or coloured, and this may be done by telephoning Pretoria.

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with selected major categories of disease. Clearly, this is an entirely hypothetical situation. However, these data only provide an indication of the relative importance of various disease categories to both the overall mortality experience and also to expectation of life of the three communities, but also, since there is an approximately linear relationship between the reduction of mortality and the percentage increase in life expectancy, any improvement will give rise to a proportional improvement in the expectation of life. Thus, if the mortality associated with any of the diseases included in Fig. 6 are reduced by 50%, then the increase in the expectation of life will be 50%

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Black hoteliers succeed in spite of odds

Star 30/1/80 (288)

By Dirk Nel, Northern Transvaal Bureau

POTGIETERSRUS — He is well-spoken, has a cheerful disposition, and manages his staff of 47 tactfully, yet efficiently. His hotel is impressive, even luxurious, but the prices are competitive.

Mr Geoffrey Malala (42) is typical of the new breed — he is one of the growing number of rural black hoteliers who is carving a future in this tough profession. And he's doing well.

He has had no formal training in the hotel trade, but has simply applied what he learnt during two overseas trips — one to Europe, and the other to America.

It was a hard climb to the top. He was a clerk, then a liquor trader (but herein lies a tale. He displayed extraordinary business acumen by changing the store from an ailing R2 500-a-month concern into a smashing R50 000 winner within three years — and that included a battle with the shebeens.)

Small wonder the Lebowa Development Corporation opted for Mr Malala when they were looking for a manager for their new R400 000 hotel at Mahwelereng. He was voted Regional businessman of the Year for 1979 by a well-known liquor firm, having been a finalist in their "SA Black Businessman" ratings in 1978.

The hotel has 11 rooms and two suites. Its best clients are travelling businessmen, many of them from Botswana. Mr Malala draws the crowds at week-ends with discos and video TV shows.

There appears to be a need for specialised training for men like him. A spokesman for the Hotel Board says there is a hotel school at Garankuwa, near Pretoria, which provides training for cooks and waiters, but there is no set course for black hotel managers.

They may, of course, join a regional hotel association, and enjoy the benefit of occasional seminars.

Mr J Koster of the Lebowa Development Corporation says that the Corporation can help to establish hoteliers, but is unable to present training courses for them.

Some hoteliers have attended general management courses presented by Nafcoc and various Advice Bureaus for black businessmen.

Mr John Tlade of Seshebo is another hotelier who has had to learn by trial and error. Yet he has established himself firmly, and has turned his hotel into a thriving business, as have several others in the homelands.

Inside a Soweto shebeen

My mind flashed back to June 1976. South Africa had reluctantly grabbed the world headlines. Soweto was on fire. Policemen and black schoolchildren were clashing in the streets.

And here I was, some three-and-a-half years later, on my way to that same Soweto (South Western Township) for the first time in my life.

As if on cue, the first thing to welcome me to the largest black "city" in South Africa was that black, shiny vehicle that takes you on your final journey. It was followed by more than 50 cars of mourners.

I watched the procession wind its way in snake-like fashion round the curve of the road. Soweto a city of death?

A few minutes and kilometres later to greet me was a long line of look-alike houses — Diepkloof. It was the first "suburb" of Soweto I saw. My uneasiness deserted me giving way to excitement at being in the place, depression at seeing those houses and impatience at wanting to explore further.

Soweto is like any other black township except that the long, monotonous line of houses never seems to end. Gone were those concrete and glass fingers that seemed to reach for the heavens in central Johannesburg. Gone was that air of affluence that surrounds the Golden City. It was a bumpy road into a "new, dark world."

But it was the children who interested me. Where were they now, those youngsters who had clashed with the authorities in their battle to have their education system changed during those terrible riot days?

Perhaps because it was a Saturday afternoon they had better things to do than roam the streets. The children I saw were not defiant but pleasant with smiling faces and who found me a figure of curiosity. My Asian face seemed to fascinate them.

Some, in fact, followed me and I felt like a poor imitation of the Pied Piper of Hamelin leading them to nowhere.

But at the back of my mind coming through louder and louder were those almost daily calls for unity from the various community leaders. How many so-called Coloureds and Indians visit these townships to see what conditions are really like, or meet the residents? These children had taught me a lesson but I had to move on.

A visit to any black township is incomplete without a visit to a shebeen of which I believe Soweto has 4 000. This number may shock, but then there are unofficially over one-and-a-half million people in that black city. Topics in these shebeens range from the cost of living to Jimmy Carter's chances of emerging victorious in the US Presidential race.

The music as I entered the first shebeen jarred my untrained ears. It was jazz and loud. My head



KRISHNA NAIDOO, of the Daily Dispatch editorial staff, recently paid his first visit to Soweto. Here are his impressions of South Africa's biggest black city.

was in the clouds — from the cigarette smoke that filled the badly-ventilated rooms. But through it all came the smell that set the hunger juices working — steak being grilled on a "wood" stove.

I took in the scene. The room was small but neat. The white-washed walls, which had a clinical look, were bare except for a framed photograph of two people, turning brown with the ravages of time. The shebeen queen's parents or in-laws at their wedding? I did not ask.

If the music was loud the shebeen's patrons appeared to do quite well matching the volume. They were as diverse a bunch as you could find anywhere.

From the man in the three-piece suit to another in a blue, scruffy overall, they sat in a circle on a highly-polished lounge suite engrossed in their conversation. There were about 25 people tightly packed in the small room.

Camaraderie prevailed. "Sprinkled" between the men sat about five women, silent, passive, but still able to make the best visual impact because of their dress.

Their clothes were not gaudy, although fashionable — footless tights of all shades covered with hip-hugging skirts slit down the side, displaying an ample expanse of thigh; and see-through blouses.

The men paid little attention to them other than to refer to them occasionally to verify a point or substantiate an argument.

The other silent, passive group were the youths sipping their beers and concentrating on the conversation as if they were still in the classroom. They were easily recognisable by their Afro hairstyles and shirts. With the women, they lent artistic colour to the place.

The man in the suit, I was told, was a school principal, while the overall-clad one was a labourer from a nearby building site. The others were bank clerks, teachers, journalists and students — a cross-section of Soweto society.

Their drinks were as diverse as their occupations, ranging from the labourer's jar of semi-sweet table wine to the principal's half bottle of whisky.

Beer, however, appeared to be the favourite drink and the quart bottles seemed to be everywhere. The shebeen queen stayed in the background, only making an appearance to replenish supplies at the well-practised signal of a customer. But she looked stern and tough and my suspicions were confirmed later that she could handle a nasty situation if it arose.

The topic of conversation? "Nkondo is a fool, he got what he deserved," said the principal, getting approving nods from the more well-dressed men in the group.

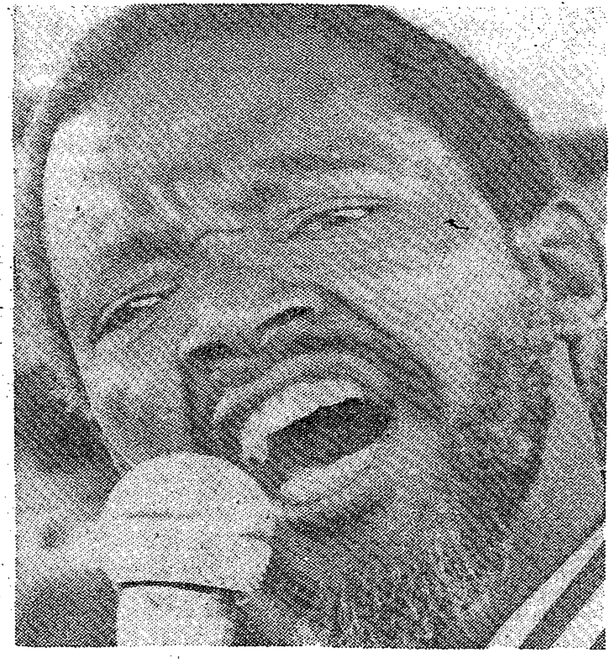
The reference was to the recent suspension of the leader of the Azanian People's Organisation (Azapo). Azapo was formed with Mr Curtis Nkondo, a former schoolteacher, as head, to fill the void after the Government's banning of the Black Consciousness movements in 1977.

I was interested in this leadership crisis in black politics and the various speakers provided me with a list of the virtues and vices of Mr Nkondo. Was it all true? Well, that's a good question, but it did sound convincing. And surprisingly, almost the entire, friendly debate was conducted in English.

Was it for my benefit? I do not think so. Nearly all the speakers were fluent in English with occasional lapses into what could best be named a Soweto brand of Afrikaans.

What amazed me was how relaxed the patrons were in these shebeens, where they pay exorbitant prices for their liquor — almost double the normal retail price.

It also struck me that even if thousands of bars were opened in the townships the shebeens would still flourish because of their "credit system" for good customers — who were also able to get their liquor there at inconvenient times.



Leading Soweto personality, Dr N. Motlana.

As the bottle levels started dropping and the pitches of the voices started rising, I decided it was a good time to go. I moved out of the shebeen amid protests that I should have one for the road.

Going from area to area I noticed a normal feature of township life. The renovated house which makes the next-door home look like a stable.

Then suddenly I was confronted with the events of 1976 again. Before me stood the partial shell of what was once the West Rand Administration Board offices. I could still see it burning on my television screen. Those tongues of flame greedily sweeping the building too late for both the firemen and police to save.

Nestling in the grass near to this smoke-scarred shell were two lean horses, one white, one brown, which seemed to symbolise something.

The light started failing and I was advised to keep off the streets. The thugs — Soweto has more than enough of them — take advantage of those dark, eerie streets to mug people — and in many cases send them to an early grave.

What will I remember of Soweto? Not that mass of humanity in those "stable" houses, not the smell of burning coal that fills the air, but the smiles of those children who welcomed me.

Hansard No 1 of 1 16/17

8/2/80

Liquor Act: amendment

*8. Mr. D. J. DALLING asked the Minister of Justice:

Whether he intends to introduce legislation during the current session to amend the provisions of the Liquor Act relating to the statutory separation of races in retail bottle stores, liquor supermarkets and off-sales outlets; of so, in what respects; if not, why not?

The MINISTER OF JUSTICE:

No. Separate facilities in liquor outlets are not prescribed by the provisions of the Liquor Act. They are created by the imposition of conditions in respect of liquor licences. No amendment to such conditions is considered desirable as the

Hansard No 1 of 16

outlets concerned are places where friction may possibly arise. Equal facilities may be provided by licencees to their customers.

Mr. D. J. DALLING: Mr. Speaker, arising out of the hon. the Minister's reply, does he regard this as necessary discrimination?

†The MINISTER: Mr. Speaker, I have given very serious attention to this matter lately. It is not a question that we are introducing a fixed rule for the distant future here, but after very thorough consideration I came to the conclusion that on certain days of the week, especially Saturdays, conditions are such that if integration is applied as far as these facilities are concerned, friction will be caused.

Mr. C. W. EGLIN: Mr. Speaker, further arising out of the hon. the Minister's reply, does he anticipate that once liquor outlets are extended to supermarkets, it will also be on a segregated basis?

†The MINISTER: Mr. Speaker, obviously the conditions at supermarkets where ordinary wine licences are granted are quite different, and there is no intention whatsoever of bringing about any separation. At supermarkets there is a uniform type of client who buys there, but at the other outlets there are unfortunately certain elements who are not so sophisticated.

War on student boozing

THE SOWETO Taverns Association (STA) is to launch an all out campaign against students being served with liquor in the shebeens.

This was said yesterday by Mr Lucky Michaels, press officer of the organisation, following questions by **POST** on why some Soweto shebeens sold liquor to students and youngsters.

POST last week received complaints from members of the community that a number of shebeens sold liquor to students even during school hours and breaks.

Most complaints were received from residents of Mapetla Extension who said students — some dressed in their school uniforms — are being served liquor at a shebeen owned by Mr Godfrey "Louis Luyt" Moloi.

Mr Michaels said his organisation was against liquor being served to school children. He said he will call a meeting of STA on February 25 where members will be advised not to sell liquor to students and children under the age of 18.

POST was told that a number of school children drink at Mr Moloi's shebeen everyday. A man said he was concerned about the matter because "these children are supposed to be at school, but they are instead allowed to drink at the shebeen."

POST visited the shebeen and found more than 20 school children drinking in the shebeen. The students told reporters that they had been drinking at the shebeen.

When approached for a comment Mr Moloi said: "Jesus Christ failed to change people and how can Godfrey Moloi be expected to change the children of Soweto."

He added: "The children who drink come at weekends and one cannot say whether they are students. If they are allowed to drink at weekends, how can I drive them out during the week?" he asked.



Some of the students seen drinking at Mr Moloi's shebeen.

Tollgate peak

RDM 20/2/80

Financial Reporter

TOLLGATE Holdings, the diversified financial and industrial group, reports a higher taxed profit of R5 013 000 for the six months to December last compared with R4 851 000 in the 1978 half-year.

Earnings a share were up at 45,1c from 43,6c. The interim dividend, which was declared in December last, was unchanged at 10c.

Reason for the conservative dividend policy is Tollgate's big capital expansion programme. Capital commitments at the end of December were R10 552 000, to be financed out of existing cash resources and the group's cash flow.

The share is solid, but the slow dividend growth is a deterrent to investors who want quick income growth.

Hansard Questions 3(129–134)

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Hotels: international status

*13. Mr. C. W. EGLIN asked the Minister of Justice:

Whether the conditions and restrictions applicable to the granting of international status to hotels have been changed since 1976; if so, what are the present conditions and restrictions?

The MINISTER OF JUSTICE:

Yes. The present conditions are:

1.1 The licensee shall at all times during the currency of the authority, display in a conspicuous place at or near the main entrance to the licensed premises, an insignia, the design of which has been approved of by the Minister of Justice and particulars of which may be obtained from the Chairman of the Liquor Board.

1.2 In the case of a liquor licensed hotel, such insignia shall be displayed together with and immediately above the plaque issued by the Hotel Board in respect of that hotel.

1.3 A reproduction of the said insignia shall be shown clearly and in a conspicuous place on all letterheads and advertising material printed on paper in respect of the licensed premises or business and used or issued in respect thereof during the currency of this authority.

(2) Admission to any bar on the licensed premises which has a public entrance from outside and to which only White males have to date been admitted, shall remain restricted to such male persons only.

(3) Participation in any form of dancing on the liquor licensed premises shall be restricted to persons who are members of the group mentioned in the proclamation whereby the area wherein such premises are situated, has been declared a group area in terms of the Group Areas Act, 1966.

(4) The use of any swimming pool on the liquor licensed premises shall be restricted to *bona fide* guests who are resident in those premises.

(5) Liquor, refreshments and meals may only be sold or supplied to a person who—

(a) is a *bona fide* resident in the liquor licensed premises;

(b) is the *bona fide* guest of such a resident;

(c) takes an ordinary meal in the premises or is about to do so;

(d) attends a *bona fide* function, seminar, conference or other occasion in the premises.

(6) As agreed with the licensee (or his representative) a certain percentage at the most of the total number of beds ordinarily available in the hotel for the public, may at any one time be allocated to and occupied by persons who are not White persons.

(7) The Minister of Justice or any person acting under his directions, may in a particular case suspend any of these conditions and restrictions.

Mr. C. W. EGLIN: Mr. Speaker, arising out of the hon. the Minister's answer, may I ask him whether the restriction relating to dancing applies to foreign nationals who otherwise, on the grounds of race, would be disqualified in terms of this provision?

†The MINISTER: Mr. Speaker, no, not as far as I know.

Mr. H. E. J. VAN RENSBURG: Mr. Speaker, arising further out of the hon. the Minister's answer, could he please tell us whether the restriction on swimming applies to non-South African Blacks or South African non-Blacks? Could the hon. the Minister please just enlighten us further?

†The MINISTER: Mr. Speaker, the hon. member did not understand the reply in English and therefore I shall read it to him in Afrikaans:

(4) Die gebruik van enige swembad op die drankgelisensieerde perseel is beperk tot *bona fide*-inwonende gaste in daardie perseel.

Dr. A. L. BORAINE: Mr. Speaker, arising further out of the hon. the Minister's answer, could he tell us whether there is any truth in the rumour that the list of restrictions read out to this House today, was in actual fact compiled by the hon. the Minister of Tourism?

The MINISTER OF TRANSPORT AFFAIRS: Where did you hear that deliberate lie?

†The MINISTER OF JUSTICE: Mr. Speaker, the rules I read out here, are the responsibility of the Minister of Justice.

The MINISTER OF TRANSPORT AFFAIRS: The rumour is a lie.

Mr. D. J. DALLING: Mr. Speaker, arising further out of the reply of the hon. the Minister: He mentioned a certain percentage of non-White guests being allowed into an international hotel at any time. Could he tell us whether that percentage of non-Whites allowed into international hotels remains at 15%, as in the past, or whether it is now to be varied?

†The MINISTER OF JUSTICE: Mr. Speaker, the hon. member can give notice of that question.

Hansard Questions 3 (132/133)

20/2/80

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WEDNESDAY, 20 F

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(iii) is a guest of a club member.

(b) When by virtue of the authority—

(i) Liquor, refreshments or meals are supplied to any person; or

(ii) any person is admitted as a guest to the licensed premises:

No dancing shall take place in that part of the premises in which such person is present.

(c) The Minister of Justice or any person acting under his direction, may in a particular case suspend any of these conditions and restrictions.

In respect of Social Clubs:

(a) Admission to the licensed premises shall remain restricted to members of the club and their *bona fide* guests.

(b) Participation in any form of dancing on the liquor licensed premises shall be restricted to persons who are members of the group mentioned in the proclamation whereby the area wherein such premises is situated, has been declared a group area in terms of the Group Areas Act, 1966.

In respect of Racing Clubs:

(a) The sale or supply of liquor, meals and refreshments shall be restricted to Non-Whites who are trainers, colour holders, owners of horses and their *bona fide* guests.

(b) Such sale or supply of liquor shall be restricted to the areas whereto only holders of colours and trainers have access.

Mr. C. W. EGLIN: Mr. Speaker, arising out of the hon. the Minister's reply, am I correct in interpreting it to mean that Blacks, or non-Whites, will not be permitted to be members of clubs in terms of this regulation?

†The MINISTER: Mr. Speaker, I am not prepared to express an opinion on that.

Clubs: international status

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*14. Mr. C. W. EGLIN asked the Minister of Justice:

Whether any conditions or restrictions apply to the granting of international status to clubs with liquor licences; if so, what are these conditions or restrictions?

†The MINISTER OF JUSTICE:

Yes.
In respect of Sports Clubs:

(a) Liquor refreshments and meals may only be sold or supplied to a Non-White person who—

(i) is a competitor taking part in any match or practice on the grounds of the club;

(ii) is an official accompanying competitors taking part in any match;

HOTEL TRADE

No room at the inn

Rising flat rents and a shortage of houses for sale are having the expected effect on the reef's hotel trade — occupancy rates are soaring and the general view is that they're going to rise even further.

Increasing numbers of overseas executives are arriving to take up posts with SA companies. Previously they and their families stayed two or three months in a hotel while looking for a house. Now length of stay has gone up to four or five months.

The trend began in the last quarter of 1979, says Kevin King, deputy GM of the Balalaika. Stays are getting longer, he finds, as suitable housing becomes more difficult to find. "We could do with another 60 rooms," he says.

The position is much the same elsewhere. The Sunnyside's Nicholas Podmore traces the occupancy boom back to last October. The change, he believes, is definitely related to the economic upturn. Some accommodation is still available, but he warns that the days are past when it was a case of just pitch up and get a room.



Sandton's Balalaika . . . running out of rooms

Home-from-home

The Rosebank, a traditional businessman's home-from-home, has pushed occupancy levels to around 90%. GM Peter Roost attributes at least 5% of the improvement to executives on the move.

Surprisingly, the Holiday Inns frontrunners at Jan Smuts Airport and Milpark haven't registered increases in occupancy rate since January last year, although they are still among top performers in the group. But, says MD Nigel Matthews, the newly-acquired President has improved room count 25% over the period and occupancy is now running at 69%.

Residential hotels are sharing the spoils. Rooms are now about 75% let in Johannesburg, according to hotelier Derek Ward. For the past three years, he says, private hotels were just about on their backs. The pick-up has been closely monitored in his group's three Hillbrow hotels, Jacaranda, Mimosa and Golden Oaks.

Ward says rising flat rentals and the improving property market are among many reasons for the improvement. Owners are reluctant to keep on renting out their houses, for example, because they can sell at a good price. Tenants are therefore having to look elsewhere.

And fuel prices have dulled the romance of country living, so the cottage people are moving back to more central locations.

There's space left, but it's doesn't look like staying that way much longer. Come April, when hundreds of flats will be finally freed from rent control, and the rush could really be on.

Pebco calls for

THE Port Elizabeth Black Civic Organisation (Pebco) has called for a boycott of all East Cape Administration Board liquor outlets from this Friday and all white traders in Port Elizabeth from March 15 onwards.

The boycott — adopted at a Pebco rally in Kwazakhele at the weekend — aimed at protesting against the detentions of the organisation's leaders and the refusal of the Community Council to allow Pebco to use community halls in the township.

The meeting of about 2 000 people also called for the release of Pebco leaders from detention. They are Mr Thozamile Botha, chairman, Mr Phalo Tshume, secretary, and Mr Mono Badela, a journalist.

A youth representative announced at the meeting that a Pebco youth wing would be formed soon.

The meeting also rejected the Zwide rent cuts announced last week by the chief director of the Administration Board, Mr Louis Koch, and described them as an attempt to "divide the Zwide residents".

The meeting was told that the Zwide residents would continue not to pay rents until rents were dropped to R15 a month for all residents. They were prepared to pay the ability charge of R3 for water and R7 for electricity but would not pay water and electricity accounts.

Residents were advised at the meeting not to fill in the income surveys which were being distributed by the board officials to enable the board to calculate the rent deduction.

Mr Wilson Skosana, the acting Pebco chairman announced resolutions taken by Pebco branches. These were:

- That from Friday, February 29 all township liquor outlets of the Administration Board be boycotted.
- That from March 15 a boycott of white trade in the city would be launched.

Mr Skosana explained that the boycott of Ecab liquor outlets was intended to pressurise the board for refusing to hire out the Centenary Great Hall in New Brighton and all other community halls to Pebco for rallies.

He said the white trade boycott was planned to pressurise the authorities to release the detained Pebco leaders and the boycott would continue as long as the leaders were still in detention.

"The trade boycott included furniture. We have announced this earlier to allow people to prepare themselves for the boycott of the white trade and the liquor outlets.

"We are not going to threaten anybody but if anyone breaks the boycott that person should be aware that Pebco is watching him.

"We have been patient for a very long time and now we have decided to sneeze and when Port Elizabeth sneezes the whole of South Africa catches the cold," Mr Skosana said.

He said people should expect road blocks to be put up at all entrances to the townships and cars would be searched for liquor. They would be told, if liquor was found, that they had no right to introduce liquor bought in the city to the townships.

Mr Skosana said that it was time for the shebeens to sell their liquor to the people at reasonable prices. He said that a meeting would be arranged with the Port Elizabeth South African Chamber of Commerce to discuss the question of prices charged by traders in the township.

"I call upon all of you to remain calm during the boycott. There should be no acts of violence, no stoning of buses and no use of abusive language against other people," he said.

Mr Anton Masters, director of the Port Elizabeth Chamber of Commerce, declined to comment on the proposed boycott until he had time to confer with the chambers' executive.

Pebco boycott: Ban white shops and 'bottle stores'

The Star Monday March 3 1980

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Rebuffed restaurants to try again for all-race permits

Licensed restaurants in Johannesburg that were refused permits last year to open their doors to all races, say they will apply again.

They say no reasons were given for the refusal. The Government rejected the application of six restaurants — two in the Cape and one in Durban.

The three in Johannesburg were the Golden Spur Steak House (which has since closed down), Mike's Kitchen, and The Swiss Inn (Randburg).

A spokesman for The Swiss Inn says they have been admitting blacks who come there with whites in special cases — by merely "picking up the telephone and asking Pretoria for permission."

Their application was for a blanket permit which would have ended the inconvenience of constantly having to telephone the liquor board for permission, the spokesman said.

Mike's Kitchen in Market Street, with branches in Hillbrow, Greenside, and Delvers Street, follows the same procedure.

One spokesman said they had no problems with VIPs, journalists, writers, businessmen and actors.

More than a dozen restaurants, including those in large department stores, are now open to all races in Johannesburg.

STU13-9 EXAMINATION RESULTS IN FACULTY ARTS AS AT 29 02 80 PAGE 1

13130 PERFORMERS DIPLOMA IN SPEECH & DRAMA YEAR : 3 13130

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL		
100060L	HOGG	HENRY CAMERON	116317	DRAMA III	ABS	5	100060L

* TOTAL NUMBER OF STUDENTS 1

DEAN

REGISTRAR (ACADEMIC)



How they blacklisted this restaurant...

By Linda Shaw

When a restaurant entrance starts looking like an apartheid exhibit, you're entitled to get curious about the decorator veals that this one wasn't really racialistically inclined.

Those huge black and white notices plastering the walls of Mike's Kitchen in Market Street are there for a purpose.

They say, scream loud and clear — "No blacks."

"We've tried four times to get a multiracial licence, and had as many re-

jection slips.

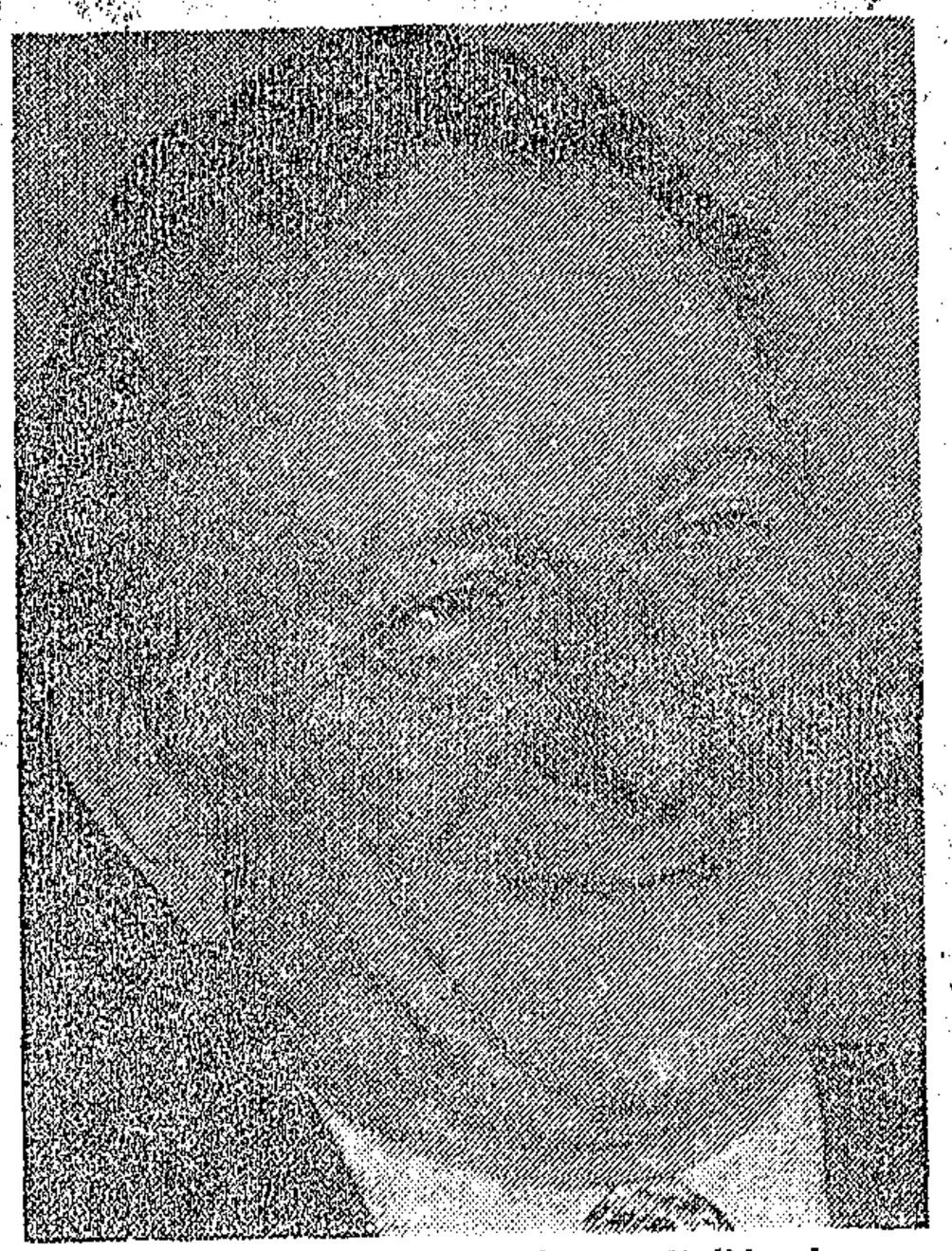
"Those are the 'slips,'" explained Mr Herman de Swart.

"We're not trying — to embarrass anybody — the enlargements are simply our attempt at an explanation."

Only two of the eight Mike's Kitchen restaurants have liquor licences, and a multiracial licence must be obtained from the Liquor Board.

"It gets expensive after a while," said Mr de Swart.

"We'll try once more, and if we're turned down again, we'll know we're wasting our time."



Mr Eric Bernard, world president of Holiday Inns.

Holiday Inns chief gets race shock

CAPE TOWN — Dr Eric Bernard, president of Holiday Inns worldwide, was shocked to learn he could be prevented from dancing with his Asiatic wife at one of his company's hotels because of South Africa's liquor laws.

This emerged during an interview yesterday with the hotel chief, who is on a visit with his wife, Mei-Ling. Mr Bernard was unaware of embarrassing incidents at the Holiday Inn and other hotels in the past when black and mixed couples were ordered off the dance floor.

"You mean I could be ordered to leave if I danced with my wife Mei-Ling?" he asked.

He confirmed this with a senior Holiday Inns executive.

ENTERTAINMENT

In the round

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FM 4/4/80

The long awaited video disc, the latest in consumer electronics directed at the home movie addict, has been launched in the US. But it is unlikely to hit SA for a few years yet.

Fulfilling the same function as video tape — it allows a magnetically recorded image to be displayed on a video, or TV, screen — the video disc industry has opened up a cut-throat war in the US, where the two main protagonists are RCA and Magnavox (subsidiary of North American Philips).

Both have developed disc technology to the full and are producing video disc players — very much like an audio stereo set. Like video tape players they are plugged into TV receivers. Main battle front, however, will be on the software market, because RCA and Magnavox technology is so totally dissimilar that discs will not be interchangeable. Thus, disc producers recording viewing material are going to have to choose between the two.

Magnavox's Video Long Player (VLP) uses an optical laser to "read" the signal on the disc, and offers more features (stereo sound, freeze frame, slow motion and reverse viewing) than its RCA SelectaVision counterpart which uses a more conventional "needle." But, on the other hand, it's more costly — $775 vs a claimed $500 (tape players are currently sold in the US for between $1 000 and $1 500).

With 72m TV sets in the US, estimates are that, by 1990, a market penetration in the order of 40% will have been achieved. With a projection of some six million player sales and 200m discs, the companies are looking at a potential revenue of about $8 billion a year.

Magnavox has begun test marketing in Atlantas, Dallas and Seattle, while RCA still has to put its machine on the market. The latter, parent company of US TV network NBC has, however, signed up with its rival, CBS, the largest record producer in the country, to produce software. This will give it access to one of the biggest entertainment libraries in the world, while licensing agreements are being concluded with about 20 companies worldwide.

Magnavox, on the other hand, has long had an agreement with MCA's Universal Pictures which will be making its discs. Philips also has a cross-licence agreement on patents with Sony, which will no doubt enable it to enter the fray in time to come. IBM and Pioneer have also signed with Philips.

Philips SA's video products manager heralds the VLP as "one of the most exciting entertainment developments for some time." He sees the Eighties as bringing an explosion in video. TV receivers will become "display units" for systems like the British Post Office's Prestel, the VLP and TV and computer games.

But SA, which boasts a population of about 30 000 video tape players, will have to await developments in Europe and the UK. It is expected that the VLP will be developed for the UK market (and the PAL television system, which would make it compatible with the SA system) in about 1981.

FACULTY ARTS
AR : 3
ES COURSE

AS AT 29 02 80

DESCRIPTION	SYMBOL			
PUBLIC INTERNATIONAL LAW ABS				
PUBLIC INTERNATIONAL LAW 2-	(67)	4	1018340	
ROMAN DUTCH LAW I	(76)	1	15036	
ROMAN LAW & JURISPRUDENCE I3	(53)	4	1030690	
ROMAN LAW & JURISPRUDENCE IUP	(56)	5	1003440	
ROMAN LAW & JURISPRUDENCE IUP	(50)	4	0944400	
ROMAN LAW & JURISPRUDENCE IUP	(50)	4	1022530	

REGISTRAR (ACADEMIC)

PRODUCT

Another Holiday Inn for W Cape planned

W/E Argus 5/4/80 288

SUBSTANTIAL extensions are to be made to the Woodstock Holiday Inn this year and another hotel is to be built in the Western Cape in the early eighties, says the chairman of Rennies Consolidated Holdings, Mr Charles Fiddian-Green.

He told Business Argus in an interview in Cape Town this week that these projects would be the major development plans of the Rennies group in the Western Cape.

'The hotel industry in the Western Cape is booming and we are looking at one or two areas where we would like to build another Holiday Inn hotel.

'The boom is partly a result of the influx of tourists from overseas but the potential for hotel development in the Western Cape is as good as anywhere else,' he said.

The cost of building a Holiday Inn hotel of 150 rooms is estimated at R5-million.

All of Rennies' manufacturing plants for luggage, shoes and sports goods were in the Western Cape. 'We employ a lot of people here,' said Mr Fiddian-Green.

MORE FULLY

Demand had not been as great as manufacturing capacity but this would be more fully utilised as economic conditions improved. An economic upturn in the country as a whole would benefit Rennies' interests in the Western Cape.

Shipping was still rather depressed but was showing signs of recovering.

● The group is making the rugby balls to be used by the Springboks and the British Lions touring side.

R33-m city hotel, office block announced

10/4/80 Hope 288

The Allied Building Society and the Southern Suns hotel group have announced that they are to co-operate on a R33-million joint re-development of one of Cape Town's prestige central city blocks.

The block, bounded by St George's, Strand, Burg and Castle Streets, has been partly leased to Southern Suns, the 65-year lease covering that portion of the block previously expropriated by Cape Town City Council, with the Allied retaining their own site on the corner of St George's and Castle Streets, on a freehold basis.

Southern Suns will hold a R30-million hotel complex of five-star rating with 350 bedrooms, which will relieve some of the pressure on the present Cape hotel squeeze caused by the unprecedented influx of foreign tourists.

The hotel will offer conference and banqueting facilities equal to international standards.

OFFICE BLOCK

The Allied will build a R3-m office block on its site to replace its present building, put up about 25 years ago.

Although the buildings will be constructed seperately, they will be joined by a glass-enclosed atrium, embodying shopping and pedestrian malls.

Close architectural contact will be maintained on the two buildings to ensure harmony in design and construction.

R40-m hotel plan 'only of benefit to developers'

STAR 10/4/80

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Municipal Reporter

The businessmen who propose to build a R40-million hotel on the Houghton Ridge in Johannesburg have again run into opposition — this time from the Upper Houghton Residents' Association.

The residents' association feels it has been snubbed by the planners.

In its first statement since the plans for the hotel were unveiled last month, the association today said that, other than for reasons of personal gain, the proposed hotel could not be seen as good town planning.

Despite promises that the developers would consult residents about the scheme, the association had not yet been approached and now believed the developers had no intention of doing so.

The residents are now drawing up two petitions — one for residents opposed to the scheme and one for the general public who want to help preserve Johannesburg's ridges. They also plan to hold a mass meeting in May.

A member of the Shamoon family, which plans to develop the site, has denied reports that they were on the verge of submitting formal applications to build the hotel. The whole matter was in abeyance "for the meanwhile," he said.

OBJECTIONS

The chairman of the residents' association, Mr John Rosmarin, today said the main objections to the hotel were:

- It would destroy the select residential character of the area.
- It would be totally out of scale with the type of development (houses with large gardens) presently located on the ridge.
- It would be environmentally unacceptable.
- As in Parktown, it would set a precedent for change in the area.
- It would aggravate traffic and parking problems, particularly near St John's College and King Edward School.

Mr Rosmarin said the association recognised that the pressures of change were often inevitable, but the residents had already approved a future development policy for the area.

R30m Sun hotel for Cape Town

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CDM
11/a/80

THE ALLIED Building Society and the Southern Sun Hotel Group will cooperate in a R33-million redevelopment of one of Cape Town's central city blocks.

Southern Sun will build a R30-million hotel complex on the block bounded by St George's, Strand, Burg and Castle streets. The 65-year lease will cover that portion of the block previously expropriated by the Cape Town City Council, with the Allied retaining its site on the corner of St George's and Castle streets on a freehold basis.

The five-star hotel will have 350 bedrooms.

The Allied will build a R3-million office block to replace its present building.

New hotel 'to boost tourism'

THE R30-million luxury hotel planned for central Cape Town could make an important contribution to averting the possible withdrawal from the South African tourist market of major international tour operators.

This was claimed yesterday by Mr Sol Kerzner, head of the Southern Sun Group, when he disclosed plans for a giant 32-storey hotel to be built on the block bounded by St Gerge's, Strand, Burg and Castle streets.

Mr Kerzner said the acute shortage of hotel rooms in Cape Town — 'an absolutely key attraction' in the package deal that international tour operators could offer their clients — was a factor restraining the full development of the tourist industry in South Africa.

'It has come to the point where it's almost embarrassing being unable to make available the rooms asked for,' he said.

COULD WITHDRAW

If this could not be rectified South Africa faced the possibility that major tour operators could withdraw from the South African market.

If the necessary infrastructure — air transport and hotel accommodation — could be provided, Mr Kerzner said, it would not be unrealistic to expect annual visits of 'at least one-and-a-half million tourists' by the mid-1980s.

'The objective for South Africa should be to earn R1 000-million in foreign exchange from tourists by the mid-80s,' he said.

His new hotel would aim for the top end of the tourist market, both domestic and international, but by international standards the rates would be 'very inexpensive'.

SHARED SITE

The block development, on the site of the present Electricity House, is being undertaken in association with the Allied Building Society, and Allied's new R3-million office building will be incorporated into the design of the hotel tower.

Mr Kerzner said construction would begin later this year — demolition has already begun — and it was hoped the complex would be completed by Easter 1983.

A name for the hotel has not yet been chosen.

Southern Sun's hotels in Cape Town at present registered occupancies of about 90 percent, and it would not be unrealistic to expect a 70 percent occupancy for the new hotel, Mr Kerzner said.

The Press conference was held in the offices of Mr Louis Karol, who designed the complex.

A seven-storey glass-enclosed atrium — facing St George's Street — will link the two parts of the development, and Southern Sun is negotiating with the City Council on the possiblity of linking the atrium with the Strand Concourse.

The hotel, Mr Kerzner said, would be of five-star quality — 'comparable to or better than some of the best hotels being built in the world.'

It will contain 350 rooms or suites; three restaurants; three cocktail bars, and 'the most comprehensive convention and banqueting facilities in Cape Town, and probably in South Africa.'

The convention facilities — which will aim to attract major international conventions — will be located in the four-storey podium, and will contain eight to 10 halls, capable of accommodating 1 000 people.

The main hall will accommodate 700 people, and the four convention floors will be linked by lifts and escalators.

The building will be set at a 45-degree angle on the site, giving rooms views of either the mountain or the sea. There will be two sets of glass lifts at one end of the building.

Big drink shocker

By LEN KALANE

BOTTLE STORES in Pretoria, West Rand and the Vaal Triangle townships sold liquor worth more than R10-million during December last year.

The figure reflects sales in township bottle stores (excluding Tshabalala in Soweto). As many people prefer buying from town outlets, it means liquor brought in December in these areas could have been at least R20-million!

The sales of liquor in these areas includes malt, spirits and sorghum beer.

Figures of sorghum beer could not be obtained independently.

The figures also show that liquor consumption is highest in the townships during December and November.

The president of the South African Council of Churches, Rev Sam Buti, reacted yesterday: "This is shocking! It only shows that our people drown themselves in liquor to the disadvantage of their development.

"They musn't do this. I am shocked, I can't say more."

People in Soweto alone and the entire West Rand area bought liquor worth R5 213 849 during December last year.

The revenue netted in the Vaal complex from liquor sales for December was R1 801 470,54 and R1 389 745 for the Pretoria region.

Atterdigeville and Mamelodi alone netted R1 313 659 for December.

Liquor sales given by the various administration boards for 1979 are (months in brackets):

Soweto and West Rand — R2 840 365 (January); R2 968 255 (February); R3 641 912 (March); R3 185 165 (April); R3 218 068 (May); R3 331 120 (June); R3 348 150 (August); R3 826 861 (September); R3 747 838 (October); R3 918 439 (November) and R5 213 849 for December.

Pretoria region — R915 100 for November and R1 389 745 for December.

Vaal was R1 801 470,54 for December; R1 141 746,46 (Nov); R1 116 669,28 (Oct); R956 310,08 (Aug) and R835 727,52 for July.

● The above figures include shebeens who may be responsible for more than half the liquor in black areas.

Post 22/1/80

Within South Africa many rural areas are served only by district surgeons (under the State Health Department) and by

20

anything to judge by (e.g. in Transkei, reach their first birthday).10

19

mortality rates there are between 170 and 280 per 1000 do not

Morbidity among Blacks showed elements both of a pattern of poverty conditions typical of developing countries, and a pattern related to Western consumption habits (not necessarily due to affluence). Su problems as V.D., alcoholism and problem drinking (which is extreme prevalent) reflect a degree of social disintegration, rather than m 'western' consumption patterns. In 'homelands', the disease spect a greater predominance of poverty-related diseases: excessive gast enteritis, malnutrition, TB and other infectious and parasitic dise

Analysing health-relevant features of society in the Ciskei, Selvan Engelbrecht and Finch

which factors affect their personal wellbeing.

In a Ciskei community sample, these authors found that sampled were landless, and 78% had either no crops or t Some 37% owned cattle. 59% of people said they did nc to fill them up.

3.6 HEALTH SERVICE MODELS

Information was available for one district in the Free Eastern Cape (Westcott, Ch. 12); the area of Graaff-Re for Gazankulu (Kok, *25; Sutter, Ch. 13); Ciskei (Selvan, and Fincham, *67); Transkei (Frankish, Vol.2); Kwazulu (Clarke, Vol.2); Swaziland (Ntiwane, *39) and Matabeleland (Pugh, *48).

Now it's all 'home cooking' at Fedics

R86

By ANDREW McNULTY

THROUGH a change in shareholding, Fedics, the country's largest catering organisation, has become an entirely South African company.

Federale Dienste, a subsidiary of FedVolks, and Imperial Cold Storage (ICS) have each acquired half of the one-third shareholding formerly held by the British-based Trust House Forte (THF).

The Federale Group and ICS, which originally formed Fedics in 1971 and were later joined by THF, now each have a 50% shareholding.

Dave Wigley, who takes up an appointment as managing director of Fedics this week, says the company is looking towards fast growth in the forecasted active business climate during the current year, when many



DAVE WIGLEY

companies are expected to turn their staff catering operations over to specialists.

A former Trust House Forte man, Mr Wigley, 41, was an executive director and group general manager of Southern Sun Hotels before joining Fedics.

He predicts the company's current 280 catering contracts will rise by 50% and the R45-million turnover by some R15-million in the next 12 months.

Among innovative ideas he plans introducing to South Africa, is a growing system now used in the US by companies too small to run their own staff kitchen, of working as satellites from a central food operation.

Inns plan 10 new hotels in 3 years

Holiday Inns are planning to start building 10 new hotels in southern Africa in the next three years.

The general manager of Holiday Inns, Mr Nigel Matthews, said this decision was taken last week by the board of Rennies Consolidated Holdings.

He said the initial developments for the 10 new hotels would begin over the next three years but it was unlikely that many of them would be completed.

Not all the money invested would come from Holiday Inns but outside investors would be able to invest, as is the case with the R8-million complex presently being built in Sandton.

The travel trade publication, Travel News, reported that Soweto and Salisbury would be considered as sites for two of the 10 hotels.

Mr Matthews said it was still rather premature to say Holiday Inns was looking at Soweto as a site but, as with other industries, were waiting for clarification of growth there.

Service refused

3/5/80
STAR
288

Mr Fanyana Mazibuko of the Soweto Teachers' Action Committee and a black reporter from The Star were refused service at a Mike's Kitchen restaurant on Market Street, Johannesburg, yesterday.

The restaurant had previously emphasised its willingness to serve black customers, which led to the refusal of an all-race permit by the Government.

When the couple entered, the maitre d' asked them if they wanted a table for two, then drew them away from the queue of customers and told them he could not serve them.

"They weren't with a white person," he explained afterwards. The restaurant's policy is to admit blacks only in the company of whites," he said.

UCT

Racecourses, restaurants seek international status

ARGUS 7/5/80

288

TWELVE hotels and 28 restaurants, sports clubs and racecourses in the Cape applied for international status at a Liquor Board hearing in a Kenilworth hotel today.

Eight of the hotels, including the Lanzerac in Stellenbosch, the Town House, De Waal and Capetonian in Cape Town, the President in Sea Point and the Boston in Bellville, were making their first application.

The others, including the Palace in Kenilworth and the Newlands, applied for renewal of their international status granted in 1978 and 1979.

Kenilworth racecourse applied for extension for its existing mixed bar and restaurant dispensation.

The application was for permission to serve blacks in the members lounge and dining room, stewards' lounge and the bar and restaurant in the public enclosure.

Milnerton racecourse also applied for extension to its existing dispensation.

Western Province Rugby Football Union applied for renewal of its existing bar facilities for non-white players and guests in the players' bar, committee room and lounge, president's room and referees' bar at the Newlands rugby ground.

'REAL NEED'

The application was made on the understanding that facilities would be restricted to competitors, officials, accompanying them and bona fide Rugby Union guests.

Lanzerac Hotel, represented by Mr J P Dalgleish, applied for international status on the grounds that the hotel was a tourist attraction and there was 'a real need to assist businessmen in Stellenbosch to entertain the black and coloured guests at a hotel of this standard.'

The hotel was a tourist attraction and many coloured and Indian visitors asking to be served meals had been turned away, Mr Dalgleish said.

The hotel staff were too busy to make ad hoc applications for individual groups of non-white visitors to eat and drink there.

STUDENTS

Among the sports clubs and restaurants applying for renewal of the existing authority to admit and serve non-whites were Langehoven Students' Centre at Stellenbosch, Bergvliet Sports Association, Villagers Football Club in Claremont, Kelvin Grove in Newlands, University of Cape Town Sports Club and Western Province Cricket Club.

The applications were heard by the chairman of the Liquor Board, Mr F J Roux, and board members Colonel G van der Berg, Mr G B Vorster and Mr P Marais.

The applications will be examined by the Minister of Industries, Dr Schalk van der Merwe, who will decide whether to grant international status in terms of the Liquor Act of 1977.

SOUTHERN SUN

Jackpot

Christmas was obviously a bumper season for Southern Sun which has turned in results way ahead of all expectations — including those of chairman Sol Kerzner.

After the interim report, Kerzner was quoted as saying that with limited additional capacity compared with the 1978 holiday season, second-half earnings would not increase at anything like the 56% growth rate of the first six months. Yet with Sun City in business by December 7 and additional profits from Cabana Beach and Umhlanga Beach Mews, both acquired as from October 1, growth was in fact maintained and earnings of 23,6c for the year to end-March show a 55% improvement on the 15,2c of 1979. This was the second successive year in which earnings growth has exceeded 50%.

The dividend total of 16,5c (10,5c) is in line with the policy of distributing 70% of earnings.

Kerzner is not prepared to say how much Sun City contributed in its first four months of trading but, judging by the increase in the proportion of profits attributable to outside shareholders (the unit is 50%-owned by the BophuthaTswana government) from R337 000 in 1979 to R1,3m, it was probably between R1,5m and R2m after tax.

This would represent between one-quarter and one-third of the increase in group taxed profits, before the minority charge, and between 15% and 20% of the increase in profits attributable to shareholders.

An interesting feature of the group's BophuthaTswana operations is that Sun City has not affected trading at Mmabatho Sun, as had been expected. This unit achieved an overall 87% occupancy, is still heavily over-booked, and may be expanded, according to Kerzner.



Sol Kerzner . . . spinning the profit wheel

Other factors which contributed to the strong growth included a significant improvement in average occupancy from 69% to 77%, which allowed a more effective recovery of overheads; strict control of costs, including the implementation of certain energy cost saving measures; and the continued growth of overseas tourism which is an important source of income for the group.

The market, rather surprisingly, was not very enthusiastic about the results and the share had dropped 17c to 318c by Wednesday. At this price the historic dividend yield is 5,2% against an industrial sector average of 4,8%.

With further strong growth likely in the current year as Sun City makes its first full year's contribution (this alone is probably worth a 15% increase in earnings), the share still rates a buy recommendation.

Brian Thompson

Traditional hotel wants all-race licence

STAR 13/5/80

By David Breier and Arnold Kirkby

One of Johannesburg's oldest hotels has applied to the Liquor Board for an international licence.

The Cosmopolitan Hotel in Commissioner Street, Jeppestown, which was first licensed in 1899, has requested two rooms for black occupancy.

A representative of the hotel told the Liquor Board in Pretoria yesterday that a changing trend in the area round the hotel warranted an international licence. It was said that light industrial and packaging firms in Jeppestown were making increasing inquiries about using the hotel for luncheons and meals for black people on training courses.

At present 75 percent of the hotel's income was made from its off-sales bottle store and 20 percent from bar sales.

HISTORIC

Only between five and ten percent of the hotel's 18 beds had been filled recently.

The representative added that the hotel's architectural design was of historic importance and felt that its life would be lengthened with an international licence.

In another application a photograph of black and white disco dancers at a disco competition at a Johannesburg club was used in evidence.

The photograph was submitted to the board by the police and forms part of the file on the application by the four-star Rand International Hotel, Johannesburg, for an international liquor licence.

The board is this week considering about 100 applications from hotels, restaurants and clubs, mostly in the Transvaal, for international licences to allow all races to be served with alcohol.

No findings will be made by the board itself, which will make its recommendations to the Minister of Industries, Trade and Tourism, Dr S van der Merwe.

EXTENSION

The Rand International was refused an international licence two years ago.

The hotel operates a popular discotheque club Raffles, where a multiracial disco competition was held recently.

The Rand International is owned by the Southern Suns Group, which also applied for a new international licence for the Towers Hotel in the city centre.

One of Pretoria's top hotels has applied for extended "International" rights to cater for the large number of black homeland dignitaries who visit the city.

The Burgers Park Hotel has had an international licence since 1976, the liquor board heard.

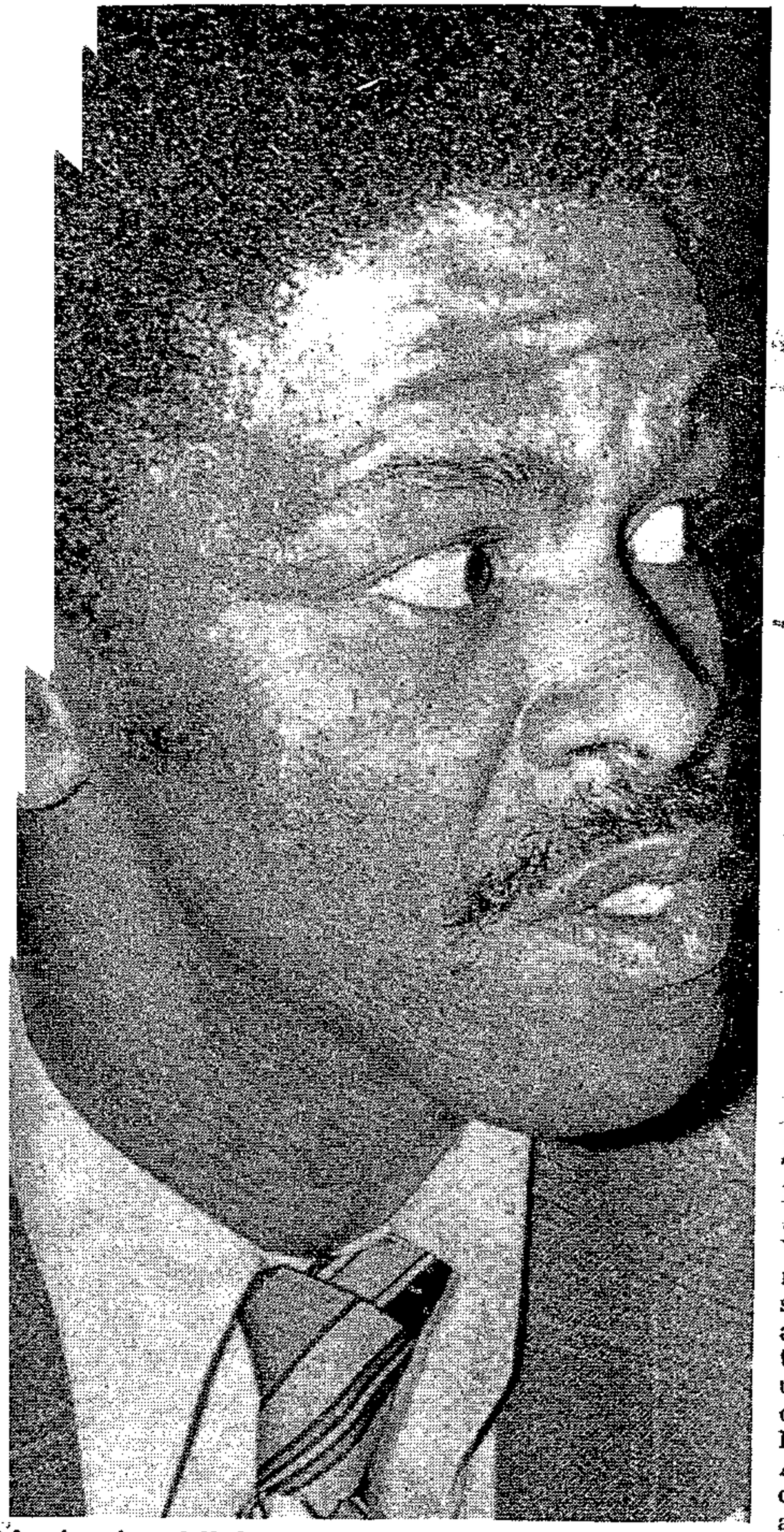
The hotel is entitled to fill 10 percent of its beds with people of colour.

But the board heard that during the parliamentary recess, when the Government sat in Pretoria, the Burgers Park had applications from visiting black dignitaries, including Cabinet Ministers, to fill more than 10 percent of its 429 beds.

The hotel has now applied for a quota of 15 percent.

W Rand shebeen owners join hands

16/5/80 Post



Mr Lucky Michaels . . . shebeen owners spokesman.

WEST RAND shebeens have now joined in the struggle for gaining legal status.

Shebeen owners at Mohlakeng township, Randfontein, joined to form an umbrella body with other shebeens on the Pretoria-Witwatersrand - Vaal (PWV) areas. The umbrella body will present a front in fighting for legal status.

MEETING

In a meeting this week, chairman of the Soweto Taverns Association, Mr Lucky Michaels, spoke to shebeen owners in the West Rand where they met to form this new association. The shebeen association in Randfontein will fall under the umbrella body which includes the STA, the Vaal Blue Waters Shebeen Association, the Mamelodi Shebeen Association and shebeens in the East Rand.

Mr Michaels said the formation of the association in Randfontein now completed the circle of the PWV shebeen representation. He said other townships in the West Rand were also invited.

"We hope the unity of shebeens is going to help make the legalising successful and tremendous business. We want to cry out in one voice," Mrs Michaels said.

Shebeens met at the Pelican in December last year to form an umbrella body that included only Pretoria and the Vaal complex. East and West Rand were not represented.

Mr Michaels said since now the East Rand and West Rand have joined in, they were now formidable not only in fighting for legal status but give out charity to the needy.

"We are going to run school bursary funds among one of the charities planned. We will also emphasise it to shebeen owners who are under our body never to sell liquor to children," he said.

By LEN KALANE

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Hotel booking dispute

C.T. 30/5/80 288

Staff Reporter

KWARU, a non-racial Port Elizabeth rugby team, last night claimed its weekend booking at a leading Cape Town hotel had been cancelled to keep them away from the British Lions team and its accompanying overseas press contingent.

But the hotel involved denied last night that there had been a weekend booking for the Kwaru team, which is scheduled to play a Boland Rugby Union team at Worcester tomorrow.

The president of Kwaru, Mr Silas Nkanunu, said in Port Elizabeth last night that the booking had been made "at least two months ago" by Mr Noortjie Khan, president of the Western Province Rugby Union, the Cape affiliate of the non-racial South African Rugby Union.

The booking had been confirmed at least twice previously, but on Wednesday, he said, the hotel had told him "it could not take us because it had to accommodate the Lions".

Kwaru had used the hotel for at least two years, he said.

Mr Khan could be reached for comment last night.

The Kwaru captain, Valence Watson, said last night that he thought unfavourable reports which had appeared in British newspapers since Kwaru had met foreign journalists when the Lions visited Port Elizabeth were behind the cancellation.

"We are obviously not wanted in the same hotel as the Lions. We do not like what has happened, but I must say I'm not surprised by it".

Mr Hassan Howa, president of the South African Council of Sport, said last night that the alleged cancellation of the booking, as relayed to him by Mr Nkanunu, "shows up again why we are against the use by ourselves or our affiliates of these so-called 'international' hotels, because their permits are temporary ones which can be revoked by the authorities.

"I think this sort of incident will happen again".



Chairman Lucky Michaels addressing shebeen owners at the Pelican Night Club in Soweto yesterday afternoon.

Tavern owners to meet liquor board

/By LEN KALANE

SHEBEENS meet the National Liquor Board in Pretoria today to discuss conditions of getting licensed.

They will also ask for temporary permits that will enable them to operate without being raided by police. The permits will be used until the Government has finally legalised shebeens.

These moves were decided on at a meeting at the Pelican Night Club, Soweto, yesterday. Shebeen owners in the entire Pretoria-Witwatersrand-Vaal (PWV) areas met for the first time since the Minister of Justice, Mr Alwyn Schlebusch, announced that the Government was giving shebeens the green light.

LICENCE

Now a meeting between liquor board officials and shebeen owners has been set for today to discuss some of the requirements in obtaining a licence. The meeting comes a week after the Government announced its approval in getting shebeens legalised.

Shebeens also discussed suggestions to be discussed with the liquor board. Among other things, they undertook to:

- Ban or stop serving under 18-year-olds.
- Serve liquor with all the commodities that go along with it — food, cold-drinks, snacks, cigarettes etc.

FUTURE

Chairman of the Soweto and National Taverns Association, Mr Lucky Michaels, said yesterday's meeting was the decider in the future of shebeens. He said they would ask for entire details on licensing conditions and ask officials to clarify the requirements.

"We would like the liquor board to give us their conditions," he said. "We are going to give them ours too."

Principals walking a tightrope

STAR 4/6/80

Pupils are calling the tune in the ongoing boycott of coloured and Indian schools, report YUSSUF NAZEER and ROB MEINTJIES.

Coloured and Indian school principals in Johannesburg are walking a tightrope.

Boycotting Indian pupils are now coercing principals, teachers and other pupils to join the boycott in an open show of solidarity.

Those who refuse to do so are being branded as "stooges" and "sellouts."

One coloured principal tried to resume classes this week and faced a minor rebellion. He was forced to backpedal, telling pupils classroom doors would be open for those who wanted to resume studies.

"Before the boycott we were issuing instructions," said one coloured educationist. "Now we ask pupils: 'Don't you think this is what you should do?'"

Indian pupils who, at the beginning of the boycotts, protested passively in sit-down strikes, are now marching around their schools chanting slogans. Others have forcibly stopped other pupils from writing exams.

Protesters have torn up exam papers.

They demand the release of all detained pupils, teachers and action committee leaders, especially Dr Joe Variawa.

Indian pupils have cut telephone wires at schools to prevent calls to the police when they go on the march.

Principals complaint that the Director of Education, Mr Gabriel Krog, has placed them in a "delicate and dangerous" situation by "passing the buck," directing principals to warn parents that children would be expelled if they persisted with the boycotts.

Pupils have made it clear they do not fear police action against them, chanting "we want freedom," "down with apartheid education." "we won't sell out," "the boycotts are for a just cause," "we will die for freedom." They have reiterated they are prepared to stick it out to the "bitter end."

It seems clear now that both Indian parents and teachers have lost control over their children, who are refusing to go along with their elders' pleas to "cool it."

Parents disillusioned by the boycotts are calling on the education committees on various school boards to meet the authorities, feeling the bargaining power of the committees will have been increased by the boycotts.

Education authorities controlling Indian education have said they would be more than willing to meet these educational committees, but have added they would not be prepared to talk to parents' action committees which back the boycotters.

Coloured teachers were agreed that the boycotts, fuelled by the wave of detentions, had taken on a wider significance than a mere protest against inferior education.

"Equal rights for all," was how one educationist described pupils' demands, with which he identified completely — although he was opposed to the shouldering of this burden of protest by pupils.

Yet principals dare not openly criticise the boycott without running the risk of being branded as stooges. "They have no time for the subtleties and nuances of our position," said one teacher.

Teachers have discussed possible ways of dissuading students from emulating the "rash" tactics of pupils in Cape Town who disrupted business in the Golden Acre shopping complex.

Teachers say pupils are keeping them in the dark as to their plans. Boycotters are also reluctant to talk to the Press, accusing it of distorting the facts or playing down the boycott.

A knot of friendly pupils in Westbury commented on the wave of arrests: "They achieve nothing."

But mention of the word "boycott" is met with stony silence or curt replies such as "the boycott is still on" or "I don't know."

One educationist said: "People are mistaken if they regard our pupils as children. Many are young adults."

Southern Sun sees 2m visitors to SA with R2 000m by 1990

288

RDM 18/6/80.

By ELIZABETH ROUSE

SOUTHERN SUN thinks big — it expects 2-million tourists will spend R2 000-million in South Africa by the end of the decade — but it foresees problems in committing large sums to develop hotels to cater for mass tourism.

The directors highlight this problem in the annual report — replacement cost a room has climbed to R70 000 from the hotel group's historic cost of R20 000.

Improved productivity and more effective cost control will not solve the problem of getting a reasonable return on vast capital spending, say the directors. The industry has made representations, through Fedhasa, to the Government for further incentives to assist the industry in achieving a reasonable return on investments.

At this stage Southern Sun has no hassles in financing its capital expenditure — R44-million is scheduled for expansion this year and group ratios are healthy — and cash flow should improve substantially as Sun City contributes a full year's profits and its other hotels are expected to show higher occupancy rates.

But, unlike groups owning large plant which can be depreciated in multi-millions every year — Southern Sun's report shows that depreciation is a minimal R3 697 000.

There must be meaningful State incentives if the group is to keep expanding to cater for an expected 1-million tourists by 1985, who should contribute R1 000-million to South Africa's foreign exchange earnings.

Expansions on the boards this year are R10-million for additional accommodation and facilities at Sun City, to be completed by March 1981, and the R30-million Cape Town hotel, on which building should start by September and completion is scheduled for mid-1983.

Refurbishing will take millions of rands — R6-million was spent in the past year.

The Sun City expansion programme will be financed by medium-term loans of R5-million with the BophuthaTswana National Development Board and Southern Sun providing the balance by way of equity.

The directors' report shows that retained earnings in Southern Sun Hotels (BophuthaTswana) increased by R2 600 000 in the year to last March, giving some indication of the profitability of the Sun City venture.

A debenture of R15-million will be negotiated for the Cape Town project, the R9-million debenture raised in July last year now being diverted for other uses.

The directors are satisfied with the current asset/liability ratio of 0,6 : 1 as Southern Sun has consistently operated at this level and constantly generates surplus funds.

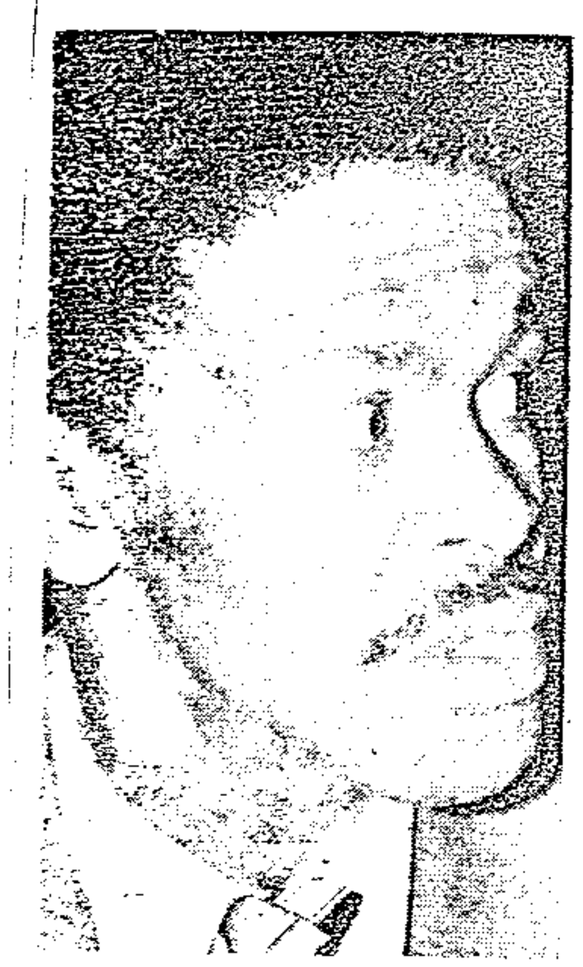
Interest cover improved from 6,3 to 9,9 and interest-bearing debt to shareholders' funds at 0,7 : 1 is considered conservative for a company invested in hotel real estate, especially as properties are reflected at cost of R69-million (R39-million in 1979).

Hotel trading and casino operations contributed R14 150 000 (R9 280 000) to taxed profits in the past year, mainly boosted by Sun City and Cabana Beach.

The return on shareholders' funds improved to 27% from 21%. The group has shown a 32% compound annaul growth over the past five years and earnings have increased almost tenfold since 1970 from 2,5c to 23,6c. The dividend was lifted from 1979's 10,5c to 16,5c in line with policy of distributing 70% of earnings.

T.U. Customs Union. agriculture. development. Civilised labour policy production. Maximal employment of non-whites. Wages.

Post 14 (288)



Mr Lucky Michaels

Shebeens must own premises

By LEN KALANE

PEOPLE who intend to run legalised shebeens will have to buy the houses or premises where they sell.

This is yet another jolt for shebeeners as they prepare to get themselves legalised.

Besides the fact that they may have to pay R600 for their annual licences, they should now obtain full ownership of the premises in which they intend to trade.

This means that a shebeen owner cannot trade in a rented house.

Shebeen owners also fear that their house rents might be increased to match those of other business sites. After their premises have been rezoned they will be regarded as business sites and no longer as residential sites. In terms of the relevant regulation, a business site's rent must be paid apart from the residential one.

It has also emerged that licences will be issued only to those without previous criminal records — according to the law concerning licences.

But in a shebeen meeting yesterday in Soweto, Mr Lucky Michaels, chairman of the Soweto Taverns Association, said provision has been made not to penalise those who have records only under the Liquor Act. This means the law will affect those who have in the past been convicted for murder, theft and similar crimes.

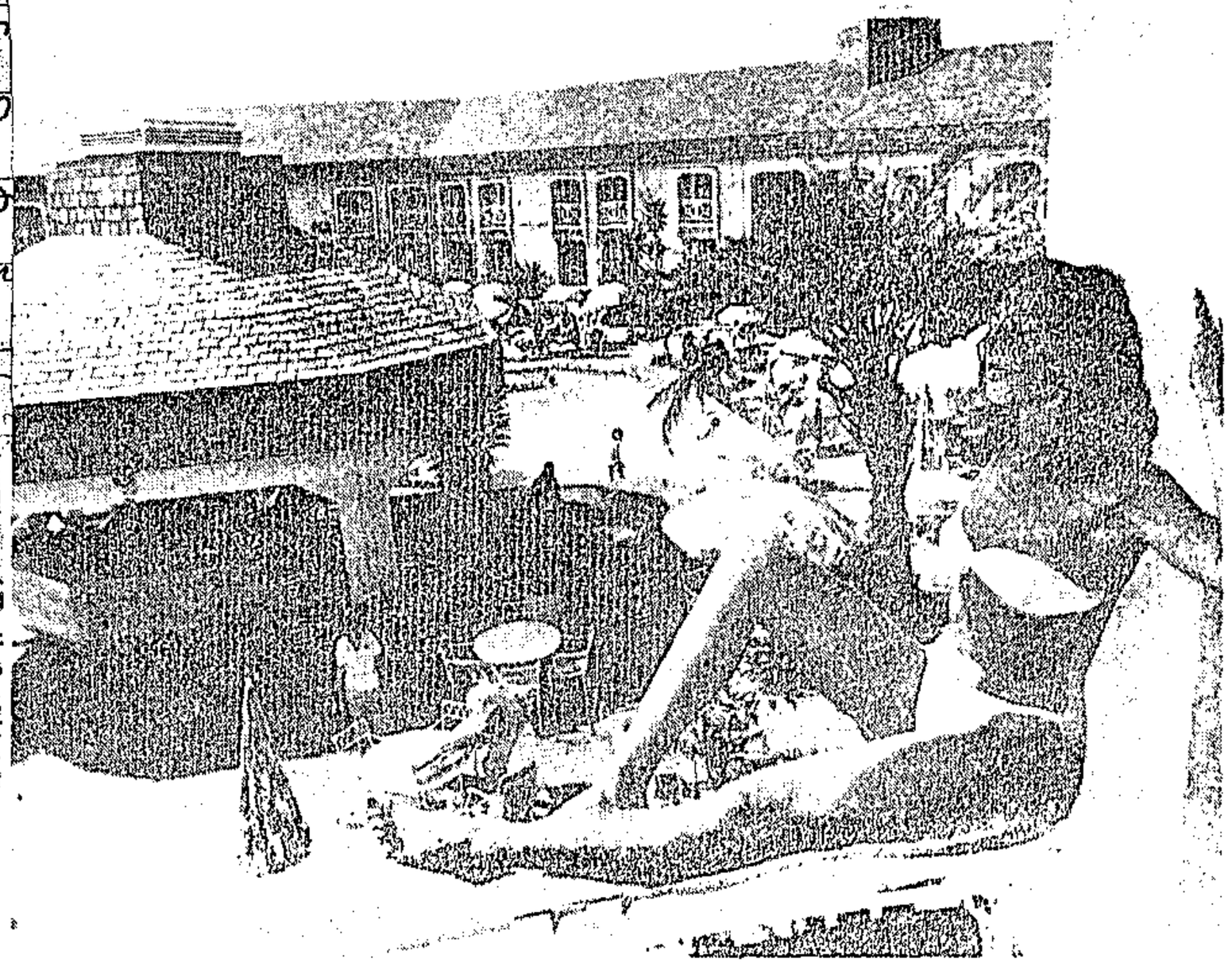
Outlining the structure of a legal shebeen, Mr Michaels said it should have a dining area, kitchen, storeroom and two toilets — one for the ladies and the other for men. This will mean that a rezoned residential site should have three toilets including that of the family if the trading site operates legally.

Mr Michaels said in their last meeting with the National Liquor Board they were told that their areas should be rezoned by the Administration Boards. An architect would be made available and officials from the liquor board will then survey the site.

Mr Michaels said shebeens were opposed to the R600 licensing fee. "We told the Liquor Board it was too much, and asked them to reconsider this."

The chairman of the National Liquor Board, Mr Le Roux said R600 was the normal trading fee but added that the fee would be considered.

"We will deal with the licensing fee when we receive applications for licences," he said.



Southern Sun . . . adding glamour to profits

peated this year and Sun City will "make a far more substantial" contribution, there seems no reason why growth should not exceed the five-year average. Earnings could increase some 40% and the dividend to about 22c. On a two-year view the share, at 335c, is a buy. For the longer-term, real growth rates will almost certainly slow down.

Des Kilalea

SOUTHERN SUN

Profit extravaganza

Activities: *SA's largest hotel chain. Has 24 hotels in SA, two in Bophutha-Tswana and one in Mauritius. SA Breweries holds 69,2% of the equity. Listed in 1979.*

Chairman: *R J Goss; managing director: S Kerzner.*

Capital structure: *52,5m ordinaries of 10c. Market capitalisation: R175,9m.*

Financial: *Year to March 31 1980. Borrowings: long- and medium-term, R34,9m. Net cash: R1,8m. Debt:equity ratio: 72,2%. Current ratio: 0,6. Group cash flow: R17,8m. Capital commitments: R44m.*

Share market: *Price: 335c (1979-80: high, 350c; low, 192c; trading volume last quarter, 350 000 shares). Yields: 6,8% on earnings; 4,9% on dividend. Cover: 1,4. PE ratio: 14,7.*

	'77	'78	'79	'80
Return on cap %	n/a	15,1	18,3	21,5
Turnover (Rm)	30,0	33,9	61,1	87,5
Pre-tax profit (Rm) ..	3,6	4,8	9,2	17,1
Gross margin %	n/a	20,3	19,6	23,3
Earnings* (c)	8,6	10,1	15,2	22,8
Dividends* (c)	6,0	7,0	10,5	16,5
Net asset* value (c) ..	n/a	49	71	83

* Adjusted for 10-for-1 share split in July 1979.

The annual report confirms what some brokers have been saying for the past few months: the company has strong growth potential over the next two years in line with increased consumer spending and expansion into key tourist areas.

For the past 11 years earnings have grown at an average annual compound rate of 27%, while the latest five years have seen an annual 32%. With the late-1979 opening of Sun City only partly reflected in the 1980 accounts and a forecast of increased tourism, Southern Sun looks set to move ahead strongly this year.

The group's hotels and casinos produced a pre-tax, pre-interest profit of R18,6m (R10,8m) last year, and an after-tax gain of 64,2% to R12,7m (R7,7m). Annual earnings were 22,8c (15,2c) after figures of 6,1c (3,9c) in the first half. Thus the second six months produced attributable earnings of 16,8c (11,3c). Earnings growth was slower in the second half because hotel occupancies are higher leaving little or no spare capacity to provide the high marginal profit increases. Nevertheless the directors say the latter half's performance was better than expected, partly because of Sun City.

Occupancy of group hotels increased to 77% (69%) last year despite the addition of new hotels. Sun City was opened in December and reported an average occupancy of 90%. During the year Cabana Beach was acquired for R8,8m. So, while fixed assets rose 55,3% to R93,8m (R60,4m), a full year's revenue was not received from them.

Cabana Beach and Sun City were financed largely by loans. Long-term loans of R15m at 7,8%, a R9m debenture issue at 11% and a medium-term R5,8m loan were negotiated over the past 18 months to finance these projects. Last year R20,6m of the loans was drawn, while R4m in long-term borrowings was repaid. In addition R5m medium-term loans are to be raised for expansion at Sun City, while a further R15m will help fund the R30m Cape Town hotel due to be completed in mid-1983.

Though the board foresees good growth in tourism, the sharp rise in building costs makes reasonable returns on new projects difficult. Replacement cost for the group are now estimated at R70 000 per room compared with R20 000 historic. The hotels federation has asked government for further incentives to developers to help overcome this problem.

Total borrowings increased by R15,1m to R36,8m last year but the debt:equity ratio remains well within management's 1:1 ceiling. The R15m borrowings for the Cape Town hotel would increase the debt:equity ratio to around 99% if calculated on last year's shareholders' funds figure. With earnings growth this year likely to be at least 35% and no change in the dividend cover, debt:equity should remain in the region of 75%. Judging from last year's 6,3 (4,3) times cover on the interest/leasing bill, this should not be a worry, particularly as properties are still carried in the balance sheet at historic costs.

As most of the hotel business is on a cash basis, the low 0,6 (0,61) current ratio is satisfactory. Cash at end-March was well up at R3,7m (R350 000) and with the expected growth in tourism liquidity should improve further.

As improved occupancy levels are ex-

Shebeens get down to business

By SOPHIE TEMA

THE mother body of all associations of shebeen owners throughout the reef, the National Tavern Association, has formed a business company with a share-holding partnership and has applied for a license to own and run bottle stores in black townships.

The move by the association follows the recent announcement by the Minister of Justice, Mr Alwyn Schlebusch, that the Government has approved black owned bottle stores, bars and restuarants in urban townships.

Chairman of the Soweto Tavern Association, Mr Lucky Michaels told the Rand Daily Mail yesterday that the company has applied for a license which would enable it to form chainstores like in the case of white owned bottle stores.

Mr Michaels said: "All members of the association would be encouraged to buy shares and have dividends at the end of each financial year.

"They will also have fixed rates of interest and discounts on purchases made throughout the year."

At a recent meeting held by the Soweto group, Mr Michaels told shebeen owners they would have to be the first to take the initiative to own liquor outlets in their townships.

NATA (Pty) Ltd will initiate the formation of companies in other areas to help members to own bottles stores in their townships.

Already Alexandra and Pretoria have holding companies which have bought shares in NATA.

Mr Michaels said Soweto will be given first priority of owning one or two bottle stores and the other areas would follow.

The running of bottles stores and other liquor outlets in the townships would be the culmination of a long wrangle between the Government and members of the black community to own such amenities in their own areas.

Towards the end of last year the association submitted recommendations in a 13-page memorandum to a commission of inquiry held by the Liquor Board, stating why the running of shebeens had to be legalised.

One of the recommendations in the memo was that the legalisation of shebeens would reduce the temptation of corruption between members of the police and shebeen owners.

Mr Michaels said yesterday: "There has been a tremendous response from the Government towards shebeen owners."

Soweto's shebeens: dens of pleasure or crime?

(243) (283) RDM 3/5/80

THERE are more than 4 000 shebeens in Soweto. Many think of them as places for relaxed socialising — others as the founts of crime and vice. To discover their true character, RAND DAILY MAIL reporter J S Mojapelo spoke to the chairman of the new Soweto Taverns Association.

IT IS unfortunate that many people — black and white — still regard shebeens in the black townships as sources of crime and evil.

The unfortunate stigma in a misconception, says Mr Lucky Michaels, chairman of the Soweto Taverns Association.

In his opinion, shebeens are a "westernised form of the black man's way of life".

Soweto shebeens — there are more than 4 000 of them — have now adopted the title "tavern", which they believe will help to eliminate some of the stigma still attached to their business. But there are some doubts if the new name will catch on.

Mr Michaels, who studied anthropology briefly, said the black man has been drinking for a long time. The habit was part of his social milieu.

"All the black man has done to that type of life is to westernise it by drinking in a westernised house instead of a hut, and drinking westernised liquor instead of the traditional normal home-brew," said Mr Michaels.

He said that shebeens were not basically places where people went to get drunk. Shebeen customers usually did more talking together than drinking.

"It is a place where they meet," he said. "It is like a social English pub in the black man's way of life."

I interviewed Mr Michaels in the manager's office at the Pelican Club in Soweto.

I found him to be intelligent, articulate, unassuming and, above all, a fighter. Though known as Lucky Michaels, it is not his true name. He is Michael Thandi.

"Those who know me by my real name, know me from my boxing days. I was a professional boxer in the late 50s and early 60s," he said nonchalantly.

Born in Johannesburg in 1939, he went to Mozambique at the age of 18 to study at university. He stayed there for six years, and while a student worked for five years in a night-club, picking up some of the know-how of the business.

He even did military training there, and speaks fluent Portuguese.

When he returned to South Africa in 1971, he started the first black-run night-club in Johannesburg, with Mafike Khambule.

He then came into the shebeen spotlight in 1978 during the boycott of Wrab-owned bottle stores. Police had earlier declared war on Soweto shebeens.

Brigadier Carel Coetzee, who was then the head of the Soweto police, maintained that shebeens were a crime breeding place. The shebeens retaliated by boycotting Wrab bottle stores.

Mr Michaels's leadership qualities were realised when he became the spokesman for the shebeen owners.

"I could see the ignorance of a lot of people (shebeen owners) regarding the laws that forbid the sale of liquor. That ignorance made me feel committed to helping those people, even though I was in the same predicament," said Mr Michaels.

After knocking at the doors of officialdom, begging the relevant authorities, and petitioning the Government, the State relented in May this year and granted conditional legal status to shebeens.

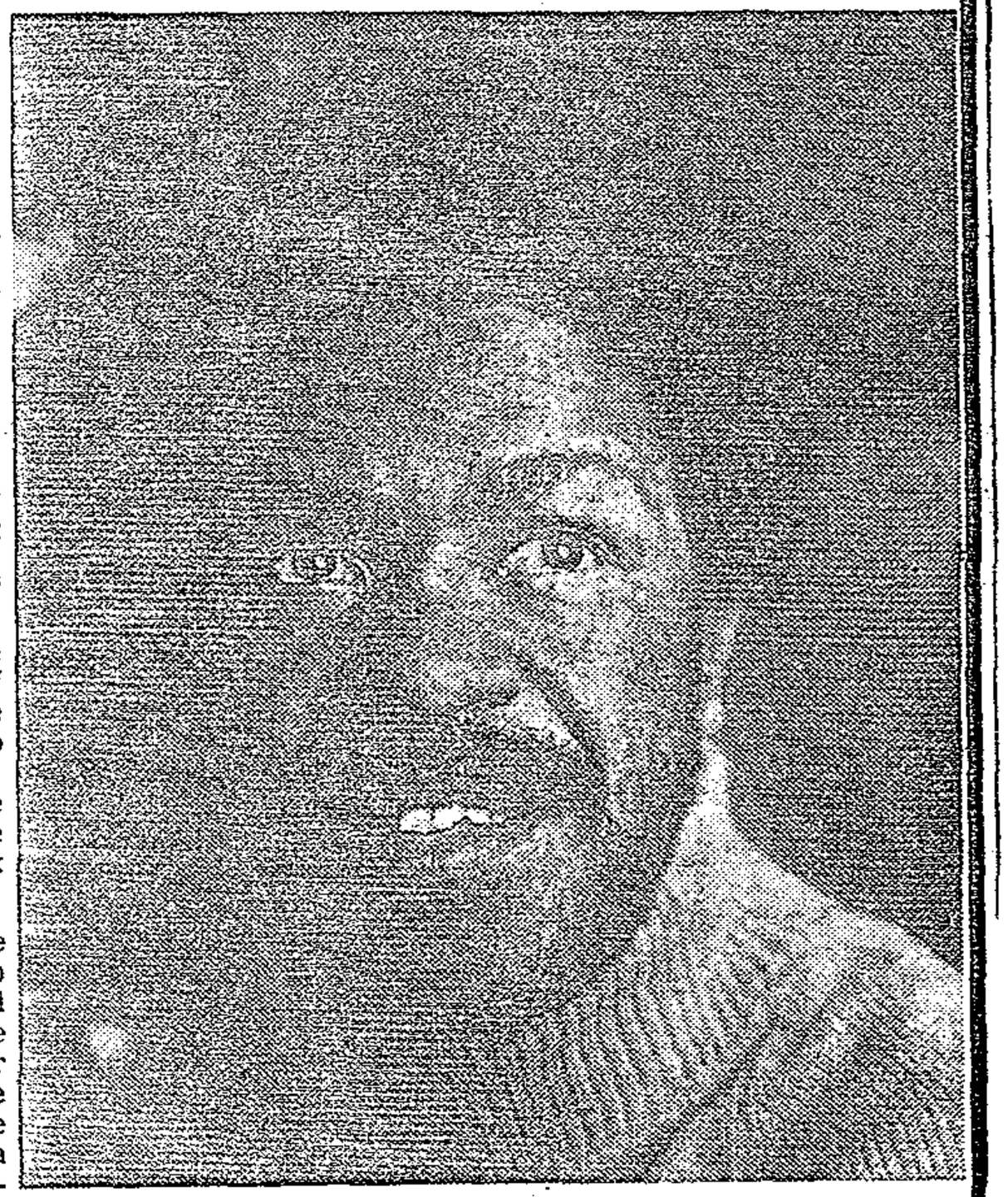
Mr Michaels was again in the forefront when shebeens came together two weeks ago to form the National Taverns Association Ltd, a company of shebeeners throughout the Reef.

"I do not believe we intend to stop there. We intend to go on and buy bottle stores, which we will run on a communal basis for shebeeners. We can then start looking at breweries, where we can buy shares too," Mr Michaels said with confidence.

The shebeen industry in Soweto alone has a revenue of about R65-million a year. The association intends to keep most of that revenue in Soweto.

Mr Michaels dismissed the argument that shebeens were dens of crime and vice in black townships.

"Let us face it, the ultimate source of these township crimes is definitely the social circumstances surrounding the man. If everybody, for instance, had a job, there would be no stabbings," he said. "No specific type of a person becomes a shebeen owner or bootlegger. People become shebeen operators through economic necessities."



Mr Lucky Michaels ... "Soweto shebeen patrons usually do far more talking than drinking.

Renewals for 'open' status granted

Own Correspondent

THE Liquor Board in Pretoria has granted all applications made for the renewal of international status by restaurants, hotels and sports clubs.

The chairman of the board, Mr F J le Roux, said the applications for new licences had not yet been decided upon. These will be considered in August or September.

There were 64 renewal applications from all over the Transvaal.

Of the 38 new applications for international status, none came from Pretoria restaurants.

Spokesmen for two restaurants, the Squire's Loft and Mike's Kitchen, said yesterday that if they were granted their wine and malt licences, they would apply for international status. This would make them the first licensed restaurants in Pretoria with "open" status.

A spokesman for the Performing Arts Council of the Transvaal said that the council had applied for two liquor licences for the new State Theatre complex in Pretorius Street.

If these were granted, Pact would then apply for international status.

Mr Le Roux said that licensed restaurants who wanted to serve black guests should continue to use the "ad hoc procedure" of telephoning the board for special permission.

The numbers are Pretoria 48-3794 (office hours) and after hours, Mr Symington at 64-4736, or Mr Pisto at 83-3650.

HOLIDAY INNS

Dropping the Trogs

It's business folklore that Holiday Inns (HI) grew from Kemmons Wilson's lousy vacation.

The resulting chain of roadside hostelries has become an international phenomenon, but now that tested old formula is on the way out. Today all eyes are on a second generation of hotels.

The Memphis franchisers have gone full circle. Who would have thought 10 years ago that they would be going for a 700-room development in the heart of Manhattan?

It's much the same in SA. The thrust is away from the Harrismith or Ermelo-type operation towards more *avant garde* projects like the Wild Coast casino and the Sandton Holiday Inn.

In fact, says MD Nigel Matthews, SA has probably seen the last of the old-style inns. Development costs just don't tie up with the kind of money that the motor-borne family is prepared to pay.

Based on historic costs, of course, those hotels continue to perform. But HI has long seen the need to go more upmarket where yield is more able to justify development cost.

HI's recently announced expansion programme (10 new inns in the next three to four years) will reflect the new thinking. For example, the Sandton Inn (Property February 29) has completely broken with the troglodyte box (Matthews' words) and the final design is swish enough to do Sandton proud.

The old functional square has been supplanted by a futuristic L-shaped building with side terraces stepping down from the flanking bedrooms. The usual lean-to porte cochere will give way to a modernistic entrance, cut razor-like from the facade and folded back.

To some extent, though, guests will still know what they're getting before they come in, because basic room accommodation will follow the established pattern. But where previous HI hotels have costed in at about R25 000 per room, Sandton will come on at some R40 000. At that price, using the old rule of thumb of knocking off three noughts, room costs will run at some R40 per day.

Public areas will also be on the grand scale. The inside lobby will be three to four storeys high, F & B will be more lavish than ever (including an American-type Gym and Tonic) and conference facilities will cater for 300 to 400.

The ubiquitous swimming pool will be there, plus tennis court. And there will be parking for 400 cars on a garden site. "We are conscious," says Matthews, "of being in the mink and manure belt and we have designed accordingly." The Sandton Inn has thus been pitched as a four-star operation, but HI is still to decide whether to apply for full rating or maintain the development as a more traditional three-star.

Yet some of the basics remain. The Grayston stables site, on which it is being built, is a couple of minutes from the M1. And the frontage (on Vere Road) is to become part of the ring-road system around the Sandton CBD.

So it will be handy to the major traffic routes in the same way as most of the others. Barclays' new training centre is next door, several nearby office blocks are planned and some light industry is on the cards close by. So there should also be some hefty local input to the client mix.

Certainly JCI sees a lot of sense in it because it is going to be playing landlord in the same way as it has done at Milpark in which it has a major stake. The turnover clause has established the Milpark Inn as a major money-spinner and Johnnies will no doubt be looking for a repeat performance when Sandton opens just before Christmas next year.

It's interesting to note that HI turned up the chance of taking over the new hotel which Rapp & Maister is building into the Sandton City extensions. It may live to regret it, but somehow that looks doubtful.

Bellair Court, a block of 20 three-bedroomed flats in Strand Road, Bellville, has been sold for R160 000. Municipal valuation is R249 610. Gross income of R26 400 gives an annual net yield on purchase price of 11%. The sale was negotiated by David Newham, MD of David Newham Property Management Co.

Sanlam has decided to appoint a professional team to look at the redevelopment of the Colosseum site in the Johannesburg CBD. With His Majesty's earmarked for a new Clicks and the old 20th Century soon to be a shopping centre, the Colosseum is the last of the old-style theatres left in town.

There's talk of a new hotel and it might not be a bad idea to link the new development, Golden Acre-style, with Carlton and Kine Centres below ground. But Sanlam's Dolf Muller doesn't see the final plan being that ambitious.

Springs to act on crowds at off sales

By JOHAN BUYS

THE Springs Town Council is to approach the liquor licensing board over the sale of liquor to blacks in a Springs suburb.

This follows an appeal by residents to the Minister of Justice and to their MP over shocking conditions in the area.

Complaints are that large numbers of rowdy black people congregate at the bottle store in Largo Road, Strubenvale, and that they behave offensively and pollute the area with empty liquor cartons.

From a one-day survey it is claimed that nearly 5 000 blacks congregated in the area.

More than 3 000 used the buses from that area to their homelands and nearly 2 000 bought liquor at the bottle store.

Nearly 2 000 domestic workers also used the shopping area, the survey found.

In a report to the council, the medical officer of health, Dr B Karstadt, said: "The adverse conditions and offensive behaviour are generally found on Friday afternoons and Saturdays when large numbers congragate to consume liquor and make merry."

The council has decided to move the bus stop in Largo Road to a spot at the parking bays in front of the Dirkie Meyer park in Ermelo Road.

HOTELS FM 1/8/80

Staying power (288)

Hotel gross income and occupancy indices are looking good.

Latest statistics released by Pretoria University's Bureau of Financial Analysis show room occupancy in Cape Town during May was 8% higher than a year ago, and total income increased 31%; Rand and Pretoria hotel occupancy increased 11%, income 34%; Durban occupancy rose 5%, income 26%; occupancy in the OFS and Kimberley rose a marginal 1,1%, but income upped 22%.

Although occupancy dropped on Natal's north and south coasts, income nevertheless hiked 15%. Even more significant is the drop in motel room occupancy — 6,7%. Nevertheless, motel income still registered a healthy 24% rise.

Four-star upswing

Four-star hotels achieved the biggest upswing in occupancy compared to a year ago: an impressive 13%. Five-star hotels followed with 8%. But the average room occupation for all hotels was only 6% higher than in May 1979. The average total gross income for May increased 28%. For the 12 months ending May 1980, the average total gross income increased 19%.

Southern Sun's Sol Kerzner says: "Increases of 4%, 5% and 6% room occupancy over a year may not sound much. That's an average figure. In fact, the increase is pretty substantial with increases of 10%-15% in some higher grade hotels."

Kerzner says Southern Sun hotel occupancy in the last financial year averaged 77%, up from the previous year's 69%. "That's a very steep increase and an extra high average, certainly ahead of the industry." It's difficult to project "a lot higher average, but we hope to achieve an overall average of 80%, which would be exceptionally good."

Commenting on the hotel industry's satisfactory 28% average total gross income increase for May, Kerzner reckons it's due to a combination of factors: increased tariffs of roughly 15%-16% over the year, higher prices in pubs and restaurants and increased patronage volume. People, because of the improved economy, have more money in their pockets and are spending more on entertainment.

Although Kerzner says city hotels generally still have problems with occupancy over weekends, this should improve with an increased flow of overseas visitors. He expects overseas tourist trade to increase 8%-9% over the next two years.



Mathews . ... helping people to relax

Kerzner says the need for new hotels is urgent. The costs, however, are staggering. Hotel tariffs, still low compared to overseas tariffs, are likely to increase substantially to a more realistic level to insure adequate returns.

Building costs increased from 1971/72's cost per room of R15-16 000 to a staggering R80 000. "To get any sort of return, tariffs will have to be based not on historic costs but on projected costs."

Holiday Inns MD Nigel Mathews says HI occupancy in 1979 averaged 70%. "Currently we're doing significantly better." He says central city hotels are booming with increased business travel and overseas visitors. "Resort hotels are doing well because people spend more on leisure."

(288) RDM 5/8/80

Grahamstown bottle stores count losses

Own Correspondent

GRAHAMSTOWN. - After seven dry days, which were lean days for bottle store owners, liquor outlets in the Grahamstown magisterial district reopen today.

Hoteliers with off-sale outlets said total losses could be as high as R100 000 and that the week-long ban on liquor sales came at a bad time.

It had coincided with payday and workers in Government and quasi- government offices had received double cheques at the end of July.

While Grahamstown hoteliers were relieved to see the end of the ban, they had accepted it with resignation.

A city councillor and hotelier, Mr Leon Reich, said: "If it had to be, it had to be.

"But one wonders if the authorities did not over-react, even during the worst riots in the Cape, liquor outlets were not closed for more than two days.

"Another hotelier, Mrs B Goldberg, said she was glad it was over, "but I'm pleased it was enforced if it contributed to relieving tensions in Grahamstown.

"We were prepared to go along with the ban it it served its purpose," said local spokesman for the Hotel and Licensed Victuallers' Association, Mr Keith Scott, said more whites had patronised hotel bars and lounges, but this had not met the shortfall from the closure of bottle stores.

Rennies' happy family hoists profit by 61pc

(Wed 286)

13/8/80

By DAVID CARTE
Deputy Financial Editor

BUOYANT IMPORTS and exports, good times in travel, the hotels and casinos and lower interest and tax bills lifted Rennies Consolidated Holdings to a 61% earnings improvement in the six months to end June.

The interim report shows turnover up 18% to R103-million and operating profit up 28% to R12-million. Interest and leasing costs fell 20% to just under R2-million, with the result that pre-tax profit was 45% ahead at R10-million.

The tax rate dipped from 44% to 42%, so taxed profit rose 50% to R5 836 000. A 17% dip in the minorities portion saw to it that taxed attributable profit rose 61% to R5 379 000.

Earnings rose in line to 24,1c (1979: 14,9c) a share and the interim dividend was raised 43% to 10c (7c).

Last year Rennies' first half was subdued and profits took off in the second half. As a result, the group warns that the rate of earnings growth for the year will not be as high as at the interim.

Nevertheless, the group forecasts earnings of "not less" than 56c and a minimal final dividend of 10c, making 28c for the year.

This is to forecast earnings growth of 23% and dividend growth of 27% for the year. The forecast also suggests unchanged dividend cover of about 2 in the current year.

According to the interim report, all divisions achieved substantial increases in profitability.

The high level of imports and exports will have boosted the shipping, air freight and transport divisions. The bulk terminal continue a big money spinner. Booming consumer spending will have lifted the hotels and casinos as well as the trading operations, from Makro to the liquor divisions, to record levels of profitability.

At a Press conference releasing the results, the chairman of Rennies, Mr Charles Fiddian-Green, said Rennies still had an eye out for acquisitions but its main expansion drive at the moment was in the operating companies, particularly in the hotel division and in wholesale and retailing. The bulk terminal might be expanded, he said.

The group was very liquid, he added.

COMMENT: The results show that Rennies is a highly cyclical operation and today the cycle is working in the group's favour.

After the hard years, the group seems to be well and truly out of the woods. With a buoyant second half ahead and the group already seven months down the road to the year end, the earnings and dividend forecast looks extremely cautious.

After being 61% ahead at the interim, Rennies must surely be 40% ahead at the year end. This suggests earnings of 64c and, a dividend of roughly 30c and puts the share, at 385c, on an attractive prospective yield of 7,8%.

What you can and can't do at international hotels

Staff Reporter

THE South African Institute of Race Relations has published a guide to the latest regulations governing international status — where blacks and whites may be served — at hotels, restaurants and clubs.

According to the report, hotels with international status (otherwise known as IS hotels) are those licensed premises which have been granted permits, on an annual basis, to admit blacks as members of their clientele.

There are certain conditions attached to such permits which state that;

(A) No blacks may be served liquor in an hotel unless that person conforms to certain conditions.

1 He must be a resident,

2 or guest of a resident,

3 or having a meal or about to have meal;

4 or be attending a bona fide function, seminar, or conference.

(B) No black male (foreign or otherwise) is allowed to drink in the men's bar of an IS Hotel. Therefore, all serving of liquor to blacks excludes the men's bar which is considered a public bar. A black (foreign or otherwise) may drink in the ladies' bar of an IS Hotel.

(C) According to a spokesman for the Liquor Board foreign and local blacks may dance at an IS Hotel. However, neither may dance with whites.

The spokesman, a Mr Oelofse, confirmed that black bands and cabaret artists can perform at IS hotels on condition that the necessary authority to do so has been obtained from the Liquor Board.

(D) Mixed swimming is permitted at an IS hotel only if the black person concerned is a resident at the hotel.

Conditions attached to permits granted to sport and social clubs;

(A) In regard to sports clubs:

(i) Liquor and meals may be supplied only to blacks who are competitors, or official guests of a member;

(ii) No dancing may take place in that part of a club where a black guest is present.

(B) In regard to social clubs, admission is restricted to members and guests of members

No dancing can take place if there are people of any race group other than that zoned for the area it is in.

(C) Mr Alwyn Schlebusch, Minister of Justice, announced new rulings regarding racing clubs;

"Quoting from a Cape Town daily newspaper, the report states that at race courses: "Sale of liquor, refreshments and meals will be restricted to blacks who are trainers, colour holders, owners of horses and their bona fide guests. Such sale or supply of liquor shall be restricted to the areas where only holders of colours and trainers have access.

At present, applications for permits to admit black clientele in respect of hotels, licensed restaurants, sports and social clubs are heard annually by the Liquor Board.

Mrs Ina Perlman, regional secretary of the institute, said further applications had been submitted and that the results were expected this month.

For those licensed restaurants which do not have permits to serve blacks there is a system of gaining instant permission to do so if the situation warrants it.

The system involves telephoning the Liquor Board in Pretoria.

(1) A spokesman for the Department of Community Development confirmed there were restaurants in the Cape that had been granted permits to serve blacks from July 1, 1979, on an annual basis.

(2) He was not at liberty to divulge the names of these restaurants on the basis that it was at the discretion of the restaurant owners themselves to do so if they wished.

(3) He was also not at liberty to divulge the names of this year's applicants. But he did suggest that there were probably as many as 50, if not more, who would be granted permits.

(4) Proceedings for applications for a permit by a non-licensed restaurant are that:

(a) All applications are considered by the department because, as non-licensed restuarants, they come within its jurisdiction.

(b) Each application is first submitted to the regional representative of the department. The regional representative then asks for comments from the local authorities and other departments.

(c) All applications for exemption from regulation R228 (permission to serve blacks) have to be sent to the department's head office for final approval.

FOOTNOTES: There are no 'black' IS hotels. All IS hotels referred to in this report are 'white' IS hotels because according to Section 72 of Consolidated Liquor Act of 1977, hotels in African, coloured, or Indian areas can apply for whites to be served meals and liquor, but whites cannot obtain accommodation.

Hotels, licensed restaurants, sports and social clubs granted international status in the Transvaal are:

Boulevard (Pretoria), Burgerspark (Pretoria), Manhattan (Pretoria), Carlton (Johannesburg), Devonshire (Johannesburg), Holiday Inn, Milpark (Johannesburg), Landdrost (Johannesburg), Johannesburger (Johannesburg), Moulin Rouge (Johannesburg), Rosebank (Johannesburg), Sunnyside Park (Johannesburg), Victoria (Johannesburg), Airport Holiday Inn (Kempton Park), Southern Sun Airport (Kempton Park), Groblersdal (Groblersdal), Holiday Inn (Pietersburg), Clouds End (Louis Trichardt), Tzanen Hotel (Tzaneen), Holiday Inn (Ermelo), Holiday Inn (Vanderbijlpark), The Winkler (White River), Civic Theatre (Johannesburg), Zoo Lake (Johannesburg).

Restaurants: John Orrs, OK Bazaars, Pizza, land, Top of the Carlton, Mikes Kitchen, Greatermans and Garlicks — all in Johannesburg.

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Liquor men may urge mixed sales

NM 9/10/80

Mercury Reporter

THE management board of the Federation of Hotel Associations of South Africa (Fedhasa) will decide today whether to make representations to the Government to have discriminatory legislation removed from the Liquor Act.

According to Mr John Hooper, managing director of the Solly Kramer liquor chain, several independent owners of bottlestores and hotel off-sales throughout the country wish to end apartheid in the liquor business — 'about the only sector of retailing where the law rather than the businessman still lays down who may be served and where'.

Mr Andy Murray, marketing director of Solly Kramer, said yesterday that conditions on licences issued after 1964 specified not only that whites must be served on one side and non-whites on the other, but demanded a minimum letter height on the signs indicating which side was for whom.

Failure to comply with the specifications could lead to licences being revoked or fines being imposed.

'You have the situation where liquor stores which were licensed before 1964 are multiracial. But if those stores are resited or their premises modernised the new law applies,' Mr Murray said.

'In the more sensible centres police turn a blind eye if the law is broken but the fact remains that they can crack down if they choose and black customers have to be told they can't be served on the white side.

'This is embarrassing and humiliating for the retailer and the customer.'

The Argus

APRIL 11 1980

Apartheid in the caves

THE CANGO CAVES are one of South Africa's greatest tourist assets. They are rightly trumpeted abroad as a natural wonder. They attract not only sightseers but scientists from overseas, as well as from all parts of the country. They are a national monument.

They have also become a monument to apartheid. Visitors go in by separate entrances, according to colour; they tour the caverns in separate parties and park, eat and use the toilet in separate places.

This must make a poor impression on visitors, especially those who might have been told by South African Information officers that this country is intent on moving away from racial discrimination. It has an even more baleful effect, of course, on South African blacks and on their relations with whites.

It is astonishing that in these times the Municipality of Oudtshoorn has not felt obliged to desegregate the caves. A report in The Argus today indicates there are no plans to change policy in the near future.

The Government should take a hand. It surely cannot hold that this apartheid is necessary for the country's survival. In fact, it affronts declared Government policy as well as all the black and brown people in the world.

EMBARGO : 15 OKTOBER 1980 OM 10h00

OPENING ADDRESS BY DR. THE HONOURABLE C.V. VAN DER MERWE, MINISTER OF WATER AFFAIRS, FORESTRY AND ENVIRONMENTAL CONSERVATION, OF THE NATIONAL CONFERENCE OF THE INSTITUTE OF SOLID WASTE MANAGEMENT 1980: AT PIETERMARITZBURG ON 15 OCTOBER 1980

I am indeed happy to be with you this morning a hat you as an Institute are doing in South Africa a already achieved.

It may not be common knowledge, but it has r adition that the Minister concerned with environmenta tron of your Institute and today, for the first time, nity of meeting some of the people whose aims ar closely associated with some of those of my Department.

I wish to congratulate your Institute, Mr Cha ative it has taken in organising this Conference on sol and for having succeeded in bringing together so ma ountries abroad as well as other interested people. F side a word of cordial welcome especially to our kers and guests from other countries. May your stay i pleasant one and thank you for sharing your expert his very important issue. Your participants, Mr Chair with different aspects of a matter that has urgent in South Africa. On the answer scientists, technologists and planners can quality of life that we will enjoy in the yea

Mr Hooper said the first step would be a voluntary phasing out of the dual-counter service for separate races and segregated bars.

This would be followed by legislation to make this obligatory.

At present only hotels with international status have facilities for all races.

According to latest available figures there are seven one-star and 19 two-star hotels with this status.

There are 1 450 hotels in the country and 58 have international status.

Mr Schalk Schoombie, executive director of Federasa in Pretoria, said: 'We have thought about what Mr Hooper is suggesting for a long time, but as yet no representations have been made to Government.

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Details of proposals that could affect many of these were released by Mr John Hooper, managing director of a large retail chain.

Mr Hooper said several firms had recently held discussions on how all discrimination and segregation could be eliminated in the liquor industry.

The Federated Hotel Association of South Africa has been approached to back the proposals but no approach has been made to the Government.

Weekend Argus Correspondent

JOHANNESBURG. — Liquor retailers have called for multiracial bars in city centres and the abolition of enforced segregation in off-sale outlets.

According to official figures there are 1 300 bottlestores, 2 500 off-sales and almost 1 500 one- and two-star hotels throughout the country.

Details of proposals that could affect many of these were released by Mr John Hooper, managing director of a large retail chain.

Mr Hooper said several firms had recently held discussions on how all discrimination and segregation could be eliminated in the liquor industry.

The Federated Hotel Association of South Africa has been approached to back the proposals but no approach has been made to the Government.

OPEN BARS—CALL

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41 10/80 Hrews

Only one mix can save that little bar

STAR 11/10/80

Smaller hotel bars and off-sales outlets must become multiracial if they are to survive, according to Johannesburg managers and owners.

Affected by escalating costs and competition with larger hotels and outlets, the owners of the one-star and two-star city hotels say they need urban black trade.

They were reacting to retailers' calls for the elimination of segregation and discrimination in the liquor trade.

"We are only just surviving here," said Mr Nicholas Ladakis, owner of the Radium one-star hotel in Marshall Street. "The giants are killing us and we are only just managing to pay the rent."

"Why don't they end apartheid?" was Mr Simon Sequeira's plea at the New Library Hotel, Commissioner Street. "Our off-sales trade is 99 percent black anyway."

PUBLIC v LADIES

Many managers and owners said it was impossible to maintain the legally required segregation in the off-sales outlets. It would lead to having one side crowded and the other empty.

Many were unsure what the reaction of bar customers would be to multiracialism.

"In the public bar there would be a hell of a reaction," said Mr Silvio Vasconcelos at the Waverley in President Street. "People in the ladies' bar might accept it more easily.

"Everything else is changing so this must change as well.

"A MASSACRE"

"It is the only way white and black will meet and could provide a very important social meeting place for the races."

He said he had been in Rhodesia when the law was changed. "There would be a massacre if it was changed overnight here because the people are just not used to the idea."

At the Springbok Hotel, Mr Roy Amoils, manager and part-owner, said: "It just concerns me how we would bring multiracialism into practice.

"Some people would be reasonable, others would cause terrible fights. If we mix in the wrong way we could be landed with our own civil wars."

"Everything else is changing so this must change as well.

"But that's dirty pool," I said.

"We have no choice. We have to play hardball in order to catch up with them. You saw the shock in the US when we announced we were working on the 'Stealth' bomber

Plea to open bars to blacks

A call to end racial discrimination in the liquor industry, and open all hotel bars to blacks, had been made by representatives of a leading retail liquor chain.

Mr John Hooper, managing director of Solly Kramer's Ltd said liquor store owners should cooperate with businessmen to eradicate segregation and develop the means to lessen racial friction.

"At the moment, the legislation prohibiting blacks from entering hotels is barbaric and unnecessary," he said.

"In the interests of all sections of the community, hotel pubs in major city centres should be open to all races, creating the opportunity to meet and drink in a congenial atmosphere."

"If possible, all those concerned in the liquor trade should promote integration voluntarily and then hopefully legislation would be introduced to consolidate the change," he added.

ALL-RACE BARS A MUST —HOTELIERS

11/10/80 ARGUS

288

Weekend Argus Correspondent

JOHANNESBURG. — Multiracial bars and off-sales outlets at one- and two-star city centre hotels are essential for their survival against the trade's 'giants' and escalating costs, according to managers and owners of hotels here.

They were reacting to calls for the elimination of segregation and discrimination in the liquor trade made by retailers.

'We are only just surviving here so I don't mind anything,' Mr Nicholas Ladakis, owner of the Radium, a one star hotel in Marshall Street said. 'The giants are killing us and we are only just managing to pay the rent.

'Why don't they end apartheid?' was Mr Simon Sequeira's plea at the New Library Hotel, Commissioner Street. 'Our off-sales trade is 99 percent black anyway.'

In a spot survey conducted, many managers and owners said it was impossible to maintain the legally required segregation in the off-sales outlets.

They said it would be a matter of having one side overcrowded and another empty.

Many were unsure what the reaction of bar customers would be to multiracialism.

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CHANGE CALL

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Hotel race laws are shameful —group chief

STAR 17/10/80 288

By Richard Paris

A leading hotel executive has described international status regulations for South African hotels as "bizarre, humiliating, unnecessary, and damaging to race relations."

At the annual meeting of the Johannesburg Publicity Association yesterday, the 34-year-old managing director of Holiday Inns, Mr Nigel Matthews, attacked South Africa's tourism industry for not pressing the authorities to make radical changes.

He reminded a large gathering that a black man permanently resident in South Africa could enter a hotel but could not drink unless he also ate a meal or was registered as a guest.

Whether registered as a guest in the hotel or not he could not dance although he could swim, yet if he were with a cousin from the Transkei who was visiting South Africa, that cousin could drink without eating and also dance.

"According to regulations only 10 percent of the beds available can be occupied by blacks — thereafter permission must be obtained from the appropriate Government department.

"And even drinking glasses have to be kept separate when washed and stored, and separate drying cloths must be used," he said.

Mr Matthews added: "I personally feel ashamed as a South African of having to apply these regulations in anything like their existing form. They shame us and I believe that the time is already past for their radical review."

Not only would he like his company's hotels to admit "any black person from anywhere" but he also called for an end to apartheid in management courses operated within the framework of the national and provincial education systems, holding back progress.

"In our industry it is critical that blacks be trained for a wide variety of supervisory and managerial positions. We cannot undertake it ourselves unless we see an improvement in their mobility and in the conditions in which they are allowed to supervise people of other races.

"Nevertheless we are committed to a policy of improving the skills level of all our employees and in particular the blacks. I look forward to the day when we can appoint our first black innkeeper (general manager) in South Africa," he said.

The Government's attitude towards tourism was best illustrated by the fact that South Africa had "endured" 10 Ministers of Tourism in seven years, Mr Matthews said.

"For a country which has outstanding physical attractions, I believe our level of tourism is very disappointing.

"One of the reasons for this is the desperately low priority afforded to tourism by the Government in terms of effort and money. As a Cabinet position the tourism portfolio has in the past been regarded as of minor importance, borne out by the fact that in the past seven years there have been 10 different Cabinet Ministers charged with the responsibility of overseeing tourism," he added.

He described the amount of money given to the South African Tourist Corporation (Satour) which promotes tourism abroad as "derisory," but regarded the appointment of Dr Dawie de Villiers to the portfolio as being of "some comfort."

"I only hope he doesn't do his new job too well, as otherwise he will be promoted away from tourism in six months' time," he exclaimed.

The Johannesburg Publicity Association's budget of R49 000, of which R30 000 is from the City Council and the rest from private enterprise, was "laughable."

It meant it could only provide a service to tourists who were already coming into the city, not market the city for visitors and as a venue for conventions.

He was doubling his company's subscription and called on the City Council to do the same.

chase of Premier Milling's liquor interests since the year-end. In addition to an 80,3% holding in Picotel, Uniewyn also has interests in wholesaling and wine distilling.
Chairman: *J A J Pickard; managing director: W D Terblanche.*

UNIEWYN

Capital structure: *4,1m ordinaries of 50c. Market capitalisation: R5,1m.*
Financial: *Year to June 30 1980. Borrowings: long- and medium-term, R2,8m; net short-term, R6,8m. Debt:equity ratio: 210%. Current ratio: 1,0. Group cash flow: R1,8m. Capital commitments: R929 000.*
Share market: *Price: 125c (1979-80: high, 145c; low, 60c; trading volume last quarter, 741 000 shares). Yields: 22,4% on earnings; 5,6% on dividend. Cover: 4,0. PE ratio: 4,5.*

	'77	'78	'79	'80
Return on cap %	23,4	20,7	21,6	21,7
Turnover (Index*)	116,0	116,6	114,8	134,1
Pre-tax profit (R'000)	1 221	1 343	1 392	1 978
Gross margin (Index*)	94,4	96,0	105,6	108,0
Earnings (c)	17,0	19,2	19,1	26,0
Dividends (c)	3,25	5	5,5	7
Net asset value (c) .	53	64	76	87

*Index bases: 1976=100.

PICOTEL

Capital structure: *5m ordinaries of 50c. Market capitalisation: R6,0m.*
Financial: *Year to June 30 1980. Borrowings: long- and medium-term, R1,2m; net short-term, R1,2m. Debt:equity ratio: 338%. Current ratio: 0,5. Group cash flow: R1,1m.*
Share market: *Price: 120c (1979-80: high, 145c; low, 50c; trading volume last quarter, 303 000 shares). Yields: 14,0% on earnings; 7,5% on dividend. Cover: 1,9. PE ratio: 7,1.*

	'77	'78	'79	'80
Return on cap %	52,4	37,6	44,2	45,4
Turnover (Index*)	117,3	120,7	130,1	144,6
Pre-tax profit (R'000)	1 023	895	964	1 367
Gross margin (Index*)	113,4	99,6	99,8	115,1
Earnings (c)	13,7	13,1	12,6	16,8
Dividends (c)	7	7	7,5	9
Net asset value (c) .	3,3	9,6	15,1	14,9

*Index bases: 1976=100.

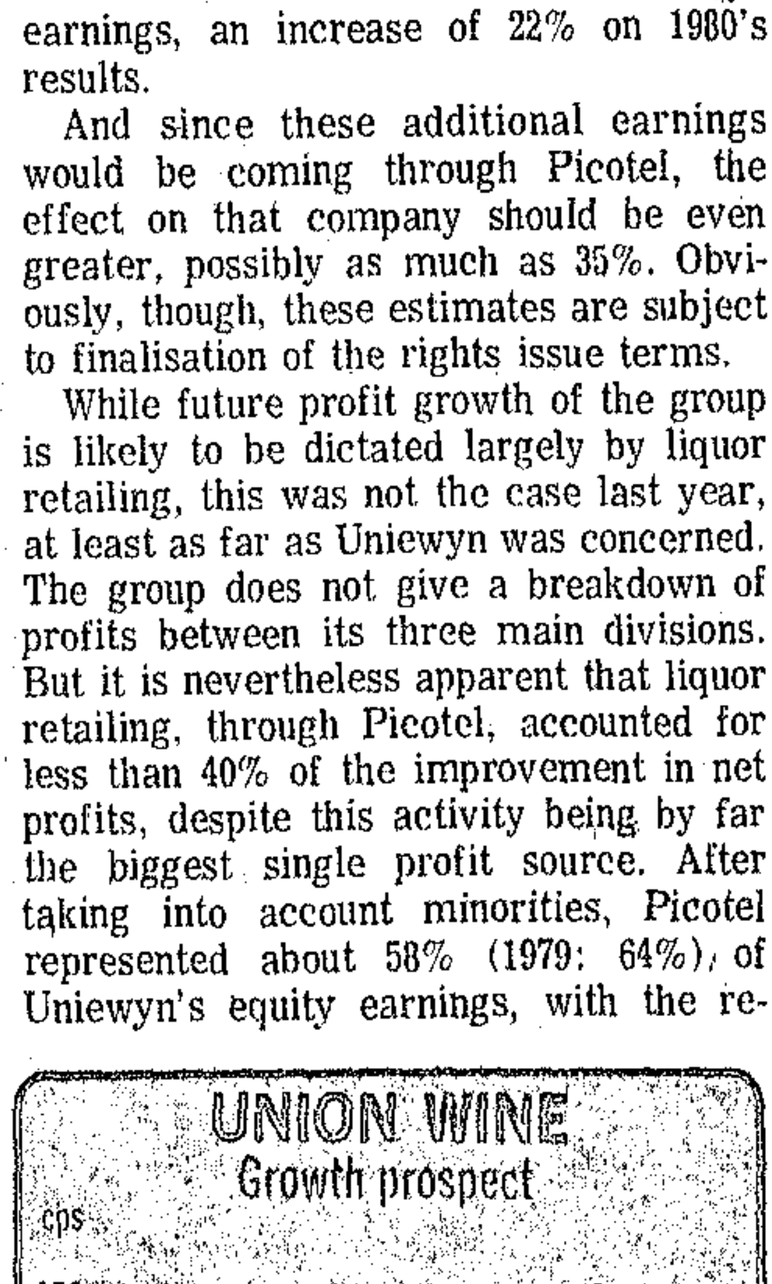
After last year's liquor industry shake-up, government permission for Uniewyn/Picotel to purchase up to 75 additional liquor store licences makes this division one of the brighter growth prospects within the Picardi group.

Since the year-end, Picotel (80,3% owned by Uniewyn) has picked up 13 new outlets — two in Nelspruit and 11 from Premier Milling — which, says chairman Jan Pickard, will increase earnings "significantly." He does not quantify this although the prospectuses of the forthcoming pref share rights issues by both companies should be more explicit.

Pickard said at the time of the acquisition of the Premier Milling liquor interests that these would add 6c to Uniewyn earnings, an increase of 22% on 1980's results.

And since these additional earnings would be coming through Picotel, the effect on that company should be even greater, possibly as much as 35%. Obviously, though, these estimates are subject to finalisation of the rights issue terms.

While future profit growth of the group is likely to be dictated largely by liquor retailing, this was not the case last year, at least as far as Uniewyn was concerned. The group does not give a breakdown of profits between its three main divisions. But it is nevertheless apparent that liquor retailing, through Picotel, accounted for less than 40% of the improvement in net profits, despite this activity being by far the biggest single profit source. After taking into account minorities, Picotel represented about 58% (1979: 64%) of Uniewyn's equity earnings, with the remainder split between wholesaling and activities such as wine distilling and farming.



It is also apparent that profits of non-retailing activities increased about 60%, which was almost three times the 22% earnings growth of Picotel.

Pickard says of the wholesale division that important marketing policy changes, including the decentralisation of sales control and increased advertising, assisted in substantially improving consumer demand. He singles out the Bellingham and Culemborg wine ranges in this regard, but he also seems optimistic about prospects for Long John whisky, for which the group has acquired distribution rights. This replaces the Black & White label which Uniewyn lost earlier this year.

And as far as wine production is concerned, the Bellingham operation is being expanded both as regards vine plantings and fermentation capacity.

There continues to be some anomaly in the relationship of the share prices of the two companies, with Uniewyn by far the more highly rated. Both counters are trading at around 122c but, with Picotel's dividend almost 29% higher than the Uniewyn payment, its historic yield of 7,5% is almost two percentage points above that of its parent. On prospects it seems that these relative positions should be reversed.

The same comments apply to financial structure. Although Picotel appears to have a net worth of only 15c a share and a high 338% debt:equity ratio, this is after deducting R4,6m of liquor licences. If, however, these very real although difficult-to-value assets are included, net worth comes up to 106c and the debt:equity ratio drops to under 50%. This is markedly superior to Uniewyn's 108% on the same basis.

Picotel also has superior profitability, as is indicated by a gross (pre-tax and interest) return on capital employed (again including the cost of liquor licences) of nearly 20% against Uniewyn's 16,6%.

The lower rating probably stems from the company's rather dismal profit record. There has been a net increase in earnings of only 10% over the past five years (although dividends over the same period are up 38%) compared with a 70% gain at Uniewyn (dividends up 115%). However, for the next couple of years at least, it seems that Picotel will be moving ahead faster than its parent, and while this growth will obviously benefit Uniewyn as well, the yield disparity is not justified.

Brian Thompson

FM 31/10/80
UNIEWYN/PICOTEL (288)

Expanding base

Activities: *Picotel operates 25 hotels and 68 liquor outlets after the pur-*

Hotels and clubs go international

By SAM MASEKO
Pretortia Bureau

THE Minister of Commerce and Consumer Affairs, Mr Schalk van der Merwe, has granted international status to 18 hotels, restaurants and clubs in the Transvaal this year.

According to the chairman of the Liquor Board, Mr F J le Roux, no new applications were received from Pretoria hotels or restaurants this year.

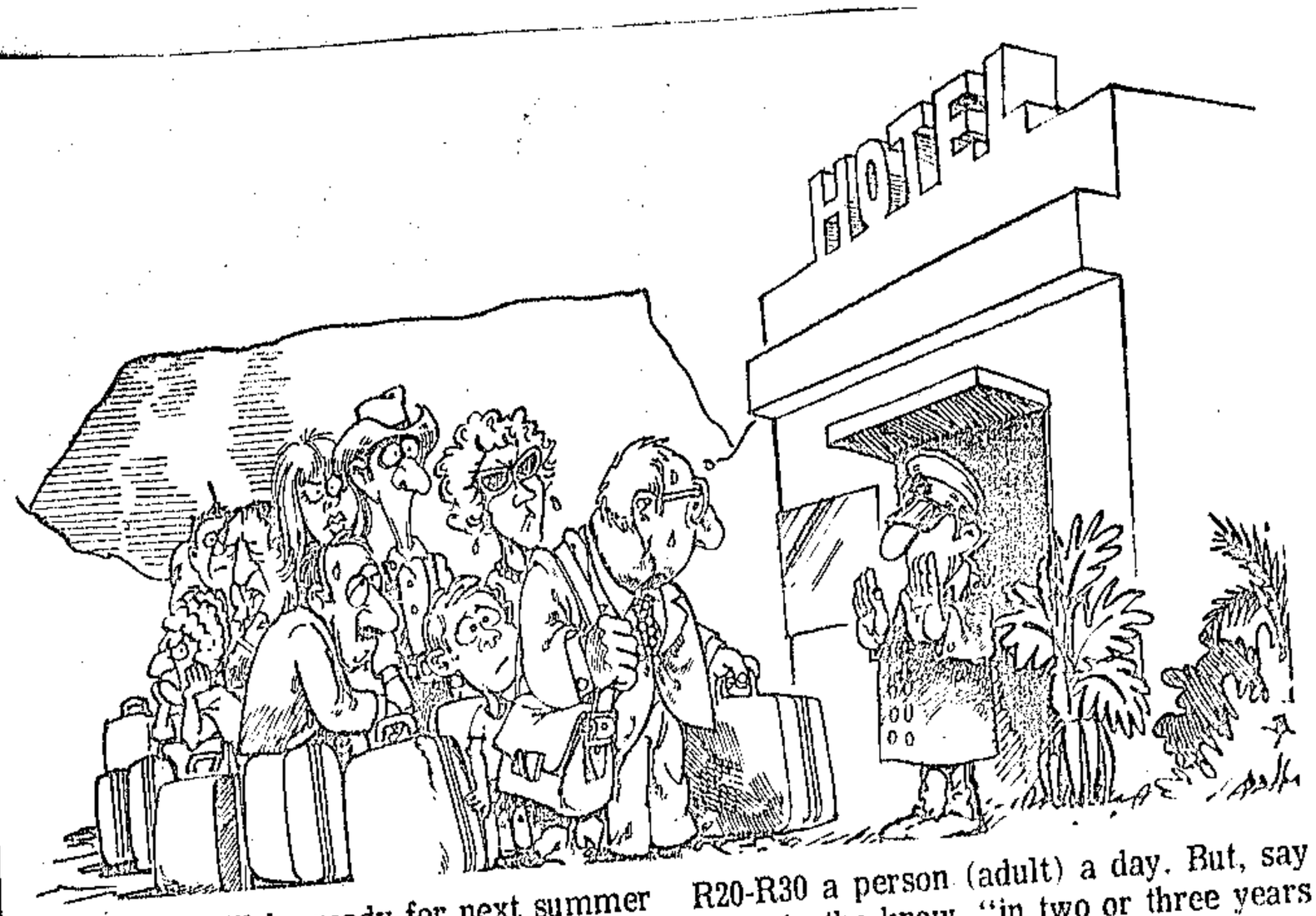
Mr Le Roux revealed that those included in the list for international status were: Kyalami Ranch Hotel, Pine Lake hotel (White River); Holiday Inn (Secunda); Benoni Country Club; Inanda Club (Sandton); Edenvale Sports Club; New Club (Johannesburg); Old Edwardians Society (Johannesburg); Pirates Club (Johannesburg); Reed Stream Country Club (Bethal); Southern Suburbs Sports Club (Johannesburg).

White River Golf Club; Cafe d'Italia (Carlton Centre, Jhb); G R Bozzoli Sports Pavilion (University of the Witwatersrand); Green Room Restaurant (Johannesburg); Mikes Kitchen (Johannesburg); Swiss Inn (Randburg), and the Rand Afrikaans University Restaurant in Johannesburg.

Mr Le Roux said no shebeen owners in Pretoria had lodged applications with the board. Only one applicant from a bottle store had been received from an Evaton resident near Vereeniging, but it was not known whether the applicant is a shebeen owner.

Mr Le Roux said all foreign Blacks — that is blacks from countries other than South Africa, could enjoy all privileges at such hotels, including dancing with whites.

Black South Africans could enjoy certain privileges at IS hotels, but could not, for instance, dance with whites, he said.



HOTELS (288)

Chock-a-block

FM 31/10/80

Hotel tariff increases of 15-25% since last year are not deterring summer vacationers, judging from heavy bookings at SA's major tourist resorts.

And the hotel industry, particularly in the Cape, is faced with the problem of being undersupplied to cater with the demand for accommodation.

Southern Sun's Sol Kerzner has stated in the past he believes the need for new hotels in Cape Town is urgent. "Cape Town has certainly suffered and accommodation will continue to be a problem this season," he says.

The major hotel groups — Holiday Inn and Southern Sun — are embarking on expansion programmes aimed at capturing growing business as well as alleviating the shortage.

HI's Nigel Mathews says sustained high occupancy is a feature of his group but that the resort hotels are "pretty chock-a-block for all the key periods".

He says HI is adding an additional 64 rooms to Cape Town's Boulevard East Inn. These will be ready for next summer season. And SS's new R33m hotel in Cape Town's city centre — which will boost accommodation facilities by 300 rooms — will be ready in 1983.

This month the converted Shell House in Greenmarket Square opened as the 170-room Inn on the Square. The city's latest hotel, with replacement valued at more than R5m, is run by Greenmarket Investments — part of the Ovenstone Group.

Fred Gottgens, MD of this investment company and top hotelier, says they are "nearly fully booked" for the summer holiday period.

Cape Town's biggest hotel, the Ritz Plaza, is already registering "nearly full occupancy" for the summer season, says Roy Satz, MD of Plaza Hotels. Last week accommodation was still available, "but becoming scarce."

He acknowledges hotel rates have risen "a minimum of 20%" since last year, but notes his hotel will change its tariff scale from December 1 to include breakfast in this higher rate.

"This will give a very much better deal to our patrons and in this way we'll be able to absorb the escalating food costs," Satz says.

At this stage the Ritz Plaza's emptiest day for the summer season is 85% full.

In Durban Royal Hotel's marketing manager, Colin Wilkinson, says there's no doubt the hotel will be full for the Christmas period. Although rates have risen, he says there has been no fall-off in bookings.

Highest rate increases have been in the Eastern and Northern Transvaal resorts. According to Lowtour Hotels, increasing numbers of holiday-makers are spending summer holidays inland.

A spokesman said rates are about 25% up from last year, but in terms of petrol costs, the lowveld is still a better proposition for Transvaal vacationers. "Booking is better than in past years and on the whole we are having a very good year," she said.

Current hotel rates are in the region of R20-R30 a person (adult) a day. But, say those in the know, "in two or three years we'll be looking at room rates of R70 a day."

Even that will be low compared to overseas prices.



Southern Sun's Sol . . . rising occupancies

group is operating from an ever-increasing average occupancy rate, thus limiting the capacity for additional profit generation during the peak Christmas holiday season.

Indications are, however, that above-average growth will continue at least until the end of the current year. For one thing, although the present results were strongly influenced by the inclusion of Sun City, even if this complex and the Mmabatho Sun had not existed the rest of the group would still have shown a taxed profit improvement of 124%. This is more than two-thirds of the overall gain of 183%, including the two BophuthaTswana units.

Of interest is that these two hotels are by far the biggest single profit source for Southern Sun. They represent roughly 40% of taxed profits and, after taking into account the BophuthaTswana government's 50% interest, about 25% of equity earnings.

A second factor pointing to the continuation of strong profit growth is that the contribution from Sun City in the current half will cover the whole period, instead of only four months in the corresponding year-ago period.

Even with the complex as it stands, this is probably worth around R500 000 in additional profits to the group after minorities. And then there should also be a contribution from the first phase of the expansion of Sun City. Bed capacity will increase from the present 900 to 1 600 on December 12 — within a week of the first anniversary of the opening — when the 250 cabanas are expected to be completed.

At worst, therefore, I would expect earnings to be up 50% this half, which would give a total for the year of 41c (23,6c). The 70% payout policy would mean a final dividend of 18,5c on this basis, to add to the 10c interim. And the share at 510c would accordingly be on a prospective yield of 5,6%.

Looking further ahead, Sun City Centre, catering mainly for day-trippers, will be opened next July and promises to be a money spinner. Then, there is the group's new R33m Cape Town hotel, which represents the main portion of the R52m in capital commitments at September 30. The report notes that with the private placing of R10m in 12,125% debentures last month, the financing programme for all capital commitments has been completed.

Commenting on the increase in average occupancy from 70% to 74%, a major factor in the profit improvement, Kerzner says this was well spread among all the group's hotels. City units benefited from the economic upswing, and the consequent increase in the movement of businessmen, while resort occupancy rates improved during the winter months as a result of the continued promotion of off-season holiday packages.

Brian Thompson

SOUTHERN SUN (288)

Profit bonanza FM 7/11/80

What, in the Southern Sun context, is "satisfactory growth"? That is what the company is forecasting for the current six months, after a 141% leap in interim earnings. But whereas with a normal industrial enterprise the definition might be taken with some certainty to mean a 20%-25% range, in the case of Southern Sun such growth would satisfy neither the market nor, probably, the company itself.

MD Sol Kerzner will not elaborate, but emphasises that first-half momentum cannot be maintained for at least two reasons. The first is that Sun City was already trading for the last four months of fiscal 1980, and the second is that the

Time gentlemen, please...

Racecourse bar closed to blacks

16/11/80 Sun Tim.

288

THE LAW stepped in this week to end three carefree years of multiracial drinking at one of South Africa's top racecourses.

Now officials at Kenilworth, Cape Town, have been told by the police they must enforce the apartheid that no-one wants.

Signs warning blacks to stay out of the racecourse's bar have been put up and guards have been posted at the door to vet the customers' colour.

Until last weekend when the police struck, Kenilworth officials had turned a blind eye to blacks drinking "illegally" in the whites-only bar.



This sign and two officials keep out blacks

By RENE DU PREEZ

The mixing began quietly three years ago when Kenilworth applied for an international licence which would allow them legally to admit blacks to the bar.

Mr T A McClarty, general manager and secretary of the Kenilworth-based South African Turf Club, said two uniformed policemen reported the "contravention to him last Saturday and asked him to enforce the law.

Mr McClarty said: "We have applied for an international licence to serve all our black and white patrons in the same bar but have not yet been successful.

"Our applications have not been rejected, but they are always referred to various government departments.

"However, the SA Turf Club is enlarging the present public stand at a cost of more than R500 000. This section will have a bar and eating facilities for black patrons."

Wynberg Police spokesman Captain J Burger said he had received no complaints about blacks drinking at a whites-only bar at the racecourse.

The latest move follows three years of integration at the course's bar.

An official at the Liquor Licensing Board said he could not give details of applications for international liquor licences.

"It is our policy not to speak to the Press about international liquor licences," he said.

After last weekend's warning from the police, Kenilworth officials put up apartheid signs at the entrance to the bar for Wednesday's meeting.

And, written in chalk underneath, was another sign: "Can't you read?"

This was probably aimed at the many coloured punters who, unaware of the police intervention, were bemused and angry at the sudden restriction that kept them out of the bar.

There were also white-coated guards at the doorway on Wednesday, turning away blacks and directing them to the coloured bar in the cheaper enclosure.

Black punters are incensed at the change — and the once convivial atmosphere at the course has now turned into strained bitterness.

When asked what would happen to the new R500 000 building should the Turf Club be granted an international licence, Mr McClarty said: "We would then make it available to all races."

Mr McClarty said he had explained to black punters that the situation was not the work of the racing authorities, but had been forced on the club by government legislation.



MR T A McCLARTY

Mr Robert Kannemeyer, a black businessman who regularly attends races at Kenilworth, said: "I was stopped by two white-coated officials at the entrance of the bar last weekend.

"It was a most humiliating experience. I have been attending this bar in the public stand for over three years and have never been refused service.

"If the racing authorities could just have waited until the new additions to the stand had been completed, it would have saved much of this unnecessary treatment.

"What makes the whole thing so much more sickly is the fact

Senate Hansard 2 Queen Cen. 4

12/3/80

288

Partition between White/non-White sections of bottle stores/off-sales outlets

2(4) 12/3/80 (258)

*2. Senator A. BOZAS asked the Minister of Justice:

Whether the provision requiring a partition between the White and non-White sections of bottle stores and off-sales outlets is to be withdrawn; if so, when; if not, why not?

The MINISTER OF JUSTICE:

No. Separate facilities in liquor outlets are created by the imposition of conditions in respect of liquor licences. No amendment to such conditions is considered desirable as the outlets concerned are places where friction may possibly arise. Equal facilities may be provided by licencees to their customers.

Hansard

Liquor licences

The MINISTER OF JUSTICE replied to Question *10 by Mr. D. J. N. Malcomess:

Question:

(1) Whether the Liquor Board has published its requirements for the granting of liquor licences; if so, (a) in what publication and (b) on what date; if not, how does a prospective licensee become informed of the requirements;

(2) (a) where and (b) when were the regulations appertaining to holders of wine and malt licences for hotels published?

†Reply:

(1) The Liquor Board has not published requirements for the granting of liquor licences. A prospective licensee becomes informed of the requirements for the granting of a licence by making a study of, amongst others, the provisions of the Act and the regulations published thereunder which give sufficient guidelines to enable him to lodge an application.

(2)(a) and (b) Apart from the general regulations issued in terms of section 207 of the Liquor Act no regulations appertaining specifically to wine and malt liquor licences for hotels have been published.

SERVICES SECTOR - Accomodation Liquor ~~Cat~~ Catering - General.

9 JAN. 1981 — 30 October 1981

STAR 9/11/81 (296) (288)

Bars, restaurants may open for all, but State has final say

Political Staff

The Government will retain the right to prescribe special conditions or restrictions on any restaurant or hotel which decides to admit blacks in terms of the new proposed amendment to the Liquor Act published today.

The Draft Bill to amend the Liquor Act was published in today's Government Gazette.

It proposes that the holders of hotel and restaurant liquor licences may at their discretion and in any particular case, supply liquor, refreshments, meals or accommodation to any person who is not white.

However, the Draft Bill adds that admission of any such person as a guest is "subject to such special conditions or restrictions as the Minister or any person acting under his directions may from time to time, by notice to the holder, deem fit to determine."

This gives the Minister of Industries, Commerce and Tourism, at present Dr de Villiers, the power to keep the ultimate control of the admission of all races to restaurants and hotels.

The Draft Bill states that sports grounds liquor licences or temporary liquor licences are not included in the new concessions.

However, the Minister, or anyone acting under his directions, may authorise the holder of a sports ground liquor licence or a temporary liquor licence to sell or supply liquor, refreshments or meals to any person who is not white.

Such permission will be controlled by restrictions determined by the Minister.

The new amendment, which may be passed during the coming session of Parliament does not apply to hotels and restaurants which are already classified as International and may already admit all races.
liers said.

Other changes proposed in the Draft Bill include:

- A provision under which the present restrictions on licensed premises at sports grounds can be relaxed so as to make it possible, for example, to serve liquor to people in private spectators' boxes or cubicles.
- The phasing out of wine in large containers known as "swartvarkies." The maximum capacity of containers in which liquor may be sold will be 5 litres, with effect from July 1, 1982.
- A provision to relax a restriction under which estate wines may be transported by rail only.
- A provision making it possible for a farmers' co-operative to obtain a wine house licence enabling it to serve wines of the season to visitors.

Travel agents involved in bringing tourists into South Africa also welcomed the move which they said would improve the country's image abroad.

The head of the Association of South African Travel Agents, Mr E hard Gennrich, said: "It can only be a good thing for South Africa, although overseas black visitors have not really been affected as they are allowed to use all facilities in hotels."

ART & ARCHITECTURE

Cape Provincial Institute of Architects' Prize
For the best student in :-

Sixth Year
P F Dunckley

Helen Gardner Travel Prize
For a student who has satisfactorily completed 1st, 2nd and 3rd major courses.
P A Rappoport

Molly Gohl Memorial Prize
For the best woman student in third year.
Miss C Tredgold

David Haddon Prize
For the best student of Architecture (or Quantity Surveying) in the subject of Professional Practice.
D H Pryce Lewis

General J B M Hertzog Prize
For the best final year student.
S A Read

Osbourn Prize
For the best work in fourth year.
D H Pryce Lewis

John Perry Prize
For the best work in third year.
R A van Rooyen Rosenveld.

FINE ART & ARCHITECTURE

ARCHITECTURE

Cape Provincial Institute of Architects' Prize
For the best student in the Sixth Year

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For the best work in year.

D H Pryce Lewis

John Perry Prize
For the best work in third year.

R A van Rosenveld.

BDH 22/1/82

Kerzner: Sandton Sun to be SA's spectacular hotel

Staff Reporter

ANOTHER sun is rising — in the town of Sandton. Excavations for the new R30-million Sandton Sun have started and the beautiful five star hotel complex should be ready by April 1983.

This was announced yesterday by the managing director of Southern Suns Hotel Group, Mr Sol Kerzner, who said the new hotel would be the most spectacular of all Southern Sun's city hotels.

"It will even put the coastal hotels with their spectacular views to shame. This is going to be THE hotel," he said.

The excavations for the hotel complex will form part of the extensions to Sandton City.

The extensions to the shopping complex include a 10-storey office tower and vast shopping facilities to be interlinked with the hotel.

Although the hotel's facilities will be ultra modern, the design of the 340 rooms and 30 suites will be traditional and conservative.

Unusual and dramatic decor is confined to the disco and entertainment areas. There will be five restaurants designed to cater for all tastes.

A focal point of the hotel will be the atrium or inner courtyard which will be alive with the sound of tumbling water.

The convention facilities, which will be the largest in Southern Africa, will all be located on one level.

"It has been necessary to provide these convention facilities because of the lack of facilities for international conventions in the country."

The hotel will be able to accommodate up to 2 000 people and the capacity of the 1 000 seat banquet hall can be increased by 25% if cinema seating is adopted.

Another unique feature of the hotel will be its exclusive health club, with its own squash complex of eight courts.

Mr Kerzner said the location of the Sandton Sun would make it a very popular hotel as it was 15 minutes from the centre of Johannesburg and within easy access of Pretoria.

The Sandton City complex will be the biggest complex in the southern hemisphere — "an entire city centre under one roof".

The total complex will cover an area of about 10ha and the total cost will be R170-million.

The shopping areas will be open at the end of 1982 and the hotel will be totally integrated with the rest of the complex.

FINE ART & ARCHITECTURE

ARCHITECTURE

Cape Provincial Institute of Architects' Prize
For the best student in :-

Sixth Year

P F Dunckley

Helen Gardner Travel Prize
For a student who has satisfactorily completed 1st, 2nd and 3rd major courses.

P A Rappoport

Molly Gohl Memorial Prize
For the best woman student in third year.

Miss C Tredgold

David Haddon Prize
For the best student of Architecture (or Quantity Surveying) in the subject

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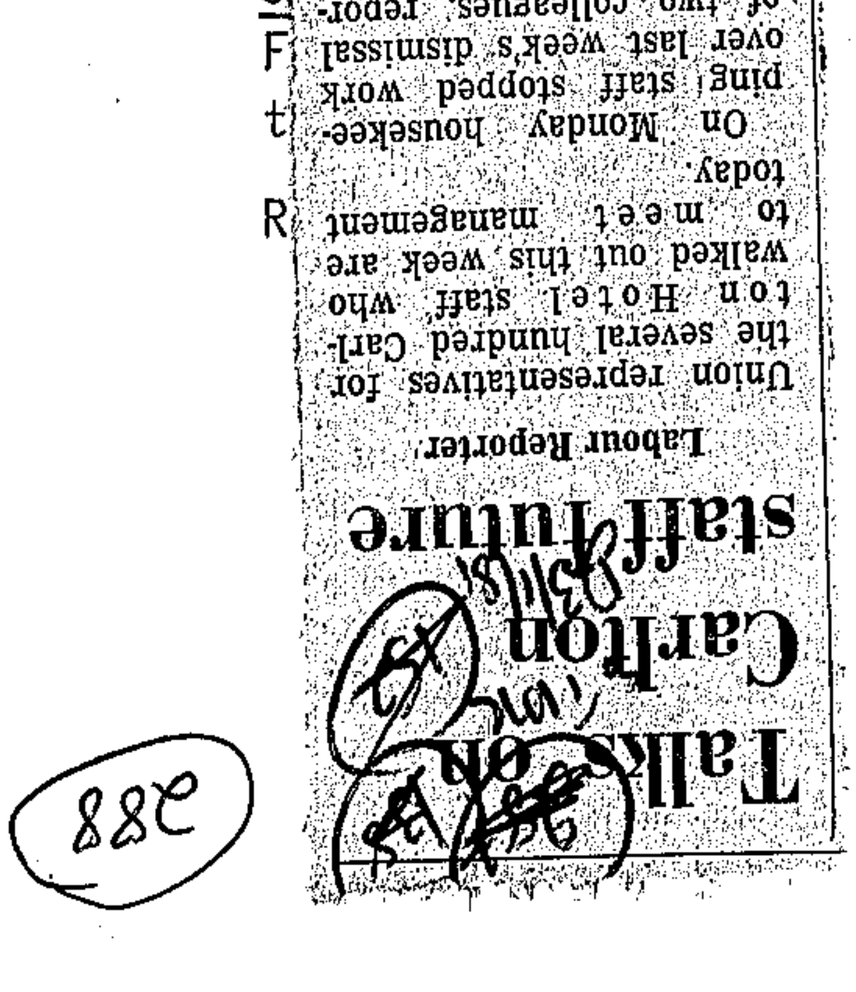

Talks on Carlton staff future

Labour Reporter

Union representatives for the several hundred Carlton Hotel staff who walked out this week are to meet management today.

On Monday housekeeping staff stopped work over last week's dismissal of two colleagues, reportedly for theft.

On Tuesday most of the hotel staff stopped work early in the day until a meeting with the general manager, Mr Pat Burton.

The union representing the staff is the Hotel Liquor and Catering Union — part of the Commercial Catering and Allied Workers' Union.

An hotel union spokesman said the two major issues to be resolved were the rehiring of dismissed staff and recognition of the union.

Mr Burton told staff on Tuesday that dismissals would be made only after consultation.

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FINE ART & ARCHITECTURE

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D H Pryce Lewis

General J B M Hertzog Prize
For the best final year stuc

S A Read

Osbourn Prize
For the best work in fourth year.

D H Pryce Lewis

John Perry Prize
For the best work in third year.

R A van Rosenveld.

Casino complex planned for Venda

By CHRIS FREIMOND
Southern Africa Bureau

A MULTI-MILLION rand subtropical playground, complete with casino, cabaret, soft-porn cinema and dog racing will open in Venda later this year.

At a Press conference in Johannesburg yesterday boxing promoter and businessman Mr Jaap de Villiers announced that he had clinched a deal with the Venda government to put South Africa's most recently independent homeland on the map.

The "Mail" revealed in July last year that Mr De Villiers had been awarded exclusive rights by the Venda government to operate a casino and dog racing.

The "Elephant's Head" casino will be operated by Mr De Villiers in the Venda Development Corporation-owned Thohoyandou Hotel at Sibasa, 60km east of Louis Trichardt.

The deal is worth an estimated R1,7-million a year to Venda and will be one of the young State's biggest money spinners. The government's financial share will be calculated on an undisclosed percentage of the annual casino turnover.

At the same Press conference, Mr Hennie Loots, VDC general manager, announced that the hotel was being enlarged to 95 rooms and that a discoteque for 250 people, conference facilities for 100 delegates and a luxury swimming pool were being built.

The R4-million complex will be officially opened in May, but the casino -- which will be the first in Southern Africa to be operated by a private company and not a hotel group -- is expected to begin operating in March.

The VDC also has plans to develop the tourist potential of Venda around the casino complex, and to make the vast untouched natural beauty of the country accessible.

Mr De Villiers said his casino was not a copy of any existing Southern African gambling establishments, nor would it compete with them.

He had "verbal agreements" with "big gambling houses" around the world to bring big-time gamblers to Venda and to send Venda's big spenders overseas.

It was hoped tourists and gamblers would be attracted from the surrounding towns of Louis Trichardt, Pietersberg and Messina as well as from the Kruger National Park during holiday seasons.

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City hotels lost out in holiday season

Staff Reporter

BED-AND-BREAKFAST bargain hunters visiting Cape Town during the holiday season made such good use of alternative, cheaper accommodation that overall occupancy figures for City hotels dropped.

And the response of private home-owners, cashing in on the tourist boom to offer homes and flats for short-term rent, helped to drain much of the trade away from other traditional accommodation.

Comparison of monthly occupancy figures for the lower-grade hotels, issued by the Cape Hotel Association yesterday, showed a drop of up to 15 percent on last year, while tourist trade returns indicated a similar or greater number of visitors.

Mr John Robert, managing director of Captour, told the Cape Times yesterday that the overall total of hotel beds of all types available for visitors was about 12 000.

Hotel Association figures had shown a downturn, while the number of visitors was "on a par" with that of last year.

"The main tourist attractions and other tourist-related services were as well supported as last January. From response to our visitor accommodation service, it is fair to assume that alternative accommodation in the form of holiday flats, bungalows, caravan parks and private homes absorbed a percentage of visitors who had traditionally used hotel accommodation," Mr Robert said.

He added that the City's accommodation was at no stage booked to capacity. The emergency booking centre, operating at the Visitors' Bureau, had always managed to find accommodation for personal callers, even during peak times.

LIQUOR (288)

Retailers' bonanza

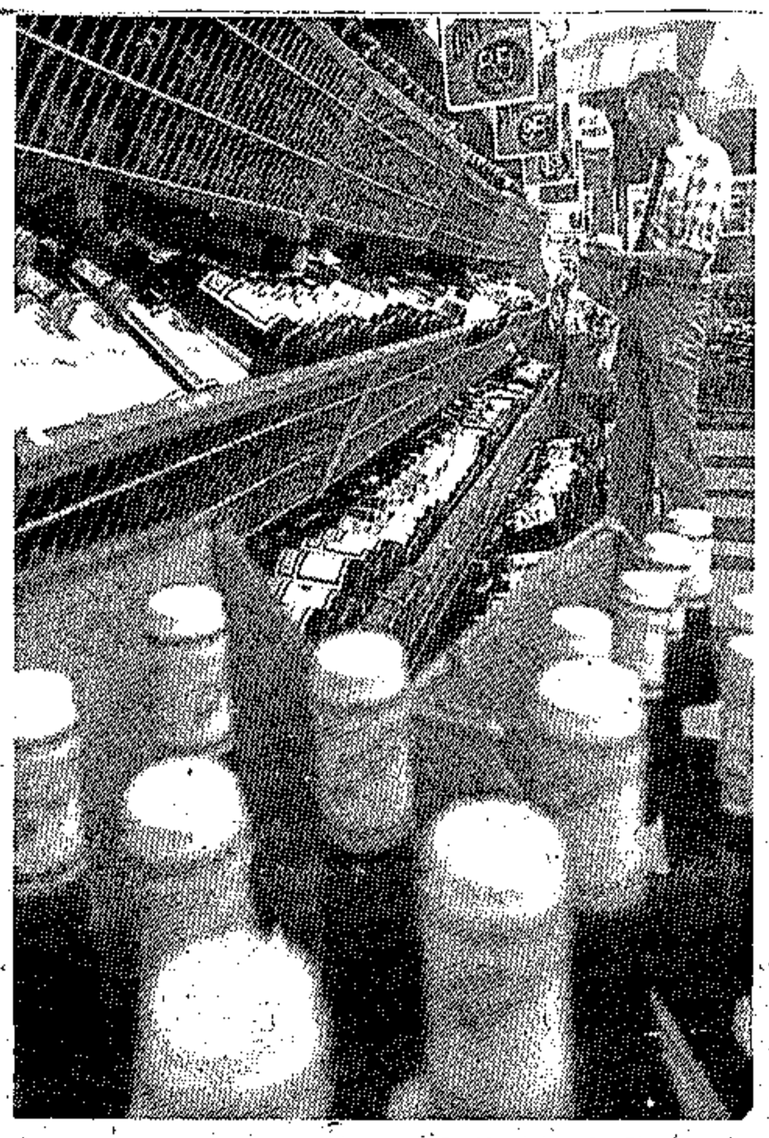
FM 6/3/81

Substantial stock profits stand to be made by liquor retailers from the style and timing of the Cape Wine and Spirit Institute's new wholesale prices effective from March 9.

On average, wines are to go up 5% and spirits about 6%.

Monday's announcement enables retailers to stock up on the March account and it gave them a full week in which to do so. It has also given them plenty of time to affix the new price tags on literally thousands of different labels.

In the past it was customary for CWSI to delay new price announcements to the last week-end of the month and so limit the scope for a small stock killing. The new deal seems to be a kind of *quid pro quo* offered to Federated Hotel Associ-



Bottle store . . . a full week for stocking up

ations of SA members — the bottle store owners — in return for an undertaking that they limit the extent to which they pass on the new wholesale hikes to consumers.

It is just possible, therefore, that new shelf prices will not advance much on the old ones.

The wholesale producing merchants are probably to be commended for holding increases to the levels announced. In addition to KWV minimum price increases of 10% on good wine and 12% on spirits, they have had to put up with other cost inflators.

Last year, Consol, the sole domestic glass supplier, raised prices 10% on average, while railage rates went up by a similar amount. The price of cork closures rose about 12% and metal closures (screwtops) by 15%. Wholesalers say they absorbed all these cost increases.

The new prices will impact on a differential basis. High-priced wines will reflect rises of 7,5% to 8% because they are bottled in new glass and so there is no scope for recycling.

A case of Riesling, currently selling for R18 in the Cape, could increase in price by R1;50 to R3, but a 4,5ℓ jar of low-priced wine will increase only 4%, including the deposit, because the pack lends itself to recycling. Bag-in-the-box packs will go up 7,5%.

Spirits will go up 6%, but because of the new higher rebate content required by law for the manufacture of brandy (30% rebate brandy compared with 25% previously) the latter will be increased 6,6% in the western Cape. By comparison, the price of cane will go up only 5,6%.

The excise cuts announced by Finance Minister Owen Horwood for fortified wine and bubbly will have distorted the new wholesale prices. On the old price, the increase amounts to 6%, but on the new excise-adjusted price the increase looks like 8,5%.

It is hoped that the new wine prices will bring about some sort of parity with beer, the price of which went up 9,5% recently. If consumers opt for jugs and jars, which are good for 10 or 12 trips between consumer and bottling plant, the cost of drinking will be contained.

HOTELS 288 FM 13/3/81

Shortage chronic

There is an acute hotel accommodation shortage — mainly in the city centres. During peak holiday periods, moreover, resort hotels have also been overrun.

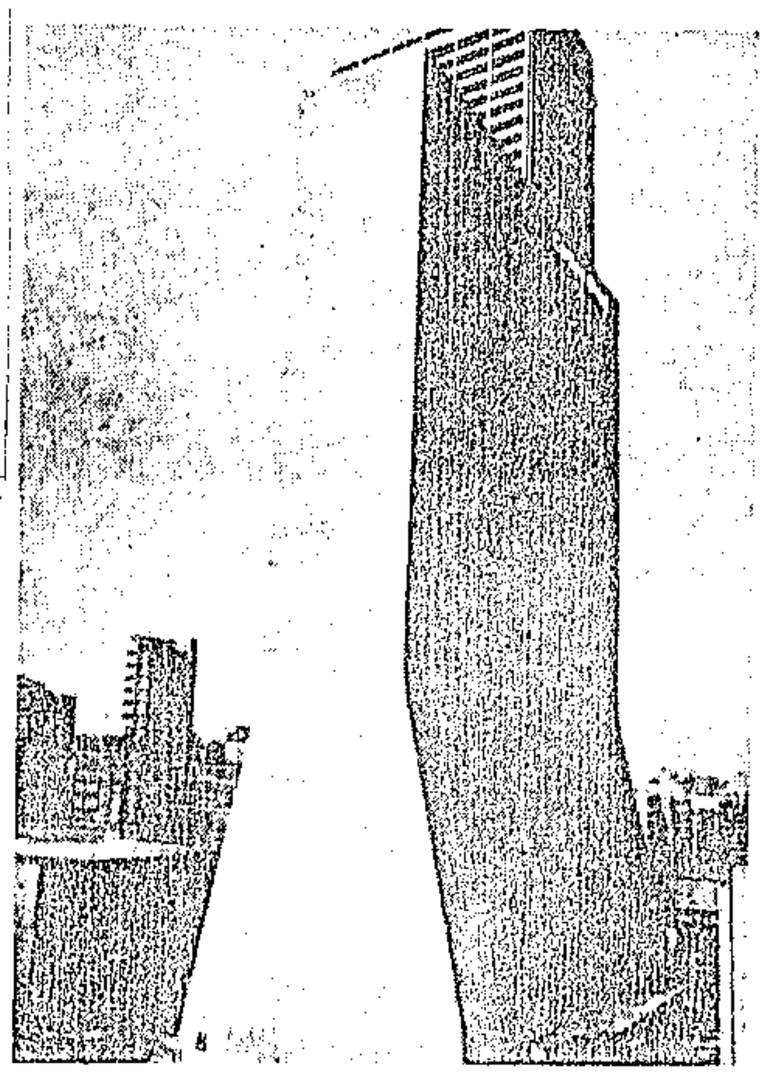
Hotels cannot cope with the increase in commercial travel by both international and local businessmen, after three years of little building expansion.

Rosebank Hotel MD Peter Roost, who is also a council member of the Hotel, Liquor and Catering Association of the Transvaal, says: "The situation has become chronic in Johannesburg in the last eight to 10 months. Even though we are building 64 new rooms, this will not solve our problem."

The shortage has been aggravated by a "no-show" problem — a reservation is confirmed but not taken, leaving the hotel with an empty room.

"Companies desperate to find accommodation for employees or clients make two or three reservations simultaneously and accept the first confirmation without cancelling the others. Hotel occupancy is presently reduced by between 5% and 10% as a result. This loss of revenue forces hotels to over-book."

Roost says a short-term solution would be for businessmen to double up — sharing a double room instead of two singles. But in the long term, more hotels would have to be built.



Carlton . . . scant room at the top, or anywhere

A spokesman for Southern Sun confirmed the shortage, but says it was cyclical except for city hotels. In 1980 Southern Sun had a 77% room occupancy rate. The percentage of empty rooms was attributed to the low season periods of May/June and August/September.

"The demand for accommodation in the cities could not have been anticipated," he says. "There is a lot more commercial traffic today which is a reflection of the economy. Plans for building should have existed three years ago."

ECONOMISING ENERGY

Japan's Yokohama Rubber has shown what can be done to save energy.

During 1980, the company achieved a reduction — per unit of output — of 9,3% in fuel consumption and 7,8% in electricity consumption.

In money terms, the saving was 800m yen (nearly R4m).

Yokohama Rubber established an Energy Conservation Committee in 1972 to study ways to cut production costs and to counter rising energy costs.

The measures taken include increased heat insulation of vulcanisers and steam pipes and improvements in heat recycling methods.

If fuel and electricity use per unit of output are taken as 100 for 1973, the indices for 1980 would be 39,9 for fuel and 82,9 for electricity.

The targets for the current year are a reduction of 13,5% in fuel consumption per unit of output and of 4,1% in electricity consumption, compared with 1980.

GENERAL NEWS

Slashed wine price triples hotel's profit

Roy 20/3/81 288

By JAYNE LA MONT

A HOTELIER in Cape Town has tripled his gross profit on wine — by dropping the price.

Mr Peter Spickernell of the Elizabeth Hotel, Sea Point, Cape Town, dropped the normal 100% plus GST mark-up on wines sold at the hotel to about 20% and sold more than 16 times the amount of wine.

His turnover for the week he introduced the reductions increased by almost 1 000%.

Mr Spickernell's sparkling success story is told in the March issue of Hotelier and Caterer, mouthpiece of the hotel industry in South Africa.

To attract more diners he decided to introduce special offers on a varying selection of wines for a limited period — the first running for a week.

The magazine used a table supplied by the hotel manager, Mr Pierre van Biljon, to indicate that the the experiment turned out to be a very worthwhile exercise in terms of sales.

The table showed the hotel wine list's normal price for Fleur du Cap — R3,55 — was dropped to R1,90 a bottle. The week before the special offer started, three bottles of the wine were sold. While on "special", 72 bottles were sold. In the next week, at the "normal" prices, only two bottles were sold.

- Bertrams Premier Grand Cru, at R3,55, sold four bottles before and three after the special week — on special, at R2,05, 66 bottles were sold;
- Heerenwijn, normally at R2,85, sold 18 bottles at R1,90 during the special — and none in the week preceding it or the week following;
- Rooderust, normally R2,65; dropped to R1,60 and 12 bottles were sold — against three bottles the week before and two the week after;
- Zonnebloem Cabernet went from R3,65 to R2,50 and sold 12 bottles — against one bottle the week before and two the week after;

"To come out, profitwise, sales would have to increase more than five-fold during the special offer period," the magazine said.

"In the event, sales showed a staggering average rise of 16,36 times in the number of units sold."

Hotelier and Caterer comments: "How often does one not hear gripes from those who feel they have been ripped off as captive diners in licensed establishments? The result is that many prefer to take their own wine along to unlicensed places — a loss of business to the licensee.

"Or what about the host who would order a second or even a third bottle if the price were more attractive — again a loss to the individual establishment and to the industry."

The magazine said that some time ago the Government threatened to fix liquor profit margins at a maximum of 70% if the hotel trade did not put its house in order.

A "gentleman's agreement" appeared to have been reached under which members of the trade agreed to contain margins more or less in accordance with the following scale:

- One-star hotel mark-up would be between 100% and 110%;
- Two-star hotels, between 110% and 120%;
- Three-star hotels, between 120% and 130%;
- Four and five-star hotels, between 130% and 150%.

But a survey of several licensed estabilishements in all four provinces by the magazine showed that often the prices charged were not based on the scale.

"It has been pointed out that profit margins on wine for on-premises consumption are often far higher than those on beer and spirits.

"All this appears to add up to bad business and a neglect of the true profit potential of selling wine with food," it said.

And for Mr Spickernell, his experiment proved very fruitful — all the way to the bank.

LIQUOR 1

FM 20/3/81

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The Kirsh/Pickard network

Assuming that the deal between Natie Kirsh's Coki and Jan Pickard's Union Wine goes through as envisaged — a question which had the financial world buzzing as the *FM* went to press this week (see *Fox*) — the point everyone seems to have missed is that their partnership will create the biggest liquor distribution network in SA.

That is far more important than becoming the largest retailer (130 stores) of liquor in the country.

The key to the deal is not so much that Kirsh/Coki has gained a partnership in an integrated wholesale producing merchant cum retailer, or that Pickard stands to gain an additional cash injection to an upper limit of R8m to buy more stores, but that Pickard's wholesale liquor licences can be employed by Metcash and its vast network of strategically-placed warehouses and depots to set up a massive liquor distribution business.

No one would welcome this development more than the country's 15 wholesale producing merchants, the 72 producing wine co-operative cellars and the sole brewer who would all confirm that distribution (to more than 7 000 retail outlets in SA, SWA/Namibia, Botswana, Lesotho and Swaziland) is not only a pain in the neck but a heavy drain on the p & l account. Independent liquor retailers would doubtless welcome the development too, if it resulted in an improved flow of product at no additional cost.

But the biggest upside potential of the Kirsh-Pickard deal is the imminent legalisation of the shebeen trade in black townships and plans in the pipeline at the Ministry of Commerce and Industries to de-regulate the flow of liquor between manufacturers and consumers.

De-control of shebeens has the potential to unlock pent-up demand growth of unpredictable proportions, especially in the beer market.

The latter may go in excess of 1 000m ℓ this year, of which nearly 60% will be consumed by blacks, and about half of that will go through the shebeen network. Decriminalisation of the trade in the townships could well result in lower prices since there would no longer be a need for shebeens to charge a premium to cover stock losses in raids.

But even greater economies will flow to consumers from the fact that off-consumption licences or authorities will only be granted in respect of proper liquor store premises, and black retailers "will be protected by maintaining the statutory restriction on the introduction of liquor in black residential areas."

This means that ordinary consumers and illicit liquor dealers in the townships will continue to be debarred from buying



Pickard . . . will have his 130 shops

in white areas and smuggling liquor into the black areas. The fact that black retailers with off- or on-consumption authority would no longer need to buy supplies from white liquor stores in the common area implies that prices will be stabilised and Metcash, which operates as a wholesale discounter, would be well placed to take over the distribution operation of the liquor manufacturers.

Obviously it will be some time before SA Breweries (SAB) and the other liquor manufacturers/importers make up their minds about switching distribution and deliveries to the Kirsh network, but in the meantime it is clear that the arrangement is going to work wonders for sales of Union Wine products — even before Pickard fully exercises his government licence to complement his liquor store network by an additional 75 outlets.

Also, from a "political" point of view, Kirsh's deal with Pickard makes a lot of sense.

Quite apart from the fact that they were once instrumental in persuading a former Minister of Finance to grant an excise incentive to small brewers like Stag and Whitbreads — much to the disgust of SAB — a deal with anyone else would have raised cries of foul play because, rightly or wrongly, the November 1979 restructuring of the country's R2 000m liquor business continues to be viewed with opprobrium in some quarters.

But even more important than the fact that Pickard was just about the only kosher choice of a partner left in the business, a recent resolution passed by the Federation of Hoteliers and Caterers of SA (Fedhasa) probably influenced the outcome as much as anything else. In the resolution, Fedhasa reaffirmed its support of that portion of the November 1979 "settlement agreement" by which Remgro and SAB undertook to dispose of their retail liquor holdings (a total of 349 stores in 12 years).

Until the recent Fedhasa statement there had been doubt whether the association would insist on the divestment. There was a lobby in Fedhasa which feared that the exit of SAB and Remgro from the retail scene would create a dangerous vacuum that would be filled by "undesirable interests with no affinity with the liquor business." Somebody has allayed their fears.

This means that, no matter what findings and recommendations the authorities comes up with in their investigation into possible monopolistic tendencies in the liquor business, Pickard will have his 130 shops and no other juristic person will be entitled to more than five.

STOCK MARKET

(288) FM 27/3/81

The great bear squeeze



Johannesburg's bears have stopped haemorrhaging. Open wounds are still being licked, but the town's greatest bear squeeze is over bar the shouting.

It may be little consolation to those who lost their boots, but some important lessons were learned in the frenzy. Before examining them, though, it is worth retracing the bear market's development step by step.

After a weekend of intense behind-the-scenes activity as bears scrambled to cover short positions, Union Wine's relisting this Tuesday, with relatively stable trading conditions, was an anti-climax.

The only abnormal feature was that the price, although well down on last week's levels, was still inordinately high by any normal standards, indicating that the bears were having to pay heavily to get out of the woods.

The share was suspended last Thursday, just 22 minutes after opening, by JSE president Richard Lurie, "in view of the undue price fluctuation in the price of the company's shares." This followed two days of hectic trading which saw some 1,5m shares change hands — equivalent to almost 90% of the total number of shares held outside the controlling Pickard block. At the same time, the price climbed from 230c at last Monday's close to a high of 1 900c on Thursday, before falling back to 1 475c at suspension.

In contrast, dealings this week were much quieter, with *only* 209 000 shares traded on Tuesday, mostly at prices between 1 000c and 1 100c.

Events leading up to the suspension are, by now, common knowledge. Cape Wine (CWD), reacting violently to the proposed tie-up between Natie Kirsh and Jan Pickard in control of the Union Wine wholesale/retail liquor group, set out to buy every share possible — apparently with no price limit — to establish a strong minority position to block the deal.

When it became apparent that there was a large buyer in the market, Kirsh interests joined in the fray and rushed the price up even further. And bear operators, detecting what they thought would turn out to be another Russell situation, also jumped on the bandwagon, only to find the market running away from them.

The upshot was that by last Wednesday, when the two principals had to all intents and purposes completed their buying programmes, the bears were left in the unenviable position of having to try to cover their positions in a market denuded of scrip.

The outcome was a bear squeeze unprecedented in JSE history (see box). And when trading was stopped on Thursday there was still a substantial open position of both disclosed and undisclosed (illegal) short sales, variously estimated to total between 400 000 and 600 000 shares.

But while brokers, except under special circumstances, are prohibited from trading in a suspended share, there is no such limitation on private individuals. Consequently, while trading was officially at a standstill, those with open positions spent five frantic days trying — off the market — to find the shares necessary to let them off the hook.

We will probably never know how many shares changed hands over this "long weekend," or what prices were paid. Different sources have suggested a range between 800c and 2 000c — one is as credible as the other as there was no official market to set a price.

Inevitably under these conditions, and with a number of smaller brokers known to be short, the JSE showed its uglier side. Rumour-mongering was rife and everyone seemed eager to purvey the latest piece of gossip about who had lost what, or, even better, was about to go bust. Much the same attitudes can be found among bystanders at the scene of almost any accident.

Then there were reports of clients reneging on deals — one was reported to have come within a whisker of putting his broker under. Again, we will probably never know the full story, but, if it's true, both the client and the broker are rightly regarded by the market as bad news.

But such stories can also show up a more attractive side of human nature — this particular broker was rescued by a consortium comprising, of all people, Pickard, Kirsh and various broking firms.

To complete the general background scene, there is the involvement of Rand Bank, which lost about R100 000 on a short sale of Union Wine without the knowledge of MD Johan Rupert. All agree that there was a great irony in the fact that Rupert and his father Anton were both abroad at the time all the action was happening. The senior Rupert is, of course, on the board of CWD but was not consulted about the decision to buy Union Wine shares. As the young Rupert puts it: "We were innocent bystanders abroad."

Apparently, what is euphemistically called "corrective action" has been taken at Rand Bank, with new careers beckoning certain staffers. Some Rand Bank staff went short on their own accounts but clearly this does not affect the bank. They ran to Kirsh for succour, but understandably to no avail.

And, finally, the anonymous calls. These alleged that at least one of the brokers involved in the buying had been searching the Union Wine share register and approaching shareholders to buy their holdings. It was claimed that this broker was acting on privileged information: he was one of the few at that stage who knew of the unlimited buying order and the effect this could have on the price.

Much the same allegations later came from other brokers who were not involved in the buying — notably among them were three who had fairly substantial open positions.

All this is, of course, relevant to the bear squeeze. But by concentrating on the

ONE OF THE WINNERS

Not everyone lost in last week's squeeze. In exactly seven days, a 27-year-old Johannesburg woman parlayed R12 500 of her life savings into a mini-fortune of R190 000 — by buying and selling Union Wine shares.

The amateur punter beat the professionals at their own game by a combination of good luck and obeying what she calls her "native Lithuanian cunning." But the young lady must, for her own reasons, remain anonymous.

The once-in-a-lifetime story of luck and gambling finesse started on March 11 when a lunch-time discussion motivated the purchase that afternoon of 10 000 Union Wine shares. Seven days later, an hour before trading closed on the afternoon of Wednesday March 18, Miss X telephoned a sell order through to her broker. The share price was then 880c "and I didn't want to be greedy."

Her broker had to rush off to attend to a family crisis and failed to se the order down to the floor that day. The order went down first thing on Th. sday morning, March 19 — when the price was 1 900c. All 10 000 were sold at th. price only minutes before the share was suspended. Her return was 1 420% on a seven day investment.

But that is not all. Miss X now stands to collect R100 from each of her two lunch companions in settlement of a friendly bet. She was the only one to guess that the mystery buyer was Cape Wine.

Why does the young lady want her identity hidden? "That sort of profit and me single — in this town, can you imagine?" We can, Miss X. And congratulations.

periphery, one tends to lose sight of the central issue — which is the prime cause of the squeeze. Or more specifically, why did the whole thing go so horribly wrong?

With the benefit of hindsight, the answer is obvious: two buyers snapped up virtually every available share, seemingly regardless of cost, leaving the bears with a substantial open position and no scrip in which to deal.

One veteran broker commented that the bears must have been insane to short a share such as Union Wine, with a small issued capital, a strong control position and a big buyer in the market.

But to understand the situation completely, we need to analyse just how much information was available at each stage.

The relevant point here is that the bulk of the short sales, both disclosed and undisclosed, were done on Tuesday, March 17. And, although it was then obvious that there was at least one large buyer around, no-one — not even the brokers concerned — were aware of his identity, let alone that he was interested only in quantity, not price.

Bearing this in mind, the situation at that stage would have looked pretty good to a bear. At Monday's close of 230c, Union Wine was already higher than would normally be justified on fundamentals and it was also 30c higher than the proposed Coki bid price. At this level, even if the annual dividend is doubled (as may well happen, after the doubling of interim profits), the prospective yield is only 6% — low in today's market.

Next, the golden rule for bears: check the volumes. These also looked OK. Over the past two years, trading has averaged about 30 000 shares a week, surely enough to prevent a lock-out situation.



Coki's Kirsh . . . all systems go, go, go?

THE COMMITTEE'S REACTION

Despite criticism of last Thursday's suspension of Union Wine's listing, JSE president Richard Lurie remains convinced that the correct action was taken at the correct time.

On Tuesday and Wednesday last week, he points out, the market was patently free-dealing, with a total of almost 1,5m shares changing hands. The committee was, however, perturbed about the exceptional price rise and this was discussed early on Thursday morning. It was decided to wait and see how trading opened — the first sale was at 1 500c and within minutes Union Wine was bid at 1 750c. It was at this point, Lurie says, that the decision to suspend was taken.

By the time he had got down to the market, however, the price had leapt to 1 900c and had come back to 1 475c in the final sale before trading was stopped.

Lurie had been criticised on Tuesday and Wednesday for not having suspended the share in view of the hectic dealings. He was even more roundly condemned on Thursday when he stopped trading just as the price seemed to be coming down. This, critics claimed, was prejudicial to the bears who were effectively locked out at a very high suspension price.

But would the price necessarily have come down much further? Two relevant points here are that, firstly, on Wednesday, shortly after lunch, the price dropped 22% from 1 150c to 900c, only to recover to a high of 1 360c at the close.

Thursday's drop from 1 900c to 1 475c was also about 22% and it is pure speculation where the price might have headed from there, although one of the main brokers involved in the buying on Tuesday and Wednesday is known to have been a net seller on Thursday.

The second point is that despite the five-day cooling off period, the share price has been maintained at a very high level. This Tuesday's range was 900c to 1 475c (the opening sale), while the closing price was 1 125c bid. But on Wednesday it was over 1 400c at times, which is at least five times the intrinsic worth based on the usual fundamentals.

Lurie says that the disclosed bear position this Tuesday night was 98 000 shares, excluding one deal — believed to involve 10 000 shares — which is subject to dispute. This compares with the 240 000 disclosed open position last Thursday.

The undisclosed position, however, will remain obscure at least until this Friday, when the scrip has to be delivered, but it is a reasonable guess that there has been a corresponding narrowing in this position as well.

Brian Thompson

However, it soon became obvious that a number of bears were all thinking along the same lines. So while individual sales were small, mostly in the 10 000-30 000 share range, they soon added up and the disclosed open position reached 240 000 shares. This was probably equalled by the undisclosed position.

Mistake No 1, therefore, was that shares equivalent to some 30% of the total outside the controlling block were shorted — an imprudently large proportion even if there had been no buyer in the market.

Mistake No 2 was to underestimate the strength of the buying, especially after CWD was followed by Kirsh in the search for scrip.

Kirsh revealed last Friday that he and Pickard together held over 75% of Union Wine, implying that an additional 15% (630 000 shares) had been purchased. CWD has yet to give any indication of the extent of its operations, but Kirsh believes that it probably got about 1m shares (24%).

So it appears that between them, the Kirsh and CWD camps may have mopped up around 1,63m shares out of a total minority holding of 1,67m. This is not contradicted by the fact that only 1,5m shares traded on the market on Tuesday and Wednesday last week. Not all purchases were made through the market.

However, because of the speed of events, it is highly unlikely that, at that stage, more than two-thirds (say 1,1m shares) of the total minority holding had actually changed hands.

On this basis, a total short position of some 515 000 shares would be indicated. And the shareholding structure would have been, approximately: Pickard 2,5m; CWD 1m; Kirsh 630 000; and minorities 560 000 shares — a total of 4,7m, or 12% more than the actual issued capital at the time. (The issued capital has since been increased by 267 367 shares through the purchase by Union Wine from Kirsh of a similar number of Picardi shares).

But to get back to Wednesday of last week. Although there was no room to doubt that things were going seriously wrong for the bears, details of who was buying, and why, were still not known. There had been speculation that Rembrandt or SA Breweries were involved.

One note of realism from Jan Pickard. Asked what it felt like to be worth R5m one day, then R50m the next, he replied: "I feel nothing. I've been in the game a long time. Let me tell you that what counts is when you've got the cash in your pocket. Nothing else."

SOME OF THE OTHERS

Veteran stockbrokers agree that the scale of the Union Wine bear squeeze is unprecedented in JSE history. The other name which crops up most frequently in this context is the Finbros affair of 1948, although one retired broker comments that that was a Sunday school picnic compared with what happened last week.

Louis Witkin was office manager for KH Kilby at the time. He explains that his firm received a substantial buy order for Finbros shares, which were then trading at 5/-. They bought up to 10/- and then the bears took over — in much the same way as they did with Uniewyn — and the price finally peaked out at 84/-. Another similarity was that Finbros also had a fairly small issued capital, although this was not unusual in those days.

Other names mentioned include Pan African Air Charter (in the Fifties), Allied Minerals and Metlife, although in the view of the experts, none of these even outbeared Finbros.

But this lacked weight on the grounds of the 1979 agreement whereby both parties were obliged to sell their retail liquor outlets. To buy a stake in more, therefore, didn't make much sense.

Nor did Kirsh seem a likely candidate because of the proposed scheme whereby Coki was to make an offer to minorities of both Union Wine and Picotel at 200c — less than half the price at which Union Wine was by this time trading. It was not until Wednesday afternoon that the *FM* was able to confirm the identity of the buyers. And at that stage at least one of the brokers involved on the CWD side was still unaware who his principals were.

It is also relevant that by this time CWD was, to all intents and purposes, out of the market, and on Thursday one of its brokers was in fact a net seller until the suspension. So it was bear covering, not CWD/Kirsh buying, which was mainly responsible for the run up from 475c on Tuesday to Thursday's high of 1 900c.

CWD was in the market a good few hours before Kirsh and, consequently, may have been more affected by the undisclosed bear position. Unless these bears have been able to make good their shortfalls, the scrip is likely to be undeliverable. CWD may not, therefore, end up with what it thought it had bought. This could well explain management's reluctance to estimate CWD's purchases.

Kirsh, however, seems to be in a more favourable position. By the time he entered the market, brokers were already starting to ask for proof of the existence of scrip before executing selling orders. So his chances of actually getting what he bought were that much better. In fact, the vast majority was actually delivered.

The Kirsh camp, meanwhile, is completely confident that the deal with Pickard will go through, although possibly in a modified form. Union Wine has already announced that it is to double its authorised capital "with the objective of facilitating the company's further expansion" — a step which should not have been necessary if Kirsh and Pickard had been allowed to proceed with their original joint-control scheme.

But don't count CWD out. Although it may not succeed in its unstated objective of blocking the deal, it can still end up as an important minority shareholder in the combine, with enough clout to make itself heard.

This is subject, of course, to Union Wine's ability to water CWD's stake down with new shares.

Brian Thompson

Winslow - Cost of Sickness - Price of Health:

Nutrition and Productivity

In Costa Rica, it was found that by improving the worker's diet, rapid increases occurred in the cubic meters of stone mould per construction worker. From 1943 to 1946 the amount of stone mould per worker increased 4 times. Similarly the local work force of the Pan American Highway was reported to have increased its rate of concrete paving by 3 times after the introduction of well-balanced daily meals.

However, a recent study was undertaken in India on the effect of nutritional supplements on the productivity of coal miners. Two groups of miners we[illegible] roup received a supplement which provided 500 cal [illegible] rotein each day. The other group received no nutr[illegible] erved as control group at the end of six mor[illegible] erences were found in the rate of absente[illegible] However the group receiving nutritional supplem[illegible] it increase in body weight.

A nutri[illegible] clearly affects productivity and economic growth [illegible] Severe vitamin A deficiency is an important cause o[illegible] g countries. For example, in India approxin[illegible] are blind because of malnutrition. Moreover [illegible] dness there are many others with mild to moder[illegible]

SHARES STRUGGLE 288
Union Wine shares are unfrozen a day early and the price drops from 1 475c to 1 100c. Before suspension, the share had soared from 240c to 1 900c in three days of trading, as Cape Wine sought to prevent the Kirsh Group gaining a commanding position in liquor retailing. FM 27/3/81

Indonesi[illegible] construction workers and plantation rubber wo[illegible]
This was [illegible] ling that 45 percent of the adult male laborers suffered from iron deficiency anemia. The productivity of anemic laborers was 20 percent below those who were non anemic. Treatment was elemental iron for 60 days and resulted in productivity increase of 15-20 percent for tappers and welders respectively. The benefit cost ratio in terms of later production alone is 260. Indonesia anemia cured 0.50 per year and 0.75 per person to reduce hook worm infestation.

Study in Eastern Paraguay - severe malaria areas productivity 24-25% below potential. Young men abandoned the area despite the abundance of excellent farmland. An effort was made on the farms to offset the effects of illness on the princiapl cash crops by devoting a larger

disease the migrants are a periodic source of reinfection. Had the development which is associated with this movement of workers not taken place, the disease could have been controlled.

Dams and irrigation schemes are important sources of development in Africa. However such projects serve as transmission networks for the diffusion of snails which are the intermediate host of the schistosomic.

In 1954 the Department of Health for Rhodesia warned that large scale irrigation projects might well wreck the health of the country and bring the most grandiose of projects to an end. For example one of the first irrigation schemes established in that country after world war II has been a complete failure and is largely abandoned because the effects of malaria and bilharzia were not considered.

The estimated economic loss due to Schistosomiases in Egypt and the Phillipines.

Author	Country	Annual Economic Loss	Annual Loss per individual affected in US $	Productivity Loss (per cent)
Khalis 1949	Egypt	80 million Egyptinan pounds	14.00	35
Wright 1951	Egypt	20 million Egyptian pounds	3.50	33
Ansai 1955	Egypt	65-100 mil. Egyptian pounds	15.00	4-20
Faroog 1963	Phillipines	13 mil. pesos	26.00	35

M. Faroog, "Medical and Economic importance Schistosomiases", Vol. 67, May 1964, p.109. Journal of Tropical Medicine and Hygiene.

NATIE MATISONN

288 FM 3/4/81

'No' to vertical integration

Natie Matisonn is chairman of the Hotel, Liquor and Catering Association of the Transvaal, which has approximately 740 members, including hotels and liquor stores.

***FM:* We understand your association is not in favour of the Coki/Union Wine deal. Why?**

Matisonn: We are dead against the deal. We don't want vertical integration in the industry. Government gave the two major groups a *ukase* to divest themselves of their retail interests, and then all of a sudden we were faced with a new monster of vertical integration.

Has your association taken any steps about the deal? Have you contacted government?

We in the Transvaal have made it known to government where we stand. I can't comment further.

You retailers have been accused in the past of trying to engineer price agreements. Did the possibilty of new competition in the shape of Union Wine/ Coki upset you because it might disturb this situation?

We are not selling sweets or milk. We're selling a substance which is connected with serious sociological problems. It must be sold with responsibility. Therefore, and quite rightly, government controls it. This happens throughout the world.

We cannot move without controls. Free enterprise does not exist in the liquor industry here. I'm told where, how and with whom I can trade. I can't, for example, serve people of all races in the same store.

The only people who are not controlled are those who can buy and sell at a discount, to our disadvantage, and in most cases they use liquor as a come-on for the public to come and buy their hundreds of other lines.

That is why we believe that there should be some sort of price stability.

We are not against competition. But we are against people using muscle to buy cheaper than us.

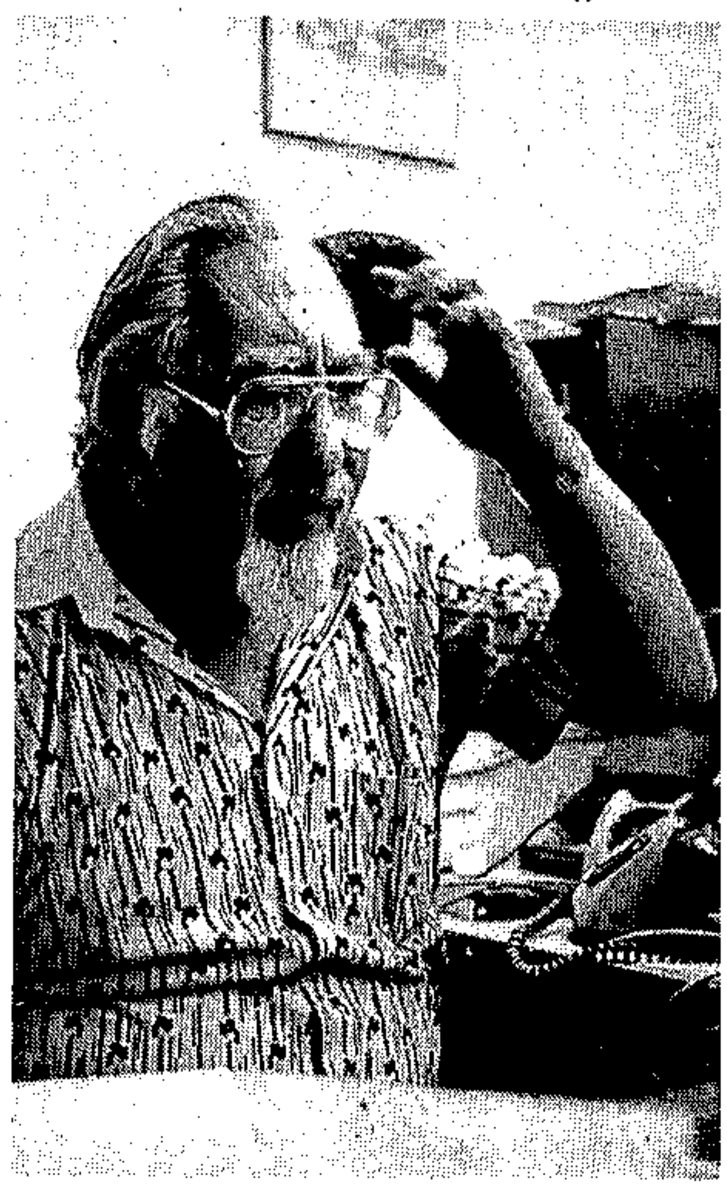
If wholesalers or producers were to publish prices and discounts, if we were all put on the same level, we would be happy to go along with a free enterprise situation. But what is happening is that certain big buyers are using the muscle of their purchasing power and are getting discounts which are not made public.

A producer will admit that if he had to give the same discount to all customers, he would go out of business, so he picks and chooses. And the ones he chooses are the ones who can do him harm if he doesn't fall in with their wishes.

I want to state very clearly: if wholesalers were to publish price lists and discounts, we would be quite happy to go along with a free system.

Do you think the arrangement of the 1979 reconstruction, whereby SAB and Oudemeester must divest themselves of their outlets, is going to make the liquor trade more stable?

We are happy with the situation so long as there is no vertical integration.



We are against that because producer/ wholesalers have been using their stores to get brand penetration of their own products.

Also remember the terrible price wars that went on before the reconstruction. There's the case of a wine called Paarl Perle. Blacks were very keen on it. Then suddenly they weren't. A rumour was spread that the wine made them impotent. These are the lengths to which warring factions went.

How would you view a complete deregulation of the industry?

Personally, I wouldn't mind — if I were allowed to sell anything I wanted to in my bottle store. But I wouldn't be happy with it from a sociological point of view. A Royal Commission in New Zealand found that from the time liquor became obtainable in supermarkets the incidence of alcoholism among young married women has gone skywards. I believe the same is happening here. So I believe liquor must be regulated. I'm talking against myself.

So you accept all the other strange laws we have here regarding liquor?

No, not all.

You would be opposed to grocers' wine licences?

Yes, because they are used as a loss leader. Also, holders of such licences are selling to juveniles. Thirdly, holders can sell to blacks and whites, whereas I'm forced to segregate blacks and whites.

On what does your association blame the present liquor mess — government regulations and actions?

There's no one single cause. The Liquor Act was first promulgated in 1928, and, for 1928, it was a good law, but never since then has anyone sat down to do a complete restructuring of the Act.

What has happened is that ad hoc changes have been made from time to time by different ministers under different pressures. The result is a complete mess.

LIQUOR

Re-construction on the cards

A truce has been called in the Union Wine/Cape Wine & Distillers (CWD) imbroglio and Natie Kirsh has returned to his Swiss ski resort. The question now is: who will win the peace?

According to the best available information, an enduring accord in the volatile liquor business will only be possible after another "restructuring" operation. A number of alternatives are contemplated and a formal announcement is expected soon.

First, a deal could be structured to buy all or part of Picbel's liquor interests upon which the market has placed a value five to eight times higher than that which prevailed before Kirsh came on the scene.

Union Wine/Picotel never did fit into the November 1979 dispensation (which, the *FM* learns on the highest authority, was rammed through with almost indecent haste before promulgation of the new Competition Act last year).

It is both a wholesaler and a retailer and nothing could persuade Jan Pickard to part with the piece of paper given him by former Justice Minister Alwyn Schlebusch entitling him to a further 75 liquor store licences.

At the same time, a first-refusal option held by SA Breweries (SAB) in respect of Union Wine passed to CWD when SAB's wine interests became part of the new wine and spirit house.

Or did it? According to press statements of the past 10 days, CWD's attempt to block the scheme of arrangement proposed by Kirsh was made in order to protect this pre-emptive right (held by a brewery which had been granted a financial stake in a wine and spirit house.)

But the Kirsh offer did not alter the status of even that pre-emptive right because Pickard did not sell a single share and control is retained.

The theory has been explored (on which CWD will not comment) that the Stellenbosch house acted in the manner it did to prevent the formation of a new liquor giant with unpredictable strength and influence in manufacturing, wholesaling, distribution and retailing.

There were strong rumours in the liquor market this week that a distribution giant comprising Union Wine and Metcash would become the biggest beer distributor in the country. (Distribution cost, it is understood, is equal to 15% of gross revenue from sales in the beer market.) If this were to happen, the fear exists that the distributor could enforce a form of "linkage" in respect of the products of Union Wine.



CWD's Steyn . . . like Brer Rabbit, laying low and sayin' nuffin'

Another menacing whisper that was being put around in the independent retail trade this week was that Union Wine's retail arm, backed by the full resources of Pickard and Kirsh, could become the vehicle of a relentless price war and other nameless unfair trade practices.

A delegation from the Federated Hotel Association of SA (Fedhasa) has been given firm assurance that this will not happen. (How could it, if the country's 2 000-odd independent liquor retailers stood to gain most from Kirsh's vision of becoming a major distributor/discounter to the retail trade?)

These fears seem to be unfounded in view of the fact that Union Wine was not the first wholesaler approached by the Kirsh interests. It was reliably learnt this week that other wholesalers were approached ahead of Union Wine, but that nothing came of it.

Another point which has been made to Fedhasa is that Union Wine is a signatory to an agreement sponsored by the Cape Wine and Spirit Institute last year to the effect that its 15 members pledge to sell to all retailers at the same price and the same discounts.

The alternative to buying Union Wine outright in terms of the 1979 agreement would be to either acquiesce in developments or to draw battle lines by negotiating a distribution tie-up with a rival chain in the same business as Metcash.

This seems unlikely because it implies price wars, hidden discounts, withholding of supplies and all the nefarious practices which gave rise to the government-sponsored settlement of 1979. And crucial to the success of either camp would be on whose side of the fence SAB decided to come down. If it chose the CWD side, it would be exposing itself to firm action from the Competition Board for being party to a monopoly.

Another alternative would be to provide Picbel with the cash incentive not to go ahead with the Union Wine/Kirsh deal and at the same time make it worthwhile for the Pickard liquor interests to get out of retailing. But what Picbel would consider worthwhile is probably well in excess of what rival interests would be prepared to pay, especially now that massive value has been added to the group because of the potential implicit in an association with Metcash.

And then there is the key question of whether SAB is opposed to the Pickard/Kirsh tie-up. The hunch of the market is that it is not — because of the extent of logistic relief that would be forthcoming from doing business with Metcash, especially when shebeens are legalised.

Urgent call for review of wages

The Association of Distributive and Allied Workers' Unions has called for an imediate review of wages in the commercial distributive trade.

In an appeal to the Minister of Manpower Utilisation, the association — which represents several unions — calls for an immediate review of wages by the Wage Board.

Basic living costs such as rents, food and other commodities have spiralled in recent months the association states.

While publishing houses, chain groups and department stores are showing high profits workers in the commercial distributive trade are losing out.

Any wage increases granted by the Wage Board in the past have been "wiped out" by increases in living costs.

RENNIES TO SPEND R19-m ON INNS

Agus 21/4/81 (288)

RENNIES is to spend R19-million on Holiday Inns developments this year, more than the R15,5-million that went on capital projects throughout the group in 1980.

The capital spending budget of R28-million for 1981 also includes R6-million on shipping and transport and R3-million in the trading division.

Operating profits of the 16 South African Holiday Inns rose by 58 percent last year due to average occupancy rising to 76 from 72 percent and better margins, says the chairman, Mr C W Fiddian Green.

The 65-room extension to the Cape Town Holiday Inn is to be completed by October and an R8-million Sandton Inn should be open by the end of the year, he says.

The building of a 120-room Inn is to start soon at Welkom and a new one is planned in central Salisbury.

A major project with a 200-room luxury hotel and costing R24-million is to be opened on the Transkei Wild Coast in December.

The 18 company-owned Inns in South Africa have 2 312 rooms, which cost an average of R12 400 against current building costs of R35 000 to R40 000 a room.

METROPOLITAN

Expansion is being concentrated in the major metropolitan and resort locations. 'We no longer envisage building roadside inns in country areas,' says Mr Fiddian-Green.

Revenue from hotels and casinos rose 21 percent to R63,7-million and operating profit of R12,1-million was up by 28 percent.

Higher group profits and dividends are forecast by the chairman for this year, next year and 1983, helped by new projects. Earnings rose 48 percent and dividends 50 percent last year.

Tom Hood

NO.	128	85	26	23	21	31	23	21
ALL	0,06	0,04	0,07	0,06	0,03	0,15	0,03	0,01
65+	0,18	0,13	0,00	0,15	0,01	0,03	0,01	0,01
45–64	0,07	0,07	0,21	0,11	0,03	0,03	0,01	0,01
25–44	0,03	0,01	0,04	0,05	0,01	0,01	0,01	0,01
5–24	0,03	0,01	0,05	0,04	0,01	0,01	0,01	0,01
1–4	0,05	0,05	0,02	0,07	0,01	0,01	0,01	0,01
0–1	0,52	0,18	0,50	0,41	0,04	0,04	0,01	0,16
	2,02	1,56	1,26	1,20	0,45	0,09	0,23	0,06	0,09	0,07	0,25	0,47	0,36	0,23	0,09	0,07	0,14	0,18	0,13	0,09	0,06	0,07	0,17	0,44	0,26	0,13	0,09	0,07	0,12	0,15	0,07	0,06	0,04	0,03	0,02	0,01	0,01	0,01	0,01

LIQUOR INDUSTRY FM 24/4/81 (288)

Structural 'nightmare' looms



Government moves to re-order the R2 000m liquor industry are to be taken another step forward next month. Dr Dawid Mouton and his squad of investigators from the Competition Board will be in Cape Town and Stellenbosch to take oral evidence in their liquor industry probe.

Advance signals indicate that the fur is bound to fly.

The dilemma the Competition Board faces is that its mandate in terms of its enabling act requires it to hand down recommendations that will create more, not less, competition. This investigation, if carried out without any inhibition, will have to dismantle much of an arrangement put together as recently as November 1979 by a former Minister of Economic Affairs — with the endorsement of the Cabinet.

The embarrassing thing about the 1979 "settlement" — which was rather lamely passed off as an attempt to establish generic separation between beer and products of the vine to safeguard the interests of 7 000 winegrowers — was that it was pushed through with almost indecent haste. The aim was to beat an early 1980 deadline when the new Competition Act would become law. The deal would otherwise not have met the competition requirements of the Act.

That is why thousands of manhours and a welter of memoranda are now being devoted to an effort to convince the board (which has the power to recommend the unscrambling of undesirable concentrations of power in a given industry) that the new deal is working well and is in the interests of consumers, farmers and liquor industry workers.

They may even have succeeded in convincing the board, to a point, that an ideal compromise had been established. But in the wake of the Kirsh-Pickard deal, the board may now have come to other insights.

In the absence of a clear statement about what motivated it to try to block the proposed scheme of arrangement to buy out Union Wine minorities, Cape Wine (CWD) stands guilty in the public eye of an attempt to thwart a transaction which will create more, not less, competition in the liquor business.

In fairness to CWD, whose chief executives are either too busy to talk to the press or reluctant to do so, it will have to be assumed that it acted to safeguard its shareholders' interests and that it perceived a threat to its position in the Kirsh-Pickard deal. This apprehension, if that is what it is, is hard to understand. The idea of Metcash becoming a super wholesale distributor of beer and wine was canvassed by Metcash executives in meetings with SFW and Oude Meester (and a rash of other wholesale producing merchants, including the co-ops) well in advance of the announcement of the proposed Kirsh-Pickard deal.

On the basis of informal talks the *FM* had this week with Stellenbosch liquor sources, it is possible to see the outlines of a new structural "nightmare" in the liquor business. At bottom, it all adds up to a fear of competition.

A "worst-case" scenario has it that Kirsh (Coki), in addition to a vigorous retail operation in appliances and furniture, has now set his sights on becoming a major clothing retailer. Throw in the Coki/Pickard entitlement of some 130 liquor outlets and it is not hard to conjure up visions of 12 bottles of Long John whisky with every bedroom suite purchased or six golf balls with every case of Bellingham Pinotage.

There are private fears, too, that Kirsh, despite a limited track record in manufacturing, will swallow up Union Wine and, with Metcash's massive distributive clout, turn it into a liquor major of daunting proportions. Somehow, that does not seem likely.

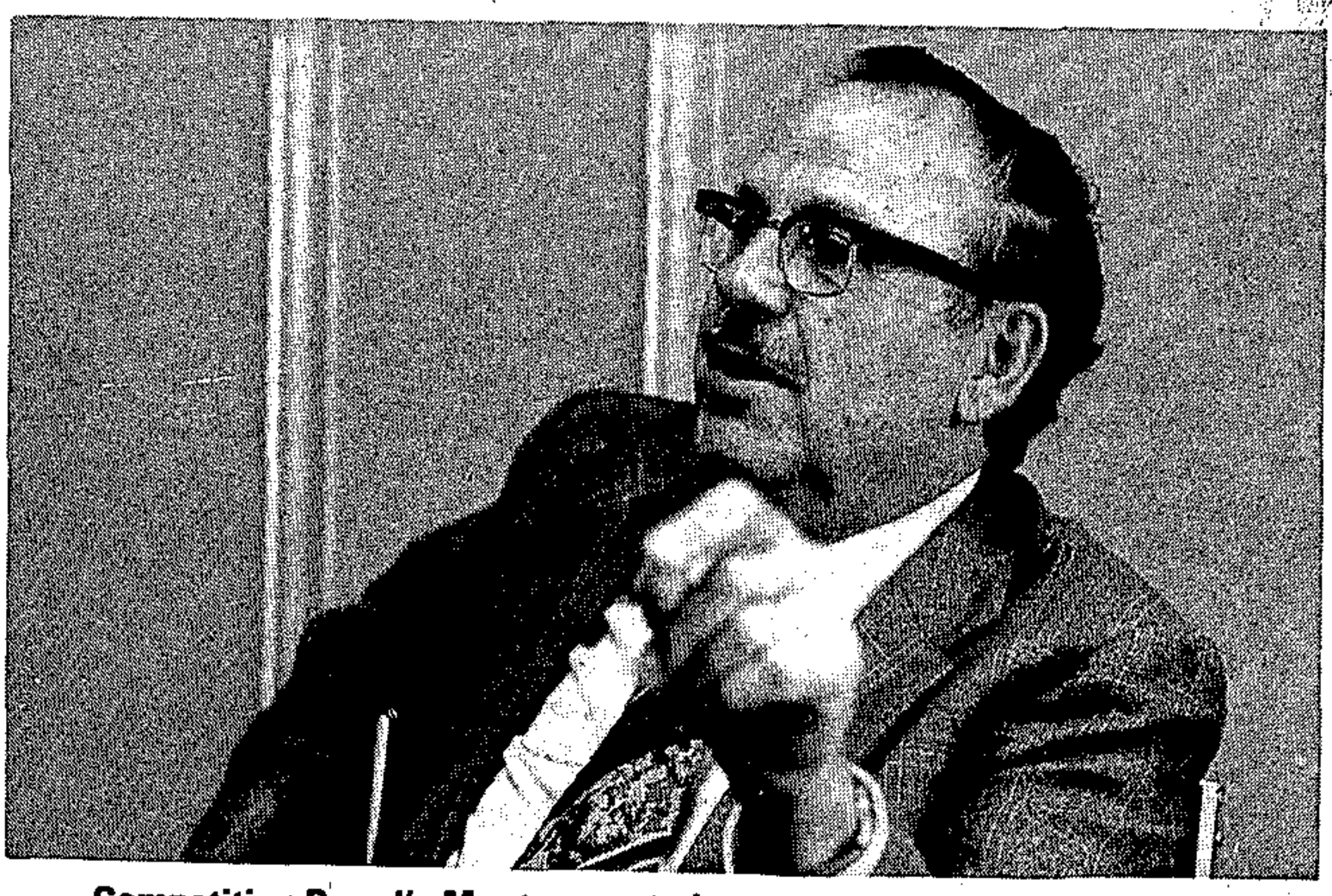
What Kirsh clearly does want to become is the largest distributor of liquor in the country. This he will accomplish with or without the co-operation of established manufacturers. If he is subjected to a domestic supply squeeze, he will simply import his requirements, in addition to what he will get from Union Wine. It is noted in the market that a man who can shift R500m of groceries a year could shift as much, if not more, liquor — more so when the shebeen trade is de-controlled.

To this fear of the unknown must be added a dimension concerning the personality of Natie Kirsh himself. He is hard-nosed and unpredictable, something of an innovative genius who is usually a good six moves ahead of the nearest rival. He is also a maverick who tends to upset the comfortable assumptions of people who like tranquil, ordered marketing arrangements.

What the sponsors of the November 1979 liquor dispensation strived for, besides putting an end to interlocking holdings between beer and wine, was the creation of a predictable trading environment in which no boats would be rocked. It did not seem to matter much that there would be some reduction in competition. What mattered was that the vested interests of the major players should be safeguarded.

What no one contemplated at the time was that a potentially "disruptive" competition element would be introduced into the comfortable rearrangement of the structure of the liquor business. The scene was set for a long period of calm profit-making, with beer and wine separated and a commitment received from SA Breweries and Remgro to get out of retailing in due course. But no one figured that there was another "monopoly" for the taking — in distribution.

Is that bad? On the evidence of Metcash's track record in groceries, it would seem not. Any operation that enhances the process of high volume throughputs at low unit cost must be welcomed, whether one is a maize miller or a brewer.



Competition Board's Mouton . . . trying to sort out liquor's hot potatoes

Or are there fears in the liquor manufacturing sector that a strong nationwide distributor, with particularly heavy clout in the African market, will squeeze them for discounts which they are presently not required to give? Or are there fears that with so much clout concentrated in the hands of a single distributor the interests of beer could be advanced at the expense of wine? Both fears seem groundless. High volume throughput is the name of the distribution game, no matter what the product. And volume is determined by demand. Demand, in turn, is stimulated by marketing, promotion and product renewal.

The options confronting the Competition Board in its search for the ideal structure in the liquor business are many and awkward. It could opt for the United States model, where there is rigid vertical division between manufacturing and retailing. Or it could recommend a free for all.

Perhaps the major difficulty lies in SA's antiquated liquor licensing laws.

Like going out, collar and tie, in the midday sun, SA's Liquor Act is one of the more disagreeable legacies of British colonial rule.

The legislators have been tampering and tinkering with the statute for at least 50 years, but it remains an anachronism. It is narrow-minded, restrictive and paternalistic and administered by bureaucrats trained in the maintenance of law, order and security rather than in the promotion of a free market operation.

The Act confers a premium of value on a liquor licence by limiting the number of retail outlets. At the same time, it provides a shield against competition and probably promotes inefficiency by discouraging renewal and adaptation to changes in trading patterns.

Most people in the industry agree that if the Act did not place such a high premium on ownership and control of distribution points, the industry would have been more soundly structured today.

Inconsistent and sometimes irrational application of ministerial fiat has led to a situation in which the four major sectors of the liquor industry — beer, wine, spirits and sorghum beer — are dominated by either SAB, CWD or the administration boards. But because of strict controls on the number of outlets, the obvious route to increased market share was through acquisition of retail licences.

And where acquisition of outlets was considered inadvisable, high volume throughputs were secured by means of confidential incentives to licence-holders.

The Act, despite a major "concession" in the early Sixties when blacks were permitted to buy "white" liquor, remains racist and discriminatory. Blacks may buy liquor in a white area but they may not take it into a black township. And they have to be served separately in a liquor store, although they mingle with white shoppers in a supermarket.

The time is fast approaching to get back to free market basics.

AN apartheid ruling has trapped hotel owner Jan Coetzee in the middle of a classic Catch-22 situation.

Mr Coetzee owns a popular hotel at the scenic Ifafa Beach on the South Coast . . . but all his white guests have cancelled their holiday bookings after learning that the area has been proclaimed a coloured area.

But — and this is where the catch comes in — Mr Coetzee is afraid to serve coloureds because he is not licensed to do so.

Mr Coetzee is not the only person affected by the recent proclamation of the area from white to coloured. Caravan parks and chalet-hiring companies, who have operated in the area for many years, are reeling as white holidaymakers cancel their bookings.

Alone at the inn . . .

S. Times 26/4/81 288

Landlord with business where he's not allowed to serve his future customers

By GEORGE MAHABEER

Said Mr Coetzee: "I am caught in a unique situation. My hotel is not attracting the whites I am licensed to cater for, but I cannot serve the people for whom the area has been declared."

Ifafa Beach was proclaimed a coloured area last month and all the white-owned properties were expropriated by the Department of Community Development a few days later.

"We said goodbye to the last batch of white visitors last weekend when they left after spending their Easter holidays here. It was a sad weekend because several of them were regular visitors to the area.

"Since the proclamation virtually all bookings for the July and December seasons have been cancelled. We had to tell people that they were welcome to stay but the area had been declared for coloured occupation.

"As soon as they hear that the area is now for coloureds they tell us to cancel their bookings," said Mr Coetzee, who bought the hotel two years ago.

Mr Bill Oberholzer, 55, chairman of the Ifafa Beach advisory committee, said he had received no bookings for the 13 chalets his company owns.

"I don't know what I am going to do with the empty chalets. The Group Areas Act is such a complicated law that I may be breaking it if I allowed coloured occupation of the chalets.

"Since my chalets have been expropriated I am no longer the legal owner, so I may even break the law if I let them out to whites.

"We would have been happy if the Government had declared the area multiracial because we never had any problems in the past when other races used our beach.

"I came here 13 years ago to set up this business so that I could retire one day — but now I have to go somewhere else and start all over again.

"I do not mind sharing with the coloureds, and I have no objections living next to them, but I am disappointed to be just kicked out like this."

He said that several white owners were also bitter with the Department of Community Development because of the expropriation notices.

"The Government should have given us an opportunity to sell our property directly to the coloured community. Several coloured people have approached us directly, but we are not permitted to sell to them.

"The department has given us until May 9 to put in our claim for compensation, and I understand that if we are unhappy we can take the matter to an arbitration court.

"That will be a costly affair, and most of the owners are pensioners who would not be able to afford the high legal costs involved," said Mr Oberholzer.

Mr Gilbert Goldstone, local coloured spokesman, said his people would not like the area to be opened to all races.

"It's the only area the coloureds have on the beach, and there are only 138 plots which are to be expropriated from the whites. This is a very limited space which will be overcrowded by our own people."

He said that he would encourage the department to purchase the Ifafa Marina chalets from the white owners.

"The area is only 4km from Ifafa, and I understand that its owners believe it will no longer be viable to operate because whites have to travel more than 30km to reach a beach set aside for their use," said Mr Goldstone.

He said the beach area which had been declared for coloured occupation had originally been owned by his grandfather, Mr Samuel Goldstone, who arrived from England in 1851.

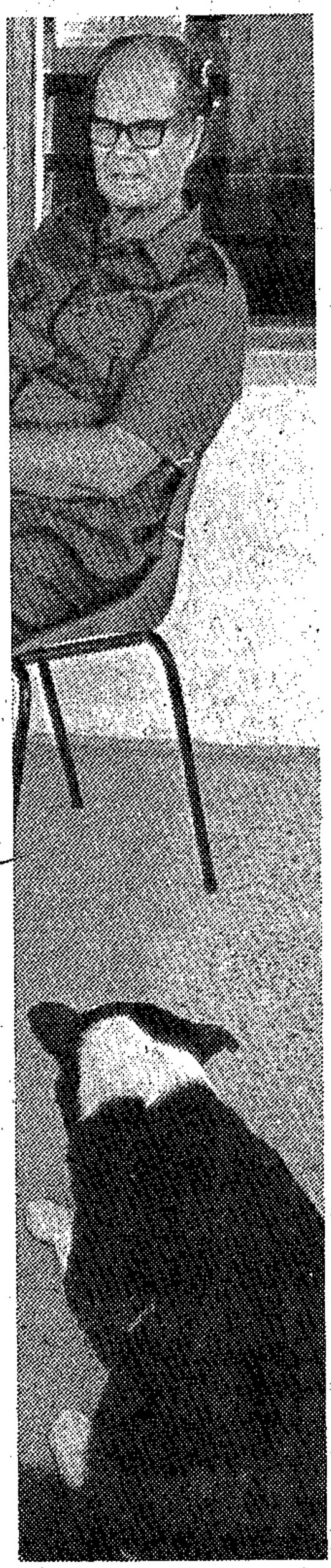
The Department of Community Development has granted a permit to a Ifafa Beach caravan park owner to continue accommodating whites until next February.

Mrs June MacNicol, owner of the park, told the Sunday Times that she had applied for the permit soon after the area had been proclaimed for coloured occupation.

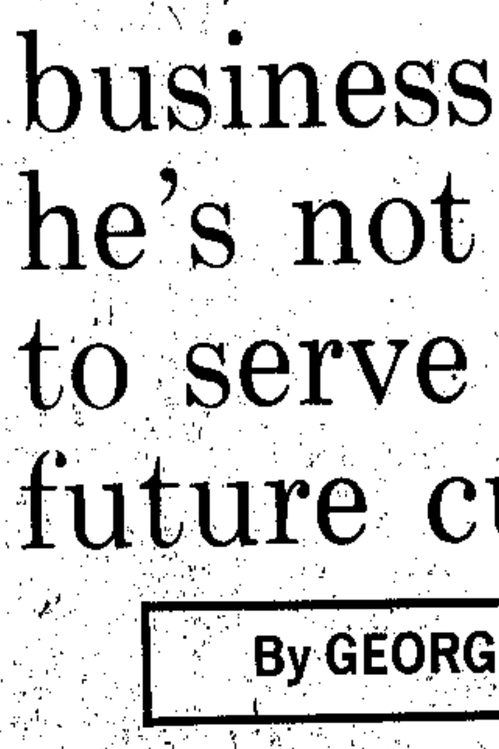
"Fortunately I have not had a single cancellation from whites who have booked to use my caravan park during the Christmas holidays.

"I am heartbroken at being forced to give up my caravan park which I built up over a period 10 years. It's a little haven and I don't know where I am going from here," said Mrs MacNicol.

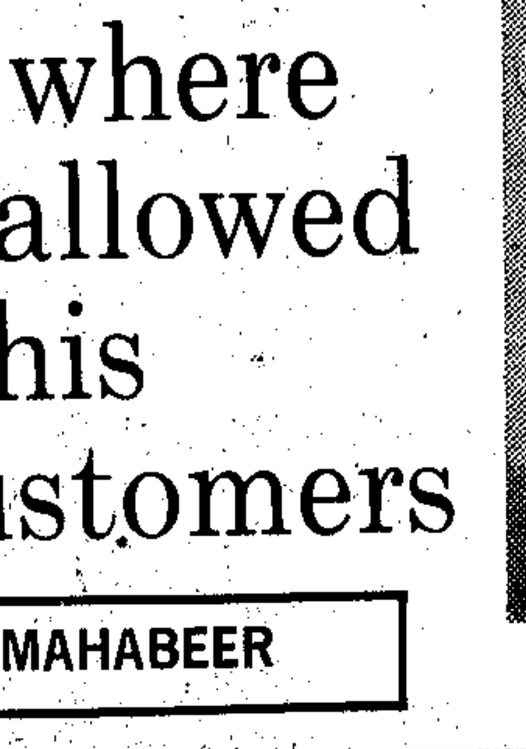
She said that a request to the department to extend the permit until Easter next year had been refused.



JAN COETZEE
A unique situation



BILL OBERHOLZER
Had hoped to retire.



GILBERT GOLDSTONE
Coloured spokesman

Big gamble pays off for hotel group at Sun City

STAR 1/5/81 288

By Mervyn Harris

A highly successful first full year of operations at the Sun City gambling casino helped Southern Sun Hotels to more than double profit before taxation in the year to March.

It jumped by 123 percent from R17-million to R38-million.

The bumper results were achieved on a 61 percent increase in turnover from R87,5-million to R140,7-million. Taxation took R8,9-million against slightly more than R3-million in the previous year, leaving an after-tax profit of R29,08-million, an increase of 108 percent compared with the previous year's figure of R13,9-million.

After deducting outside shareholders interest of R4,9-million, profit attributable to ordinary shareholders rose by 91 percent from R12,6-million to R24,1-million.

Earnings a share increased by 84 percent from 23,6c to 43,5c.

HALF SLICE

The final dividend is increased from 12,5c to 20c, boosting total payout for the year by 82 percent from 16,5c to 30c a share.

More than one million visitors were attracted to the Sun City resort in Bophuthatswana and room-occupancy was at an average of 88 percent.

The Bophuthatswana National Development Corporation has a half slice in Sun City and the Mmabatho Sun and its share of the profits was R4,9-million. Total Bophuthatswana profit of the group was thus double that sum.

Other factors which enabled the group to boost profits were the improved economic environment and an aggressive marketing approach.

This led to the group achieving record average room occupancy of 79 percent, which puts it ahead of the industry, because of the slow down in the economy.

The rate of growth is thus expected to be lower this year but the directors still expect satisfactory growth in earnings.

PROSPECTS

The group intends to revalue all its properties on a regular basis and the first revaluation reflects a surplus of R42-million above book value.

On future prospects, the group says it is unlikely that room occupancies will be further improved

Sol's group in top 12 profit-wise

By John Spira

THE Southern Sun group is now the world's 12th-largest hotel chain in terms of bottom-line profit — a glowing tribute to the group's efficiency since its global rank in room-number terms is a far lower 70.

The past year's attributable profit of R24,2-million (91% higher than the previous year's figure) exceeds that achieved by the mighty Hilton group a short five years ago.

Further, in addition to being the country's largest hotel group, Southern Sun is now:

- Among the country's largest real-estate companies, with property worth R110-million — exclusive of current developments which could be worth close to R50-million when they are completed. Of its 28 hotels, Southern Sun owns 19.
- South Africa's biggest restaurant group, with more than 70 restaurants housed in Southern Sun hotels. In the past year, more than 7,5-million meals were served in these restaurants.
- South Africa's largest supplier of entertainment. Its extravaganzas start off at a cost of more than R1-million *each* — four times higher than has been spent on any similar form of entertainment in South Africa. More than 300 000 people have attended the Sun City shows alone in the past year.
- The country's biggest supplier of convention facilities. In the past year, the group has hosted 200 conventions comprising more than 22 000 delegates.
- Selling a total of 1.3-million hotel rooms a year.
- One of South Africa's fastest-growing companies. In the past five years, the annual average compound growth rate in earnings per share has been a staggering 51%. In the past two years alone, earnings have trebled.

These statistics were revealed to Business Times yesterday in a wide-ranging interview with managing director Sol Kerzner.

In the year to March 31 1981, Southern Sun boosted turnover by 61% to R141-million, per-share earnings by 84% to 43,5c and dividends by 82% to 30c.

WINE 2 FM 15/5/81 (288)

Competition brewing

Threats of a price war on wine sales in the western Cape, now that supermarkets there have been granted grocers wine licences for the first time, have been dispelled by the two major chains in the wine-sales market.

Of the 33 applications for wine licences in the Cape Province, 10 were in the western Cape. Successful applications were limited, but included Pick n Pay's Port Elizabeth and Brackenfell Hypermarkets and Checkers' Durbanville store.

Says Pick n Pay's Raymond Ackerman: "The outrage expressed by liquor store retailers makes me sick. They don't want any competition."

Ackerman notes that the Hypermarket isn't suddenly going to run liquor sales as a loss leader and that, although mark-ups will be small, "this doesn't constitute a price war." He is quite adamant: "To me this is normal business."

Likewise, Jan Mouton, Checkers' divisional marketing manager, notes: "We're going to work on a set margin mark-up and try to keep to this."

He agrees that at the outset there will be "a little friction" with liquor store outlets, whose mark-ups are in the region of 15%-25%. He says supermarket margins will be "much lower."

Claims by both chains that the granting of grocers wine licences can only assist the sale of wine are strongly rejected by many liquor store outlets.

Says Isaac Sacks, MD of the Liq-O-Rama chain, which operates nine stores in the Peninsula: "I can't see an increase in sales because these licences were granted, only a certain sales shift from one point to another."

Sacks says he doesn't see how wine producers and farmers are going to benefit and holds that increased sales depend on the marketing expertise and know-how of the liquor stores.

In his opinion, selling cheaper wines in supermarkets will be "only a come-on" as far as these retailers are concerned. "It'll be an extra accessory to supermarkets which are simply climbing on the bandwagon."

Mouton concedes that some liquor store sales will be lost. "The liquor stores have good reasons to be angry," he says, "but they know that supermarkets and grocers have been applying for licences for some time (last year there were 88 applications in the Cape — all unsuccessful) and they should have been prepared when these were finally granted."

He and Ackerman are of one mind. Lower prices at certain outlets will shake up liquor stores and hotels and, perhaps, stimulate them to meet the competition. It would do the industry much good.

LIQUOR 2 (286)

Licence wars

FM 5/6/81

The strife between bottlestore owners and large retailers over grocers' wine licences took a new turn last week when an application for an urgent interdict was brought against Greatermans (Checkers) by I L & B Marcow Caterers in the Cape Supreme Court.

Marcow Caterers' attempt to stop Checkers' Durbanville supermarket selling wine in terms of a new grocers' wine licence was stalled when Mr Justice Fagan refused to interdict. But the interdict idea will form part of a main application being brought against Checkers by Marcow Caterers on June 12.

Marcow Caterers claimed to represent the Hotel, Bottle Store and Restaurant Association in the Cape, and Checkers' legal representative told the court that he believes the Rembrandt group has a 50% interest in the Marcow Brothers Hotel group of which Marcow Caterers is a member.

The application centred on the interpretation of Section 35 (1) (d) of the Liquor Act which states, inter alia: "Any licence ... may, on the conditions as may be determined by the competent authority, be granted in the case of ... a Grocers' Wine Licence, in respect of premises upon which any person lawfully carries on the business of a general dealer and any other business specially authorised by the competent authority."

In the application, Marcow Caterers claimed that Checkers has a retail butchery conducted by a private company, and that, in terms of Section 35, Checkers cannot operate a grocers' wine licence and a butchery on the same premises. The licence was therefore wrongly granted to Checkers, and is a nullity.

Checkers told the court that its butcheries are run with Imperial Cold Storage and Supply Company through a joint venture company — Country Girl Butcheries (West Coast) — but the portion of the general dealers' business carried on at Checkers is managed, supervised and conducted by itself.

Checkers also contended that the term "general dealer" covered the sale of a wide variety of goods, including meat and meat products, and therefore it was not necessary for the competent authority to specify the sale of meat and meat poducts at the premises in terms of Section 35.

Marcow Caterers stated that its trading position would be severely jeopardised by direct competition from Checkers because of the close proximity of the supermarket.

Marcow Caterers also stated that its off-sales outlets support the hotel — the only one in Durbanville — which is providing an important service to the community, and that supermarkets were attempting to put outlets of this sort out of business in the same way as they are putting the grocer on the corner out of business.

□ Large retailers and bottlestore owners, as represented by the Federated Hotel Association of SA (Fedhasa) and the bottlestore association, will be watching the outcome of the main application with concern.

Supermarkets have met powerful opposition from bottlestore owners ever since the Malan Commission of 1960 suggested that the drinking habits of South Africans be changed to encourage the consumption of natural wines and beer through the distribution of these commodities in grocery shops.

Fedhasa and similar organisations have claimed that supermarkets are jeopardising members' livelihoods by taking away business, and have opposed grocers' wine licence applications before the Liquor Board.

Should Marcow Caterers' application succeed, it could add a new string to the bow of bottlestore owners, as most large supermarkets have similar butcheries on the premises.

Supermarket men have indicated, however, that they will continue to apply for such licences and fight such cases.

In view of the size of SA's wine lake and what seems to be a positive attitude towards grocers' wine licences on the part of Minister of Commerce, Dawie de Villiers, the public has not seen the end of such litigation.

3 (B)

Fiscal policy - interest effect.

LIQUOR

Strife escalates

(288)

FM 26/6/81

The strife between bottlestore owners and large retailers over grocers wine licences, which resulted in J L & B Marcow Caterers bringing an urgent interdict against Greatermans (Checkers) in the Cape last month (*Business* June 5), has escalated. Now the Minister of Commerce and Industry, Dr Dawie de Villiers, and Pick n Pay are in the act.

In a move similar to Marcow Caterers attempt to stop Checkers Durbanville supermarket selling wine, Arama bottlestore of Brackenfell is attempting to have Pick n Pay's grocer's wine licence at its Brackenfell hypermarket annulled.

Until now, the supermarkets' legal men have successfully resisted attempts to obtain an urgent interdict.

In dismissing application to hear the matters on an urgent basis on June 12, Judges Friedmann and Fagan of the Cape Supreme Court nevertheless directed that the matters be heard on a basis of "semi-urgency," and both matters have now been set down for hearing on September 23, 24 and 25.

The issues centre around an interpretation of Section 35 of the Liquor Act which states that any other business operated on the premises, in respect of which the grocer's wine licence was granted, must be specifically authorised by the competent authority (the responsible minister).

Both Checkers and Pick n Pay operate butchery sections in supermarkets and hypermarkets through joint venture companies. The butcheries constitute a separate legal person.

De Villiers is the second respondent in both matters, and it has been pointed out to the *FM* that the present wording of the Act, may, in law, preclude the minister from authorising such additional activity, because the power has not been specifically conferred upon him.



P & P's Ackerman . . . licence problems in the Cape

This raises the question of the validity of all speciality stores on hypermarket premises. Each of these operations, it can be argued, is a separate business, requiring specific consent which the minister is not empowered to give.

It will be interesting therefore to see whether he will seek an urgent amendment to the legislation when Parliament convenes.

SOUTHERN SUN (288)

Not in eclipse

FM 3/7/81

Activities: *SA's largest hotel chain. Has 24 hotels in SA, three in Bophuthatswana and one in Mauritius. SA Breweries holds 69,2% of the equity.*

Chairman: *R J Goss; managing director: S Kerzner.*

Capital structure: *55,5m ordinaries of 10c. Market capitalisation: R202,6m.*

Financial: *Year to March 31 1981. Borrowings: long- and medium-term, R54,7m. Net cash: R12,8m. Debt: equity ratio: 52,7%. Current ratio: 0,7. Group cash flow: R34,8m. Capital commitments: R47m.*

Share market: *Price: 365c (1980-81: high, 560c; low, 230c; trading volume last quarter, 649 000 shares). Yields: 12,1% on earnings; 8,2% on dividend. Cover: 1,5. PE ratio: 8,3.*

	'78	'79	'80	'81
Return on cap (%) ..	15,1	18,3	21,5	24,2
Turnover (Rm)	33,9	61,1	87,5	140,8
Pre-tax profit (Rm) ..	4,8	9,2	17,1	38,0
Gross margin (%) ...	20,3	19,6	23,3	29,1
Earnings* (c)	10,1	15,2	22,8	44,1
Dividends* (c)	7	10,5	16,5	30
Net asset value* (c) ..	49	71	83	177

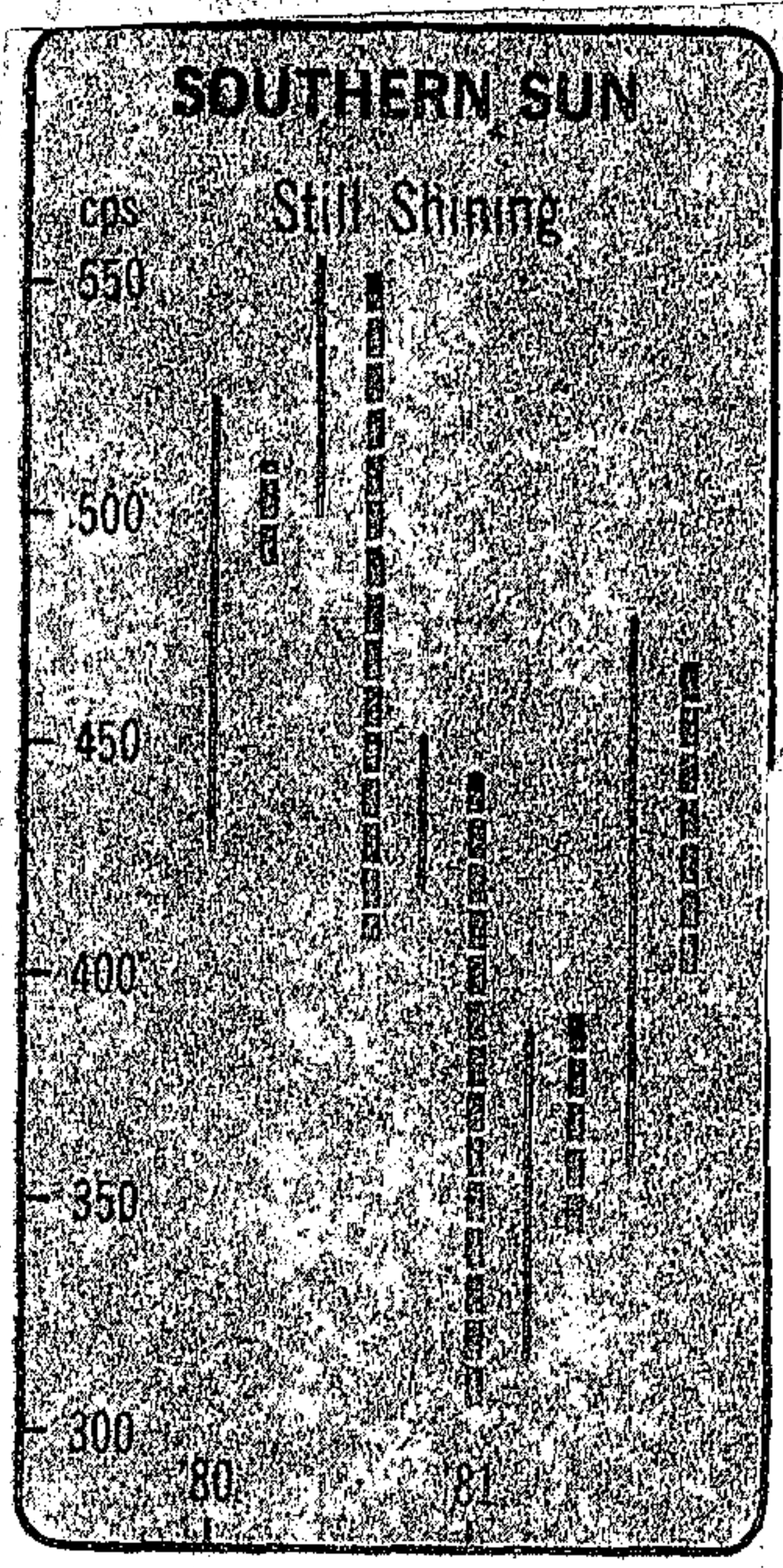
* Adjusted for a 10-for-1 share split in July 1979.

Is the market right in cutting Southern Sun's share price to 365c for an effective 8,2% historic yield? Or have investors over-reacted following the latest market setback and warnings from chairman Dick Goss that the company's growth rate will be lower this year?

By end-March the hotel group had just short of 5 000 rooms to let, though the average for the year was in the region of 4 750. So with a full year's contribution from the new 250-room Cabana complex at Sun City, which will probably exceed the group's average occupancy rate, there is easily scope for a 6% rise in room lettings this year.

By October 1983 another 370 rooms will be added with the opening of the new Cape Town hotel, while another 320 rooms will come on stream when the Sandton City hotel is leased in mid-1983.

Goss warns that it will be difficult to improve on last year's 79% average occupancy rate, so a slowdown in the hotel-letting growth rate seems inevitable. But there is still the new Bophuthatswana entertainment centre which opens this month. And that, presumably, will add the same sort of chrome and tinsel to profits as the Sun City operation.



Last year, the Bophuthatswana operations alone weighed in with an attributable after-tax profit of R4,9m. And it will be no surprise if the expanded operation there does not contribute more than R10m this year at the attributable level.

Part of this year's revenue increase will be offset by a higher interest bill. But that is unlikely to rise by more than R2m after tax.

As the group owns most of the properties it manages, its profits are more highly geared to turnover advances than chains which lease hotels. With this and the other operating considerations in mind, the group should have little difficulty boosting bottom-line profit by 30% this year.

Next year, though, could be a different matter. No new developments are scheduled to come on stream while, if the economy is by that stage hobbling along at a lower-than-current growth rate, it may be difficult to cover high operating costs through higher tariffs.

On the other hand, SA is short of the type of hotel accommodation offered by Southern Sun. And the group has no financial constraints limiting its capacity to bring on new hotels.

At end-March, the debt:equity ratio was just over half the self-imposed 1:1 limit. Policy is to retain about 30% of each year's earnings. So even though the cost of providing each additional hotel room is about R70 000, the group has the borrowing and retention capacity to add at least 400 to 500 rooms each year. In addition, there is almost certainly room for further pleasure resorts along the lines of the Bophuthatswana operations.

The share price may fall with the market and if investors incline towards a pessimistic view on next year's growth prospects. But, at its current price, the share is on a prospective yield of over 10% which seems attractive enough, particularly for investors who feel that any earnings growth slowdown will be short-lived.

grounds that the original arrangement is less than perfect.

On the other hand, the Competition Board could come up with a recommendation that could cast doubt over the long-term growth prospects of liquor retailing in its present shape.

Industries and Commerce Minister Dawie de Villiers is avowedly in favour of decontrol of liquor distribution and retailing, especially in respect of light wine. In that case, how much longer can he morally justify exclusion of beer from sale in grocery stores, supermarkets and hypermarkets?

If that happens, conventional liquor retailing will lose a great deal of its attraction and SAB and Remgro may try to get out at any price.

It would not necessarily affect the Pickard retail interests, which are located mainly in rural areas where there is far less competition. In any event, Picbel earnings from liquor would be sweetened by a major share in what promises to be a very large distribution outfit, with exceptional strength in the black market.

At the same time, the sheer volume of booze shifted by a Metcash distributor could reduce wholesale prices for conventional licensed retailers and help them to put up a reasonable fight against the hypers. In that event, Picbel may be happy to get shot of Union Wine.

Much will depend on the shape of his restructured liquor interests in partnership with Natie Kirsh. If it provides for anything less than total separation of Pickard's manufacturing and retail interests, then the fat could be in the fire. In such an event, Remgro and SAB may be less inclined to get out of retailing on the emergence of a strong counter-balancing force in liquor distribution in the form of the Pickard-Kirsh partnership. It is also suspect because with each passing month the value of the stores is probably rising faster than either the will or the ability to pay of would-be entrants to the liquor retail business.

Between them, SAB and Remgro have sold between 40 and 50 stores since the announcement of the agreement, and it is no secret that the stores disposed of did not include many prime sites. That leaves about 300 stores to go.

The volume of liquor sales is rising at the rate of 9%-10% a year, buoyed by beer sales, which rose 34% last year. In a restrictive licensing environment, which placed an artificial value on all liquor outlets, the value of the stores held by Remgro and SAB could inflate 60%-70% in the extended disinvestment period they have been allowed.

According to liquor men, asking prices of R1m for reasonably well-situated urban stores will become commonplace.

KWV chairman Andre du Toit insists that the 1979 agreement will be carried through to its logical conclusion: all wholesale producing merchants, including Union Wine, must get out of retailing. But Jan Pickard, who was not part of the 1979 "solution," is unconcerned by the fact that he is part of a new problem.

LIQUOR (288)

Days of uncertainty

FM 17/7/81

Uncertainty in liquor distribution and retailing is mounting. The market abounds with rumours that the Competition Board, which is investigating this sector of the liquor industry, may recommend the scrapping of elements of the November 1979 agreement negotiated by government, the KWV, Remgro and SA Breweries.

Elements of the agreement relating to the sale of liquor stores owned by Remgro and SAB appear suspect in the light of the

Statistics show rise in hotel business

Own Correspondent

The occupancy rate at South African hotels in April this year increased by nearly six percent compared with the same month last year.

Figures released by the Department of Statistics today reveal that the occupancy rate at hotels in April was 48,2 percent compared with 42,9 percent 12 months previously.

The data used are estimates for all licensed hotels and are based on information collected in a monthly sample survey of about 340 hotels. The occupancy rate is the average number of guest nights sold each day expressed as a percentage of the total number of beds available.

Trading revenue also increased from R42,9-million in April 1980 to R50,6-million in April this year. Of the increased revenue this April, R31,6-million came from accommodation and meals.

The bar takings between January and April also increased by R6,6-million — from R58,9-million in the first four months of last year to R65,6-million this year.

288 FM 7/8/81

UNION WINE GOES TO NATAL

In the latest of its series of incursions into the retail and wholesale liquor industry — which began with the purchase in September 1980 of the Premier Group's liquor holdings and its stores — Jan Pickard's Union Wine has entered the Natal market with the acquisition of Liquormaster's wholesaling and bottling operation and its retail arm, Montana Cellars.

The price for the purchase has been placed at R2m, but the principles will not comment on this.

This brings the total number of stores in the Union Wine/Picotel group to 68. In terms of the liquor reconstruction of November 1979, Pickard's quota was set at 130 stores. (He had 55, and was given permission to buy 75 more. He has acquired 13 so far.)

The move was predictable. Union Wine held the national agency for Black & White whisky, one of the country's major brands, but lost this in July 1980 to the Douglas Green stable. To compensate, Union Wine arranged to take over Long John whisky from the Drop Inn group, though for reasons not fully explained, Liquormaster was able to negotiate a Natal exclusivity for itself.

In retrospect, it seems clear, therefore, that the courtship between Union Wine and Liquormaster may have been short, but the engagement, however secret, was long and well planned.

the vote to the coloured people resident within their borders.[102]

In 1909, a greater discontent arose in the South African coloured community. The draft South African Act contained many colour-bar clauses, the most important being the prohibition on blacks to occupy seats in the Union Parliament. Many were

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94 AUGUST 1981

Township, built and owned by KwaZulu Development Corporation.

Umgababa Holiday Resort, situated in Natal South Coast and owned by KwaZulu Development Corporation.

Lebowa Seshego Hotel, situated in Seshego Township, built by Lebowa Development Corporation and owned by a Lebowa Citizen.

Mahwelereng Hotel, situated in Mahwelereng Township, built by Lebowa Development Corporation and owned by a Lebowa Citizen.

Kgagapane Hotel, situated in Kgagapane Township, built and owned by a Lebowa Citizen.

Namakgale Hotel, situated in Namakgale Township, built and owned by Lebowa Citizen.

Meteema Hotel, situated in Meteema Township, built and owned by a Lebowa Citizen.

Acornhoek Hotel, situated at Acornhoek, acquired and owned by a Lebowa Citizen.

Bushbuckridge Hotel, situated at Bushbuck Ridge, built and owned by a Lebowa Citizen.

QwaQwa
Phuthaditjaba Hotel, situated in the Phuthaditjaba Township, built and owned by the QwaQwa Development Corporation.

Kangwane
Lochiel Hotel, situated in the District of Eerstehoek, acquired and owned by the S.A. Development Trust.

KwaNdebele
Bundu Inn Hotel, situated in the vicinity of Dennilton, acquired and owned by the S.A. Development Trust.

Gazankulu
Giyani Hotel, situated in Giyani Township, built and owned by the Shangaan-Tsonga Development Corporation.

Bergvord Hotel, situated in the Witziesboek Reserve, built and owned by the QwaQwa Development Corporation.

Mdantsane Hotel, situated in Mdantsane Township, built and owned by Ciskei National Development Corporation.

Zwelitsha Hotel, situated in Zwelitsha Township, built and owned by a Ciskeian Citizen.

KwaZulu
Holiday Inn Hotel, situated at Ulundi, built and owned by Holiday Inn Group and KwaZulu Development Corporation.

Umlazi Hotel, situated in Umlazi Township and owned by KwaZulu Development Corporation.

Madadeni Hotel, situated in Madadeni

+The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(a) (i)-(ii), (b) and (c)

Ciskei

19. Dr. A. L. BORAINE asked the Minister of Co-operation and Development:

(a) In which national states have hotels or motels been (i) acquired or (ii) built for Blacks, (b) where are they situated and (c) by whom are they owned?

+The MINISTER OF CO-OPERATION AND DEVELOPMENT:

National states: hotels/motels

LIQUOR

New moves brewing

(288) FM 4/9/81

The liquor market is stirring again. After simmering for five months in the wake of the great bear squeeze in mid-March (*FM* March 27), the announcement that Picotel is to broaden its capital base with an issue of over 8m cumulative convertible prefs indicates that the cat-and-mouse waiting game between Pickard/Kirsh and Cape Wine & Distillers (CWD) may take an interesting turn.

An approach has been made to Picfin and Kirsh to underwrite the issue, which is intended to raise the wherewithal to expand Picotel's liquor store division. Of the permissible 75 additional stores sanctioned by government in 1979, Picotel has so far acquired 13. It remains to be seen whether the remaining entitlement of 62 will be taken up with greater urgency than that displayed by the group until now.

There are strong grounds for caution. An uneasy feeling exists that thoroughgoing structural changes may be about to overtake traditional patterns of distribution and retailing in the trade. Not everyone in the liquor business is confident that the Competition Board will find that levels of competititon have been increased as a result of the confidential "settlement agreement" negotiated in November 1979.

Evidence placed before the board suggested that there had been real decline in competition since the agreement. It was argued that the intense competition that had existed before the agreement was the result of an uncompromising battle for supremacy among *manufacturers* and not in the downstream sector of the trade.

This may explain why the principal combatants, SA Breweries and Remgro, needed no persuasion to part with their retail outlets as part of the deal. If ready buyers could have been found to take over these outlets immediately after the agreement, there is no doubt that SAB and Remgro would have sold immediately and not over an extended period.

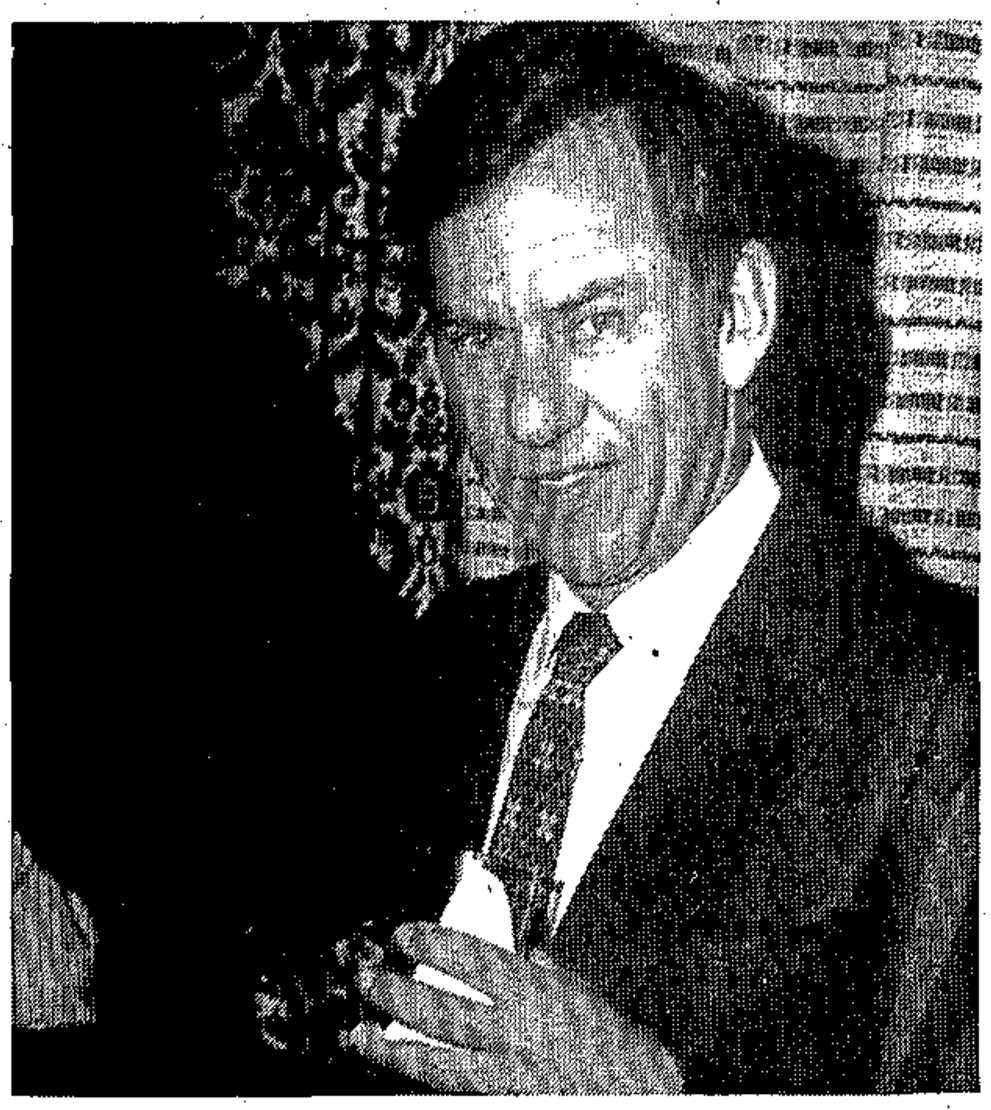
The only reason why a graduated scale of disposal was agreed to, was to protect the value of SAB and Remgro's liquor store investments. The Competition Board has been presented with a *fait accompli*. The structural position is that, on the beer side, there is no competition among manufacturers.

On the wine and spirit side there has been a drastic reduction in the level of competition arising from the fusion of the country's two major houses — which, between them, account for more than eight out of every 10 bottles of wine and spirit sold. In addition, KWV, the central control authority with absolute power over the means of primary production, is a major shareholder in CWD.

Short of declaring the November 1979 agreement null and void, it is difficult to see how the Competition Board can inject new elements of competition into the manufacturing side of the liquor business.

There is simply no way that Union Wine, Rennies liquor holdings, Gilbeys and a handful of wholesale co-ops can challenge the might of CWD and its even more powerful shareholders.

It is equally difficult to assess how a greater measure of competition can be injected into the downstream (retail) sector of the market, unless a countervailing force can be created to offset the unchallenged influence of the two manufacturing giants, SAB and Remgro, in the market place.



Pickard's ally Kirsh . . . about to stir the pot?

Something of the kind seems to be on the cards. Wholesale discounter Natie Kirsh plans to obtain 49% of Union Wine, apparently to gain access to the latter's wholesale liquor licences. He would then be in a position to set up a national distribution to facilitate the flow of liquor products to outlying markets (including the homelands) and to smaller independent liquor retailers in most areas.

More important, the proposed distribution and warehousing chain would have the ready-made infrastructure to take a commanding supply position when the liquor business in black townships is regularised. Somehow this prospect did not please CWD when it was announced in March. It responded by trying to buy sufficient Union Wine shares to block the proposed scheme of arrangement contemplated by Kirsh.

CWD announced that it had stepped into the market in order to protect a pre-emptive right granted by Union Wine to SAB *before* the November 1979 agreement. The right expires in the third quarter of 1984, and relates to the sale of Union Wine shares to SAB. The right has been transferred to CWD because SAB, in terms of the 1979 agreement, is legally precluded from exercising it. The question may well have occurred to the Competition Board why CWD would want to exercise that right or, alternatively, prevent a third party from taking a strong minority position in Union Wine.

It seems inconceivable that CWD, with its professed dedication to the competition ethic, would want to protect a pre-emptive right, which in the light of structural changes since November 1979, has become something of an anachronism. Nor does it seem likely.

Neither does it seem likely that CWD fears that Union Wine, backed by the Kirsh distribution machine, can seriously challenge its market leadership. (Union Wine has about 8% of the wine and spirit market.) There has to be another reason.

Like good chess players, Union Wine and CWD may be trying to create openings in anticipation of possible drastic structural changes in the liquor industry when the Competition Board makes recommendations to Economic Affairs Minister Dawie de Villiers.

In addition to the long-awaited unshackling of the liquor business in black townships, it is expected that De Villiers will announce plans to phase out liquor licensing across the board. Alternatively, he may greatly facilitate consumer access to wine and beer by expanding the range of retail outlets which may sell such products.

Until now the granting of grocers' wine licences seems to have been confined to supermarket chains. This favours CWD shareholders, Remgro and SAB, whose interests in Checkers and QK respectively are clearly established. But if all grocers were to be given access to wine and beer trading, then Kirsh/Pickard would become a potent factor.

CWD would have to withdraw its opposition to the Kirsh scheme of arrangement in order to convince the Competition Board that it does not want to add a distribution power to its manufacturing dominance.

LECTURE D | 31 August | 14 Septer | 21 Septer | N.B. THE T ARE L

SHEBEENS

Cutting the red tape

FM 18/9/81

288

The legalisation of shebeens is, of course, long overdue. The shebeen has been around for as long as there have been urban black populations. They are homes-from-home for thousands of township residents, havens beloved of hearts and throats from Tembisa to Guguletu. No amount of police raiding has made them disappear.

At least 4 000 shebeens exist in Soweto alone. Those in the know believe them to be efficient businesses that provide communities with a good service. They represent a black business initiative that has survived harassment, supply problems and all other difficulties associated with prohibition.

In terms of surviving against these odds, their owners must rank among the most agile businessmen in the country. As former SA Breweries executive, Colin Hall, who has championed the shebeen cause for a long time, says: "Those guys must be the greatest entrepreneurs in the world.

"They've survived — without training, without normal infrastructure, despite the problems that go hand-in-hand with illegality."

For these reasons, the recent announcement by the Director General of the Department of Co-operation and Development, Johan Mills, giving the green light to the eventual legalisation of shebeens and off-sales is long overdue and very welcome.

Trouble is, that it has been said before. On May 29 last year, an almost identical statement on the legalisation of shebeens and black off-sales was made by the then Minister of Justice Alwyn Schlebusch.

Shebeeners immediately mobilised to demonstrate their willingness to be legalised. The shebeeners organisation, which had its genesis a few years before, became the National Tavern Association (NTA) with a membership of at least 2 000, and shebeener Peggy Bel-Air became president and Lucky Michaels chairman.

Shebeen associations from all over the Transvaal affiliated. Offices were set up in downtown Johannesburg, a "trade" newspaper (*eSpotini*) began to appear monthly, and a bursary fund — boasting Professor Bozzoli of Wits University and Ken Williams of SAB as trustees — was established.

Yet not one liquor licence has been granted from that date until now. One reason for the impasse was zoning.

Shebeeners had to have their homes rezoned into business sites before they could apply for liquor licences.

The zoning authorities were — and are — the relevant administration boards, which were either caught off-guard or were loath to have their almost-total monopoly on liquor off-sales in the townships threatened. Consequently they did nothing palpable about the matter. (The West Rand Administration Board's net profit from liquor and sorghum beer sales in the last financial year was R3,5m — all of which, chairman John Knoetze emphasises, is being ploughed back into the townships.)

Mills's statement, however, may have more practical effect. It emanates from the Department of Co-operation and Development itself, which indicates that the administration boards will now presumably get off their hands when it comes to re-zoning.

It states clearly that the "legalisation of shebeens will be effected as far as is possible to do so" and that it is "not necessary to delay matters until the administration boards concerned have been provided with alternative sources of income."

Nevertheless, when the *FM* went to press, it was still not clear what the guidelines for the implementation of legalisation will be; these remain the subject of a circular being prepared by the department.

Will licence fees be adjusted to bring in the revenue lost to the boards? Will the law prohibiting the transport of more than nine litres of liquor across township boundaries remain intact to ensure revenue for administration board off-sales?

How long will it take for rezoning? Will shebeens have to comply with Liquor Act regulations, which require separate toilets for male and female patrons (besides the family toilet)? What does the entry of black people into the liquor trade in an "orderly" manner mean? Who exactly will handle the whole business of licensing?

These questions need to be answered as soon as possible. In particular, the last one needs a clear answer. The NTA is disturbed by the sentence in the statement which says that "it would be best to leave the conditions to be met by prospective licensees in respect of premises in the hands of the community councils."

The shebeeners fear the department may have simply passed the buck, and that more months of delay could be in store. Furthermore, the right to grant a liquor licence is a powerful one, and even the Committee of Ten's Dr Ntatho Motlana — who does not generally lend himself to shebeeners' causes — says that "the idea of community councils controlling licences is monstrous and dangerous. Let the board which gives licenses in white areas be the authority."

Time is of paramount importance. For the attitude of the police is that so long as a shebeen is unlicensed, it is trading illegally and must therefore be raided. This means, in effect, that the assets of businessmen who, under a normal free enterprise system would be perfectly safe, remain in jeopardy from an arm of the very government that has removed its objection to them. It is a matter that exacerbates friction in the townships.

It is for this reason that those who have long been involved in the issue of shebeen legalisation are hopeful but wary.

Says NTA secretary, Ray Mollison: "We heard this kind of statement last year, and have had to trade year after year without anything happening. Still, we're hopeful and are waiting to hear what's in the circular."

SAB's GM Marketing, Peter Savory, says: "Those who expect an overnight transformation in the status of township liquor distribution should be cautioned. There's still lots of wait-and-see on the cards. It's not time for euphoria yet."

He foresees a host of other issues which still have to be sorted out, such as trading hours, prices, and problems of licensed shebeens versus unlicensed ones. "There'll be a period of considerable shake-down," he says.

Savory does not expect sales to change drastically, as blacks — who account for over 60% of the beer market — have access to their needs now, though illegally.

In the meantime, SAB is offering assistance to would-be licencees on all aspects of acquiring a licence, as is SFW.

It also remains to be seen what the new Kirsh-Pickard group will do, once it has settled down. Natie Kirsh tells the *FM* that no special plans had been made yet, but decriminalisation of the trade could mean that Metcash could be well placed to handle the distribution operations of liquor manufacturers in the townships.

What is clear is that if legalisation gets off the ground, enabling blacks to drink in peace without fear of police raids, their lives will ease considerably.



Shebeen scene . . . perhaps the old man will soon drink in peace

The money which the liquor houses might pour into promotion and marketing could also means the upgrading of many shebeens, and perhaps Soweto and other townships will see the establishment of pubs of comparative luxury.

Two things are for sure. The legalisation of shebeens must not be allowed to flounder again in a sea of bureaucracy. Nor, as has been suggested, should a criminal record be a bar to granting licences to shebeens. Every successful shebeener has been prosecuted at least once.

The *FM* believes the minimum requirement for a licence should be that an applicant be able to prove he or she is a resident at a certain place. The onus should then be on the licenceholder to update and modify, according to the regulations, within a certain time. In the meantime, mere evidence that an application has been made should offer protection from police raids. Better still would be a six-month licensing moratorium on all existing shebeens.

10.10.4.4 DESIGNED EXPERIMENTS

It may very well happen that the analysis of mea…he process will not indicate the source of the variability or of the process …ort must be had to experiment in an attempt to provide a procedure which will …ariability or alter the level of the process.

In designing experiments in an attempt to provid…her reduce the process variability or alter the level of the process, four…

1 Ability to Serarate the E…ion from the Effect of Changing other Conditi…

Suppose that the raw material is co… the drop in product quality, and consequently two source…ompared on the two machines on which this material coul…t the material from one source is used on one machine an… source on the second machine. If there is a real differ…, it could be due to either a real difference between … real difference between the machines. It would be … is the real reason for the difference.

The procedure which must be adopted …riability is to divide each batch in half, and to use mater… machine.

MACHINE			AVERAGE
MACHINE A			$\bar{X}_a$
MACHINE B	X_{1b}	X_{2b}	$\bar{X}_b$
AVERAGE	$\bar{X}_1$	$\bar{X}_2$	$\bar{X}$

If X_{1a} denotes the test results from Machine A using source 1, X_{2a} denotes the test result for Machine A using source 2, etc., then the test results are shown above in tabular form.

The difference between the sources is measured by $\bar{X}_1 - \bar{X}_2$. Since both machines were used to determine these average values, any bias due to machines is eliminated. (For example, if Machine B always gave 10 units above Machine A, $\bar{X}_1$ and $\bar{X}_2$ would both be 5 units above the value obtained if all the tests had been done on Machine A. The difference $\bar{X}_1 - \bar{X}_2$ would consequently be unaltered). Similarly $\bar{X}_a - \bar{X}_b$ gives the difference between the machines - independent of the effect of changing the material source.

Contract for Bisho hotel

PD 29/9/81
(DDT) 28

KING WILLIAM'S TOWN — Southern Suns has been granted a contract to build a hotel for the Ciskei at its capital site, Bisho, near here.

A spokesman for the Ciskei National Development Corporation said yesterday that work on the hotel had already begun and it would be complete by December 4 when the Ciskei becomes independent.

"There is feverish activity at the site. It has to be finished by December 4 as a banquet is scheduled then," he said.

The hotel is being constructed near the Independence Stadium which also has to be completed by December 4.

The spokesman refused to reveal how much the hotel would cost, saying that Southern Suns would issue a statement today.

He also disclosed that a casino would not be built at Bisho. "There won't be a casino on the hill." Asked whether a casino would be built at Hamburg, the spokesman said: "We have a better site than Hamburg."

A casino would not be built before the Ciskei became independent, as the homeland first had to pass an act legalising its operation.

HOTELS FM 16/10/81

Riding the crest

(288)

Hoteliers are expecting to put up house-full signs during the coming holiday season, despite scheduled tariff increases of 15%-20%.

Occupancy rates in hotels of three stars and over has been running above 70% this year. Demand has been so high that the facilities at some hotels under construction will be extended before they are even finished.

"We're going berserk," says Holiday Inns (HI) MD, Nigel Matthews.

"We're working at full stretch to get the Wild Coast Inn ready for December 1 and it already looks as though we under-built by half. We're three quarters booked for the next six months and we haven't even advertised. We're looking seriously at extending it."

HI is building at Welkom and Salisbury, and is extending the Cape Town Inn by 60 rooms. A decision to extend the Jan Smuts hotel by 90 rooms has also been taken.

The 190 room Sandton Inn, scheduled for completion in March, is having an additional 70-room wing added.

Matthews says the company is looking at two or three bigger properties (200 rooms or more) in urban areas because rising construction costs dictate the move away from the roadside inn to larger premises.

HI relies 95% on domestic business and tourist travel and Matthews believes there is still a lot of local potential.

"I keep thinking we will see a bit of a drop off but we are still running at full levels, except for one or two properties. For the month of September the group ran at 80% occupancy."

Matthews says HI's rates will go up on December 1 by 16% on average.

Average tariff increases of about 20% for all hotels are expected for year-end. Arnold Brock, president of the Federated Hotel Associations of SA (Fedhasa), adds: "It's unfortunate that one has to look at increases annually. But the industry is hoping to contain the galloping escalation of costs through better training programmes to increase staff productivity and efficiency."

Increases mean that at the Heerengracht Hotel a standard single room will cost R46 and a standard double room R76 (R64 last year). The Inn on the Square has upped prices by a slightly higher percentage. Opening tariff R27/room will rise to R33/room. Double rooms are 33% higher.

Brock notes that hotels country-wide are expecting good seasons. It is anticipated that the season will be extended beyond school holidays by conventions and increased foreign tourism due, in part, to the reinstatement of the Aerolineas Argentinas flights (*Business* September 27).

Southern Sun is also riding the crest. Sun's Jurgen Burmeister says occupancy has been running well ahead of national averages.

The group has several hotels under construction and in the planning stages — at Sandton, Cape Town, Thaba Nchu and Ciskei — but Burmeister says some hard strategic planning will have to be done if the industry is to be encouraged to build more hotels.

"Returns are not satisfactory to encourage large scale development, particularly with building inflation running as high as it is," he says.

Burmeister says a five-star hotel currently costs about R100 000/room to build. Ten years ago, when the Elangeni was built, the cost was R14 000/room.

Long-term, says Burmeister, government will have to do something to encourage more development.

"Without doubt, since 1976 we've done pretty well and grown satisfactorily. There is certainly potential to move further. But some planning will have to be done with airlines and others. It's no good one sector going ahead haphazardly."

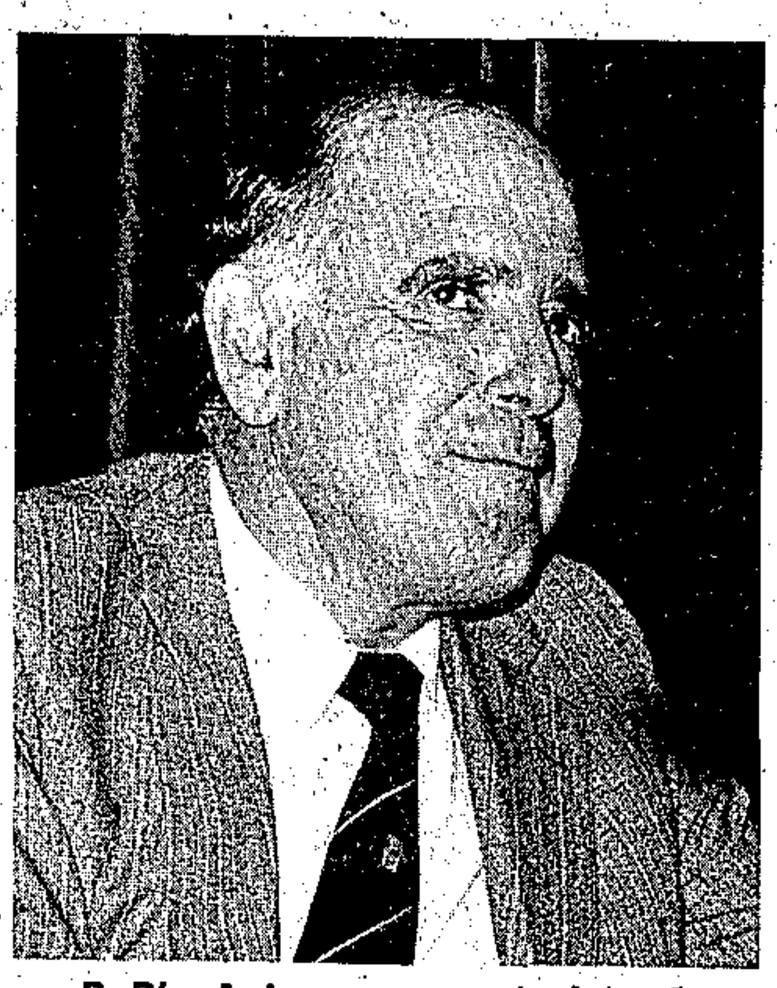
LIQUOR

(288) FM 23|10|81

Victory for the grocers

The protracted Cape legal wrangle between bottlestore owners and large retailers over grocers' wine licences has ended. Amendments to the Liquor Act — expected to be gazetted today — have made litigation superfluous and both parties have wisely withdrawn.

It means victory for supermarketers, if a hollow one. Applicants IL & B Marcow and Arama bottlestores must now accept that Checkers' Durbanville supermarket and Pick n Pay's Brackenfell hypermarket are fully entitled to sell wine. And, by extension, so are licensed supermarkets countrywide.



PnP's Ackerman ... 'a lot of nonsense'

Acting Judge Berman of the Cape Supreme Court settled the matter on the basis that the applications were withdrawn. Each party bore its own costs.

The dispute began when counsel for the bottlestores submitted that the granting of a grocer's wine licence to supermarkets was invalid because of the butcheries which operated on their premises.

Section 35 of the Liquor Act originally stated that no licence could be granted in respect of any premises upon which any other trade or business was carried on. It also stated that any other business which was operated on the premises, in respect of which the licence was granted, had to be specifically authorised by the competent authority.

The new amendments, which apply retrospectively to April 1978, allow licences to be granted irrespective of other businesses conducted on the same premises.

In terms of section 35 (1) (d), a grocer's wine licence will be granted "... in respect of premises upon which any person lawfully carries on the business of a general dealer, irrespective of whether or not he or any other person carries on any business or any other trade or occupation on those premises."

In addition, section 35 (2) has been amended to exclude grocers' wine licences from its provisions.

This comes as a significant and untimely blow to bottlestore owners. First, the precedent set by winning this test case would have resulted in similar action being taken nationally. Second, the amendment was read in Parliament for the first time only a few days before the court was due to resume hearing the applications.

This may have been influenced by the fact that Minister of Commerce and Industry Dr Dawie de Villiers was the second respondent in both cases. It is interesting to note that the *FM* speculated (*Business* June 26) that the conflict might have to be resolved in this manner.

However, the legal clash was a classic example of how government's good intentions — in this case, to expand the availability of wine — can be stymied by a legal technicality. This loophole was taken full advantage of by IL & B Marcow and Arama bottlestores.

Supermarkets have met powerful opposition from bottlestore owners ever since the Malan Commission of 1960 suggested that the drinking habits of South Africans be changed by encouraging the consumption of natural wines through distribution in grocery shops.

The bottlestores' argument is that supermarkets jeopardise their livelihoods by taking away business.

Raymond Ackerman of Pick n Pay says the whole affair was a lot of nonsense, and that bottlestores and hotels are still fighting to protect their business.

Says Ackerman: "The costs incurred by all parties in these two cases are enormous. If bottlestore owners used the same effort, time and money in running an efficient business everyone would be better off.

"We sell wine as an adjunct to food and never use it as a loss leader. In any event, unfortified wine is such a small part of the whole liquor trade."

Natie Matisonn, chairman of the Transvaal Hotel, Liquor and Catering Association is predictably disappointed. He says it is disgraceful that a law is changed to suit a group of people, and then made retrospective.

Adds Matisonn: "This was pushed through because wine farmers are pressing for free distribution and government is toeing the line.

"SA has a desperately serious alcoholic problem and KWV, who are behind this, take no responsibility."

Strange logic, perhaps. But will competition really exacerbate the alcoholism problem in SA?

Durban hotel group eyes the Reef

EXPRESS 25·10·81 288

THE Durban-based Republic Inns is shortly to move into the Reef area.

Chairman and chief executive Alan Gooderson told the Sunday Express this week that the group was already looking at three hotels in the Johannesburg area and would make a decision to buy next year.

Republic Inns is the transmuted Gooderson hotel group, which specialised in providing family accommodation some years ago. The family — the father and three sons — bought out the minority shareholders and delisted the company.

Then Alan Gooderson bought out his brothers' shares and, two years ago, those

Business Editor

held by his father.

Gooderson then sold six of the 12 hotels, retaining only the best. However, the best was not very good as without exception all the properties had been neglected and become very run down.

The proceeds from the sale have been ploughed back into the revamping exercise.

Gooderson says that when the revamping process is complete next year, he will have ploughed back more than R5-million.

When the programme is complete, Gooderson plans to start expanding, initially on the Reef and then possibly in other major centres.

However, Durban will remain the main centre of operations for Republic Inns as it has five hotels in the city.

Gooderson believes there is a tremendous gap in hotel accommodation in Durban. "You have the five-star operations on the beachfront and very little else apart from one-star operations," he says.

His aim is to provide three-star family holiday accommodation.



● Alan Gooderson . . . plans expansion

FM 30|10|81

CAPE WINE

Explaining to shareholders

288

The chairman of Cape Wine & Distillers (CWD), Dr Andre du Toit, announced at the company's annual meeting in Stellenbosch this week that CWD would make good any losses Senbank might incur in disposing the 943 538 Union Wine shares which it is now in the process of registering (*FM* October 23).

There had been some doubt about CWD's liability to Senbank. Previous statements — including statements in the CWD annual report — on the agreement between CWD and Senbank to buy shares in Union Wine did not refer to this contingency. Du Toit's disclosure means that CWD will make up the difference, if any, between the R4,3m Senbank paid for the shares and the sum realised when it has finally sold its holding.

Senbank has been granted an unspecified "reasonable period of time" to dispose of its holding. If the R2,4m provision is not to be exceeded, Senbank will have to realise a price equal to net asset value, about 120c a share. It is understood that at least one formal offer has been made to Senbank.

The extent of the loss, if any, to CWD shareholders will be reflected in the 1982 accounts.

At Monday's meeting, Du Toit furnished further details of CWD's agreement with Senbank in March this year. This is the relevant part of his address:

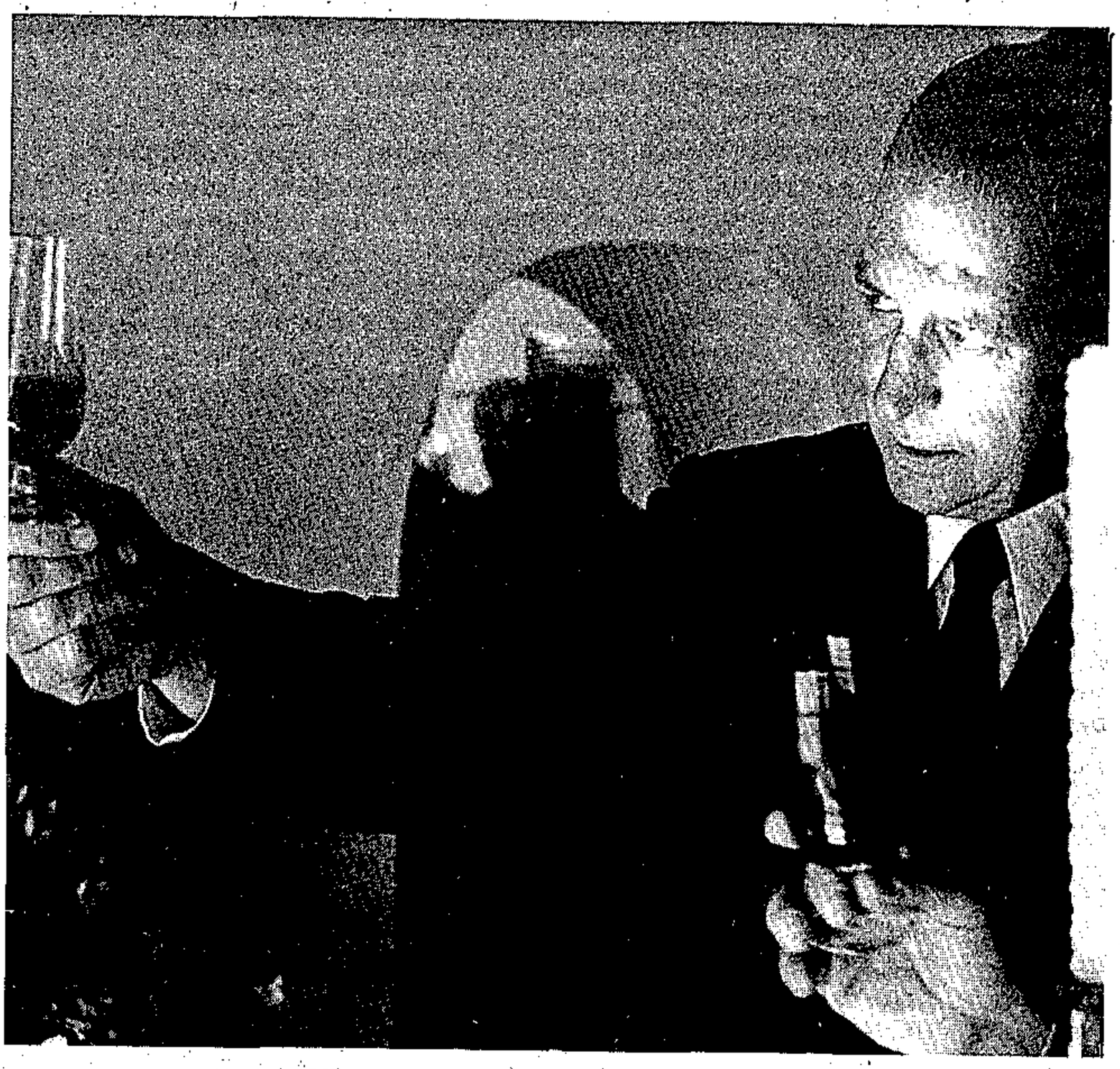
"The founding of your company was a result of the restructuring of the liquor industry in 1979. One of the main objectives at the time was to bring about the total separation of the wholesale and retail trades in the industry. You will remember that for many years the KWV, as mouthpiece of the wine farmers, and Dr Anton Rupert have pleaded for this principle and that it is also supported by the SA Breweries and Fedhasa, the official organisation of liquor retailers. Since this is a matter of crucial importance to the long-term stability and development of the liquor industry, I should like, with your permission, to read the relevant passage in my chairman's address.

In SA, as in many countries all over the world, the government limits the number of retail liquor outlets. In such countries, it is essential that brewers or wine and spirit wholesalers should not own or control the limited number of outlets, and that there should be a limit to the number of outlets, and that there should be a limit to the number of outlets controlled by any one person. Such an arrangement ensures free competition and makes entry into the market possible.

In SA, the ownership and control of liquor licences by wholesalers have long been a problem, and since the beginning of this century various government commissions and committees inquiring into the liquor trade in SA have pointed out that the separation of retail licences from wholesalers is essential to creating a healthy structure in the liquor industry.

When your company was founded, my colleagues and I were under the impression that this long-cherished ideal — the total separation of wholesale and retail — was to be fulfilled and that ownership of liquor licences was to be reduced to five per person over a period of 10 years. With a view to achieving this object, your company itself acquired no retail liquor outlets and did not tie any outlets to it, and Rembrandt and SA Breweries, which are shareholders in your company, agreed to dispose of their liquor outlets over a period. I find it hard to understand why the authorities continue to allow vertical integration and wholesalers are still permitted to acquire retail licences. The Competition Board has for some time been conducting an inquiry into the entire liquor industry. It is my sincere hope that once this inquiry has been completed, the government will take the necessary steps to ensure a total separation of wholesale and retail, so that the golden opportunity created through the founding of Cape Wine will not be lost. I also hope the principle will be implemented of strictly limiting the number of licences held by any one person, to ensure maximum competition in the industry.

Your directors are so strongly convinced of the necessity for a total separation of wholesale and retail in order to create a sound structure for the liquor industry that in March this year, when Union Wine announced a share scheme of arrangement that would have led to further integration between wholesale and retail, arrangements were made with Central Merchant Bank that they buy up shares in that company from outside shareholders on the Johannesburg Stock Exchange, and negotiations were entered into with the controlling shareholder with a view to obtaining control of that company in order to dispose of its retail interests over a period thus making it easier for the government to implement the principle of total separation. Central Merchant Bank purchased 943 538 shares in Union Wine at a total price of R4,3m. In terms of an agreement with Senbank, these shares will be taken over by your company following the procurement of the required permission from the Minister of Industries, Trade and Tourism in terms of the Liquor Act. As stated in the accompanying Directors' Report, provision has already been made out of this year's profits for acquiring, in due course, the



Cape Wine's Du Toit . . . giving his version

RAPORT
27/4/80

Fedics nou volle SA maatskappy

288 232

FEDICS — deel van Federale Volksbeleggings sowel as van Imperial Cold Storage — is nou 'n ten volle Suid-Afrikaanse maatskappy. Hierdie twee aandeelhouers het die een-derde-aandelebesit wat Trusthouse Forte Group besit het, in gelyke hoeveelhede uitgekoop.

Die voorsitter van Fedics, mnr. Peet van der Walt, het vandeesweek gesê dat Federale Dienste — 'n filiaal van Federale Volksbeleggings — en ICS nou elk 50 persent van Fedics se aandele besit.

'n Ooreenkoms is egter met Trusthouse Forte aangegaan waarby Fedics nog steeds op die spysenieringskundighede van hierdie internasionale hotel-, ontspannings- en spysenieringsgroep kan staatmaak, veral waar toekomstige internasionale ontwikkelings in die spysenieringsbedryf moontlik in Suid-Afrika toegepas kan word.

Fedics is in 1971 deur Federale Volksbeleggings en ICS gestig en Trusthouse Forte het daarna een derde van die aandelebesit bekom.

'n Nuwe besturende direkteur is by Fedics aangestel, is vandeesweek aangekondig. Hy is die 41-jarige mnr. David Wigley, voormalige groephoofbestuurder sowel as 'n uitvoerende direkteur van Southern Suns Hotels tot nou toe.

Services Sector

Accomm. Liquor & Catering — General 1982

Jan. — Dec.

rationing the issue of import licences, were rapidly

RNS-DDC.

Editorial opinion, page 6.

Jan. 1982

Guardian Dispatch 288

Spying not our job says hotel security chief

JOHANNESBURG — The director of the hoteliers' national body and the chairman of the Hotel Security Association have rejected the views of a hotel security manager whose staff ordered a Progressive Federal Party supporter to leave because he criticised the police.

The security manager, Mr Richard Mommsen, said his staff kept people who discussed politics under surveillance.

Commenting on the incident yesterday the executive director of the Federated Hotel Association of South Africa, Dr Ernst Uken, said: "Hospitality in hotels is in a very sorry state of affairs if these things are starting to happen. Hospitality should come first and not politics."

He said the incident had not been officially discussed by the federation yet.

Mr Mommsen, who is a member of the Hotel Security Association, said in an interview that hotels were in the forefront of subversion and the place where plots were hatched.

Mr Mommsen, a former Rhodesian soldier, said he expected to lose his job because of his disclosures.

Mr Tony Gray, chairman of the Hotel Security Association, said it was not the policy of the association to spy on customers.

He thought the views expressed by Mr Mommsen to be "utter nonsense".

Although the association met with the police and the security police, only matters relevant to hotel security were discussed.

His association did not keep watch over security matters other than their own because that was the task of the state.

Mr Gray said politics had never been discussed by the association.

Every citizen was obliged by law to inform the police if he had information that a crime was to be committed, he said.

Security managers from other hotels declined to discuss the issue whenasked for comment. — DDC.

Fedhasa attacks hotel spying on patrons

CAPE TIMES 4/1/82

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Own Correspondent

JOHANNESBURG. — Fedhasa has attacked the hospitality of the Johannesburger Hotel after the security manager of the hotel had claimed that his personnel were keeping people who discussed politics under surveillance.

Mr Richard Mommsen, security manager of the Johannesburger, made this disclosure after a Progressive Federal Party supporter had been ordered out of the hotel last week because he criticized the police.

Commenting on the incident, the executive director of the Federated Hotel Association of South Africa, Dr Ernst Uken, yesterday said: "Hospitality in hotels is in a very sorry state of affairs if these things are starting to happen. Hospitality should come first and not politics".

In the meantime hoteliers as well as the Hotel Security Association have dissociated itself from the views expressed by Mr Mommsen.

Subversion

Mr. Mommsen, who is a member of the Hotel Security Association, told the Rand Daily Mail in an interview that hotels were the forefront of subversion and the place where plots were hatched out.

Mr Mommsen, a former Rhodesian soldier, on Wednesday also said he viewed himself as a "soldier" and not really a hotel security officer.

Mr Tony Gray, chairman of the Hotel Security Association, said it was not the policy of the association to spy on customers.

The incident was isolated and caused by an individual.

He knew Mr Mommsen and thought the views expressed by Mr Mommsen to be "utter nonsense".

Although the association met with the police and the security police, only information relevant to hotel security is discussed.

His association will not keep watch over security matters other than their own, because it was the task of the State.

He said politics had never been discussed by the association.

Every citizen, however, was obliged by law to inform the police if he had information that a crime was to be committed.

Founder

Mr Gray founded the organization in March. It has eight top international hotels as members.

They are the Carlton Hotel, the Milpark Holiday Inn, the Johannesburger Hotel, the Landdrost, the President Holiday Inn, the Jan Smuts Holiday Inn, the Rosebank Hotel and the Victoria Hotel.

● See leading article, page 3

Slurping and burping in court

IN WHAT is believed to be an unprecedented case in South African legal history, 43 workers — men and women — who went on strike at the Zinkwazi Caravan Park near Darnall on the North Coast in October last year have been charged with trespassing.

The trial was however adjourned shortly after the lunchbreak because one of the accused was drunk and disrupted proceedings twice.

"The court cannot tolerate conduct of this nature", Magistrate Mr H Fraser, said.

"If one person is under the influence of liquor it will cause prejudice to the other 42", he added.

The Magistrate warned that the drunk man would have to be remanded in custody unless he was given an undertaking that the man would be in court again on January 25.

Four workers undertook to bring the man back to court.

All the strikers have pleaded not guilty to trespassing.

Mr Helmut G O Achtzehn, Managing Director of the Zinkwazi Caravan Park told the magistrate he employed the 43 accused.

Before starting work on October 31, 26 of the 28 permanent workers called a meeting with Mr Achtzehn. They wanted to know why two workers were being dismissed and demanded their reinstatement.

Mr Achtzehn said it was the company's decision the two workers be dismissed.

The workers went on strike. They were then dismissed and told to leave the living quarters the same evening.

Mr Achtzehn said the temporary workers did not turn up for work when they heard about the strike that day.

Police gave the workers until 4pm on November 2 to leave the premises.

The deadline was extended to midday November 3 and workers were warned they would be arrested if they were still there.

Police arrested the workers at 3pm that day.

The trial was adjourned until January 25.

WINE PRICE 288

On the up and up

FM 21/1/82

Bottle store prices of local wines and spirits should rise shortly by at least 8% and 13% respectively, following the decision of liquor wholesalers to raise their own prices by like amounts.

The wholesale increases have come hard on the heels of KWV's wine price rise announced last week.

Wholesalers also took the opportunity to announce the new Scotch whisky price, an increase passed on to them annually by their UK suppliers, usually at year-end. Importers tend to buy stocks to pre-empt the high prices. Probably 80% of the Scotch in wholsesalers' stores at the moment was purchased at the old price. So, for the time being at any rate, the increase is pure profit.

The higher retail wine and spirit prices are not entirely due to KWV's increases; it is also the time of year when the liquor industry adjusts prices to the level of inflation to maintain margins.

Except for the truly bulk low-priced wines, SA's major brands are purchased at prices above the level set by the KWV. The cost to the wholesalers is determined by supply and demand and producers are thus free to fix their own contract prices — provided they are not less than the minimum price.

There is no reason for the noble wine price to rise in sympathy with the KWV hike. The spokésman who says the consumer need not feel the increase immediately is right in theory — but hopelessly wrong in practice. Within three days of the KWV announcement, the major wholesalers had new price-lists and were officially not accepting orders at the old price.

This year the consensus will enable all producers (in theory) to abandon the price war on the bag-in-the-box ranges and move to healthier profit margins.

There is general agreement that SA is producing insufficient quality wines, and far too much plonk which is suitable only for distillation. It is not uncommon for the better quality wines to retail in the R5-R10/bottle range — a fair enough pricing structure given the difficulties and hazards in fine wine production. But the bulk of SA's wines are produced to satisfy the system the KWV was set up to enforce, and tonnage is re-purchased from the farmer irrespective of quality on the basis of a subsidised minimum price. Hence the 1982 crop, predicted to be of sound quality and generous quantity, will inevitably be the most expensive in SA history.

And there's more pain ahead: drinkers can expect another liquor price hike after the railway budget which will probably raise transport tariffs.

Cafe Royal seeks all-race licence

Argus 28/1/82

286

THE Liquor Board heard an application for an international licence for the Cafe Royal Hotel yesterday.

The application by the Church Street, Cape Town, hotel's owners, DJI Investments (Pty) Ltd, was the sequel to an incident last July when its licensee, Mr Norman Cowburn, was charged with serving liquor to blacks.

Mr B C F Smit, for the applicant, told the board the hotel was the oldest in Cape Town and attracted many customers from the central business area to its world-famous restaurant which has been run on the same site since 1901.

It was inevitable that some of these customers were non-white.

Mr Smit said the hotel was used as the venue for meetings of the Cape Town Press Club, which had about 12 non-white members who, in their jobs, naturally wanted to mix with the other members of the club.

NO OBJECTIONS

The board heard that the hotel had entertained numerous non-whites in its dining-rooms and restaurant in the past 12 months.

The board, which has been hearing applications for both on-premises and off-premises licences as well as international and grocers' wine licences at the Arthur's Seat Hotel in Sea Point, is considering the application, to which there were no objectors.

LIQUOR

One for all

FM 19/2/82

Solly Kramer and Rebel liquor outlets have scrapped separate entrances and segregated shopping areas for blacks. Rebel MD Trevor Pearman says "a massive and costly programme of conversion" is under way to integrate outlets. Over the next 18 months all 80 Rebel outlets will be structurally integrated. To date, two outlets have been altered while racially discriminating signboards have been removed in most stores.

Rebel expects black consumer contribution as a percentage of overall turnover to increase from its present 20% to 40% in the short term.

Pearman says he doesn't expect problems but admits "one can expect some irresponsible behaviour." Security will be strict and he expects "only a very small increase in shrinkage."

In some outlets Rebel will introduce "partnership businesses" in former black shopping areas of the shops. Pearman says each store "will be sized up and part of the area could possibly be sublet." In certain outlets a delicatessen would be an obvious possibility. "We're changing our whole development strategy." Capex of roughly R500 000 has been provided for the initial conversion phase.

Solly Kramer development director Richard Dimitri says "of the 51 applications made to the Liquor Board to remove separate entrances for the different race groups, 43 were successful." Three were refused and five await the board's decision. Solly Kramer has 103 outlets. The intention is to apply for desegregation in all stores. Dimitri says maintaining separate facilities "costs us a lot of money. It means doubling up on staff and tills." Black turnover, he says, is roughly 40% of total sales.

"We've experienced no resistance to desegregation in any of our stores from any race," he comments. Pearman expects a similar smooth transition for Rebel.

Segregation in liquor stores was not a legal constraint, says Dimitri. "It was merely a licence condition imposed by the authorities." A spokesman for the Liquor Board says it previously was a condition when a licence was granted.

However, since Minister of Commerce and Industry Dawie de Villiers relented on this issue last May, the condition is no longer imposed as "a general rule" on new licences. Existing licencees have to apply to have the condition lifted. The board says: "Quite a number of applications" have been received. Roughly 80% are approved and processing time averages two months.

PICBEL FM 19/2/82

Pot luck

288

Activities: *Investment holding company with operating subsidiaries in liquor, hotels and electrical goods wholesaling. Owns 77% of Picfin, 57% of Picprop, 86% of Piccan and 100% of Sagit. Directors hold 49% of the equity. Picfin holds 56% of Uniewyn, which holds 85% of Picotel.*

Chairman: *J A J Pickard*

Capital structure: *4,4m ordinaries of 50c; 46 550 5,5% cum prefs of R2. Market capitalisation: R22,4m.*

Financial: *Year to June 30 1981. Borrowings: long- and medium-term, R11,7m; net short-term, R21,8m. Debt:equity: 87,7%. Current ratio: 1,4. Group cash flow: R7,4m. Capital commitments: R2,6m.*

Share market: *Price: 510c (1981-82: high, 540c; low, 280c; trading volume last quarter, 144 000 shares). Yields: 28,2% on earnings; 3,1% on dividend. Cover: 9,0. PE ratio: 3,6.*

	'78	'79	'80	*'81
Return on cap (%)	15,9	16,2	18,5	18,3
Turnover (Rm)	352	391	498	189
Pre-tax profit (Rm)	6,7	8,4	13,9	11,1
Gross margin (%)	4,6	4,4	4,5	8,9
Earnings (c)	15,8	26,0	72,2	143,6
Dividends (c)	4	4	8	16
Net asset value (c) ...	99	110	771	488

* Figures adjusted for relocation of assets (including equity accounted share of Karoo).

Picbel's 1981 annual report has been published — some seven months after the group's year-end. And just in case shareholders might have been getting edgy, the directors have included several pages of details explaining the major changes in the relocation of assets within the group. The figures, however, bear little resemblance to those of previous years, and the adjustments make comparisons difficult.

The most significant change during the year was, of course, subsidiary Picfood's sale of its controlling stake in Karoo to Kanhym. That deal was effective from July 1 1980, and resulted in Picfood owning 39% of Karoo against Kanhym's 51% stake. Picfood's meat interests are therefore no longer consolidated and the Karoo stake is equity accounted.

At the interim stage, the directors said the group was expected to benefit from the sale of the Karoo holding in terms of increased profitability. The revised figures certainly indicate that this has happened. Pre-tax profit showed a 71% advance to R11,1m (R6,5m) from a turnover increase of only 33,2% to R189m from R141,9m.

One area which was expected to improve materially was return on capital employed. The figures, however, tell a different story. Return on capital slipped to 18,3% (calculated on the new figures) from 18,5% in financial 1980 (calculated on the old figures.) If that is any indication, it could mean a further asset reshuffle.

In addition, further changes in terms of restructuring could be made during the current year. Union Wine's ultimate strategy has not yet been disclosed, but it is expected that this will involve a considerable cash injection into liquor retailing activities. That could also serve to explain the high nine times dividend cover.

Picfin

The deconsolidation of the Karoo/Asokor group resulted in Picfin's pre-tax profit rising to almost R5,8m, a 66% advance on the previous year's R3,5m. Taxed attributable profit rose 112% from R2,1m to R4,5m. These results included dividends and attributable income from Karoo, which amounted to R2,5m against R1,4m the previous year. Picfin's attributable profit thus translates to earnings of 124,3c (61,6c) a share from which a total dividend of 30c (20c) was paid.

Other changes to take place within the group during the year were the sale of Piccan's canning interests to Langeberg Co-op for around R7m in cash and the takeover of the assets of electrical goods wholesaler Katz. In addition, sporting goods company Logan Sports was acquired by Piccan in January 1981 for a total of R11.4m. The sale of Piccan's canning interests left the company cash flush although, again, the considerable restructuring makes it difficult to compare with the position the previous year. Nonetheless, the group is now showing a debt:equity ratio of 87,7% — considerably lower than the previous year's 123%.

The restated figures also make earnings projections for the current year fairly hazardous, and further changes in the structure of the group can probably be expected. It seems possible that Picfin could take Picprop from present holding company Sagit, streamlining the group's holdings and bringing the property company under the direct umbrella of Picfin.

Thus, while shareholders have now been provided with full details of the restructure, they continue to take pot luck on the prospects for the current year. That, however, appears to have done no harm to the market's view of the Pickard companies and Picbel's share price is now only 30c off its high of 54oc, and well above the level of a year ago.

Chris Wilson

(2) Premiums Treated as an Asset - Cont'd:

Year 02 - same as year 01

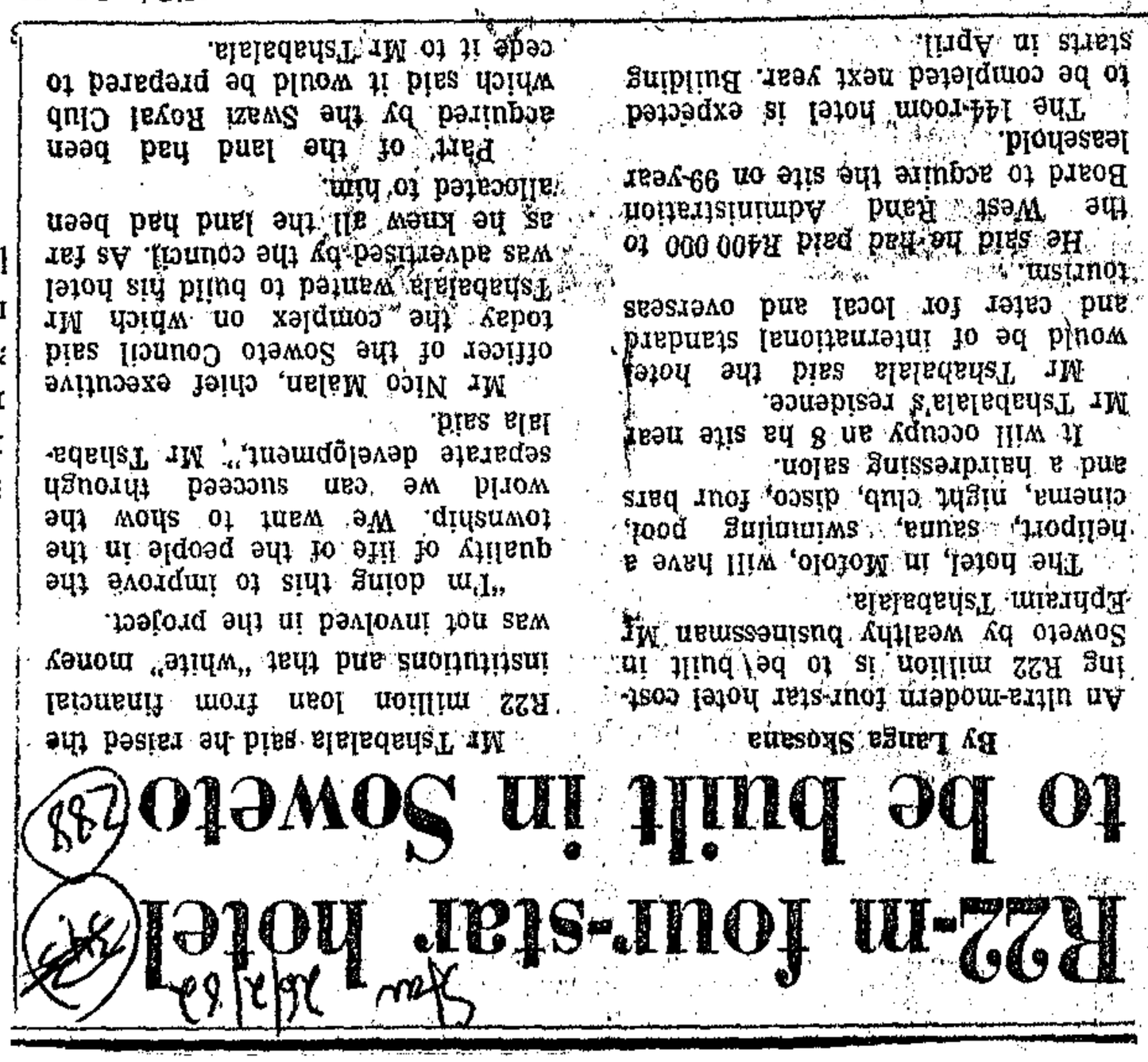
03, Jan 1:	Life Policy		
	Bank		300
	being purchase of life policy		
Dec 31:	Income Statement		
	Life Policy	60	
	Policy written down to surrender value (See Note 1 below)		60
04, Jan 1:	Life Policy		
	Bank	300	
	being purchase of life policy		300
Jan 2:	Debtor (Insurance Company)		
	Life Policy	24 000	
	Income from Life Policy		540
	being accrual of proceeds receivable		23 460
Jan 2:	Income from Life Policy		
	Income Statement	23 460	
	being closing entry		23 460
Jan 31:	Bank		
	Debtor	24 000	
	being receipt of proceeds		24 000

Note 1:

At the end of year 03 [illegible] partnership balance [illegible] 240.

Note 2:

The deatl legal and accountir ent would have to be dr: ner so as to ascertair ds from the life policy w credited direct to the pa



R22-m four-star hotel to be built in Soweto

By Langa Skosana

An ultra-modern four-star hotel costing R22 million is to be built in Soweto by wealthy businessman Mr Ephraim Tshabalala.

The hotel, in Mofolo, will have a heliport, sauna, swimming pool, cinema, night club, disco, four bars and a hairdressing salon.

It will occupy an 8 ha site near Mr Tshabalala's residence.

Mr Tshabalala said the hotel would be of international standard and cater for local and overseas tourism.

He said he had paid R400 000 to the West Rand Administration Board to acquire the site on 99-year leasehold.

The 144-room hotel is expected to be completed next year. Building starts in April.

Part of the land had been acquired by the Swazi Royal Club which said it would be prepared to cede it to Mr Tshabalala.

Mr Nico Malan, chief executive officer of the Soweto Council said today the complex on which Mr Tshabalala wanted to build his hotel was advertised by the council. As far as he knew all the land had been allocated to him.

Mr Tshabalala said he raised the R22 million loan from financial institutions and that "white" money was not involved in the project.

"I'm doing this to improve the quality of life of the people in the township. We want to show the world we can succeed through separate development," Mr Tshabalala said.

HOTEL OCCUPANCY

No room at the top

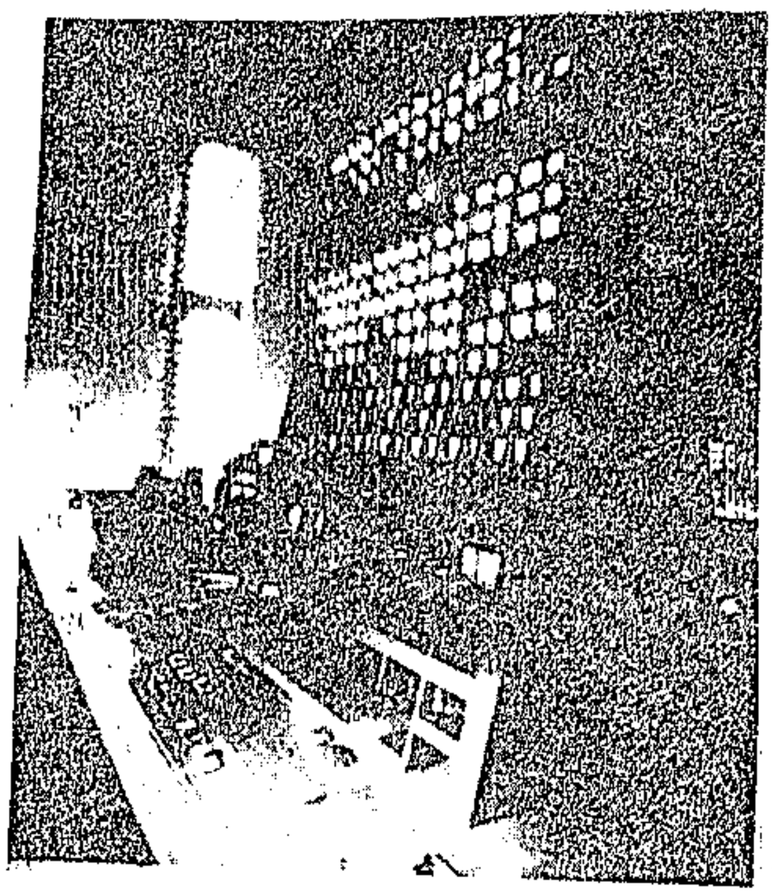
Businessmen and tourists are currently hard pushed to find hotel accommodation. The most critical shortage is at the top end of the market, although some lower-graded establishments are picking up a good deal of the overflow.

However, the shortage is not unexpected — the rush is seasonal. Says David Shackleton, marketing director at Johannesburg's five-star Carlton Hotel: "We are currently enjoying a 95% occupancy rate but it is normal for the months of February and March.

"The main factor responsible for the increase in demand is the inflow of overseas corporate executives. They come to SA to check out details of subsidiaries before the financial year-end."

Coupled with this, says Shackleton, is the traditional increase in international tourists who come in search of the sun. Overall, however, there is also an increase over last year of about 2%.

Market research, says Shackleton, shows that demand for Johannesburg's 1 138 top-rated rooms is growing by 5%/year and



Five-star hotel . . . more accommodating

that the major demand is for the more expensive hotels.

The shortage of rooms in Johannesburg will be eased somewhat by the Carlton extension — Carlton Court — which comes on stream around June this year. The new Sandton Southern Suns hotel and Holiday Inn will give greater Johannesburg another 600 rooms.

Cape Town's hotel industry is also riding high, with an occupancy rate of around 90%, but boom conditions are also normal for the city at this time of year thanks to the tourists and politicians.

Tourist association Captour does not expect a downswing in the market until June because it anticipates that the annual Cape Town Festival will keep the industry buoyant.

Captour, however, is not going to sit idly by. It has plans to bolster off-peak occupancy by trying harder to attract business conferences.

There has also been substantial new hotel investment in the city. Many of the more popular hotels have been extended and the new Southern Suns will add 450 rooms to the Peninsula's stock. Ironically however, several smaller hotels are selling off their rooms to make ends meet (see Property).

Durban attracted fewer holidaymakers over the Christmas period this year. The reason for the decline has been variously ascribed to a decrease in Zimbabwean visitors, the economic climate and counter attractions like Sun City.

Nationwide there was an increase in occupancy rates last year. According to the Bureau of Financial Analysis, room occupancy was 66,8% for December 1981. While this figure indicates a decrease of 4,8% on the previous year, the 12-month average to December increased by 1,8%.



NTA chairman Lucky Michaels . . . fighting for legal shebeens

SHEBEENS FM 12/3/82

Opening time

288

It looks like shebeeners may at last be close to achieving legal recognition. Last month, the Soweto Council — the body responsible for setting the conditions to be met by prospective licencees for the zoning of premises — started processing applications.

The bad news is that it will take some time. Says Soweto Council's David Thebehali: "There are a large number of shebeeners eager to obtain legal status and as our bureaucratic resources are limited the processing period will be lengthy."

Only when the paperwork is completed, says Thebehali, can the premises be inspected, certificates of business zoning issued and documents sent to the Liquor Board for consideration.

A special committee has been set up to investigate applications to the Soweto Council. Members are drawn from the administration boards, the police and the Council itself.

While Thebehali is not able to detail the criteria that shebeeners will have to fulfil to obtain certificates, he says certain standards will be insisted on.

"The shebeener will have to provide facilities apart from those in the residence of the owner. There will also have to be separate sanitary facilities.

The National Tavern Association (NTA) is behind the move to set standards for the granting of certificates but, stresses chairman Lucky Michaels, the association is calling only for minimum standards. "We do not want unrealistic demands which will exclude the majority of shebeeners."

Once the first stage of the bureaucratic slog is over it will be a question of submitting the certificates of zoning with applications to the Liquor Board.

As no laws need to be amended to allow for the legalisation of shebeens, there should be no problem with the granting of licences if the board is as good as its word.

Says Liquor Board chairman Tommy Vorster: "As the on-consumption premises that are geared for liquor selling in the black townships demand a completely new type of licence, there are no precedents to constrain the board.

"Most of the regulations imposed by the board are in terms of the discretionary power granted to it, so we have the freedom to modify standards.

"The only restrictions that the board faces are those imposed by Section 23 of the Liquor Act.".

This provision empowers the Minister to grant authorities to people who wish to deal in liquor.

Vorster claims the board is merely waiting for the applications and he obviously cannot act until the applications are on his desk.

"As soon as we are satisfied that the applicant is the rightful occupier of the premises and that the premises will be used for the purposes intended, we can move," he adds.

Applications have to be submitted by May 31 to be in time for this year's session.

Once the applications are processed by the board, they will go to a public hearing. The final OK will have to come from the Minister of Commerce, Tourism and Industry after consultation with the Minister of Co-operation and Development.

LOCAL ACID

In a development which will make the country even more self-sufficient in liquid fuel, Sasol will soon be able to rely on local industry for a primary catalyst in the coal-to-oil process.

The polyphosphoric acid-based catalyst was previously imported. Now the catalyst and its polyphophoric acid feedstock will be produced locally.

Hoechst SA will be producing the polyphosphoric acid in its new R3m Krugersdorp plant which will open in June. Capacity is 3 000 t/year.

African Catalyst, a joint venture between Sasol and Suedchemie of Munich, will then purchase the acid from Hoechst for the manufacture of the catalyst.

Sasol will not say what savings are involved.

Production will initially cater for Sasol's coal-to-oil process only. Hoechst MD Arno Baltzer, however, says the plant could later serve other phosphate derivative producers like the food and beverage industries.

Mr Aronstan

COL killing tourist trade

01/9/82

288

By WILMAR UTTING S-Times

SOARING costs and a shortage of hotel accommodation are squeezing out South Africa's foreign tourist trade and costing the country hundreds of thousands of rands in foreign exchange.

The president of the Association of Southern African Travel Agents, Mr Eberhard Gennrich, said this week that in the past year numbers of foreign tourists to South Africa had dropped.

"One reason is that costs are rising in South Africa faster even than in Europe," he said.

"We may price ourselves out of the market.

"But the other reason is that South Africans are spending holidays at the coast again.

"And this curbs the availability of accommodation for foreign tourists.

Mr Gennrich said the demand from foreign tourists for accommodation was highest between October and March.

Most foreigners asked for three-star hotel accommodation and upwards, and wanted to visit game reserves.

"There have been discussions about a government-sponsored Tourist Development Fund which would assist people to build more hotels," said Mr Gennrich.

The Department of Tourism and South African hoteliers were interested, but the Department of Finance had turned the suggestion down, he said.

HOLIDAY INNS FM 23.4.82

Placing more bets

288

The forbidden fruits of gambling are being offered ever closer to SA's moral stronghold.

A new casino to rival Sol Kerzner's glittering Sun City pleasure dome, could, soon be established a scant 30 minutes drive from Pretoria's Church Square.

Independence for the tiny, scattered and poverty-stricken KwaNdebele homeland north-east of Pretoria, may only be two years off, but Holiday Inns (HI) has already been awarded the concession to operate the venture.

Holiday Inns MD Nigel Matthews has already signed an agreement which would give the KwaNdebele government a 25% stake in the casino.

He was unavailable for comment, but the *FM* understands that KwaNdebele, because of ready access to big-time Reef punters, is potentially a bigger drawcard than the recently opened HI casino in Transkei.

Even before the Wild Coast tables opened in December, HI had a 38% stake of the estimated R350m/year gambling industry in southern Africa, handling a total turnover of R133m in casino revenues.

And since the R25m Wild Coast Inn opened, occupancy has run so high and demand for conference facilities is such that a R12m expansion is already underway. Nobody has disclosed the gambling earnings, but they are said to be well above budget.

WINE SALES FM 30.4.82

Retailers get frothy

288

Wine producers are using a new ruse to force down retail prices of their products without undue expense to themselves. That at least is the view of some liquor retailers.

They claim that by giving discounts to supermarkets, which handle only 8% of retail wine sales, the producers are forcing conventional liquor stores to drop their margins to remain competitive in this R290m/year business.

Predictably, producers deny the charge. Speaking on behalf of Cape Wine & Distillers, which controls the major producers Oude Meester (OM) and Stellenbosch Farmers' Winery, OM marketing development manager Coen Basson says: "The OM group supplies its products to all its customers at the same price and on the same terms. Prices obviously differ from one region to another. All customers are granted discounts of 2% for settling accounts within 15 days of statement."

Gilbey's marketing director Peter Fleck says: "There is an industry agreement, a code of conduct, not to allow discounts and Gilbey's adheres to this."

The supermarkets in question, however, are not as emphatic in their denials. Checkers national merchandise manager (wine) Vaughan Johnstone believes supermarkets are the most suitable outlets for the promotion of wines. And if one outlet is doing a better job than another it should enjoy a discount.

He says Checkers generally gives wine a 10%-15% mark-up, but will not confirm or deny if discounts are given.

"We sell below cost only on an opening special or when we are forced by others into a price war."

Add Pick n Pay's Richard Cohen: "We put on as much pressure as we can to get a better deal — this is the buyers' job — and nobody can say we don't pass this on to the consumer."

"I can't comment on whether our discounts are bigger or smaller than others because I don't know what other outlets are getting."

He says Pick n Pay does not sell below cost.

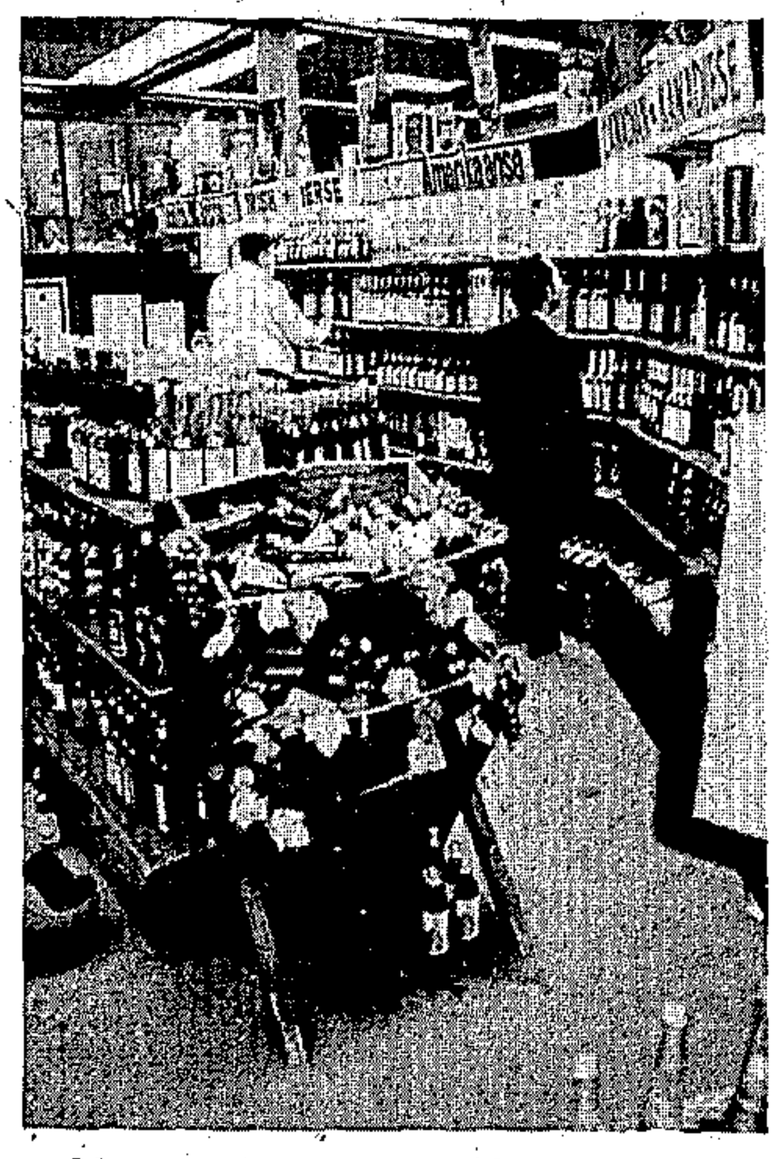
In the Transvaal, Checkers sells some 275 000 *l* of wine every month through 26 outlets while Pick n Pay sells over 200 000 *l* through 15 outlets.

Solly Kramer's marketing director Andrew Murray thinks that where supermarket prices are unreasonably low — and that includes selling way below listed cost — the producer/wholesalers are giving them substantial discounts.

"All the major liquor chains can match or beat supermarkets in wine-buying power, so here suppliers are refusing equivalent terms. I'm all for good, hard competition, but let us operate with the same advantages."

And, he says, liquor stores are turning increasingly to imported, co-operative and estate wines to bypass producer/wholesalers.

There's even talk that liquor stores may take the matter to the Supreme Court.



Liquor store ... turning to the co-ops

Year	Membership				
	African	Asian and Coloured	White	Total
1980				
1979				
1978				
1977				
1976				
1975				
1974				
1973				
1972				
1971				
1970				

1980 - The Union had disaffiliated by 1978.

The Minister of Manpower Utilisation to open it

Industrial

Registrati

Founded:

Area of Of

Officials:

Address:

288 Hansard Q. col. 740-742

Non-licensed restaurants: applications

30/4/82

458. Mr. C. W. EGLIN asked the Minister of Community Development:

(1) How many applications from non-licensed restaurants in each province for exemption from the provisions of Regulation R.228 under the Group Areas Act were received in 1980 and 1981, respectively;

(2) how many of these applications from each province in each of these years (a) were granted, (b) were refused and (c) are still being considered;

(3) what were the reasons for the refusals?

The MINISTER OF COMMUNITY DEVELOPMENT:

(1)

	Cape Province	*Transvaal*	*Natal*	*Orange-Free State*
1980	44	39	30	4
1981	12	23	11	—

(2)

	(a)		(b)		(c)	
	1980	*1981*	*1980*	*1981*	*1980*	*1981*
Cape Province	39	8	5	4	—	—
Transvaal	29	6	10	13	—	4
Natal	25	7	5	3	—	1
Orange Free State	4	—	—	—	—	—

(3) When applications are considered various factors are taken into consideration, for example the locality and contentiousness of the restaurant, the need for use by all population groups, the comments of, *inter alia*, the local authority, the South African Police and the Department of Co-operation and Development.

Clash over mixed restaurant refusal

By JOUBERT MALHERBE
Pretoria Bureau

A CLASH is looming in the Pretoria City Council over the management committee's refusal to grant Edgars Stores permission to open a multi-racial restaurant in its city branch.

Dr P J Barnard, leader of the Herstigte Nasionale Party in the council, welcomed the move.

But Mr Tertius Spies, the Progressive Federal Party leader, expressed dismay.

The management committee also rejected an application for a multi-racial religious meeting in September this year, as well as an application by an Indian doctor to open consulting rooms in a white suburb.

Commenting on the Edgars refusal, Mr Spies said the committee's argument that there were two multi-racial restaurants in the city centre and that they could not permit another, was illogical.

He added: "There are numerous white restaurants in the city centre and the management committee will never block the building of more restaurants because they feel that there are enough".

Owners should be permitted to serve blacks in their restaurants if they so wished, Mr Spies said. A spokesman for Edgars said yesterday that they had not yet been officially notified about the management committee's decision. He declined to comment further.

The management committee also refused permission for a multi-racial religious meeting in Kilnerton in September this year. The Far North Mission asked for permission to hold a course for lay preachers in the Methodist Church Hall there.

Mr Spies said the management committee would probably only be prepared to allow such meetings at the Pretoria Showgrounds.

"I think the management committee feels that they will be pressed by the HNP councillors if they give another inch and allow multi-racial meetings elsewhere in the city."

Mr Spies did not want to comment on a refusal to allow Dr M F Mahomed to establish a general practice in East Lynne, the white suburb closest to Mamelodi.

In his application, Dr Mahomed said he wished to practise there so as to be within reach of black patients from Mamelodi.

A report from the city secretary confirmed Dr Mahomed's statement that there were no further consulting rooms available in the "professional block" in the Asiatic bazaar.

But the city secretary disputed his statement that he wished to treat black patients from Mamelodi in his East Lynne rooms.

"There are also many other areas where there is a large concentration of black workers: For example the city centre of Pretoria," the report stated.

Dr Mahomed was not available for comment.

Yesterday Dr Barnard, the HNP leader, welcomed all three decisions by the management committee and said that, if they had been different, the HNP would have opposed it at the monthly council meeting on May 27.

SHEBEENS (288)

More brewing

FM 7/5/82

Soweto shebeeners are incensed with the Liquor Board for granting a liquor authority to an applicant who has never before been in the trade.

He is Soweto businessman Pat Mbatha and the authority — which is granted in terms of section 23 (1)(a) of the Liquor Act — enables him to sell on-consumption alcohol.

"About 4 000 shebeeners have been supplying virtually the entire liquor needs of more than a million people in Soweto," says National Tavern Association (NTA) chairman Lucky Michaels. "Surely we should be the people to get first stab at the drink market?"

Mbatha's establishment will be the second legal drinking place in Soweto after the Diepkloof Hotel. And his application took a year to be processed. However, Mbatha had the advantage of holding a business site in Dube and, therefore, did not have to go through the re-zoning procedure required of the shebeeners.

Nevertheless, shebeeners could get a show-in when the next batch of liquor authorities is granted. Soweto mayor David Thebahali reports that 63 applications have been submitted to his council. He estimates that around 75% will get the thumbs up by the end of this month. They are then sent to the Liquor Board and those approved are given final authorisation by the Minister of Industries, Commerce and Tourism.

Thebahali says that if all goes well, the on-consumption authorities could be granted to shebeeners by the end of the year. Michaels welcomes the news but says it should have come a lot sooner.

The hold up on shebeens, says Thebahali, is partly due to the fact that shebeeners' residential premises have first to be rezoned for business to allow on-consumption liquor to be sold.

Business sites

"We have been suggesting that shebeeners apply for business sites," says Thebahali. "Then all they would need to do is apply for the site, put up on-consumption facilities and do business. There would not be the same problems there are with rezoning." The application must be submitted with approved plans.

He admits, however, that not many shebeeners are in a position to put up the substantial capital investment required.

Mbatha intends spending around R150 000 on the building alone and will open with a stock of R20 000. He hopes to start operating in August. He is forming a company and seeking white participation.

Special authorities are provided for under section 23 of the Liquor Act and relate to the sale of liquor to blacks, coloureds or Asians.

The NTA will hold its first annual conference this month. The aim is to illustrate that, while shebeens are illegal, shebeeners are a professional body geared to meet real market needs. Addressing this gathering of technically illegal operators will be senior government officials such as the Director-General of Industry, Commerce and Tourism and the Wrab Chairman.

GENERAL NEWS

Hotel rates need to be up 20 pc —executive

288

Stew 18/7/82

By Richard Paris

South African travellers could expect to pay 20 percent more for hotel rooms in the next year to generate money needed for increased facilities and staff, a hotel executive said this week.

At the hotel industry's first hotel management course at the University of Cape Town's Graduate School of Business, the managing director of Holiday Inns, Mr Nigel Matthews, said rates had to go up to cope with urgent priorities such as labour, use of space and marketing.

Being a South African hotelier was similar to "riding first class on board the Titanic," Mr Matthews said. Much of what was being done would fail if more attention was not paid to the priorities he had listed.

Labour concerned the whole question of training, motivating and retaining staff at all levels. Staff turnover was running at about 60 percent, which had to be reduced.

"This industry is going to be strangled if we do not breed a new generation of skilled and semi-skilled management; it will grind to a halt if we do not have black managers within 15 years," Mr Matthews said.

He said he did not believe higher hotel rates would have a significant impact on the number of overseas visitors to South Africa, but he criticised the Government for its lack of commitment to promoting tourism.

If given a higher priority, the hotel industry could be one of the country's highest foreign exchange earners, Mr Matthews said.

It could also gain more sympathy for South Africa among the increased number of tourists.

It was up to the industry to act as a pressure group to encourage a more positive attitude to tourism, he added.

SHEBEENS FM 21/5/82

Time, gentlemen

A milestone has been reached in the SA liquor industry. This week Tjaart du Plessis Director-General of Commerce, Industry and Tourism addressed a gathering of 600 technically illegal liquor operators — shebeeners — at the Carlton Hotel.

At the First Annual National Tavern Association Conference (FANTAC) Du Plessis — who referred to the conference as a "historic" — claimed he had come in the hope of clearing up a lot of the misunderstanding and confusion surrounding the legalisation issue.

The most important aspect of Du Plessis' speech was his call to shebeeners to pursue rezoning with unrelenting tenacity. He claimed that he and his department had no problem with the legalisation of shebeens. But he pointed out that the Liquor Board could not start work on the processing of liquor licences or special authorities until the shebeeners' residential premises had been rezoned for business. Next move was thus up to the local authorities.

Conference MC Eric Mafuna said shebeeners viewed Du Plessis' participation as a signal that the authorities were at last lending a sympathetic ear.

The reason for the hold up on shebeens is partly due to the fact that residential premises have first to be rezoned for business — responsibility of the community councils.

Although invited, WRAB director John Knoetze did not attend.

But the shebeener body — the National Tavern Association (NTA) — lined up an impressive list of speakers from commerce and industry, and major liquor houses were represented. Industry heavyweights included Stellenbosch Farmers Winery chairman Lothar Barth, Peter Lloyd, GM of SA's Beer Division and Union Wine marketing director Henry Kempen.

Mixed grill at the 'Super'

Own Correspondent

The status of international hotels has been boosted to that of "super international" where mixing of races on all levels will be allowed.

Members of all races will be able to swim, dance, eat and drink together at any licensed hotel, restaurant, sport or social club. The right of admission will, however, rest with hoteliers.

Details of the new three-tier system — which retains the international hotel as presently known — were given by Dr Ernst Uken, the executive director of the Federated Hotel Associations of South Africa (Fedhasa) in Pretoria yesterday.

The system was announced in Parliament earlier this year by the Minister of Industry, Commerce and Tourism, Dr Dawie de Villiers. It has been in operation since April 1. However, Fedhasa was not aware of a hotel which had received the new "super" grading yet, said Dr Uken.

The relaxation of the restrictions in the liquor laws meant that South African hotels would be on the same level as overseas hotels, able to offer the same services to everyone.

The present international hotel status would remain, but would be graded on the second level. Their licence would still be renewable yearly.

International hotels which had proved themselves would be up-graded to the super level, said Dr Uken. Conditions of the new status were that the hotelier was responsible for the maintenance of law and order and there could be no street entrances to any bars.

The right of admission has been placed in the hands of hoteliers rather than the authorities, and international status can now be extended to include smaller hotels.

The third category of the new system covers all other hotels. These hotels would continue as they do now except that the proprietor will be able to serve blacks on condition Pretoria was informed.

The hotel industry and travel agents have welcomed yesterday's announcement.

Marketing director for Southern Sun Hotels, Mr Jurgen Burmeister, said his company "believed that any guest who paid the normal rates was entitled to the full services of the hotel, including swimming and dancing.

The marketing director of Holiday Inns, Mr Stewart Banner, said his company believed that all hotel guests should be treated without discrimination of any kind.

"We hope all Holiday Inns will be granted the 'super' status as we believe in only one class of hotel throughout the world."

But the manager of a one-star Johannesburg hotel, Mr Nick Katopodis, of the Elizabeth in Pritchard Street, said the decision on whether hoteliers would welcome all races as guests would depend largely on the attitudes of existing clientele.

"I don't mind having a multi-racial hotel but I will have to consider the feelings of my patrons," he said.

Black leaders showed mixed reactions. Some saw the moves as positive but the majority found them meaningless.

"What black can afford hotel prices anyway?" was a typical response. "Just about every black face you spot in these 'super' hotels will be a waiter."

LIQUOR 2 FM 4/6/82

Courting Soweto

~~Last month's~~ shebeen conference has turned the spotlight on the black liquor market — and sent liquor competitors scurrying to total up their share of tots.

The scramble for the black consumer's rand was intensified when shebeens heard the first tangible news last week that legalisation was on the way. Shebeeners who had applied for rezoning of their residential premises (a requirement if they are to obtain liquor rights) had notice boards posted outside their premises to say that rezoning was in process.

As shebeens are still technically illegal operations, it is not possible to give official figures of total market value or brand market share.

However, Wrab records sales in Greater Soweto through its outlets, and claims to have notched up sales of around R50 m in the past year. This is an increase of 28% on the previous 12 months.

Beer accounts for around 75% of Wrab's turnover by value and just over 90% by volume. The rest is held largely by spirits, with wine tagging behind but growing steadily.

Estimates of the amount of liquor sold to shebeeners through Wrab as a percentage of their total businesses vary. Insiders claim that shebeeners prefer to buy from white retailers, both because prices are lower and because in many cases they are offered credit. Numbers are again difficult to obtain, but runners say they purchase less than 30% of their total stocks through Wrab outlets.

The authorities do not concur. They claim that it is closer to half.

If shebeeners and the liquor trade are correct, almost R300 m worth of booze is sold in Soweto and around R600 m through shebeens countrywide.

The total liquor profile of the black market is in line with Wrab's experience, but with less emphasis on beer. According to FM sources, over 60% of sales by value go to beer against close on 80% by volume. Market leaders are Castle, followed by Lion and Carling. Amstel is also a good seller in the upmarket shebeens, while spirits account for around 15% and wine 5% of the total.

SFW dominates in wine and spirits with sales of its Old Buck Gin, Mainstay Cane, Martell VO and Autumn Harvest crackling riding high in the popularity stakes. Its market share is estimated to be at least 60%.

SFW is followed by Distillers, which does well with its Viceroy Brandy and Here XVII, and Gilbey's with Smirnoff Vodka and Gilbey's Gin. A small part of the market is in the hands of Union Wine.

Companies are now clamouring for a bigger share of the growing market and are finding ways of getting closer to taverners, especially as they expect even better growth once the industry is normalised. Legalisation should mean a cut in prices of around 20% which, in turn, should increase consumption significantly.

The first National Tavern Association was sponsored by SFW, SAB, Castle Wine, Distillers, Gilbeys, Metal Box, Union Wine and United Tobacco.

Union Wine (UW), which has lagged in the race for black custom, is picking up speed and has recently been marketing more vigorously. Among its PR successes was the organisation of a meeting between shebeeners and Minister of Police Louis le Grange last month.

SA wine sellers blowing their corks

By BEVIS FAIRBROTHER

CORKS are flying among South African wine merchants, hoteliers and supermarkets.

Both forces have already spent hundreds of thousands of rands on legal fees in the bottle battle which was first declared when supermarkets added wine to their shelves.

Now hoteliers are turning the screws further.

Their controlling body, Fedhasa, has made representations to the Competitions Board claiming supermarkets are "unfair competition".

The board is expected to table its report in Parliament in two weeks' time.

Hoteliers hope it will recommend that wine be removed from grocery shelves or, at least, that the number of grocers' wine licences be reduced.

Supermarkets hope the board will recommend that they be given a freer hand in making South Africa "a greater wine drinking nation".

Dr Ernst Uken, executive director of Fedhasa, said in Pretoria this week that supermarkets were not selling wine responsibly.

Fair

Fedhasa was also against the "wheeling and dealing" with supermarkets buying in bulk and pressurising distributors to reduce prices.

Fedhasa members could not compete.

"We are not against competition but it must be fair and it cannot be fair unless we work for a common base.

"We are against the formation of these power groups and we want restrictions on the amount of licences issued," he said.

Mr Arnold Brock, in a presidential address at a recent Fedhasa congress, said small hotels were now in jeopardy because of over-licensing in South Africa.

"And this is aggravated by the issuing of new licences to grocers.

"But we shall continue to press our point and hopefully stave off the catastrophe of South Africa losing hotels in areas where it is nationally vital for them to exist."

Monopoly

Mr Vaughan Johnson, national merchandise manager (wine) for a large supermarket group, said Fedhasa members just wanted to retain a monopoly they had enjoyed for so long.

"We believe they have had long enough to stimulate wine sales in South Africa.

"They had 50 years to do it and they had little success.

"This is where we can help. Compared to overseas countries, like America and Europe, we don't drink enough wine.

"We are predominant beer and spirit drinkers.

"Since we've been selling wine our surveys have found we have increased the size of this cake and we haven't taken away the existing market from anybody."

Mr Johnson said he felt the feud was senseless.

"They've spent hundreds of thousands on legal fees to oppose us and we've spent just as much applying for licences.

"In rejected licences alone we've lost more than R500 000.

"They say we're taking away their livelihood. Yet wine sales are peanuts to them compared to what they make on other lines.

"All Fedhasa wants is to keep the monopoly and their representation to the Competitions Board is just a basic plea for protection."

On prices, he said he felt bottle stores marked up their prices far too much.

Board recommends drastic changes in liquor industry

Star 9/6/82

Political Staff

THE ASSEMBLY — The Competitions Board has come out strongly against restrictive practices in the supply and distribution of liquor and has recommended drastic changes.

The recommendations are largely aimed at undoing the restructuring of the liquor industry in 1979.

In terms of a rationalisation at the time SA Breweries had to divest itself of its interest in Stellenbosch Farmers Winery.

A new company, Cape Wine, was formed. SFW and Rembrandt obtained stakes in the company and KWV secured 50 percent in the holding company of this group.

SA Breweries took over the Rembrandt beer interests.

The board says that although this could be seen as creating monopolistic conditions it would not now be in the public interest to try to undo this arrangement.

The report, tabled in the Assembly today, recommends that the restrictive practice created by the creation of Cape Wine should be ended within a reasonable time and that the affiliation of the Oude Meester Group of Rembrandt and SFW, as well as the KWV's 50 percent share in the

To Page 3, Col 8

Liquor changes urged

Star 9/6/82

From page 1

holding company, should be ended.

The report also comes out against a large beer manufacturer having an interest in other liquor fields and vice versa.

It wants to end interests in retail selling organisations by liquor producers and vice versa.

It also wants a freer retail distribution system for liquor and the scrapping of a Cabinet decision that no person or concern can own more than five bottle stores.

Any complaints about undesirable power groupings at retail level must be referred to the board.

It is recommended that the exclusive right of administration boards to make sorghum beer and to sell liquor in black urban townships be ended.

In a statement the Minister of Industries, Commerce and Tourism, Dr de Villiers, said the recommendation on bottle store restrictions be scrapped would be accepted at a later stage in the case of concerns or persons with no interest in the wholesale trade.

said Mr Hayward.

The *pro forma* com-

sor H A Shapiro

PE hypermarkets would sell beer 'with pleasure'

10/6/82

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E. Post

Post Reporter

TWO Port Elizabeth hypermarkets have welcomed the Competition Board's recommendation that beer be allowed to be sold in supermarkets.

Mr Mike Tarpey, the general manager of the Checkers Hypermarket, said: "We would sell it with pleasure."

And Mr R W Rendall, the acting general manager of the Pick 'n Pay Hypermarket, felt the same way.

The Competition Board has asked for sweeping changes to the structure of the liquor industry in South Africa. One change is that beer be sold in supermarkets.

Some already sell wine.

The Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, said yesterday that the Government had accepted the main recommendation that the limit of five retail liquor licences a person should be lifted, and promised to investigate other recommendations.

Mr Rendall said he was not sure what the exact regulations would be if beer-selling was allowed, but he was sure "we would be heavily discounted" and the consumer would be offered "quite a saving".

Mr Tarpey said Checkers would definitely offer beer at a discount and said that shoppers buying wine at the hyper would welcome being able to buy beer there.

Both managers said wine-selling in supermarkets had proved "very successful".

"Wine has become part and parcel of the the consumer's shopping list," said Mr Rendall.

But would bottle stores not suffer, with bulk-buying hypermarkets being able to offer giant discounts?

"Competition is good for the consumer," said Mr Tarpey.

News briefs

Freedom of town for Div

JOHANNESBURG — Villiersdorp is to confer the freedom of the town on a former leader of the Opposition, Sir De Villiers Graaff, the SABC reports. The town council had decided to honour him for the role the Graaff family had played in the development of Villiersdorp.

Boat sinks — crew safe

JOHANNESBURG — The fishing vessel, Bloubok, sank eight nautical miles south of Toscanini in 14 fathoms of water early today, Walvis Bay Radio reported. The radio said it had received a message from the fishing vessel, Boetie Akie, that the Bloubok's crew of nine, including the skipper, were safe on board the Boetie Akie, which was heading for Walvis Bay.

Pacemaker for man, 102

CAEN, France — A heart-stimulating pacemaker has been implanted in a man aged 102 at the university hospital in this western French city. Mr Henri Perignon had complained of feeling somewhat breathless when cycling and had asked for the pacemaker so that he could continue his favourite sport.

Limits on US-SA trade

HARTFORD, Connecticut — A bill establishing stricter limits on Connecticut State Government investments in companies doing business in South Africa became law yesterday. Its supporters estimated the state would have to sell at least R70 million in stocks and bonds.

Bus death toll up to 57

HARARE — Victims of the Dande River bus accident near Chipuriro yesterday reached a final count of 57 dead and 29 injured, 12 of them critically, police reported at the end of rescue operations. The bus, carrying small-scale commercial farmers from around Chinhoyi, smashed into a bridge marker, skidded 50 metres along the left hand parapet and then crashed over the bridge to the river bed five metres below.

Kenya is one-party state

NAIROBI — Kenya has officially become a one-party state under the ruling Kenya African National Union (Kanu) after Parliament unanimously approved a Bill to amend the constitution to this end. The Bill, stating that "there shall be in Kenya only one political party, the Kenya

Call to hit the litterbugs harder

THE Eastern Cape division of the Keep South Africa Tidy Association wants stricter fines for Port Elizabeth litterbugs.

Mr R M Eppel, the association's East Cape president, says in a news release that last week's Main Street clean-up campaign was a great success.

Last Saturday, the World Day of the Environment, a group of schoolchildren cleaned up a section of Main Street after the Cleansing Department had allowed dirt to pile up for two days.

"We have proved that without municipal cleaning services, our streets would be unfit to walk in," said Mr Eppel.

There were 20 litter bins spaced at 30-metre intervals in Main Street, between Market Square and Russell Road, yet people still dumped their refuse in the street.

The bulk of the refuse was made up of cigarettess, food wrappers and tissues.

"The fines for littering in Port Elizabeth are probably the lowest in the country," he said.

Street littering could earn a R2 fine and picnic spot and beach littering, a R10 fine. The fine for throwing rubbish from a moving car is R10, and dumping garden refuse on open spaces could cost R20.

Mr Eppel pointed out that it was often cheaper for an offender to pay a fine

GENERAL NEWS

'Half the country's hotels threatened'

288
Star 10/6/82

Recommendations by the Competition Board for sweeping changes to the South African liquor industry came under fire today from the KWV and the Federated Hotel Association.

In a statement issued by the KWV, some of the proposals were described as a total blunder.

COULD CLOSE

Dr Ernest Uken, executive director of the Federated Hotel Association of South Africa (Fedhasa) warned that half the country's one-star and two-star hotels could close if the Government accepted the Competition Board report.

The report said the monopoly in the wine and beer industries should be broken up.

Its recommendations were that:

● SA Breweries' shareholding of 30 percent in Cape Wine and Distillers was not justifiable and should be ended.

● KWV, which represents the country's wine growers, should sell its interest in Cape Wine and Distillers.

● Steps had to be taken to end Cape Wine's shared control over the Oude Meester group and Stellenbosch Farmers' Wineries.

"The recommendation that Cape Wine should be dissolved — in spite of the fact that it came into being after Cabinet approval — is extreme and is rejected," the KWV said.

It said the report applied double standards.

"In the case of SA Breweries the board obviously accepted a 100 percent monopoly, but in the case of Cape Wine a 75 percent market share would appear to be sufficient to call for its dissolution."

Dr Uken said if the Government allowed liquor to become freely available in rural areas, this would sound the death knell for many small hotels.

The Minister of Commerce and Industries, Dr Dawie de Villiers, said that the Government immediately agreed to scrap the restriction on the number of retail outlets held by one person.

● See Page 25.

traffic problems. The proposed private hospital at Greenacres was a much better

The problem was not the shortage of beds, but the shortage of nurses, he said.

clothing store, said the balmy weather in May had

All-race liquor store refused

288 Σ·Post 12/6/82

THE Liquor Board has refused an application by the Solly Kramer's chain to be allowed to serve all races at its biggest Port Elizabeth store, in Newton Park.

According to the company's development director, Mr Richard Dimitri, the Liquor Board's refusal to allow them to desegregate the Newton Park store from an exclusively all-white store to a store for all races is "a great pity".

"We firmly believe that no retail store of any kind should be open to only one race.

"We are aware of the problems that can result if the worst kind of liquor buyer is admitted, but our policy is not to allow anyone to shop in our stores should they not behave in an orderly and decent manner," he said.

Mr Dimitri said they would approach the Liquor Board again in due course to reconsider their decision.

Out of a total of 72 applications by Solly Kramer's to have race barriers removed, 68 had been successful.

Four have been refused — in Welkom, Bloemfontein, Port Elizabeth and Springs.

Mr Dimitri said segregation had never been a legal constraint; it was merely a licence condition, imposed by the authorities.

"But, until the Minister of Commerce and Industry relented on this issue, it was impossible to make progress," he said.

"We have experienced no resistance to desegregation to date in any of our stores from any race. I believe this is some proof that artificial race barriers of this kind are out of date," Mr Dimitri added.

Their branches at Walmer, Uitenhage Road and Durban road offer open shopping.

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Move to probe training need

Weekend Post Reporter

EAST LONDON — The Border Metropolitan

"I have also been to see Professor Simon Becker, of Rhodes University who is

The 21-kilometre road will provide vital access to the city's industrial zones for workers from Motherwell — the black township to be developed on the northern bank of the Swartkops River.

"I was against the development of Motherwell from the start," Prof Van der Merwe told Weekend Post. "but now the development is a *fait accompli*, it is essential that the road go through as soon as possible.

In the light of developments taking place in and around the valley, it was imperative that the long-delayed strategy plan for the valley be completed as soon as possible.

On the question of further industrial growth in the valley, Prof Van der Merwe said this had to be tackled on a different level.

"The planned new road has no access to the valley itself and there are no further areas where industry can be allowed — a fact of which the town planners are fully aware."

Swartkops Valley.

Louw calls for provision of 'family hotels'

ARGUS 16/6/82

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Provincial Reporter

THE Administrator, Mr Gene Louw, today asked the hotel industry to provide less luxurious accommodation at reasonable rates for the family man, as part of an all-out programme to attract more tourists to the Cape.

"How on earth can parents with four children go on holiday when one night's sleep, without breakfast, costs them R100 or more?" Mr Louw said.

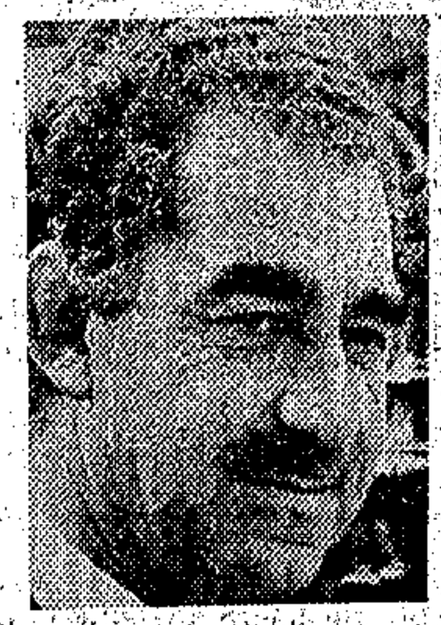
"We must think again. And if the hotel industry cannot offer a solution, then local authorities must help with tourist accommodation."

POTENTIAL

Mr Louw was speaking at the annual meeting of the Cape Hotel, Bottle Store and Restaurant Association on the tourist potential of the Western Cape.

"I would like to plead for more tourist hotels without all the trimmings that go with expected 4-star and 5-star treatment," he said.

"If this is financially not viable, we must pinpoint the problem and search for a solution."



Mr Gene Louw

Mr Louw said the Peninsula's tourist attractions were unequalled in the world. Even the weather during the so-called valley period, from May to October, was better than that in many major overseas tourist areas.

MUCH TO OFFER

"Next to the deciduous fruit and wine industries of the Western Cape, the tourist industry must rank as a major industry in an area which has so much to offer the visitor."

South Africa earned more than R500-million a year in foreign exchange through tourism, while about R1 000-million was spent each year by domestic tourists.

"Cape Town must leave no stone unturned to get the greatest possible share of this cake."

Mr Louw said that tourists were spending less on luxuries and taking shorter holidays because of inflation and increasing travel costs. The Cape had to be aware of this when seeking to attract a greater share of the tourist market.

HOSPITALITY

The aim should be 1-million tourists a year. Mr Louw asked whether the Cape had the infrastructure and hotel accommodation to cope with this market, whether excursion rates were sufficient, whether enough was being done to attract the young tourist, and whether the hospitality and friendliness existed.

"Cape Town has the most favourable tourist ranking in South Africa," Mr Louw added.

"We the public, and you the private sector, in close collaboration with our local authorities, should see that every possible aspect of Cape Town's tourist potential is developed."

Bottlestore owners ignore apartheid rules

Mercury Reporter

SEVERAL Durban bottlestores are flouting petty apartheid restrictions which require them to run a segregated business, according to a snap survey conducted by the Mercury yesterday.

The survey followed the announcement by a major bottlestore chain this week that they had successfully applied to the Department of Commerce and Industry for the desegregation of seven of their stores in Natal.

Although segregation in bottlestores is not a law, it is a licence condition imposed by the Liquor Board, which falls under the Department of Commerce and Industry.

One of the conditions of a bottlestore liquor licence is that the store should have two entrances, one for blacks and one for whites.

But most of the bottlestore owners and managers the Mercury spoke to yesterday said that while they had the required two doors, and in some cases separate sections in their stores, they served any race in any section.

One manager said: 'We have two doors but they are superfluous. Anybody can come through any door, and we serve all races at the same counter.'

Other managers told the Mercury contacted they had the obligatory separate entrances but would like to do away with them.

to

of the road runners join the new club. include Kogie Red- he fine Indian run- who was the first er man home in the Two Oceans and nd (Border) in the 82 rades.

man who has done t work for running. Kevin Flint, veteran 3 Comrades, former ident of Selbornian runners and now orary life vice- ident. Bob de la e, first Border man e in the 82 Com- s, and Tony Spence, Comrades and fifth he 100-miler com- up, will be among e resigning to join new club. Mr Flint be president and Mr is captain.

Norris said the new would run in white re adopting colours would use changer- facilities at the ers Hill complex. hoped to secure own clubhouse.

e former president, Errol Sapire, said: "I ot happy about what happened but it is ably a natural re- of the club commit- s decision not to t more blacks and to go ahead with a ge in the constitu- of the club to allow to become mem- of the main club."

Thiele said they d do their utmost to the Selbornian ing club going. "We a steering commit- and we will have a general meeting to a new committee," aid.

e club president, Mr Roux, was in Cape n yesterday and d not be contacted. R

TV personality, Adrian Steed, and Miss Pumla Maqubeza, head of protocol in the Ciskei Government, at the opening of the Amatola Sun Hotel at Bisho yesterday. Four hundred guests attended a banquet to mark the occasion.



Most garage owners on call

EAST LONDON — Local garage owners would be "unlikely" to open 24 hours a day to provide petrol in the new after-hours petrol scheme which started yesterday.

This was said by Mr Tubby Grenfell, chairman of the Border division of the Motor Industries Federation.

His statement is further supported in that not a single garage has advertised as to whether or not they would be selling petrol and where they could be contacted after hours.

However, Mr Grenfell said garage owners would be on call and could be reached by telephone.

Meanwhile, a Port Elizabeth newspaper reported that only a few garages would supply petrol after hours while in Grahamstown, garage owners will leave telephone numbers either pinned to the doors of their business or at the police station to enable those in need to reach them.

In terms of the new scheme, which replaces the old permit system, a R5 charge will be made to anyone wanting petrol after hours. — DDR

Sebe: new spirit brought to area

BISHO — Top businessmen from America, France and Italy would be visiting Ciskei shortly, President Lennox Sebe said yesterday.

Opening the Amatola Sun Hotel, he said: "Our register shows that 674 top decision-making executives from different countries have visited Ciskei".

Addressing 400 guests at a buffet luncheon, President Sebe stressed Southern Suns would bring a new spirit to the area.

"People who fear change are people who have been hoarding their money and are so stubborn that they ignore the writing on the wall and despise reality, thereby climbing on the crumbling branches of the old three — apartheid.

"The days are gone when businessmen who aimed to be millionaires hoarded their money for generations and turned a blind eye and a hardened heart to the social problems of the people who supported their businesses. This is one of the sad diseases of South Africa."

President Sebe called on Ciskeians not to see the Amatola Sun "as a place for imbibing and other degrading excesses."

"Let it not develop into a hotel causing us to hang our heads in shame for the existence of a blot on the map of Bisho.

He said his government planned measures to draw businessmen and tourists in large numbers to Ciskei.

President Sebe recalled how he had approached Southern Suns' managing director, Mr Sol Kerzner, last year about building a site for the December independence celebrations.

"I explained that we did not even possess a deposit — my deposit is the Ciskei nation. Those words pierced his heart and he said he understood."

President Sebe said Southern Suns had a bright future in Ciskei. — DDR.

'each sewage lan decried

T LONDON — A ge pump station at oon Beach would an adverse effect e surrounding area, chairman of the , Liquor and Cater- Association of the er, Mr Jack Rosen- said yesterday.

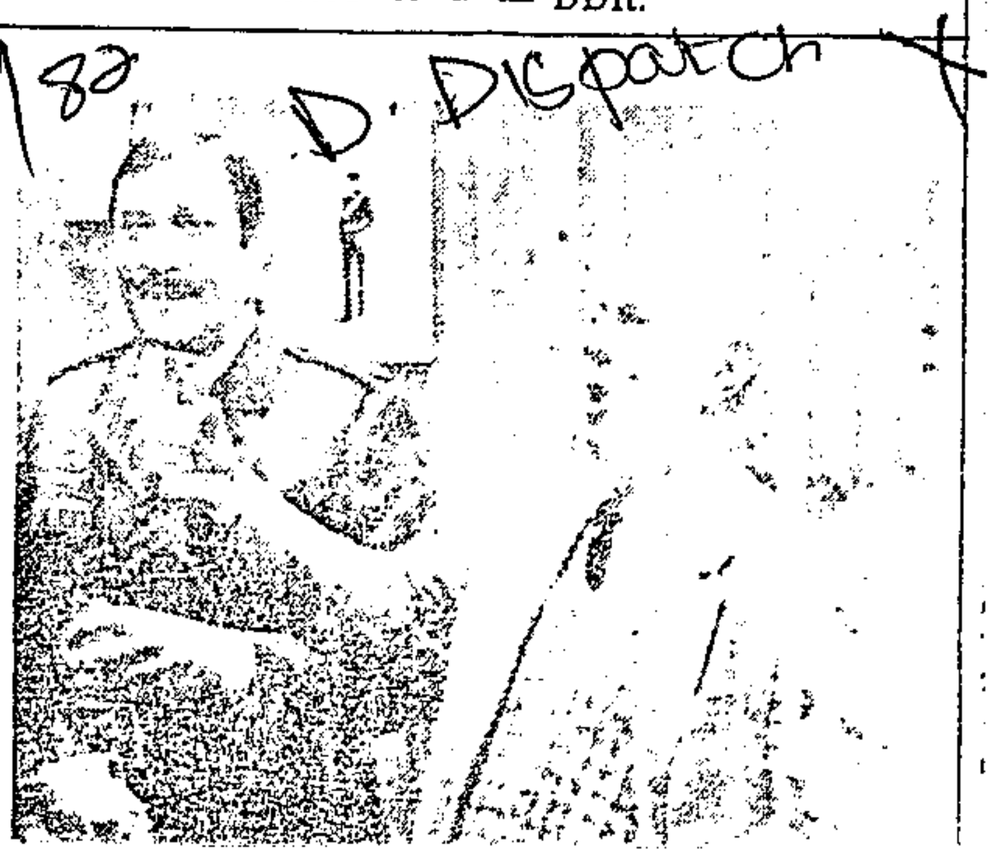
make any difference to the effect such a unit would have on Nahoon Beach.

"Apart from any smell nuisance, the stigma that is attached to a sewage plant will not be removed by calling it a botanical garden. This is one instance when cost

KRs' time to remember

19/6/82 D. Dispatch

EAST LONDON — It might be an odd sort of occasion to commemorate with a yearly gathering — the fall of Tobruk to Rommel's forces and the capture of most of the regiment — but that is what the Kaffrarian Rifles Associa-



Kerzner: hotel lays foundation

BISHO — It was likely that Southern Suns would develop a casino-hotel resort in Ciskei with unique features, the hotel chain's managing director, Mr Sol Kerzner said here yesterday.

At the opening of the Amatola Sun Hotel, he said: "Very shortly we shall be coming forward with proposals for further development of hotels in Ciskei.

"Potential benefits for Ciskei must be substantial to warrant development. Foreign exchange earnings and employment opportunities would have to be significant.

"If our feasibility studies conclude that these possibilities are realities, we will come forward with firm proposals. It is very likely we will."

Mr Kerzner said meetings with President Lennox Sebe had made it clear that the Amatola Sun would lay the foundation stone for the development of a tourist industry in Ciskei.

He made no mention of a proposed site for the casino.

However, at a press conference before the hotel opening, Southern Suns' General Manager, Mr Peter Bacon, repeatedly referred to a "coastal resort".

Ciskei's Vice President, the Rev W. M. Xaba, said earlier this week that he would like to see the casino sited in the Whittlesea area.

Mr Bacon said yesterday the the "envisaged hotel on the coast will attract a significant amount of visitors."

He said the proposed casino-hotel would not be on the scale of the Bophuthatswana Southern Suns resort as there was not a large enough local population to support a project on that scale.

"Guest entertainment will have a high profile," he stessed, however.

The Ciskeian National Development Corporation (CNDC) and Southern Suns are equal shareholders in the Amatola Sun.

Asked whether Ciskeians would be allowed to buy shares in Southern Suns Ciskei, the CNDC's managing director, Mr Frans Meisenholl, said: "It is visualised that this will happen once the project is profitable."

The R6 million Amatola Sun Hotel, which meets four star standards, has 62 bedrooms and a grill room and buffet to seat 120.

Up to 300 can be accommodated in the Lennox Sebe conference centre and the hotel has two bars. — DDR.

BOTTLE STORES (288)

Licence dilemma

FM 25/6/82

One of the Competition Board's proposals for the liquor industry (*Business* June 11) is that retail licences should be granted more freely to eliminate their scarcity value.

The implications have had little public airing, but there is growing concern over the licence issue in the trade. Although the Board proposes that such changes be brought about "gradually and with full notice," the liberalisation of the system will inevitably involve existing licence-holders in losses. The prices they paid, after all, included the value of the scarcity element.

There is particular concern over the effects of opening up the urban black area to legitimate liquor trading and the possibility of wine and perhaps beer being used as loss-leaders in supermarkets. Small one and two-star platteland hotels, the thinking goes, will be particularly hard-hit.

Fedhasa's chief executive, Dr Ernst Uken, says the current statutory basis for granting retail liquor licences is tied to the strength of the voters' rolls. But these are no longer a secure basis for predicting total sales and hence the goodwill value — especially in the light of the rise of the black market.

A retail liquor executive says the current forced sale of outlets from the Solly Kramer chain and Western Province Cellars is hurting the value of goodwill anyhow. Interestingly, the total goodwill currently attaching to any given store can vary surprisingly — from R10 000 up to several hundred thousand rand.

It is very hard to say what proportion of such a variable total is related to the scarcity of liquor licences but it might be fairly modest in present circumstances. Significantly, in many large centres, hotels have not availed themselves of their off-sales' licences. In Durban there are 20 unused hotel off-sale licences, in Cape Town 15-20 and in SA as a whole, perhaps 7,5%-10% of hotels have not exercised their rights. In the platteland, though, most hotels have taken up their licences.

In short, Uken doubts whether retail liquor merchants still regard a licence as a "gold mine." Fedhasa, says Uken, believes that liquor must continue to be marketed on a "socially responsible" basis with special regard to the age of purchasers, the volumes sold to individuals and the hours of trading.

The position of country hotels is more vulnerable than the trade in general. Both Uken and the liquor executive say that it would not be in the national interest if cheap accommodation were no longer available on the long hauls between SA cities, through loss of the cross-subsidy from liquor sales. One possible solution would be to revise the grading system for country hotels to permit the establishment of a pension system.

The establishment of legitimate liquor outlets in the black areas would also lead to something of a shake-up because the liquor currently sold to blacks through illegal outlets is first bought retail in adjoining areas. If black liquor retailers take over a legitimised trade, this vast volume will eventually be switched to wholesalers or manufacturers.

Southern Sun R120-m Durban hotel plan

Own Correspondent

DURBAN — Southern Suns managing director, Mr Sol Kerzner, yesterday announced plans for a R120 million hotel and conference centre area which would revolutionise Durban's Old Pavilion site on the north beachfront.

His tender for the area was the only one received by the Durban City Council.

The hotel group's plan includes:

- The building of a 36-storey hotel tower block.
- A 30-storey apartment block.
- A dolphin lagoon.
- Conference facilities for 2 000 delegates.
- An international market where traditional Durban traders could sell their goods at any time day or night.
- An overhead bridge across Marine Parade linking the tower block to the international market.

CONDITIONAL

Mr Kerzner said that his group could not go ahead and develop the centre in isolation. The tender was conditional.

Durban's position as South Africa's foremost holiday city was tenuous at best. Southern Suns would require an undertaking from the city council that it was prepared to work together with private enterprise to drastically improve recreation and entertainment facilities on the beachfront.

The international market was also a condition laid down by Mr Kerzner.

The idea behind it was to create a facility which would capture Durban's unusual atmosphere.

Traditional traders of all races would be able to sell goods at all hours.

The conference facilities would be the biggest in South Africa.

GREEN SPACE

Mr Kerzner and his design team made a quick trip around the world to look at other conference facilities before designing their them.

"We have come up with a plan unlike anything in the world."

The total area covered by the plan was four hectares but more than half of this space, pools and parking.

There would be underground and on-ground parking for 900 cars.

The waterworld or lake would be brought right into the lobby of the hotel and would include several islands where bars and restaurant facilities would be located.

OPENING DATE

It would take two years to prepare detailed plans. The building period would be about four years and the group was looking to 1988 for the opening of the centre.

The chairman of the city council management committee, Mr Neil MacLennan, said that officials would examine the proposals, which looked most promising.

R20-m beach plan for PE

Own Correspondent

CAPE TOWN — Kaap Kunene is to undertake a R20 million beachfront development at Port Elizabeth, the chairman, Mr P du Preez announced at the annual meeting in Cape Town yesterday.

Kaap Kunene's property development company, Wonderwonings Eindomme, had obtained a property at Summerstrand for R750 000. It was planned to build 200 cabana-type houses in the next five years.

The company had also obtained a smaller site in the area and planned to build 22 living units on it next year. This development would cost about R2,5

developing a game reserve on the coast in the Bredasdorp district. The reserve would be "a jewel among game reserves."

Seaside holiday houses would be built along the beach next to the game reserve.

For the first time in several years the fishing industry had filled itss pilchard quota of 30 000 tons. The pilchard resource seemed to be improving but it was unlikely that the quota would be raised for several years.

The Peruvian fish-canning operation in which Kaap Kunene had a half share, had been helped by the recent devaluation of the Peruvian currency.

Interest l

The South African Agricultural Union expressed "shock" last night at the latest 2.25 percent increase in the Land Bank's short-term interest rates.

From toda have t percent production In a staten Pretoria president Wilkens.

Stanbic gets 4 of the Unisec

Standard Bank Investment Corporation (Stanbic) has gained control of 41 percent of the Unisec group.

The bank announced today that it had been offered, and bought, for cash consideration of R17,3 million, 85 percent of the shareholding of certain non-resident shareholders in Tolux. These shares represented 67,5 percent of Tolux's issued share capital.

BANKS STAKE

Tolux has a 33 percent interest in Hesperus Holdings which in turn, holds 41 percent of Unisec. On April 1 Stanbic announced that it had bought about 19 percent of Hesperus's ordinary share capital as a long-term investment.

"At that time the acquisition of any shares in Tolux was not whithin the contemplation of Stanbic," the bank said today.

This earlier investment plus the 33 percent Stanbic now controls through Tolux brings to 52 percent

the bank's sperus

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Disappointmer

Barbican Industrial Holdings has earned 15.85c a share in the year ended February 28, 1982 and will make a capitalisation issue of five shares for every 100 ordinary shares of 25c each nominal value to shareholders.

Net operating profit before interest, depreciation and white downs amounted to R4.85 mil-

to shareho uary, 1982 background nomic slo the contin tion of a operating c well as t conserv while inter at high lev has made write-down

NILFISK Industrial

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The company had also obtained a smaller site in the area and planned to build 22 living units on it next year. This development would cost about R2,5 million.

The company was also taking the lead as a senior partner in developing a game reserve on the coast in the Bredasdorp district. The reserve would be "a jewel among game reserves."

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The Peruvian fish-canning operation in which Kaap Kunene had a half share, had been helped by the recent devaluation of the Peruvian currency.

Mr Du Preez said that aap Kunene's cash assets were equal to 76c a share.

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don and Luxembourg.

INTERESTS

The acquisition wi not expected to have materia effect on Stanbic's net asset value o earnings a share fo the financial year ending December.

Unisec is an investment holding company whose main interests are wholesale distribution (L Suzman and M L Wholesalers), property (Unidev), textiles (Berg River(Horrocks financial services (Metboard, Security Executor) and trade servicing (Gulf Steel Pickfords).

Disappointment at

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At year-end net tangible asset value a share was 64,25c, and the group achieved a turnover of R32,47 million, though Hendlers contributed for only five months.

The earnings figure compares with the 300c forecast in the circular to shareholders in January, 1982. Against the background of an economic slowdown and the continued integration of a number of operating companies, as well as the need to conserve resources while interest rates are at high levels, Barbican has made a bumber of write-downs as well as providing fully for redemption of preference shares to year-end.

The results are, in the view of the directors, disappointing, but they say that it should be taken into account that:

● In the automotive division no rationali-

Sage Fund distribution hits highest peak

Sage Fund has announced an income distribution of 18,5c a unit for the six months ended June 30, 1982, highest distribution in the fund's history.

The distribution for the six months is 24,2 percent above the 14,9c a unit declared in June last year. Total distribution for the past 12 months amounts to 34,0c a unit, which is 31,8 percent above the 25,8c a unit distributed in the previous 12 months. — Sapa.

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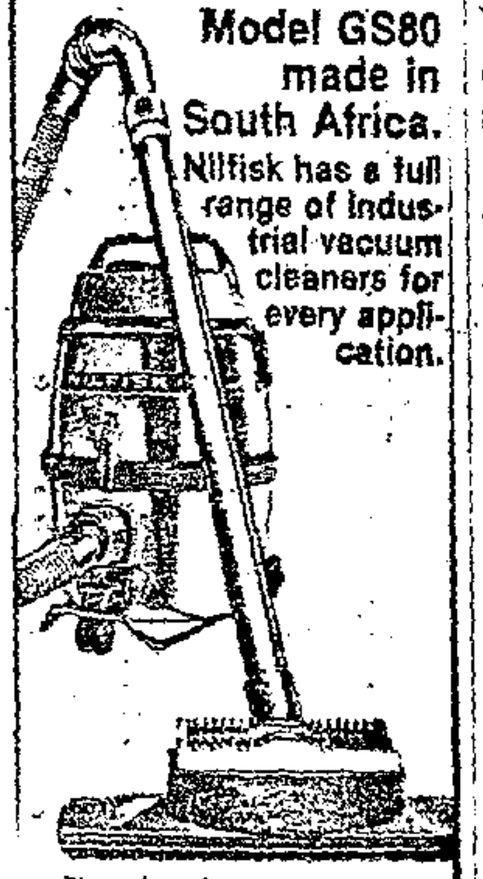

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NOTICE TO SHAREHOLDERS

Closure of Harare Branch Register

The Harare Branch Register of Lonrho Public Limited Company (formerly Lonrho Limited) will be closed with effect from 2 July 1982.

Members of Lonrho Public Limited company whose shares were registered

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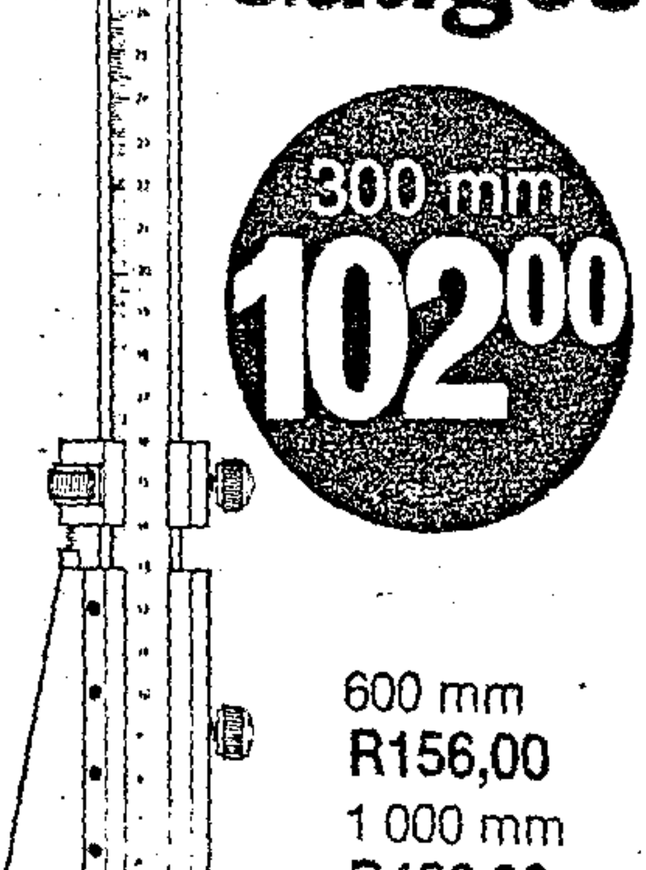

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Some waitresses 'earn less than legal minimum'

By JANE STREAK

CELEBRATIONS over news of their their first salary increase since 1976 were short-lived for some hotel waitresses in Port Elizabeth.

When pay day came round they discovered they were still being paid well below the minimum wage.

Despite the gazetted increases at the beginning of May, certain hoteliers appear to be underpaying their staff.

At the time of the increase some waitresses were receiving only R76,95 a month. The minimum was R85,14 under the old legislation.

A waitress starting now should get R160, one with two years' experience R171, and thereafter R182.

At a city hotel, which has just been taken over, a waitress who had been working there for one year and eight months told Weekend Post she was known as a "tray waitress".

She worked from 7am to 5.30pm without a break, and for this she received R117 a month.

She had meals at the hotel but still had pay R6,40 for bus fares and support two children.

Mr Michael Horn, the owner, explained that he had only taken over the hotel at the beginning of the month and he had not yet looked at the wages.

"But I'll be working according to the law."

A waitress at a beachfront hotel told me she had been given a substantial increase, from R76,95 to R136.

She had three children and her parents to support on this figure. Her bus fare was R12,40 a month and she had no husband to assist her with the monthly bills.

The owner of the hotel, Mr Reg Shamley, said he was not aware of what wages his staff were being paid because it was the bookkeeper's department.

He did, however, say the staff were not being underpaid and employees were receiving the figure laid down by the Government.

"The waitress is getting more than she should be and if she is not happy she can complain to the relevant Government department," he said.

When asked whether the waitress would not be too scared to complain in case she lost her job, he said she wouldn't have to worry because there was such a shortage of trained staff.

"We are even getting staff from the African states because of the critical shortage," he said.

The bookeeper at the hotel said she paid the waitresses the correct wage of R160, after which R24 was deducted for board and lodging.

"There are living quarters and they get three meals a day. They work one of two shifts and if they finish off at 3pm they can go home.

A waitress at another city hotel previously interviewed by Weekend Post said she now earned the correct wage of R160, but R18 was now being taken off by the hotel for food every month. Bus fares cost R6,40 and she still had to support her three children.

Deductions for full board and lodging can be as high as R36 — as laid down in the Government Gazette.

Waitresses at one hotel seemed to be earning well. One who was employed at a beachfront hotel in October, 1980, said she was paid R185 a month.

Her overheads were still high, though, and she paid R22,60 a month bus fare, house rent of R28,90 and also had two children to feed and clothe.

Her husband was in jail so there was no one else to assist her.

She worked three shifts a day, six days a week, and received three meals a day.

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2. Blue or black ink must be used for written answers. The use of a ball point pen is acceptable. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
4. Do not write in the left hand margin.

2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

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Making a meal of a mix-up

288
14/7/82
RDM

THE MELTING POT

A MAIL INVESTIGATION led by LIN MENGE

PERMIT? We don't need permits. The restaurants are all open now.

That is what many unlicensed restaurateurs in central Johannesburg believe. And if they do know about permits, they can't be bothered applying for them.

"You're very welcome. Just come along."

"Any customer is as good as any other. The money is the same."

"No problem."

"I don't bother with permits — I just use my common sense."

"Blacks can come, though we don't have a licence for them. But not at lunchtime, because we have only a few tables. And they must sit in a corner."

Even licensed premises tend to be open. A Chinese restaurant was a firm exception: "We don't think other races would like our food. Also, we think our customers would object. These things must be taken slowly".

Of two city restaurants particularly popular with all races, one has a permit, the other has not. A hamburger chain has some branches open, some not. Rand International Hotel restaurants may not yet accept other races.

The confusion does not worry Mr Nigel Mandy, chairman of the Central Business District Association, which has been instrumental in obtaining 19 permits for restaurants to serve all races.

"As far as I'm concerned Johannesburg is wide open," Mr Mandy said. "Some restaurateurs won't accept it, but in most cases it's pure socio-economics that counts."

He believes the confusion is healthy in the transitional stage in which the central city finds itself. That is why the CBDA opposed a plan to put up special signs outside multiracial restaurants.

"The word gets round very quickly — you soon see which are the popular restaurants. If you did not carry a sign and you were seen accommodating a black customer, someone might report you. If you applied and were refused permission and therefore could not carry the sign, you would be condemned as a racist."

The CBDA is happy to help restaurateurs apply for permits, just as it has supported and helped with the implementation of changes in staff canteens, in theatres and in offices.

"What one needs to control is not race but security and behaviour," says Mr Mandy. Strict enforcement of good behaviour and dress appropriate to the particular category of restaurant has been, and still is, the rule at the Carlton Centre, where he was formerly general manager. But it is a management, not a political matter.

Mr Cassim Saloojee, chairman of Actstop, thinks the present confusion is "crazy".

"People are being insulted and humiliated daily," he said. This was because the restaurateur who did not bother with a permit might one day accept a black customer and the next day reject him because he felt his presence might offend a particular white patron.

An Indian attorney said he was recently at court with a white client. When the hearing adjourned, both were dying for a cup of tea. But the woman could not enter the nearby black restaurant, her attorney could not enter the white coffee bar. So they went without.

A spot survey of city restaurants in the lunch hour, outside of the Carlton Centre, showed little mixing. Only one or two tables were occupied by Indians, coloureds or blacks at the OK Bazaars restaurant in Eloff Street (mostly elderly whites), Edgars, the Skywalk and the "take-away with tables" in the African Life Building Arcade. The same applied to various coffee bars.

One city snack bar regularly seats members of all races, and a confectioner's filled with whites enjoying their elevenses had a single, middle-aged black patron sipping his tea in their midst.

Mike's Kitchen, which admitted blacks even before its long battle to obtain the international licence it now holds, has fewer than five percent custom of other races.

Why? "Maybe it's the prices, maybe the novelty has worn off, maybe it is because other restaurants now admit blacks."

The name of the game is all-race fast foods and take-aways. The Mail sidewalk survey recorded 61 cafes and take-aways, some of them with elbow rests, and more than 70 restaurants and snack bars. Fast foods is coming to the basement of the old John Orr's.



In Johannesburg there are white restaurants, and black restaurants, and white races may sit down for tea or a meal and be made welcome — or be asked to leav

Pictures: ABSALOM



staurants where all

There were also 10 "native eating houses" or "chesa nyama" — which means a place where you can buy and grill meat to have with your porridge. Now of course the meat comes ready cooked. These are always busy.

One, near a liquor store, turns into a shebeen shortly before closing time. Briefly, gloriously, the patrons shout and stamp and sing and down their beer around the plastic-topped tables. A rare burst of life in the dead early evening city.

GENERAL NEWS

Fewer people use hotels, says report

Own Correspondent

Room and bed occupancy at hotels has slumped. In May this year, about 80 000 fewer room-nights and about 148 000 fewer bed-nights were sold than in May last year.

The average room occupancy in May this year was 9,3 percent lower and the average bed occupancy 12,5 percent lower, than in May last year.

Figures released by the Bureau of Financial Analysis of the University of Pretoria reveal that, in the months from June last year, the average room occupancy was 1,5 percent lower and the average bed occupancy 3,4 percent lower than in the corresponding period in the previous year.

In the first five months of this year, average room occupancy and average bed occupancy dropped compared with the first five months of last year. Average room occupancy was 4,2 percent lower and average bed occupancy 6,2 percent lower.

Two-star hotels, with a drop of 7,8 percent, showed the lowest decrease in average room occupancy for May this year. All gradings showed decreases, ranging from 8,9 percent for three-star hotels to 13,4 percent for one-star hotels.

The picture was even bleaker for average bed occupancy and none of the gradings showed an increase. Decreases ranged from 11,2 percent for five-star hotels to 15,3 percent for one-star hotels.

The biggest decreases in room occupancy were in Durban (18,1 percent), followed by motels (11,8 percent), Cape Town (10 percent), and the rest of the Cape Province (8,3 percent). All of the other regions — except the rest of Natal with an increase of 2 percent — experienced a drop in room occupancy.

Average bed occupancy in the rest of Natal showed the highest increase (2,3 percent) followed by residential hotels (0,8 percent). Eleven of the 13 regions had decreases in average bed occupancy — the biggest drops being in Durban (24,8 percent), motels (17,4 percent), the rest of the Cape Province (14,7 percent) and the Free State and Kimberley (11,6 percent).

CITY HOTEL OCCUPANCY DROPS 10 pc

ARGUS 16/7/82 28P

THERE was a 10 percent fall in the number of beds and rooms occupied in Cape Town hotels in May this year compared with May last year, figures issued by the Bureau of Financial Analysis at the University of Pretoria show.

But total gross income went up by 8,8 percent compared with an average increase of 9,9 percent for the country as a whole.

The bureau points out, however, that no assumptions can be made from this gross figure about the profitability of hotels.

Figures given for average occupation of rooms and beds in other parts of the country in May all show a drop in comparison with the previous May, except for Natal excluding Durban and the north and south coast.

The rest of Natal showed an increase of 2 percent in room occupation and 2,3 percent in bed occupation and an increase of 11,8 percent in total gross income.

HARDEST HIT

The hardest hit in terms of room lettings was Durban, where occupation of rooms fell by 18,1 percent and of beds by 24,8 percent. Total income fell by 0,3 percent.

In the rest of the Cape, room occupation fell by 8,3 percent and bed occupation by 14,7 percent.

But total gross income rose by 17,8 percent. This was the biggest rise for the whole of the country except for Natal (excluding Durban and the north and south coast, where it rose by 21,4 percent.

288 MOH 17/7/82

More hotels should 'open to all races'

Mail Reporter

LOWER grade hotels should consider opening their doors to all races to up the occupancy which had been hit by recession, the president of Federated Hotel Owners Association (Fedhasa), Dr Wynand Pretorius, said yesterday.

Dr Pretorius was commenting on a report by the Bureau of Financial Analysis of the University of Pretoria which showed that in May this year room occupancy was down 9,3% and bed occupancy 12,5% from the same month last year.

Dr Pretorius said this decline had been expected as a result of financial recession which meant that less money was available for things like holidays and business trips.

He expected no relief for hotels for at least another 18 months.

"We have no new lower grade hotels and so we cannot afford to allow any of these to close," he said.

"These hotels should consider applying for permission to open their doors to all races. This may be a way to alleviate the problem."

Dr Pretorius said two-star hotels had been least affected because people had been opting for the cheaper hotels. The worst hit were the tourist hotels, but he did not expect any to close in the near future.

(288) Star 9/7/82

Luxury hotels rising out of the recession

By David Braun

In spite of forecasts of falling occupancy rates as the economy sinks into recession, major hotel groups continue to make plans for bigger and better premises.

Southern Suns has recently announced plans for two "third-generation complexes, one in Durban and the other in Johannesburg.

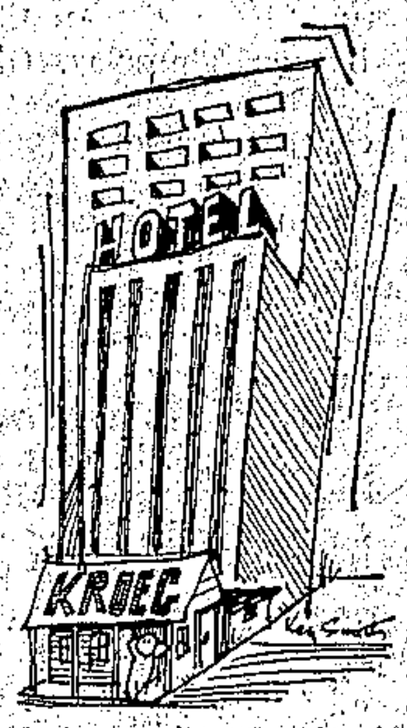
In Durban, the five-star 600-room hotel and convention complex will cost in the region of R120 million, while the Johannesburg venture will involve 800 rooms and R100 million.

Apart from these, two hotels will be opened in October next year: a 370-room top-class complex in Cape Town and a 320-room hotel in Sandton.

Holiday Inns recently opened its luxury complex in Sandton and refurbished its downtown Johannesburg President while the Carlton, also in Johannesburg, was busy constructing a new wing designed to be the ultimate in luxury.

The confidence of the hotel industry in the economy was borne out last week by the report of the University of Pretoria's Bureau of Financial Analysis of a survey into the hotel industry in 1981. The results were compared with a similar poll made in 1978.

In all, the survey covered 344 hotels — 26 percent of the country's fully licensed hotels and 40,8 percent of the available number of rooms.



It found that while accommodation tariffs were substantially increased over the three years between the surveys, from an average bed-only tariff of R8,94 a night to R14,19 a night (an increase of 58,7 percent), the cost of staying in South African hotels was still well below those in most other parts of the world.

"This augers well for the local industry, specially now that South African Airways has introduced meaningful concessions for foreign tourists. The combination of travel concessions and competitive hotel tariffs will do much to boost tourist occupancy," says one hotelier.

One finding of the survey which lent weight to the view of hotel developers that there was no danger of a surfeit of top-grade accommodation, was the dramatic increase in room occupancy of three, four and five-star hotels.

"The room occupancy for these hotels increased to approximately 75 percent which compares very favourably with the worldwide average of 71 percent," said the report.

"In the 1978 survey South African hotels lagged far behind the world average of about 73 percent."

The Bureau found that the "Top 20" hotels improved their average return which the owner received on capital invested in the business from 15,7 percent in 1978 to 27,5 percent in 1981 (the average of all hotels surveyed was an improvement from 7,7 percent to 8,2 percent — a result considered to be extremely poor in view of the average prime interest rate in excess of 15 percent for the same period).

In the same period the return on total assets employed by the Top 20 doubled from 13 percent to 26,1 percent, against a figure of 17 percent normally expected in other sectors.

These results demonstrate the sound footing achieved by the top end of the hotel industry and indicate that big hotels are big business. Expansion plans should be seen against this backdrop.

BLACK-OUT ON MIXED DRINKING?

WC/G ARGUS 24/7/82
288

RURAL hoteliers, already facing a shrinking platteland population, now have another challenge — racial mixing.

By Sylvia Vollenhoven

It was tossed at them this week by Dr Wynand Pretorius, newly-elected head of the Federated Hotel Association of South Africa (Fedhasa).

But it seems that battling with bankruptcy is preferable to blacks in the bedroom, dining room and, "God forbid," (said one hotelier) "drinking in the bar."

Dr Pretorius suggested that opening doors to blacks could ease the cash crunch being felt by one and two-star establishments that survive mainly on dorp drinking habits and occasional travellers.

COMMENTS

Weekend Argus canvassed the comments of 20 hotels and motels from Malmesbury to Messina.

"Oh, no. Not as long as we are in this town. It is unthinkable. It will lead to chaos ... absolutely!" said Mr P A de Vries of the Devon Hotel in the southern Transvaal.

"No. There is still too much hatred between the races," said Pofadder hotel manager, Mr Stan Wilson, after long contemplation.

Mr G Rossouw, of the Grand Hotel in the southern Transvaal town of Heidelberg, objected strongly to "this keen desire to throw everything open" to blacks.

"We don't go into their locations and their beer halls to drink. Why must they come here?" he asked.

At Brits, also in the Transvaal, black people may eat at the Mollani Hotel but there is "strictly no drinking" for them.

"You can't risk that kind of thing on the platteland. If there is drinking a black man will not last five minutes before he gets beaten up. The same will happen to us if we go into their drinking places," said Mr Pieter Moll, the Mollani owner.

"OLD BOERE"

Mr Paul "Seun" van Vuuren of the Leeudoringstad Hotel, between Kimberley and Klerksdorp, summed up the feelings of most of the hoteliers: "We are only a plaasdorpie and here we still have the old boere. You know how they are; new things have to be initiated very slowly."

Only two of the 20 hotels canvassed — at Worcester and at Messina, northern Transvaal — have applied for "international" status.

Five others — at Caledon, Kamieskroon and three on the West Coast — said they might follow suit.

"We have so many requests and it places us in such a predicament when decent blacks have nowhere to go," said Mrs C Swart of the Kamieskroon Hotel, in Namaqualand.

"Once a group of coloured politicians of the Freedom Party were having lunch under the tree by the river and I invited them inside. It's a question of humanity, not politics."

One owner was prepared to "wait and see" how racial mixing progressed elsewhere on the platteland and another said she might relent and take "educated blacks" but that the locals were definitely out.

"The black man who can adapt himself to our lifestyle or the educated ones are different," said Mrs M J Mans of the Excelsior Hotel in Strydenburg.

However, Dr Pretorius said many difficulties could be overcome if the hoteliers realised that black people had been "deprived of these privileges up to now — we have to teach them how to use these facilities.

COMFORTABLE

"When a black chap enters your place, it's a new experience. The man may not know how to act. You must be conscious of this and tell him what he may not do, so that he feels comfortable.

"For example, advise him that in terms of the Liquor Act he can't order a dozen beers at one time. With Europeans you accept that they know these things," he said.

Dr Pretorius said his suggestion was not prompted only by economic concerns.

"There are other reasons. This is a privilege the Minister has opened for other races and I think we should look in this direction. It's no use the Minister saying we can do it and then we don't do it.

"Also, black people may need these facilities."

WEATHER forecast

Hotels want to serve all races

288

5/8/82 Mercury

Mercury Reporter

MANY one- and two-star hotels in Natal have applied or intend to apply to the Liquor Board for permission to serve members of all races.

Mr Tony Lack, secretary of Durban's Hotel and Bottlestore Association, said yesterday that he knew of 'quite a number of hotels' which intended to apply for permission to serve all races and 'several' which had already done so.

'Business will be tough during the recessionary period.

'Hotel-owners have to look for ways to attract customers — this is one opening for them.'

Mr Lack said a convention of Natal hoteliers was to be held on August 18.

Storm in a tankard

By CAS St LEGER

A FIERCE row is brewing over the Competition Board's recommendation that beer be sold in supermarkets.

Hoteliers and bottlestore owners are foaming at the mouth at the suggestion in the board's report, tabled recently in Parliament, which would result in the alcoholic beverage being as freely available and as convenient to purchase as orange juice.

At the head of the ferment is Dr Wynand Pretorius, president of the Federated Hotel Association of Southern Africa (Fedhasa), which represents hoteliers and bottlestore owners throughout the country.

Fedhasa and its 2 000 members were unanimous, said Dr Pretorius, in agreeing that supermarket sales of beer would not be in the interests of society. But his arguments have been heavily disputed by the Housewives League and a supermarket spokesman.

Who will suffer if beer is sold in supermarkets?

Dr Pretorius said beer sales from supermarkets would:

- Lead to increased alcoholism among housewives and teenagers; and
- Result in a loss of sales to liquor outlets of up to 70 percent.

Loss-leader

Supermarkets had adopted the policy of using wine as a loss-leader, he said, which had resulted in losses of wine sales to bottlestores as high as 70 percent. Even higher losses could be expected on beer sales if supermarkets followed a similar loss-leader policy on cutting beer prices.

Ten years ago, only one in 10 women was an alcoholic; today the figure was three in 10, said Dr Pretorius.

It was a misconception and an irresponsible argument, he added, to speak of beer and wine as being "softer" beverages than a drink such as brandy. A drinker consumed a tot of brandy, a glass of wine or a "pint" of beer. The actual alcohol consumed was similar in each case.

Beer, a potentially dangerous substance which could become addictive, must be marketed in an orderly, controlled fashion through liquor outlets.

Stigma

"There is still a stigma," he said, "in the housewife walking into a bottlestore and buying liquor.

"But now, when she is buying her groceries, she can slip a bottle of wine (or a six-pack of dumpies) into her supermarket trolley."

This situation was likely to lead to increased alcohol consumption among teenagers, too, according to Dr Pretorius.

The 'alcoholic wives' or the liquor outlets?

Said Mrs Yvonne Forshaw, vice-president of the Housewives' League: "I am amazed at the suggestion that three out of 10 of our members are alcoholics!"

Although the league had not yet discussed the report, Mrs Forshaw felt that the Competition Board should possibly have examined the problem closer to its source: the breweries.

As far as the housewife's presence in a bottlestore was concerned, she commented: "Do you have to have a husband to drink?"

Hotels and bottlestores had already proved their failure to control the system, as youngsters did obtain alcohol. There was little danger in the supermarket situation, she said, as long as there was control on the checkout points.

"It's poppycock! They're like a lot of adolescents!" said Mr Vaughan Johnson, liquor buyer for a major supermarket chain in reaction to Fedhasa's standpoint.

Promoted

The Competition Board report confirmed recommendations made by the Milan Commission in 1960 that the consumption of low alcoholic beverages such as wine and beer should be promoted in preference to spirits, said Mr Johnson.

Wine licences had been granted to grocers in that year and supermarkets had been very successful in promoting the "moderate consumption of natural wine".

"I see no reason why the same should not apply to beer as it is also a light beverage consumed alongside food," said Mr Johnson.

Hotels face dip of R20m and worse to come

By GEOFFREY ALLEN

SOUTH Africa's hotel industry — already facing a R20-million knock in the current financial year — continues to plunge, according to statistics released in Pretoria yesterday.

But international tourism to South Africa showed an increase with 4 563 more tourists coming to the country between January and March this year than in the comparable period in 1981.

The Bureau of Financial Analysis at Pretoria University said the figures showed local tourism was on the wane.

In June, 85 000 fewer bed nights (calculated for each bed occupied in a room) were occupied than in June last year.

The overall drop for June of 6,2% was better than the May figure of 12,5%, but a bureau spokesman, Mr Schalk Schoombee, said it was clear the hotel trade was continuing to slide.

"When you reckon that, nationally, hotels rent out 31 500 000 beds a year, then even these apparently small drops are huge."

He said calculations showed the industry would lose R20-million overall this year.

The turning point had been October last year, he said.

The total overall income of the hotel industry had risen by 14,5% over the 1981 financial year, he said, against an inflation rate of 16%.

Figures released by the Organisation of Economic Co-operation and Development in London show that world tourism is on the increase, despite universally depressed economies, with an increase of 4% in 1981 over 1980 — and the continuing trend is upwards.

Department of Tourism figures tabled in Parliament in South Africa indicate that international tourism is on the increase in the Republic.

Between January and March this year 185 294 overseas tourists visited the country.

Only 180 731 tourists visited South Africa during the same period in 1981.

Italy reels under flood of on-cheap foreign visitors

ROME. — Faced with a record influx of foreign visitors, some Italians are longing for a return to the days when tourists were wealthy aristocrats who stayed in the best hotels on their grand tour of Europe.

More than 20-million foreigners are expected this year, at least 25% more than in 1981, and the estimated R8 000-million they spend will be a welcome economic boost.

Italy is reaping the rewards of a successful fight against urban guerrilla warfare and a deliberate campaign to attract foreign holidaymakers through subsidised petrol and motorway tolls.

West Germans in particular have benefited from lira depreciation against the mark to rediscover Italy as their traditional holiday venue, followed by the Dutch, Scandinavians and British.

However, a recent study compiled for Venice showed that most of its visitors were day-trippers who made a bee-line for the famous St Mark's Square and then left.

dents of the two cities.

Thousands of the tourists are young people who sleep in front of the railway station because they cannot find or afford hotel rooms.

A city hotel porter said the only answer was to revive the practice, introduced during the fascist era, of admitting only visitors who bought meal and hotel vouchers when buying their train tickets to Venice.

Mr Maurizio Cecconi, Venice councillor in charge of tourism, said that from next winter the authorities would block all road and rail access to Venice after a certain number of visitors had entered the city.

In Florence, once the exclusive preserve of rich north Europeans on literary holidays, police last week forcibly removed campers who had spread up a hillside above the approved site at Piazzale Michelangelo.

At Rovezzano, east of Florence, residents complained they would "rather have a nuclear power station" than

'Sweet' deal goes sour

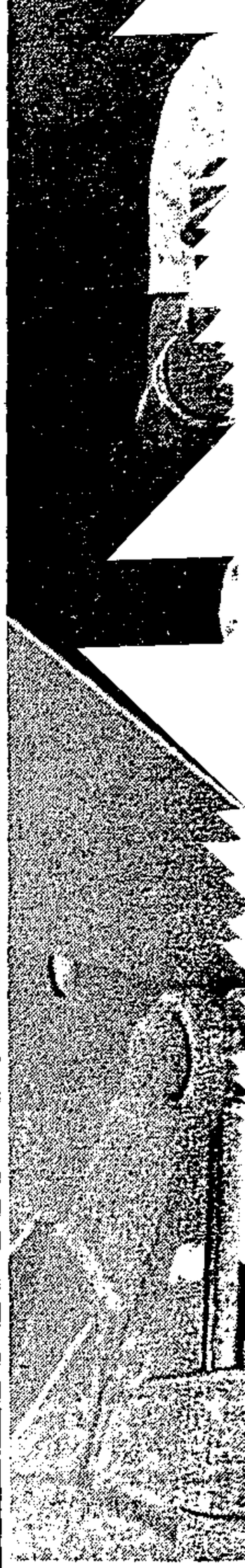
Court Reporter

A Fordsburg man, Luxman Ghina, previously convicted of receiving three container loads of stolen sugar, was yesterday ordered by Mr Justice Coetzee in the Rand Supreme Court to pay R21 843 to Chapelat Industries Pty of Mayfair.

The Managing Director of Chapelat, Mr G E Craig, said in papers that between May and September last year 14 container loads of sugar owned by his company were stolen. The sugar was valued at R72 867.

His company's attorneys were told on January 13 that Ghina, of 35 Park Lane, Fordsburg, had been convicted of receiving three of the stolen container loads. Ghina had admitted to the attorneys that he was instrumental in selling the sugar and said he received R2 000 commission in the transaction. The three container loads of sugar were valued at R21 843.

The court heard that Ghina was sentenced to R10 000.



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PE and EL hotels did better in June

By LOUIS BECKERLING
Business Editor

HOTELS in Port Elizabeth and East London lead a select group in the industry which scored significant increases in room and bed-occupancy statistics for the month of June.

According to the latest figures released by the University of Pretoria's Bureau of Financial Analysis (BFA), Port Elizabeth and East London hotels in June showed a 6,7% increase in room occupancy figures and a 9,5% increase in bed occupancy figures over the comparable month last year.

Total income reported by Port Elizabeth respondents to the BFA survey was 21,2% up on the same month last year.

The only other hotels to beat last June's accommodation figures were those on the Garden Route (room occupancy up 3,8%, bed occupancy up 6,9%, and income up 34,5%), and hotels on the Natal north and south coast (where ratios were up 1,2%, 3,1% and 18,2% respectively).

The performance of hotels in the Eastern Cape during the mid-winter season is all the more remarkable when contrasted against the national averages for June.

According to the BFA survey average room occupancy in June, 1982, was 5,9% lower than in June 1981, throughout the country, and average bed occupancy was 6,2% lower.

In actual figures this means that during the month of June about 85 000 fewer bed/nights were sold than in June 1981.

(The BFA survey is based on responses from 299 hotels throughout the country. The respondents collectively comprise 23,1% of all hotels, and offer 51,4% of the hotel rooms available.)

The 12-month period to June, 1982, showed a 2,2% drop in room occupancy figures when compared with the same period to June, 1981.

Two-star hotels held up best, reports the BFA, showing a decrease of 2,8%, while all other gradings reflected decreases, ranging from 5,9% for three-star hotels to 12,2% for five-star hotels.

Average total gross income for June, 1982, increased by 14,5%, says the BFA, The largest improvement (as can be seen in the table below) was achieved on the Garden Route.

Port Elizabeth hotels beat inflation, with a 21,2% increase in gross income, though four of the 13 regions suffered decreases in real terms.

Hoteliers approached by the Evening Post for comment reported that Port Elizabeth was generally holding its own in the face of declining tourist traffic, as business traffic was not seriously affected by the downturn in economic activity.

Mr George Lehman, of the Elizabeth Hotel, said figures for July and August would show a sustained improvement on last year, while Mr Godfrey Beattie, of the Marine Hotel, said the absence of a significant mid-winter tourist season meant that Port Elizabeth hotels didn't suffer from such dramatic slumps in economically more stringent times.

Detailed figures in each region reveal the following:

	% increase or decrease		
	Room occ.	Bed occ.	Total income
Cape Town	−3,8	−3,1	+17,1
Rand & Pretoria	−7,6	−10,5	+13,4
Durban	−14,0	−14,4	+4,4
OFS & Kimberley	−3,4	−7,2	+18,1
Garden Route	+3,8	+6,9	+34,5
PE & E London	+6,7	+9,5	+21,2
Rest of Natal	−4,0	−0,2	+22,7
Rest of Tvl	−2,7	−3,3	+15,2
Natal N & S coast	+1,2	+3,1	+18,2
Rest of Cape Prov	−0,1	−2,2	+22,6
Motels	−11,9	−13,5	+16,3
Inland resorts	−3,2	+1,5	+18,2
Residential hotels	−1,9	+5,8	+8,5
Total RSA	**−5,9**	**−6,2**	**+14,5**

South Korea and Com...

27/8/82

Five injured by falling ornament

DURBAN — A heavy ornamental structure crashed down on the bar of the four-star Elangeni Hotel's restaurant here, pinning a barmaid to the counter and injuring at least four other people.

Patrons said barmaid, Miss Michelle Olivier, 21, was lucky to escape being killed by the champagne-glass shaped structure.

Witnesses Mr Gunter Freimulh and Mr Derek Clemence said: "There is no doubt in either of our minds that if the barmaid hadn't been on the telephone she would have been killed."

Miss Olivier has a broken wrist and was treated in hospital with two others, who had cuts and bruises.

Another two people had minor injuries.

The hotel's manager, Mr Mark Williamson-Noble, said no photographs could be taken for reasons of insurance.

Miss Olvier said she was talking to her fiancé on the phone when she heard a crack in the ceiling as a heavy beam collapsed, pinning her to the counter and sending drinks and broken glass flying.

"If I hadn't been on the p'one . . . I'd prefer not ...hink," she said. —

LIQUOR ACT Fm 10/9/82 288

Anomalies aplenty

With government due to act shortly on the Competition Board's report on the liquor industry, perhaps some cognisance should be taken of the many features of the Liquor Act which hamper the evolution of a free-trading environment

Besides the whole question of licensing the sale of liquor, where the board spoke out strongly against restrictions not aimed at regulating the supply of a potentially harmful substance, the Liquor Act itself is riddled with anomalies

Blacks, coloureds and Asians do not enjoy the same access to liquor licences enjoyed by whites. Nor may white licensees deliver liquor in a township. Black purchasers of liquor may not transport more than 9 *l* across a township boundary. And, except where a licensee has obtained for his premises "international" status, he may not serve food or drink to a mixed gathering.

Even over white licensees, the liquor squad enjoys immense restrictive power in terms of antiquated regulations which go back to the days of black prohibition. Licensees must keep a liquor stock book in which they are supposed to write down the name and address of all purchasers of more than 9 *l* of liquor. Invoicing procedures are also complicated and fraught with the possibility of infringements. Licensees are obliged to hand over, at the request of the liquor squad, whatever confidential information the authorities require in their attempts to curb illicit liquor trading.

The Liquor Act actually provides for the presumption that certain quantities of liquor could not reasonably be for the personal use of the purchaser. Hence, in reality, licensess are loath to execute orders from black customers which, if substantial, they must presume are for resale. In effect, the same assumption about white customers never occurs.

Shareholding, management and profit-sharing agreements between a licensee and a third party may not be undertaken without ministerial approval. Bottle stores are also severely restricted on the sale of liquor on credit. Ordinarily they cannot recover liquor debts.

The regulations governing the hours of sale, the kind of employees a licensee may take on, and what constitutes suitable premises in which liquor may be sold, are rigorous and discriminatory when compared with other areas of commerce.

Most of these restrictive sections of the Liquor Act relate either to 19th century puritanical views on the sale of liquor or to black prohibition days.

Yet it has been shown that nothing is to be gained by treating liquor as taboo, and the police make no real effort to stop the supply of liquor to the myriad of black trading establishments. They are simply empowered to harass the licensee.

If government intends simplifying the morass of legislation surrounding liquor sales in the light of the Competition Board's report, it would do well to consider the mass of archaic regulations which the liquor squad enforce whenever the fancy takes them.

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cer must decide whether to register them in the new job.

Contract workers are those city black workers who do not have permanent rights to live and work in the cities in terms of the Act and many of them have worked in the cities on annual contracts for years.

According to Mrs Duncan, the East Rand Administration Board has not allowed contract workers to change jobs, while the Wrab has.

It did so, she said, if they had written permission from their previous employer to take up the new job and if the work was in the same job category as that prescribed by their contract.

Wrab's director of labour, Mr Armand Steenhuizen, said the instruction was now the "general rule".

propelled artillery piece in the

Alphen Hotel apologises to Boesak

Z88 Times 13/9/82

Staff Reporter

THE turning away of Dr Allan Boesak from the prestige Alphen hotel in Constantia, because he was coloured, exposed everyone as "victims of the system" the chairman of the hotel said yesterday.

Mr Dudley Hopkins said the incident was most regrettable.

He had personally apologized to Dr Boesak, who had only the day before returned to South Africa as the newly-elected president of the World Alliance of Reformed Churches,for any embarrassment or upset caused to him.

"The mistake from our side was that a young receptionist took it upon herself to say we did not admit blacks to the hotel, and the mistake on the part of the person making the booking for Dr Boesak was that they did not ask to speak to a senior manager," said Mr Hopkins.

'An honour'

He said the hotel did not have an "international licence" but blacks had stayed and dined there in the past.

"It would have been an honour to have Dr Boesak stay at our hotel. There would have been no problem in admitting him — it would just have taken a quick call to Pretoria."

It was one of those unfortunate cases where "we had all ended up as victims of the (South African) system", he said.

Dr Boesak, now the leader of 70-Christians around the world, arrived back in South Africa from Ottawa two weeks ago. He confirmed the incident but said he would prefer not to get "embroiled any further in it".

"It was the day after I arrived back from Canada. I desperately wanted to get away from a telephone and share a few quiet days with my wife Dorothy," he said.

Other hotel

When the couple were refused permission to stay at the Alphen, described in the Peninsula telephone directory as a luxurious national monument, they were forced to stay at a more expensive, less quiet. central city hotel which had international status.

Mr Hopkins said he found himself in a most ironic situation as he was also deputy-chairman of the Relations Committee of Greater Cape Town, a multiracial body interested in promoting better relations.

"I can assure you that I have instructed the hotel staff to refer all future applications of this kind to the management," he said.

SA message to Venda

PRETORIA. — The State President, Mr Marais Viljoen, has sent a message congratulating President P R Mphephu on the celebration of the third anniversary of the Republic of Venda's independence. — Sapa

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GUARANTEED SILENCERS MADE TO LAST

Boesak: MPC blames hotel

Religion Reporter

THE Alphen Hotel was to blame for the refusal to admit Dr Allan Boesak and his wife, Mr Jan van Eck, MPC for Groote Schuur, said today.

Mr van Eck, a personal friend of Dr Boesak's, telephoned the Alphen to make the booking for the couple.

Dr Boesak, returning from Ottawa where he was unanimously elected President of the World Alliance of Reformed Churches, wanted a few days "rest and quiet" with his wife. But when he checked in at the hotel he was refused accommodation.

Mr van Eck said today he took "strong exception" to the statement made by Mr Dudley Hopkins, chairman of the Alphen Hotel. Mr Hopkins said Mr van Eck had made a mistake in trying to book Dr Boesak into the hotel because he "did not ask to speak to a senior manager".

RULES

Mr van Eck said: "If the Alphen does allow people of colour to stay at the hotel, then the receptionist should surely be the first to know, since she handles all bookings. But she did not know.

"Neither did the hotel's manager, Mr Adrian Rijks, who told the Press that Dr Boesak should not be surprised at having been turned away since 'he has been in South Africa long enough to know the rules and regulations of the country'.

"If the receptionist and the person whom she consulted when I telephoned, and the manager, are all unaware that people of colour are welcome, then I want to state quite categorically that to all intents and purposes the Alphen is closed to people of colour."

APOLOGIES

Any "less important" coloured person would apparently have been turned away without the apologies now being tendered to Dr Boesak.

"Instead of passing the buck and blaming a receptionist, the chairman of Alphen Hotel should ensure that his hotel receives 'international' status. When did the hotel last apply?

"And if the hotel has its own secret policy as regards admitting people of colour, it should not blame its staff if they have not been informed of this policy," Mr van Eck said.

LIQUOR LICENCES (288)

Opening time

FM 17/9/82

This week the Liquor Board will consider 13 liquor licence applications from blacks living in Soweto. It happens two years after government committed itself to legalising shebeens.

The board will not say who the applicants are, whether their applications are for on- or off-consumption or whether they come from existing illegal shebeeners.

Before applying for the liquor licences, applicants first had to apply to have their homes rezoned as business premises by the Soweto Community Council. In June this year the council called for objections.

It is not known how many of these applications were approved but all those now with the Liquor Board probably were. They should get a thumbs-up from the board as chairman Tommy Vorster has said that all that is needed is proof that the applicant is the rightful occupier of the premises and that it will be used for the purposes intended (*Business* March 12).

Once this hurdle is crossed, the applications go to a public hearing. Final approval has to come from the Minister of Commerce, Tourism and Industry.

RDM 25/9/82

Doubts about hotel staff as reservists

Mail Reporter

SOME hotels and the Johannesburg Publicity Association have certain reservations about the move to have hotel staff trained as police reservists to aid in the crackdown on muggers.

But the city centre's Carlton hotel is going ahead and they will start training their staff soon, a statement issued by the hotel's general manager, Mr Pat Burton, said yesterday.

The Carlton hotel, the first to introduce a police reserve unit, "to assist the South African Police in the protection of hotel guests, visiting tourists and the general public from muggings and petty crime," is going ahead with their training.

"The training of the unit, manned by volunteer hotel staff, has been approved by the SAP, who will provide training and uniforms for the volunteers.

"We are aware of the severe undermanning of the SAP, and realise the difficulty of their job in the current climate. Details of the formation of the unit have only just been circulated to our staff and 21 men have already volunteered."

Marketing director of the Southern Sun hotel group, Mr Jurgen Burmeister, said there would have to be "detailed discussions between the management and authorities" before their hotels would go ahead with these "virtual vigilante groups".

Mr Theard van Heerde, executive director of the Johannesburg Publicity Association said yesterday he would like to see security "toned down as too much fuss could discourage tourists."

He said he delighted to see a notice in one of the leading city centre hotels warning visitors against pickpockets in central Johannesburg.

"Something like this could possibly be of more value, but one must not forget that muggings take place all over the world and not only here."

Lieutenant Colonel Fred Bull, Public Relations Officer for the SAP, said the new unit would be of considerable help in combatting crime in the area.

GENERAL NEWS

Govt 'ignoring the need for tourism plans'

By Richard Paris

TORREMOLINOS — South Africa's former Secretary for Tourism, Mr Theo Behrens, yesterday accused the Government of not planning for the future of the leisure industry.

By the turn of the century the industry would need three times the facilities it had now, he said.

Mr Behrens, a former chairman of the Hotel Board and the South African Tourist Corporation, was speaking at the annual meeting of the Association of Southern African Travel Agents here on Spain's Costa del Sol.

"It is imperative that South Africa's tourism policy and structure be placed on a firm footing," he said.

"Government, in consultation with private enterprise, must lay down its conditions for a balanced and coordinated tourism development and marketing programme as soon as possible."

OVERSEAS

Mr Behrens said the country's population would be 50 million in less than a generation from now, by which time 20 million people of all races would go on holiday at least once a year.

By 2000, South Africa could expect between 1,8 million and 2,2 million tourists a year from overseas.

Without research and planning, private enterprise could never be prepared for the development of tourism.

Far more attention would have to be paid to new forms of tourism demands, such as ethnic and cultural tourism, youth tourism, holidays for senior citizens and even sub-economic and subsidised tourism.

DECENTRALISATION

"We have already had a rapid increase in other types of tourism, such as congress tourism, shopping tourism, short-time or weekend tourism and excursion tourism, all of which will have to be analysed and placed on a priority schedule," Mr Behrens said.

He said the Government set aside funds to encourage manufacturers to decentralise operations, but nobody had been designated to research, plan and develop new tourism facilities in regions where tourism had the potential to flourish.

Tourism had an important role to play with the advantage of not polluting the environment or, if planned properly, defacing its beauty.

It also made use of unskilled labour easily found in rural and other potential new tourism areas.

RESPONSIBILITY

"Government must accept full responsibility for tourism. It cannot ignore or evade the socio-political problem and must accept the needs for all its peoples," Mr Behrens said.

Emphasising the need for an awareness by the government and the private sector for the growth in black tourism, he pointed to the form of transport preferred by South Africans when going on holiday — by car whenever possible.

"In 1980 the market share of car ownership was 83 percent among whites, eight percent among coloured people and Indians and nine percent among blacks. By the year 2000, it is estimated that white car ownership will drop to 59 percent of the market, while coloured and Indian ownership will rise to 18 percent and black to 23 percent," he said.

COURTS

Woman guilty of R76 000 shares fraud

By Joe Openshaw

A 40-year-old woman scrip clerk who pleaded guilty to stealing R76 220 worth of shares from the stockbroker she worked for and selling them was yesterday found guilty of fraud by the Johannesburg Regional Court.

The woman, Charlotte Georgina du Plessis of Winnie Road, Richards Park, told the magistrate, Mr J J F Booyens, she stole the shares in collaboration with a Mr Neil Fry who also worked for the stockbroker, Cliff Neale and Company.

She gave half of the proceeds to him.

She bought a car and accessories, including magnesium wheels and a radio, for R14 000. She had handed over the car to Cliff Neale's insurance company as repayment for part of the money she stole.

She spent R6 000 on a deposit for a house and another R18 000 on carpets and furniture.

She told the magistrate that she intended selling the house — she expected R30 000 for it — and would work day and night to refund every cent of the R76 220 she stole.

Du Plessis was in tears when she told the



Miss Charlotte Georgina du Plessis (40) stole shares and sold them.

Bag snatcher jailed

A bag snatcher who stole a German tourist's purse containing R100 and 70 German marks, was jailed for two years by a Johannesburg Regional Court magistrate yesterday.

Edward Zondi (21) of Diepkloof was found guilty of the theft of the bag from Mrs Thea Cowan in Bree Street, Johannesburg, on August 25. He pleaded not guilty.

Zondi was caught by a security guard, Mr Piet Willemse, who saw the snatch and chased him. Mrs Cowan gave evidence at Zondi's trial before she flew back to Germany.

Drug theft accused 'is

Boxing champ given chance

Fewer guests but hotel takings up

Own Correspondent

Although occupancy in South African hotels has fallen by four percent since July last year, income from accommodation and meals has increased by about R3 million.

Figures released by the Central Statistical Services in Pretoria showed occupancy fell from 46,1 percent in July last year to 41,9 percent this year.

The information was obtained from monthly surveys involving about 340 licensed hotels.

But income from accommodation and meals increased from R31 894 000 last year to R34 925 000 this year. The total income of licensed hotels increased by about R77 million — from R86 101 000 last year to R102 833 000 this year.

It was also shown that compared to the period between January and July last year:

- Bar takings in the same period this year increased by R15 046 000;
- Off-sales takings went up by R70 410 000;
- Total guest-nights sold dropped by 5 270 000;
- Permanent boarders dropped by 47 900;
- Tourist - nights bought dropped by 478 600.

Africa casts net wide for arms

The Star Bureau

WASHINGTON — West Africa is becoming a major market for military equipment and the former colonial powers are losing sales to competing suppliers, according to a private publication reporting on international arms markets.

West Germany, Italy, Brazil, Canada and Spain are making inroads into markets formerly dominated by France and Great Britain, along with the Soviet Union, says the monthly magazine, Defense and Foreign Affairs.

The article, by Michael C Dunn, says Nigeria, the largest arms buyer in the region, is diversifying sources of military hardware and systems, with a buying pattern similar to that of major arms purchasers in the Middle East and South Asia.

Britain provides Nigeria with a wide range of equipment from Vosper Thornycroft frigates to missiles. But France has supplied La Combattante III-class attack craft, a wide range of electronic equipment, military vehicles, helicopters and missiles.

West Germany has sold to Nigeria the Blohm and Voss Meko 3 600 frigate — the largest naval vessel sold to a West African state in recent years — and the Franco-German Dassault - Dornier trainer and light attack aircraft. Other German sales have included transport aircraft, helicopters, Lurssen missile fast attack craft, electronic and other equipment.

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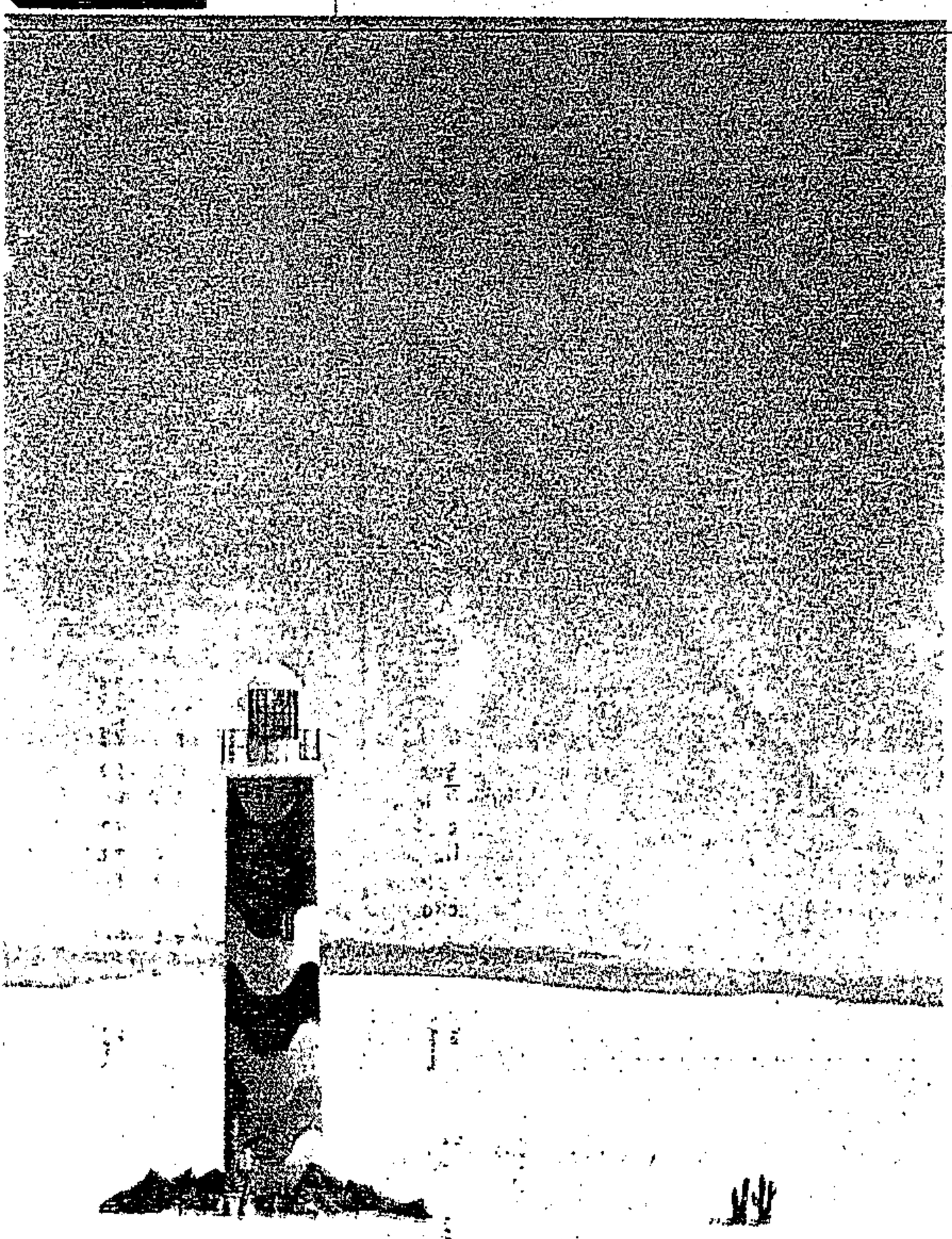

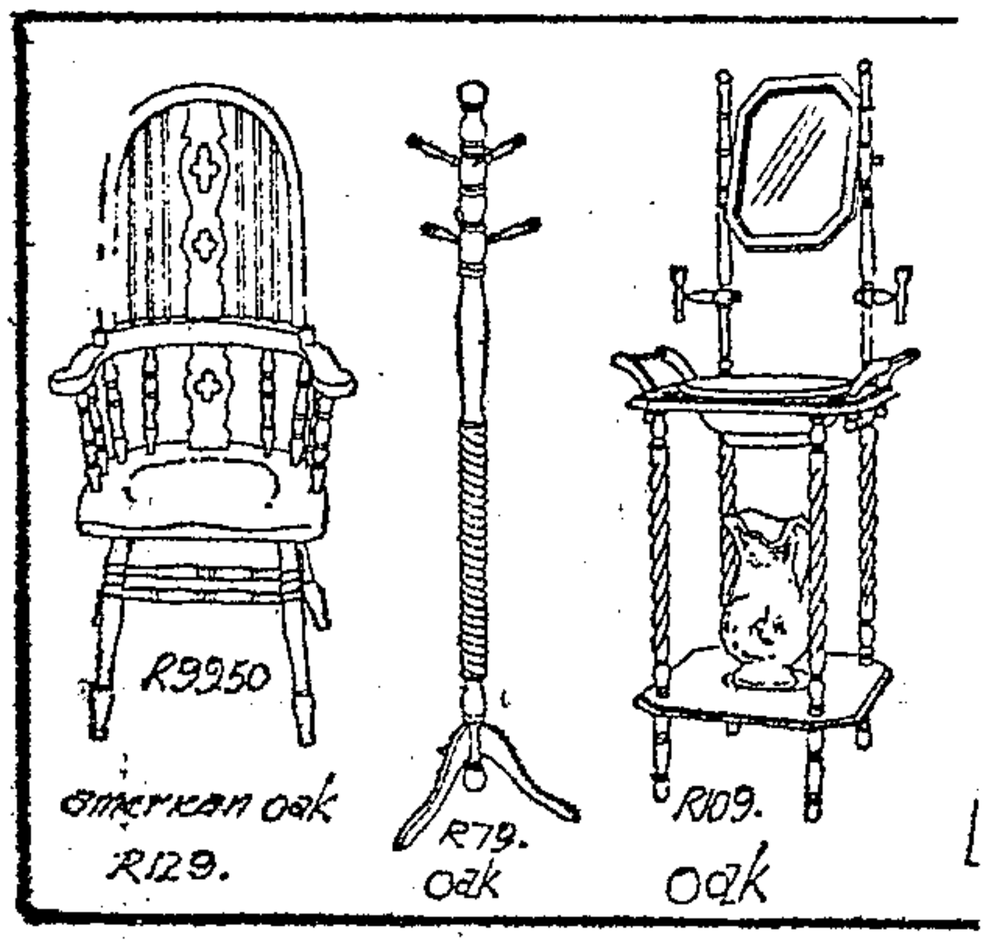

THE
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There's good cheer at the Inns, thank you

by Frederick Cleary

Nigel Matthews, youthful head of the Holiday Inn hotel chain, has every reason to smile.

Despite the recession business is healthy, the future looks rosy — and the Holiday Inn's people in the US have recognised his efforts by awarding him a special achievement prize.

This was for what was termed "outstanding international franchise development."

Competing against the 1 750 branches of the Inn's worldwide organisation, Mr Matthews' Southern African "empire" of 30 hotels won four awards, with the Wild Coast (Transkei), Riverside (Vanderbijlpark) and Secunda Inns rated this year among the top 50 worldwide.

The organisation is showing greater growth abroad than in the US, a trend developed in the last five years," he says.

The "exciting" growth in South Africa had, coincidentally, or otherwise, taken place during his four years at the helm.

Since Mr Matthews (37) was sent back to his native Johannesburg from Hong Kong by the Rennie conglomerate to run the hotel chain in December 1978, six more hotels have been built and more are planned.



Mr Nigel Matthews — reason to smile.

EXPANSION

Work has already begun on the new R25-m Inn in Pretoria (due to open in April or May 1984), the planned 350-room, R42 million Durban beachfront 26-storey hotel (opening in March, 1985) is now subject only to parent company approval, while several other highly successful establishments are being enlarged at enormous cost.

In the past four years alone R20 million has been spent on refurbishing Inns in South Africa and neighbouring states.

"I got a hell of a fright when I saw we were going into recession when we had so many exciting but costly development plans in the pipeline," Mr Matthews acknowledged.

AT WORST

"However, we are building for the long-term. Hotels are built to last 50 years and recessions do go in cycles.

"I expect we will lose a couple of points in bed-occupancy rate next year, when I believe the recession will be at its worst. But I have been encouraged by the fact that our financial returns have held. Maybe the hotel industry is not being hit as hard as other sectors."

Mr Matthews believes the hotel industry is under-developed in South Africa. While there were areas with too many bedrooms, other areas were wide open for development, he said.

At present there were 1 200 registered hotels in the country with the Holiday Inns and Southern Sun group controlling only about 60.

There was, he said, a lot of scope for more chain development, and already some enterprising hoteliers were doing well in this direction.

He firmly follows the axiom of building (literally) on a good thing. He is adding 40 rooms to the successful Pietersburg Inn and adding another 92 rooms, plus another bar to the lucrative Jan Smuts Airport Holiday Inn.

288 Sunday Times 15/11/82

Civic leaders thrown out of Sandton hotel, Buti arrested

THE CHAIRMAN of the Alexandra Liason Committee, the Rev Sam Buti, was at the weekend arrested while trying to have a meal at a Sandton hotel.

Recently the chairman of the Hillbrow Hospital Board and medical officer of the Transvaal Boxing Council, Dr Joe Jivhuho, was thrown out of the same hotel — the Balalaika — and allegedly insulted.

Both men claimed they had previously been served at the hotel before the new management got "rude and insulting".

Rev Buti, general secretary of the NG Kerk in Afrika, said he was bundled into a police van and held for a few hours after he had refused to leave the hotel.

He said he and his younger brother, Mr Louis Buti, public relations officer of the liaison committee, a clerk of the committee Mr Nunka Mkhalipe and four social workers had gone to the hotel for lunch after a tour of Alexandra.

"In the past I had been served at the Balalaika. But on this occassion a very rude man who was said to be the manager walked up to us and demanded that we leave immediately. I asked him why and he told me that he could not serve blacks. I refused to go as I had been to the place before and had been served.

"Minutes later the police arrived and our entire party was bundled into the back of a van and driven to the police station. It was only after a member of the Sandton municipality, Mr Ricky Valente, had phoned that we were released," Mr Buti said.



BUTI: Arrested in Sandton.

The only thing contravened, Rev Butu said, was his human dignity.

According to Dr Jivhuho, he was at the hotel to entertain his family with a lunch when a Mr Smith confronted them. "He was rude and not the kind of man I like to associate with.

"He told us that he wouldn't serve a 'swart man' and told us to leave as soon as possible. It is the fault of the system that men like Smith are too vulnerable to these stupid laws," Dr Jivhuho said.

A woman who said she was the manager of the Balalaika said Mr Smith was not available.

When pressed for his whereabouts, the woman said: "Even if he was available, he would not speak to you. Thanks for calling," and she put down the phone.

Hoteliers urged to find new profit resources

D.Dispatch 16/4/82

EAST LONDON — One and two star hotels in South Africa had to "loosen" their dependence on liquor sales as their major source of revenue, the executive director of the Federation of Hotel Associations of South Africa (Fedhasa), Dr Ernst Uken, said yesterday.

He was speaking after a conference for one and two star hotel owners at a beachfront hotel here.

The liquor outlet at a hotel was usually the only department which showed a profit but in the wake of a government decision to allow selected supermarkets to sell liquor, Fedhasa, in conjunction with hoteliers, was looking at ways to boost hotels' profits in "other areas", Dr Uken said.

This would be discussed in depth at a Fedhasa conference next year, he added.

Yesterday's conference, attended by hoteliers from throughout



DR UKEN

the Eastern Cape, was opened by the mayor, Mr Errol Spring, who emphasised the importance of tourism to South Africa.

Dr Uken also highlighted the important role the one and two star establishments had to play seeing that they represented 94 per cent hotels in the country and had 70 per cent of all hotels beds.

The economic recession had resulted in hotels suffering a 6,8 per cent drop in bed occupancy but with improved marketing and knowing which market to aim for, hoteliers could offset a further drop as the recession deepened.

Research undertaken by Fedhasa had highlighted the "human element", Dr Uken said.

"People expect excellent service at a hotel, and if this is provided they will continue to patronise the establishment.

"At one and two star hotels, a five-star service is the answer to combat shrinking bookings and profits," he said.

Other speakers at yesterday's conference stressed the importance of tourism, the need for a bigger marketing exercise to attract tourists and the need for a hotel to practise its own "quality control". — DDR

Buti irate over arrest

THE REVEREND Sam Buti has consulted his lawyers following an incident at a Sandton Hotel where he and two other members of the Alexandra Liaison Committee were arrested after trying to order a meal at the hotel.

Rev Buti, chairman of the committee yesterday told The SOWETAN that the action on Friday was a complete violation of human rights because his dignity was impaired by the incident.

Rev Buti, his younger brother Louis and the committee's clerk had gone to the Balalaika hotel for lunch after a tour of Alexandra when the incident happened.

They were refused to be served and later he was bundled out into a police van and held for a few hours.

He was surprised by reports that the police were investigating his case under the Liquor Act because he was never consulted by the police on this matter.

"I am the one who suffered most after being crammed into a police van with other people."

Work or home for strikers

ABOUT 300 hospital and industrial workers were reported to have gone on strike in Johannesburg yesterday in demand of higher pay and better working conditions.

In the latest spate of labour unrest to hit hospitals, 27 security guards were dismissed from Baragwanath after the entire security staff went on strike over pay demands. They were allegedly told they were agitators and had incited others to go on strike.

The superintendent of the hospital, Dr Chris van der Heever, said all the dismissed workers came from the homelands and he confirmed they had complained of low salaries.

He said workers were told they should either go back to work or back to the homelands. The workers apparently preferred to go back to their homes than put up with the meagre salaries..

At Teltron Sound-Electrical company 150 workers were told they had dismissed themselves when they ignored an ultimatum to go back to work.

A spokesman for Teltron told **The SOWETAN** no demands were received from the workers but confirmed Ccawusa's "bringing to our attention grievances regarding service conditions."

Almost the entire black staff at the Johannesburg hospital in Parktown joined the strike for better pay and working conditions, but workers were back at work late yesterday.

A tavern in the township...

Shebeens are part of black urban life

By Jon Qwelane

When the history of the urban black man is chronicled, the role played by shebeens must not be omitted.

What to most people, especially whites, are dens of iniquity and breeding places for criminals are in fact houses that for a long time have been part and parcel of urban black culture.

The shebeen is the melting pot of township society. It is where doctors, teachers, nurses, lawyers, bank officials and civil servants meet.

Even the majority of Johannesburg's black newsmen who, like journalists the world over like a drink or two, are at home in a shebeen.

The story of shebeens is as old as the urban black communities themselves.

Back in the rural areas women brewed beer for their menfolk to drink, but not for sale because it was in plentiful supply at all hours of the day.

The beer was regarded by its brewers and imbibers as a refreshing beverage and definitely not as a stimulant, which might explain why it was freely available.

The gold rush, accompanied by industrialisation and the employment opportunities so created, changed all that and as rural folks headed for the mining settlements in search of jobs and fortune an entirely new chapter on their drinking was about to begin.

Unlike the countryside back home, they found that in the towns and mushrooming cities they could not plant anything on a large scale.

Most of their basic commodities were obtainable only from shops, which meant buying.

The logical step then, was for anybody buying corn to brew beer for sale.

Besides, not everybody who joined the trek to the new towns was assured of finding employment. It was at this stage that selling drinks in order to make ends meet probably started.

The white man's obsession with licences and permits contributed much towards the clandestine operations that shebeens soon became, because no seller had permission to pursue the trade.

Prohibition and police raids only worsened matters. An inescapable law of nature is that if man invents a better mousetrap then nature is sure to breed a better mouse.

Instead of removing the shebeen "menace" once and for all, the constant raids only succeeded in sharpening the skills and senses of the operators.

By the time the old urban communities of Sophiatown, Western Native Township, Marabastad and Alexandra were established it was a fait accompli, and shebeens had come to stay.

Prohibition, which was enforced to prevent black people from drinking the white man's liquor served little purpose because shebeens such as the Thirty-Nine Steps and the Back of the Moon satisfied their customers' needs to the full with wines, spirits and malt.

Today the principle of illegal selling still exists, though moves are afoot to legalise shebeens conforming to requirements stipulated by the authorities.

But then shebeens in their raw form, that is illegal, have more to offer in that they observe no time limits and charge whatever they fancy. Drinks are also available "on tick" to regulars.

Shebeens are not guided by any governmental regulations but agree upon an average price to be charged for particular drinks, and pay no sales tax on the proceeds.

A township shebeen is usually an ordinary house with tables and chairs and a convivial atmosphere where friends are made.

The upper class shebeen offer more than a downtown pub: easy chairs, soft music, snacks and every variety of drink.

A school principal and his staff members, a doctor and his assistant, a lawyer and his client are all on first-name terms in a shebeen.

Service is efficient, and normally all customers are satisfied and come back for more.

Many people frequent shebeens not for the liquor, but for the company — a Johannesburg journalist who recently took a crash course in sobriety sometimes visits shebeens for old times' sake.

Legalising shebeens, if anything, will only result in more police raids, as not many will comply readily with all the requirements, and others will continue operating on the sly.

Legalisation is, again, probably silent assent by the authorities that their decades-long battle with the shebeens is one which can have only one winner. Recent concessions leave little doubt as to who that winner will be.

● Shebeens have formed their own association, the National Taverns Association with its headquarters in downtown Johannesburg. President is Mr Peggy "Bel-Air" Senne, chairman Mr Lucky Michaels and secretary Mr Ray Mollison.

18/11/82

STAR

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Christmas boom predicted

City set for influx of visitors

CAPE TIMES 20/11/82

28R

By DI ALMON

IN WHAT promises to be a bumper Christmas with all holiday accommodation nearly booked out, this season's revellers will spend 11 percent more and receive five percent less than they did last year.

The major hotels are expected to be 70 to 80 percent full and indications are that the cheaper and more family-orientated accommodation such as holiday flats, caravan and camp sites will be booked to capacity.

Mr Brian Macleod, director of the Cape Town Chamber of Commerce, said yesterday that the Christmas turnover was expected to show an increase of 11 percent on last year's figure.

"But in real terms, trade turnover will in fact be lower by up to five percent if the inflation rate and the one percent general sales tax are taken into account," Mr Macleod said.

Margins

He added that most people would be tightening their belts this Christmas because of the high inflation rate.

"Many don't have the margins to absorb the increase and may find themselves unable to spend so freely. This will no doubt be reflected in the trade," he said.

The number of hotel reservations made through the hotel booking centre operating from Captour's Strand Concourse bureau, which has more than 100 hotels on its books and 4 780 of the just over 5 000 rooms in Cape Town, has increased on last years's figure.

Captour's publicity manager, Mr Hans van Heukelum, said the centre was optimistic that there would be a 15 percent increase in bookings for December/January.

The increase on last year's figures was 17 percent for October and 23 percent for November.

Mr Van Heukelum said the four- and five-star hotels were 70 to 80 percent full and were expected to remain so throughout December.

Cape Town hotels were expected to reach capacity from January because of the large number of major conferences being held in the City next year.

There had also been a "tremendous increase" in the booking of holiday flats and these were all fully booked.

The bureau had also had an "enormous" number of inquiries in connection with cheaper holiday accommodation such as bungalows, caravan parks and campsites.

He said that although it was still early in the season, indications were that these facilities would be "booked out" throughout the season.

A marked increase in foreign tourists, particularly from Europe and Germany, had also been noted and all British Airways and South African Airways overseas flights were fully booked till the end of January.

The present exchange rate was particularly good for German tourists and the German tourist guide was being updated specifically to cater for the increasing numbers of Germans visiting the City this year, Mr Van Heukelum said.

Hotels in East Cape among the worst hit

By LOUIS BECKERLING
Business Editor

EASTERN CAPE hotels fared badly in September — showing the third-largest decline in room occupancy and one of the poorest gains in income when measured against the same month last year.

The plight of Port Elizabeth and East London hotels is revealed in the latest statistics on the industry published by the University of Pretoria's Bureau of Financial Analysis.

According to the bureau's analysis of occupancy rates during September (the latest figures available), room occupancies throughout the country and across all hotel grades were down on average by 7,4% in comparison with the same month last year.

Hit the hardest by contracting traffic were five-star hotels, which showed a 12,1% decline in room occupancy, followed by one-star hotels (−8,8%), three-star (−7,1%), and four-star (−6,4%). Two-star hotels fared best with a decline of 5,8%.

Of course the reduced numbers of rooms occupied during the month can be translated into a substantial loss of revenue to the industry, and the bureau's report notes that in actual figures roughly 121 000 fewer bed/nights were sold in September this year than in September 1981, "and the aggregate income for all hotels during September 1982 was approximately R5,4 million less than in September 1981".

Ranked by order of declining trade in bed occupancy, this is how the regions compared in September:

	% change on Sept '81
Natal Inlnd	−17,9
Durban	−16,2
PE & EL	−15,2
Rand & Pta	−12,1
Rest of Tvl	−11,4
Average	−8,8
Motels	−8,7
Res hotls	−4,1
Inlnd resorts	−2,6
Cape Town	−2,5
OFS & Kimb	−1,7
Cape	+1,8
G Route	+12,6
Natal coast	+13,1

The report notes that the exceptionally high *increase* on the Natal north and south coasts "is largely due to an abnormally low occupancy for September 1981".

KGROUND to the news

(283) Sun 25/11/82

Assocom outlines tours

A memorandum on tourism submitted by the Association of Chambers of Commerce to the Department of Industries, Commerce and Tourism makes some harsh criticisms of the facilities provided for tourists and the impressions that greet them on arrival.

The memorandum said incoming tourists were sold on the idea of sunshine, warmth, wildlife, folklor and tremendous hospitality.

Yet they arrived at South Africa's international airports to find policemen at the door and dour people and buildings to greet them.

"Immigration and customs officials, the first contact for visitors with the RSA, are often needlessly officious and do not present a welcoming attitude.

"There have been numerous complaints of rudeness and even harassment of passengers by customs officials."

The memorandum is scathing about South Africa's taxi services which it called by and large a disgrace and totally inadequate.

"The standard of taxi drivers is very poor. They are often not conversant with either of the official languages, are rude and derogatory and do not have sufficient knowledge of their areas.

"The cabs themselves are also often dirty and in poor condition."

On immigration and customs, Assocom recommends: "This is an area which needs scrutiny and improvement in public relations."

It says taxi services should be reviewed and market forces be allowed to operate. A virtual monopoly appeared to exist in Johannesburg.

For taxi drivers certain minimum requirements as to education, fluency and knowledge of locale should be introduced.

The memorandum said the hotel grading system used in South Africa was not on the same lines as those used overseas and this led to confusion among overseas visitors. It recommended the existing system be made compatible with those elsewhere.

Believing that more three-star to five-star hotels will be needed in the next five years, Assocom suggests the Government grant a number of incentives to hoteliers, including a doubled building investment allowance.

It finds more needs to be done to bring one-star and two-star hotels up to tourist requirements. "One obstacle in developing the full potential of these hotels is that many are concerned only with the income from the off-sales source.

"There is also a low level of managerial and staff skills."

The memorandum said: "Encouragement and assistance must be given to these hoteliers to improve their board and accommodation, and training must be provided."

Assocom said rail transport was not being promoted sufficiently, apart from the Blue Train and the Drakensberg Express.

It recommended increasing the number of

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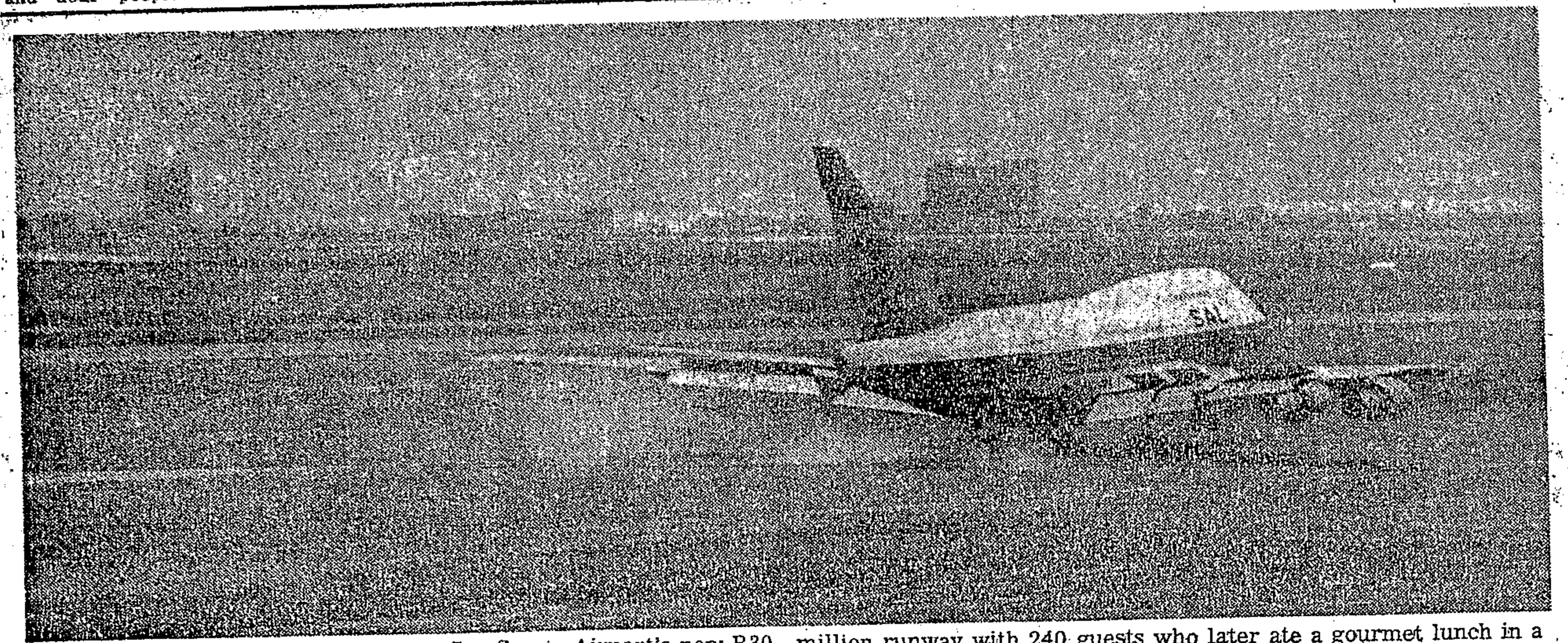

A chartered jumbo touches down on Jan Smuts Airport's new R30 million runway with 240 guests who later ate a gourmet lunch in a marquee next to the tarmac.

Runway con
by lunch fo

By Richard Paris,
Air Correspondent

The completion of Jan Smuts Airport'
parallel runway was yesterday marked
stration landing in a jumbo jet and
on the site.

The new runway, behind the
was constructed by LTA in 29 mont
the 48 months originally estimated.

The director of airport systems
ment, Mr L C Clarke, said the runwa
shorter than the existing main runw
long and 60 m wide — and would
domestic and international flights.

"Lighting and maintenance facil
yet been installed so it will not be
for another year," he said.

LTA has already built a 0,8 km
the existing runway, 5 km of conne
and an aircraft-over-road bridge gi
service facilities. When it becomes o
new runway will be the third for J.

Pilots said yesterday the new
speed up departures and arrivals,

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Assocom said rail transport was not being promoted sufficiently, apart from the Blue Train and the Drakensberg Express.

It recommended increasing the number of trips of the popular Blue Train and the introduction of a system similar to the Eurail and Britrail cards.

The memorandum suggests that additional parks be marketed on the same basis as the Kruger National Park. "This is recognised as the park to visit but there are other parks with equivalent interest value to be marketed as second or third 'Kruger parks.'

"Assocom believes the game parks in RSA must be promoted as a 'wildlife experience'" in line with marketing methods used in East and Central Africa.

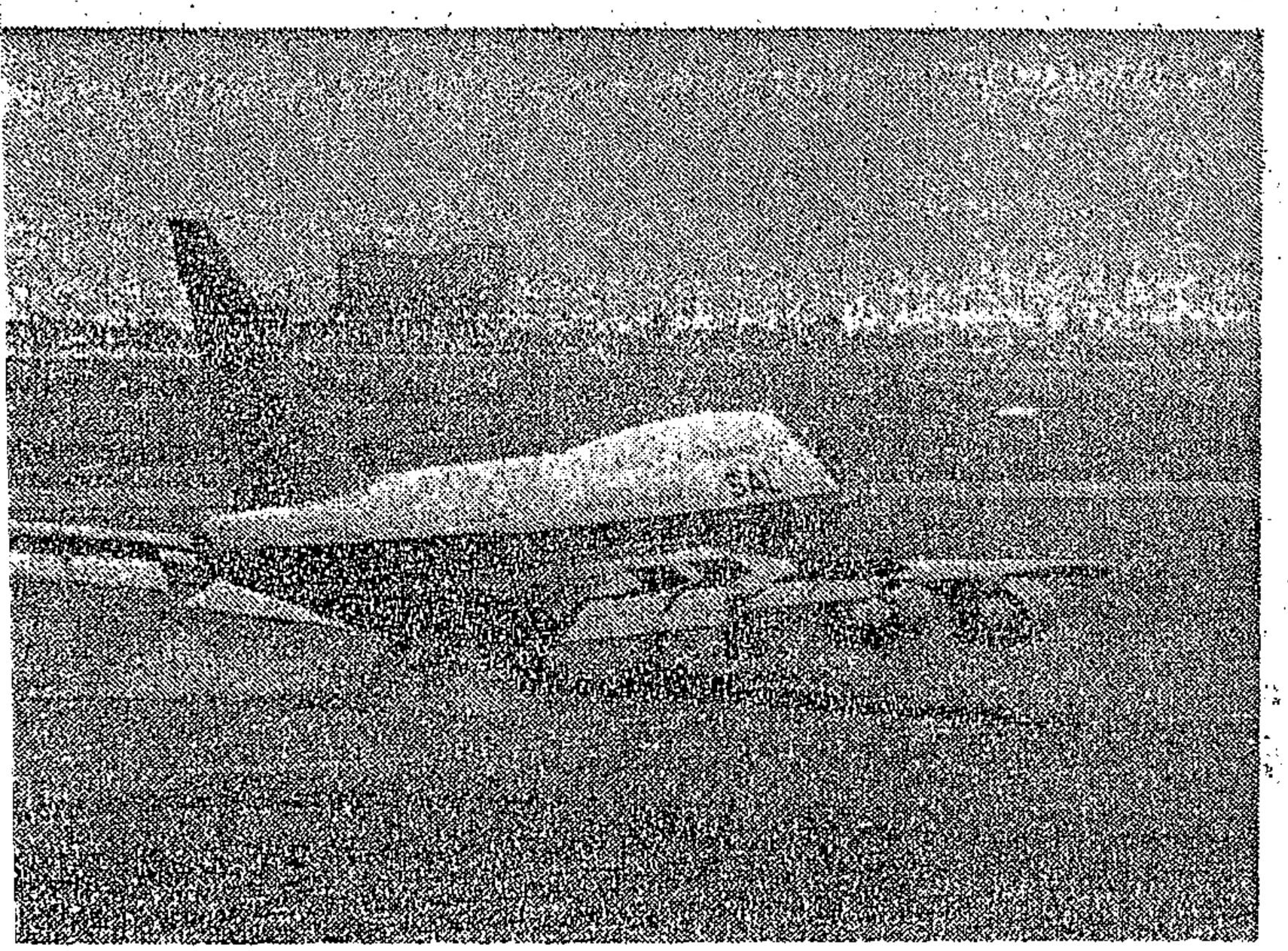
Tourism was probably the second largest industry in the world and within the next decade or two could become the largest, moving ahead of oil.

Very few countries in the world had better tourist attractions than South Africa.

Assocom recommends that to develop tourism to its full potential:

- The Department of Tourism should be substantially upgraded.
- Satour should receive sufficient funds to conduct meaningful promotion.
- The Government should make a conscientious effort to improve the image of South Africa through better public relations.

A national tourism council is recommended to co-ordinate all interested sectors such as major hotel groups, airlines, publicity associations and Satour. — Sapa.



R30 million runway with 240 guests who later ate a gourmet lunch in a next to the tarmac.

Runway completion marked by lunch for the jet set

By Richard Paris,
Air Correspondent

The completion of Jan Smuts Airport's R30 million parallel runway was yesterday marked by a demonstration landing in a jumbo jet and a gala lunch on the site.

The new runway, behind the main runway, was constructed by LTA in 29 months instead of the 48 months originally estimated.

The director of airport systems and development, Mr L C Clarke, said the runway was slightly shorter than the existing main runway — 3,4 km long and 60 m wide — and would be used for domestic and international flights.

"Lighting and maintenance facilities have not yet been installed so it will not be used regularly for another year," he said.

LTA has already built a 0,8 km extension to the existing runway, 5 km of connecting taxiways and an aircraft-over-road bridge giving access to service facilities. When it becomes operational, the new runway will be the third for Jan Smuts.

Pilots said yesterday the new runway would speed up departures and arrivals, but claimed it might not be popular with airlines as it is more than 3 km from the terminal buildings.

Pilots will usually be given a choice for take-off, but might have to accept delays on the main runway if they do not use the new one.

Mr Clarke said a new air traffic control tower and communications complex would be built near the new runway within a few years.

The construction of new terminal buildings, originally planned as horseshoe modules linked by underground tunnels, will not go ahead for the time being.

"The original plans are no longer suitable. We will be discussing alternatives during the next few months," he said.

About 240 guests were flown around the airport at low altitude in a chartered SAA Boeing 747SP before landing on the new runway yesterday morning.

After the jet parked next to a giant marquee, the passengers were treated to a first-class SAA lunch accompanied by live country and western music.

Commemorative table napkins and boxed cut crystal glasses were distributed as gifts.

GENERAL NEWS

We're doing our best for tourists, say organisations

28 Star 26/11/82

By Stephen McQuillan and Stuart Flitton

Leave us alone. We are doing our best. That was the message today from organisations accused of neglecting tourists in South Africa.

In a report to the Department of Industries, Commerce and Tourism on ways to boost tourism the Association of Chambers of Commerce (Assocom) has lashed out at the way the country greets tourists and has called for the industry to shift into top gear.

Assocom said customs and immigration officials were needlessly officious and sometimes rude to visitors.

Standards of tax services were poor, cabs were dirty and drivers ignorant or insulting. A taxi monopoly appeared to exist in Johannesburg.

Hotel gradings confused overseas visitors and staff had a low level of managerial skills.

Rail transport was not being prompted sufficiently and national parks needed better marketing, Assocom said.

Mr Jan Mynhardt, chairman of one of Johannesburg's biggest taxi companies, denied taxi services were poor.

It was impossible for anyone to know all the streets in Johannesburg's 400 plus suburbs.

"We don't get a cent in subsidy. We are not a charity. We are supposed to show a profit," said Mr Mynhardt.

Dr Ernst Uken, executive director of the Federation of Hotel Associations of Southern Africa (Fedhasa), said Assocom's report was reasonable and raised constructive points already discussed by hoteliers.

The star grading system could be improved.

"I think every hotelier would admit services could be improved.

"Hotels in South Africa have improved, but the demand of the public has shifted in recent years.

"There is now more demand for three-star and four-star hotels.

"One-star and five-star hotels have suffered most because of the shift."

Dr Uken welcomed a suggestion in the report that the Government offer incentives to hoteliers.

Fedhasa was arranging conferences to bring the hotel industry closer to the present tourist demand.

A spokesman for SA Transport Services said: "We are constantly looking at the tourism position and promoting the image of rail transport."

He said Blue Train services between Pretoria and Cape Town had increased by 12 percent this year.

The idea of rail cards for tourists had been dropped after close examination.

Mr Thys Steyn, information officer for the National Parks Board, said the board was always looking at ways of improving parks.

Two new areas would be promoted as national parks next year — Langebaan Estuary near Cape Town, and Barkly West.

The board had just expanded accommodation for visitors to the Kruger Park.

On making other parks as renowned as the Kruger Park, Mr Steyn said: "Kruger is known worldwide and it would be very difficult to build up another park with he same image.

"We are very proud of our parks. We think they are the best. We can offer tourists a great deal."

New scheme for black tours to the seaside

Sowetan 26/11/82

288

A JOHANNESBURG travelling agency has launched a new scheme for black holidaymakers wishing to spend this festive season at the seaside.

The three-day package, which will be available every weekend, until the new year, consists of a conducted tour of Durban and accommodation at one of the local hotels.

The sun-filled tour was launched last weekend, and a battery of Press men and well-known Soweto socialites were taken to the seaside to see for themselves what the package entailed.

A senior representative for Executive Tours, Mr Billy Mashigo, said the package had been designed for people of all income groups wishing for a holiday without dipping too deep in their pockets.

The tour features stop-overs at various hotels on the way to Durban; a sea cruise on a boat with a disco; a day on the beach and a tour around the city. Tour guides are at hand to assist the holidaymakers.

HOTELS FM 26/11/82

Boosted by blacks

288

SA's falling hotel room occupancies could well be arrested by a growing influx of black customers.

According to Pretoria University's Bureau of Financial Analysis, occupancy for the first nine months of the year was 5,6% down on last year and in September 121 000 fewer bed nights were sold.

But a recent Holiday Inns (HI) survey showed that its black occupancy should increase from 1% of the total in 1979 to 20%, or 300 000 customers a year, by 1983.

SA hotel tunover hit R1 044m last year; excluding offsales and subsidiary revenues the figure was R600m.

HI marketing director Stewart Banner attributes the increase in black customers to black population growth, urbanisation and greater spending power.

He says the SA population is expected to increase from 28m in 1980 to 47m in 2000, when blacks will make up 86% of the total.

By the year 2000 there should be 20m urban blacks, compared to 9m in 1980. Blacks consumed 31% of cigarettes and tobacco in 1977, which should rise to 75% in 2000. Transport use should increase from 20% to 42%.

Banner says HI has no special marketing strategies to attract more blacks. "We go out of our way to get more customers of any race," he says. "We make our hotels compatible and blacks feel welcome."

All 27 of the group's SA hotels have international status.

Southern Suns marketing director Jurgen Burmeister says: "We have a lot of hotels patronised by blacks and have seen a growth in restaurant use. But we do not break down our statistics on a race basis."

Status

SA has 74 three, four and five star hotels with full international status. Since last year smaller hotels — including one star establishments — have been allowed to apply for temporary international status. This gives the same rights as a full international licence, for a period of one year, and is renewable.

To date, the Liquor Board has given the temporary licence to 29 hotels: 11 each in the Transvaal and Cape, three in the Orange Free State, and four in Natal.

Fedhasa executive director Dr Ernst Uken says this licence "is an experiment to ensure that small lower graded hoteliers can handle their changed situation. It has answered a definite market need and encouraged black customers."

RDM 21/2/82

Assocom looks at tourism

288

THE Association of Chambers of Commerce has elected a steering committee with a view to the formation of a National Tourism Council.

This was announced yesterday by Mr H du P Wilmot, president of Assocom, who said the council would act as an umbrella organisation to bring together the various sectors of the tourist industry.

It would co-ordinate the marketing and promotion of tourism, represent the industry in dealings with the Department of Tourism and provide that department with a means of consulting with the industry as a whole.

Mr Wilmot said the decision to elect the committee followed a request to an Assocom tourism workshop in September, at which the association was asked to research opinion on the formation of such a council.

"The response was very positive and a meeting was held on Monday, attended by 30 representatives of the tourist industry, at which it was decided to elect a steering committee to draft a constitution, and submit proposals about membership and the funding and budget of such a council."

When formulated, the proposals would be presented to a full meeting of the tourist industry Sapa.

(288)

Tourism aims for national co-ordination

By Richard Paris

South Africa's travel and tourism industry has formed a steering committee that will pave the way for a council to co-ordinate all national tourism activities.

The committee was formed this week after a tourism workshop in September by the Association of Chambers of Commerce and a meeting on Tuesday with a cross-section of representatives of the tourism industry.

The convenor of the committee, Mr J A C Reed, said yesterday the committee would co-ordinate the private sector's marketing and promoting of tourism, provide the private sector with a forum from which to approach the Department of Tourism, and provide the department with a similar forum to "sound out" and discuss tourism matters.

"Our task will be to draw up a constitution and put it to a full meeting of the tourism industry," he said.

If the industry wants to establish a national tourism council, it will put its proposals to the Minister of Tourism.

Such a council had never been successful in the past, partly because it tended to be dominated by one section of the industry, he added.

Mr Reed said Assocom had taken the initiative because its members are prime users of tourism facilities — as business travellers.

Other members of the committee are Mr L L Leppan, Automobile Association executive; Mr G Palmer, hotelier, Captain M McFarlane, airline executive, Mr Barry Lessing, assistant general manager of the SAR.

Business and Shipping



Sofica division general manager JACK DELANEY (left) and technical manager ANDRE BECKER stand in front of their firm's new radiator factory.

Average bed occupancy rates at hotels drop

By LOUIS BECKERLING
Business Editor

BED-OCCUPANCY in South Africa's hotels continues to sag below last year's levels, with an average for the industry last month 6,6% below the comparable month in 1981.

Worst affected were one-star hotels (which sold 12,4% fewer bed-nights), though five-star hotels managed to show a modest 0,4% growth in bed-occupancy despite a 2% decline in room occupancy.

A regional breakdown reveals that Cape Town (+5,6%), and the Garden Route (+1,5%) succeeded in reversing the trend, though the bulk of the country's major regions showed substantial losses in bed occupancy levels, led by Natal hotels (down 15,6%), and OFS and Kimberley hotels (−15,1%).

The statistics are produced monthly by the University of Pretoria's Bureau for Financial Analysis based upon returns from 308 hotels throughout the country.

The BFA's sample survey includes 12,8% of one-star hotels registered with the Hotel Board (representing 20,9% of total beds available in one-star hotels); 48,3% of two-star hotels (61,6% of beds); 77,8% of three-star hotels (89,5% of beds); and 100% of both four and five-star hotels.

The bureau points out in its comment on October's returns that the average total gross income for October 1982 increased by 10,1%.

"The largest improvements were on the Natal North and South Coast (30,8%), followed by Cape Town (20,1%), and the Garden Route (17,7%). The only decrease in total income occurred in the OFS and Kimberley (5,6%).

For the 12 months ending October, 1982, the average total gross income increased by 15,5% but for the first 10 months of 1982 it increased by only 14,4%.

Leading the money stakes were five-star hotels, which boosted income in October by 14,5% over last year's levels, followed by one-star hotels (10,2%), three-star hotels (9,8%), two-star hotels (8,6%), and four-star hotels (8,4%).

The following table reflects the percentage change in bed occupancy for October, compared with October 1981:

Rest of Natal	−15,6%
OFS & Kimberley	−15,1%
Rand & Pretoria	−10,8%
Residential	−10,2%
Rest of Cape	−10,2%
Inland resorts	−7,2%
Motels	−7,1%
PE & EL	−7,0%
Durban	−7,0%
Average	−6,6%
Rest of Tvl	−2,8%
Natal Coast	−0,1%
Garden Route	+1,5%
Cape Town	+5,6%

SERVICES SECTOR —

ACCOMMODATION, LIQUOR & Catering — GENERAL

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David Lewis buys Mike's Kitchen

9/1/83 R1,15m 288 S. Times

DAVID Lewis has bought the Mike's Kitchen chain of restaurants for R1,15-million.

Control of the 13 restaurants — the number is scheduled to rise to 16 by March — has already passed to Mr Lewis, who is budgeting for R30-million in gross sales from 50 outlets by 1987.

By John Spira

He has allocated a massive promotions budget to the operation — R320 000 for 1983 — part of which will be used to boost the new branches at Springs, Standerton and Claremont.

Already more than 54 areas for new Kitchens have been identified, and Mr Lewis is hoping to attract experienced restaurateurs to become franchise holders.

He is prepared to finance the right people up to 100% if necessary and has set aside R5-million for this purpose.

Mr Lewis was responsible for the launching of the Holiday Inns operation in South Africa 15 years ago.

He tells Business Times: "There are many parallels between the two operations.

"Mike's Kitchen's formula of informal family eating at affordable prices has worked extremely well and forms an excellent basis for my planned operation.

"I had planned to start a restaurant chain along these lines, but the fact that Mike's Kitchen was for sale provided me with a great starting point.

"Mike's Kitchen is aimed at exactly the right market for my purposes — a place where people relax in informal surroundings and, most important, get value for money."

The chain is 10 years old and has successfully expanded to Houston and Munich.

Mr Lewis plans to take personal control of the operation from the word go and has already recruited several of his original Holiday Inns team to assist.

The Mike's Kitchen acquisition is unrelated to the deal announced earlier in the week whereby Mr Lewis's Lara Films has acquired more than 50% of Impala Investment Trust, the shares of which company Mr Lewis offered for public subscription a year ago.

Impala is currently negotiating for the acquisition of certain trading companies.

If successful, these negotiations will result in Impala purchasing the companies concerned for cash and shares.

The vendors of the trading companies will simultaneously make a cash offer for either a portion or all of the minority shares in Impala.

The vendors would then seek a Johannesburg Stock Exchange listing for Impala.

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

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Examiners' Initials		

NOTE CAREFULLY

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3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

EDSON 15255

BARSAN

A flawed contract?

Barclays National Bank's effort to disentangle itself from Barclays Sandra van der Merwe Associates (Barsan) is moving rapidly to a climax.

Barsan chief executive Sandra van der Merwe has seen the bank and letters have been exchanged between her and the bank. In addition, the bank's lawyers believe they have discovered a major flaw in the contract setting up Barsan that could void the whole agreement.

The flaw, the *FM* learns, is in terms of the Companies Act. Neither the bank nor its attorneys, Webber Wentzel, would confirm the *FM*'s information and Gerald Stein of Werksmans, who acted for the bank in setting up Barsan, was not prepared to comment.

However, Victor Mansell, senior partner of Edward Nathan and Friedland, Van der Merwe's attorneys, confirmed the *FM*'s facts.

Quoting Michael Katz, the partner who handles Van der Merwe's business, Mansell said: "We have been informed that Webber Wentzel believes there may have been a contravention of the Companies Act. However, we have gone into the matter thoroughly and are quite convinced that no contravention took place."

A difficulty for the bank is that even if Webber Wentzel is correct the flaw would, apparently, involve only the main contract under which Barsan was established.

The *FM* is told there are various subsidiary contracts that may be "separable" from the main contract.

One of these is believed to be that specifying a restraint of trade agreement which would give Van der Merwe a tax-free "golden handshake" if the bank dispenses with her services. The size of the payment is not known, although a figure of R250 000 has been mentioned.

Negotiations with Van der Merwe are continuing and banking sources expect them to be completed soon. The bank would obviously like to be shot of the whole messy and embarrassing business as soon as possible.

A court fight, involving legal disagreements between three well-known law firms, one of which drew up the contract, the second which approved it on the bank's behalf and a third which is questioning it on the bank's behalf, is hardly likely to be to Barclays' taste.

The bank, therefore, is likely to resist the opinion of some of its advisers that the grounds exist to simply dispense with Van der Merwe's services and let her sue if she wishes.

The main negotiations with Van der Merwe are being handled by the bank's new MD Colin Waterson, who succeeded Bob Aldworth.



Barsan's Van der Merwe . . . negotiations continue

CUSTOMS

Bootleg blitz

A number of SA liquor merchants have been drawn into the Windhoek whisky raid affair in which police seized R100 000 worth of stock on suspicion of customs duty evasion. One merchant involved is Premier-owned Benny Goldberg (BG).

It seems that part of the 875 cases confiscated by the Namibian police could have originated from a bonded BG warehouse. A further possibility — although it would make little sense — is that the stock was legitimately bought retail.

Premier chairman Tony Bloom says, "At this stage we are merely assisting the police with their investigation. It may even turn out that the whisky does not come from BG."

Bloom says that the possible Goldberg link emerged while BG was assisting the police. Bloemfontein liquor importer and BG supplier Heighton, said the import numbers on the seized whisky bottles indicated that they were BG sourced.

If so, it could mean that the whisky was bought by a buyer claiming to be from outside the SA customs union. If re-sold in SA, duty could be avoided.

The alternative retail possibility is considered unlikely because of the magnitude of the order and high retail cost. If it was purchased for export, BG would be required to furnish custom-stamped documents to prove the whisky left the country.

The onus of furnishing proof of such export lies with the seller. Further, if an irregularity is suspected, the Department of Customs and Excise can impose penalties. Also, the seller is liable for the duty whether he was misled by the buyer or not. The assumption is that reasonable care should be taken. Bloom claims that BG has all the custom stamped documentation necessary for goods sold.

Further, he says the quantities seized do not tally with quantities sold by Goldberg's for export and thus it may not have been the source at all. If the investigation finds

Hotel chain wants changes

AN international hotel chain in South Africa plans to approach the Minister of Tourism in an attempt to eliminate "embarrassing and distasteful" apartheid at the Cango Caves.

Mr Nigel Matthews, managing director of Holiday Inns in South Africa, said racial incidents at the Oudtshoorn caves had made the group reluctant to take mixed tour parties to the town.

"The present colour restrictions at the Cango Caves are disgraceful and affect our guests," he said this week.

By SYLVIA VOLLENHOVEN, Weekend Argus Reporter

Overseas

"We promote Oudtshoorn significantly overseas but I find it embarrassing when people can't go off and enjoy tourist facilities like ordinary human beings."

Mr Matthews said he visited the caves late last year and subsequently his hotel manager there compiled a detailed report on the racial separation.

"I will now write to the Minister and request an interview to discuss the issue. It's time the caves were brought in line with the 20th century," he said.

Cape regional manager for the hotel group, Mr Peter Hearfield, said: "We are finding a growing reluctance (among black travellers) to go to Oudtshoorn because of the embarrassment caused at the caves."

Reports on their tours submitted to him last year cite these incidents:

- A multi-racial party of hotel staff was told that the blacks should leave the licensed restaurant;
- A group of Muslim travel agents was "rudely and loudly" shouted out of the same restaurant;
- A dark-skinned Portuguese woman was stopped from going through the white entrance.

Mr Hearfield said none of the group's other hotels in the Cape has had similar problems with multi-racial tour groups.

A worker at the Oudtshoorn Holiday Inn — the only international hotel in the town — said since being given international status there had been a few unpleasant racial incidents.

"On occasion whites have physically assaulted black people on the dance floor because there was mixed dancing," he said.

A cheetah game park, safari park, ostrich farm and crocodile farm in the town are also open to all races.

Two Cape Town businessmen, Mr Mohamed Tahis Toufique and Mr Omar Sonday, who had just arrived when we interviewed them, were appalled at the facilities on the black side.

They had followed the "non-white" parking sign to the black entrance.

"We drove here specially to see the caves but after climbing all those steps to find that crummy little café, my friend (Mr Sonday) refused to go on the tour," said Mr Toufique.

"I went but couldn't understand a word of what was happening because the guide spoke Afrikaans all the time. You could feel the hostility from the blacks and most of them wandered away from the tour party and walked around on their own."

Leave

He said the guide had started speaking in both official languages but when one of the white visitors told him to speak Afrikaans only, he did.

Mr Toufique said he had seen a group of people leave before going on the tour because they were disgusted at the black facilities.

An American tourist, Miss Ann Silano, had herself photographed next to the "nieblankes" parking sign.

"I've got to have a picture, this is a landmark. It's ridiculous, we walk past one another in the cave," she said.

A coloured management committee official, who asked not to be named for fear of losing his job, said the reluctance to open the facilities at the caves to all races was "blatant selfishness".

"They are trying to hang on to what they have, not wanting to share anything," he said.

Explaining why he did not want to be named, the official recounted an incident when he had spoken to a newspaper about the poor working conditions of farm labourers in the area.

"I was accused of hampering race relations and I was told I could lose my job if anything similar happened again," he said.

Although black and white visitors are generally ushered in through separate entrances the parties often meet in Van Zyl Hall — the first big cave — and go on the same tour.

The United Congregational Church Minister, the Rev John de Klerk, who has served in the town for 10 years, accused the town's authorities of marring the beauty of the caves.

"It's a natural wonder which God put there but they are spoiling it. More wonders can happen if people can find each other by being allowed to peacefully have a cup of tea together," he said.

Mr de Klerk said it was an irony that black people had discovered the caves and they were now being shunned there. Cango is a Bushman word meaning water.

Indians told to leave resort

Mercury Reporter

A PARTY of 11 Indian families, among whom were several professors of the University of Durban-Westville, have had to cut short their seaside holiday at a private Margate resort — because they are not white.

Police, acting on a complaint by a local resident, gave the families 24 hours to pack their bags and go home.

Mrs Liz Jones, who runs the Seahorse Chalets, yesterday referred to the incident as 'most unfortunate' and said she had believed there would be no problem as long as no mixed dancing or drinking took place on the premises.

She described the Indians as a 'wonderful bunch of people'.

She said their number also included an employee of the Department of Internal Affairs and his wife and children.

Sympathetic

'It makes me boil to think that just one prejudiced person can spoil a holiday for so many people who were doing nothing but enjoying their stay.

''Although the police were very sympathetic they had no alternative but to act.'

NRP MP for South Coast Mr Aubrey Thompson said he in turn sympathised with the police — because they had had no choice in the matter.

'All this talk of exercising local option obviously doesn't mean anything,' he remarked.

The Progressive Federal Party's leader in Natal, Mr Ray Swart, said the incident highlighted the many injustices brought about by the existence of discriminatory legislation.

'I'm appalled. This sort of thing should be taken into account when considering the Government's new dispensation, which supposedly gives Indians and coloureds a better deal.'

Tourism could earn PE R200m a year by turn of century

288
Post
E 20/1/83

THE tourist industry in the Greater Algoa Bay region could be worth as much as R200 million a year by the turn of the century, according to Mr V M "Rocky" Ridgway.

In an address read on his behalf at the Edward Hotel last night by Port Elizabeth Chamber of Commerce secretary Mr Tony Gilson, Mr Ridgway said this target could be achieved "if the realistic potential of the market is fully exploited".

The address was read to launch a national promotions campaign planned by the Port Elizabeth Hotels Group (comprising the Edward, Beach and Walmer Gardens hotels and Bliss Holiday Apartments.

Mr Ridgway, chairman of the Greater Algoa Bay Development Committee (Gabdec) quoted from the findings of a techno-economic study of the area to outline four major development opportunities which, he said, should be exploited in order to realise the region's full economic potential.

"The Heyl report emphasised the fact that tourism could be a major industry in the area," said Mr Ridgway.

"If the overall national growth in the country is assessed at 3,8% per year, the Greater Algoa Bay tourist industry will be worth R125 million in the year 2000 — but this could be as high as R200 million if the realistic potential of the market is exploited."

Referring to the industrial development in the area, Mr Ridgway pointed out that in relation to size, Port Elizabeth and Uitenhage had the most highly-developed industrial infrastructures in the country.

The manufacturing industry, he said, consequently contributed a greater share to the regional economy than was the case in any other centre in the country.

"We furthermore have the opportunity of attracting new industries that complement our existing manufacturing sector by supplying their semi-processed material or adding value to their finished product."

Mr Ridgway pointed out that further expansion could be achieved by improving the output of the hinterland. "The completion of the Sundays RIver irrigation scheme could mean the creation of 4 000 new jobs."

Replying on behalf of the hoteliers present at the launch of a monthly tourist calendar, Mr G R Beattie, marketing spokesmen fo the Hotels Group and managing director of the Edward and the Beach hotels, said Gabdec and the Heyl Commission report it commissioned had highlighted expansion opportunities available to Algoa Bay businessmen.

Among the recommendations was an increased promotion of the conference market and greater emphasis on package tours to boost bed-ocupancy rates at Port Elizabeth's hotels.

"With all the facilities available within our hotel group we plan to play our part in implementing these two recommendations. We are promoting our group's conference and accommodation facilities in order to attract a larger share of this industry to Port Elizabeth.

"We are offering special accomodation packages in order to help attract more sporting events as well," he said.

Mr Beattie called on guests at the function, who in the main represented various sporting clubs and associations, to encourage their associates in other parts of the country to make use of the facilities offered in Port Elizabeth for forthcoming meetings and conferences.

God on blacks' side — Boesak

Cape Times 26/11/83 (288)

Staff Reporter

BLACK theology attempted to articulate God's concern for the poor and the oppressed universally, Dr Alan Boesak, the president of the World Alliance of Reformed Churches, said last night.

Addressing a University of Cape Town Summer School course on "Theology in Black and White", he said God was always on the side of the oppressed and this applied equally to South Africa, where blackness and oppression were synonymous.



Dr Allan Boesak

'Symbols'

"We are saying that God is on the side of blacks because they are poor, oppressed and dispossesed in our society," he said.

Dr Boesak, the author of *Farewell to Innocence*, a summary of his doctoral thesis on black theology and black power, said blackness and whiteness were both "symbols" in South African society.

"Whiteness symbolises the vast, destructive, seemingly invincible psychological, military and political power structure in this country.

"Blackness in turn is an existential human reality in this society."

He said racism was an experience which he found very difficult to relate to white audiences.

"How can I even begin to explain the reality of racism — the systematic undermining of one's human dignity, the dehumanization of people and their feelings. And when it all becomes legal, it is almost unbearable."

Memory

Dr Boesak said his earliest recollection of racial discrimination was at the age of four when on a very hot day, he and his father tried to buy cold drinks from a shop in their hometown Kakamas. He was told that the cold drinks were reserved for whites.

Although it was "impossible" for any white person to understand the black experience, Dr Boesak said there were "those whites who identify with blacks and their oppression in an existensial way and are committed to their liberation from oppression".

● Dr Boesak's address was the second in a five-part debate with Dr Charles Villa-Vicencio, a theology lecturer at the University of Cape Town.

Tonight, Dr Villa-Vicencio will speak on "Theology and Socio-Economic Liberation".

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EDSON 15256

PE's museum hosted a record number of visitors last year

288 E. Post 2/2/83

By CARLO MERCORIO

LAST YEAR was a bumper year for the Port Elizabeth Museum and Oceanarium complex.

According to figures released by the public relations manager of the complex, Mr Saville Watson, the oceanarium had a record attendance of 149 000 — an increase of about 16 000 over 1981.

The museum was visited by 138 700 people — an all-time high and 6 000 above the statistic recorded for the previous year.

December was the most popular month, with 27 500 people visiting the museum.

The highest total recorded for a single day was on December 27, when 1 920 people — 200 more than December 27, 1981 — passed through the museum's doors.

Attendances over other holiday periods were also higher than in previous years.

Mr Watson attributed the increased attendance at the oceanarium to the popularity of the baby dolphin born there early last year, and to an increase in the number of Transvaal visitors.

"There were many cars with Transvaal number plates outside the complex and they seemed to be here earlier in December than is normally the case," he said.

The figures for the snake park and tropical house (about 109 500) and children's museum sections of the complex did not show an increase, but were similar to those recorded in 1981. The children's museum welcomed its 200-000th visitor about two weeks ago.

December figures for bed-night occupancy at hotels in Port Elizabeth dropped slightly, but caravan parks were fuller than in December, 1981.

Acccording to figures released by the Director of Publicity for Port Elizabeth, Miss Cynthia van der Mescht, hotels were 65,2% full, compared with 65,7% in 1981.

Beachfront hotels enjoyed a good season, being 93% to 96% full on average. However, central and outlying hotels suffered a 2% drop in bed-night occupancy.

The average length of occupancy at hotels among the two-day to seven-day group, however, increased from 2,6 to 2,8 nights.

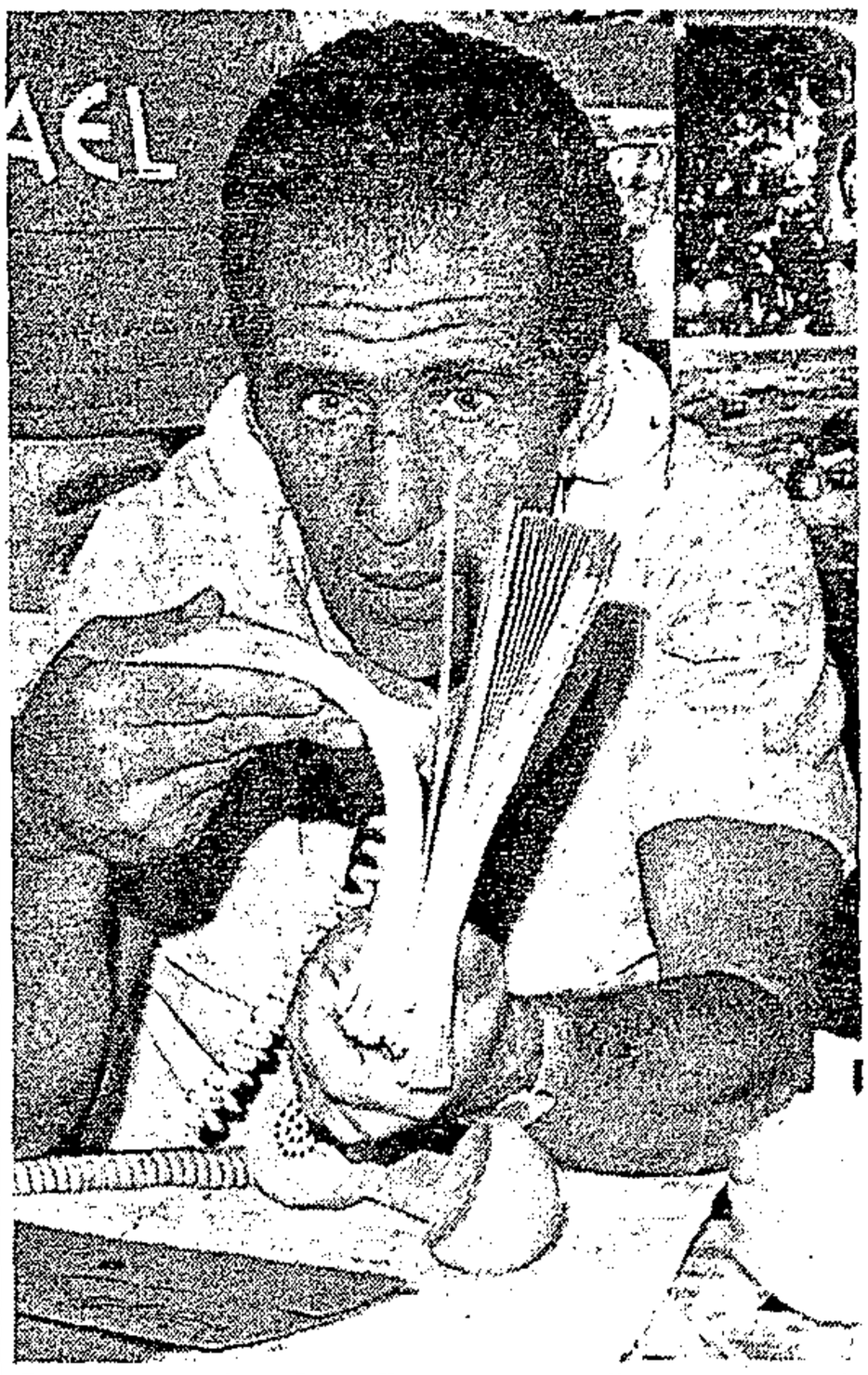
Mr Chris Egberink, chairman of the Hotel Association, attributed the drop to the present economic climate and to the availability of after-hours petrol.

Caravan parks were fuller than in 1981.

A breakdown of occupancy figures in terms of region of origin of holidaymakers showed that as regards hotels, 38,1% were from the Transvaal, 14,6% from the Southern and Eastern Cape, 13% from the Western Cape and 11,4% from Natal.

Caravan and camping statistics reveal that 60,9% were from the Southern and Eastern Cape and 21,7% from the Transvaal.

Israeli factor expands Tony's horizon



● Discount king Tony Factor . . . profits are out as he breaks into the travel industry.

By DEENA SHAPIRO

DISCOUNT king Tony Factor is not making a cent out of his latest business venture — sending South African tourists to Israel.

The millionare businessman says he has given up his share of the profits to achieve a 10-year-old dream.

"People will get two weeks in Israel for R1 199 and for that I'm a very happy man. What I'm getting out of it wouldn't satisfy most businessmen," he said.

His partner in the venture, Mr Mandy Herman of Executive Travel, said: "Tony is not making a single cent."

The Factor-style Israeli tour offers a return airfare to Israel, two weeks accommodation in three- and four-star hotels in Jerusalem and Tel Aviv and a tour to Masada — for less than the normal return airfare.

Over 1 500 inquiries flooded in a day after he advertised the trips.

Mr Factor said he had tried to enter the travel game for the past 10 years — since he managed to sell tickets for berths on a cruise to Mauritius and the Seychelles for almost half the normal rate.

But he said on later projects the Association of South African Travel Agents put a spoke in the wheels. "I have been made to feel most unwelcome in the travel industry," he said.

Mr Factor spent five months negotiating the Israeli venture.

"We won't turn away anyone. If there are more people than two flights can cater for, we'll lay on another flight.

"Now I have a platform from which to explore other territories," he said.

(288) Hansard Q. Col. 482

Hotels: international status

3/3/83

328. Mr. S. S. VAN DER MERWE asked the Minister of Industries, Commerce and Tourism:

(a) How many hotels in South Africa have international status at present and (b) how many such hotels are there in each province?

The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

(a) 75.

(b)

Transvaal	27
Cape Province	29
Natal	16
Orange Free State	3

KEYWORDS

QUALITY Reference

1) Promotion Hotels (Tourism)
2) Research Motels
3 Specialities Hotels

SHEBEENS FM 8/3/83

First in, last served

There are now a total of seven black entrepreneurs who may legally sell liquor in the 1m-plus township of Soweto. Last year two Soweto businessmen were granted liquor authorities by the Transvaal Liquor Board. Last week a further five were granted the privilege.

Some now have licences for on-consumption, some for off-consumption, and some for both.

While the news has been greeted with enthusiasm by Soweto residents, there is some disappointment on the part of the 4 000-strong shebeen community. Why, asks Lucky Michaels, chairman of the National Tavern Association (NTA), are businessmen, new to the liquor trade, being granted permission while established shebeeners stay out in the cold.

"We welcome the recent move — any progress towards freeing up the system is good news," says Michaels. "However, this brings into focus the fact that we are still waiting for our applications to be processed by the local authority before they can be passed on to the Liquor Board."

Zoning

Part of the reason why established shebeeners have had to wait is that most of them conduct their business from their own homes, zoned for residential purposes, while the lucky seven licensees have premises in areas zoned for business.

The NTA has submitted 63 applications to Soweto mayor David Thebahali who, as far back as May last year, said applications would be with the Liquor Board by the end of that month.

He also said that around 75% of applications submitted by shebeeners would get the thumbs-up on rezoning of their premises from residential to business.

The Liquor Board confirms it has not yet received the applications from the local authority in Soweto. It is, therefore, unable to move on the granting of licences.

Cafe turns away black U S student

Pietermaritzburg Bureau

A BLACK American student, who was turned out of a Wimpy bar in Pietermaritzburg, has sent a letter of complaint to the company's head office in London.

Miss Keletso Atkins, doing research on African history at the University of Natal, was told she could not be served at a Wimpy bar in Church Street because she was black and the restaurant did not have a permit to serve blacks.

She told the Mercury she had been offended because Wimpy was part of an international group and one would have expected they would adopt a multiracial policy.

Problems

In her letter to Wimpy International in London, the Pietermaritzburg City Council and the American Consul, Miss Atkins said she had avoided racial confrontation since arriving in South Africa 13 months ago.

The absence of racial signs created problems for blacks not used to South African customs, and they could be told to leave premises where blacks were not served.

Mr Colin Podmore, who runs the Wimpy bar, said he had been obliged to turn Miss Atkins away because the restaurant did not have a permit to serve blacks.

'We have applied for a permit, but have been turned down on the grounds that there are enough restaurants in the city which cater for the needs of blacks.'

A spokesman for Wimpy in Durban said it was company policy to have all their restaurants multiracial, but this was not always possible.

About one third were multiracial, he said.

Kerzner's happy with Atlantic City

By JOHN MULCAHY

THE gambling industry in the US has changed significantly over the past few years, and major corporations may operate casinos in Atlantic City, New Jersey, on a legitimate basis.

This is the view of Mr Sol Kerzner, managing director of Southern Sun Hotel Holdings, who says investigations undertaken by the New Jersey Gaming Commission are detailed and highly regulated.

Pointing to the investments of the Hilton Group and Resorts International in Atlantic City — "they are both highly reputable organisations" — Mr Kerzner says he is convinced such high-profile corporations would not be operating in a Mob-controlled environment.

Mr Kerzner was asked to comment on the existence of organised crime in the Atlantic City area where Southern Sun and SA Breweries propose to develop a $250-million casino-hotel complex.

Reports in recent years have pointed to a bloody battle for control of Atlantic City's underworld, with victims including trade union officials, a judge and the former godfather of the Philadelphia Mafia family, Angelo Bruno.

Bruno's reputed successor in Philadelphia, Philip "Chicken Man" Testa, has a close associate, Nicodemo Scarfo, who has been dubbed "the Philly Mob's capo at the shore" by the Pennsylvia Crime Commission.

Scarfo and his colleagues have featured in police investigations into four murders in Atlantic City since 1976, including that of Judge Edwin Helfant.

Scarfo was in 1981 put on trial for the murder of Vincent Falcone, a cement contractor in Atlantic City, and the State appeared to have an open and shut case, with an eyewitness placing Scarfo and his two partners at the scene of the crime.

However, at the last minute Scarfo's defence produced a policeman who provided an alibi for Scarfo at the time of the killing.

One report, published in Life magazine in 1981, summed up the criminal developments in Atlantic City: "As far as the Mob is concerned, Atlantic City today is a banquet about to be enjoyed. Its six operating casinos have won close to $1 000-million since Resorts International opened over two years ago.

"Projections are that by 1985 over 18-million gamblers will pour into the resort every year. By next summer six new casinos are scheduled to open and their presence will generate a payroll of over $500-million for casino employees alone.

"The lure of all this money and development on a town that had only 42 000 permanent residents in 1976 has led every organised crime family on the East Coast to target Atlantic City for infiltration.

"Most have already sent representatives there to explore possibilities for opening legitimate businesses or to wangle themselves into organised labour or the political system."

Although there has been no suggestion that the Mob is, or has been, directly involved in casino operations, its efforts have been aimed at trade unions in the area, as well as peripheral industries, such as garbage disposal, laundry services and cigarette distribution, all lucrative businesses.

Soon after the legalisation of gambling in Atlantic City, New Jersey's Governor Brendan Byrne announced the establishment of the Casino Control Commission as a warning to organised crime to keep out.

However, while Governor Byrne was making tough speeches about Atlantic City's crime-free future, state police investigators were disclosing that the chairman of the Casino Control Commission, Joseph Lordi, had close links with the powerful Genovese Mafia family in New York.

Mr Kerzner says the Gaming Commission must be satisfied with casino-hotel employees as well as those operating in ancillary industries.

The commission can force a company to dismiss employees whose background may be suspect. It can also rescind gaming and other licences.

He believes the invitation to consider an investment in Atlantic City was made to Southern Sun because the group has developed a reputation as an operator of quality hotels, resorts and gaming operations.

Conceding that not all operations at Atlantic City have been successful, Mr Kerzner says 90% of the casinos there are producing extremely good results in spite of the lengthy recession in the US.

"I have full confidence in moving into Atlantic City as I believe we will be able to adapt to the US market place.

"There are many areas that are related, and the strengths we have developed at Sun City will prove beneficial."

UNIVERSITY OF CAPE TOWN

Call to bar SA hotel bid

NEW YORK. — The head of the United Nations Special Committee Against Apartheid urged yesterday that authorities in Atlantic City, New Jersey, prevent a South African hotel chain from building a casino complex there.

The Nigerian Ambassador, Mr Yusuff Maitama-Sule, issued a statement noting a report that the Southern Sun hotel chain had decided to develop such a complex in the old seaside resort city. He called the report "shocking".

He said the building of "Sun City" in Bophuthatswana by the same investors "bolstered the policy of the racist regime to dispossess the African majority of all its rights and confine it in so-called 'independent' states in scattered reserves".

"I urge the authorities concerned," Mr Maitama-Sule said, "to take firm and urgent action to deny approval of the project." — Sapa-AP.

288 Hansard Q.61. 997-998 15/4/83

Foreign tourists

673. Mr. T. ARONSON asked Minister of Industries, Commerce and Tourism:

(1) (a) How many foreign tourists visited the Republic in the period of 12 months ended 30 June 1982, (b) from which countries did they come and (c) how many were there from each country;

(2) what was the amount earned from these tourists in the said period?

The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

(1) (a) 704 386

(b) and (c) Main world zones and countries:

Europe 315 095	
United Kingdom	141 952
Austria	6 080
Belgium	6 820
West Germany	54 833
France	16 679
Netherlands	14 940
Portugal	8 932
Spain	7 743
Switzerland	13 928
Italy	13 145
Scandinavia	10 270
Other	19 773
Asia 31 247	
Japan	8 327
Israel	8 961
India	2 235
Republic of China	4 609
Other	7 115
Africa 263 997	
Zimbabwe	148 159
Mauritius	2 720
Reunion	1 153
Botswana	31 575
Lesotho	18 558
Swaziland	27 060
Other	34 772
America 75 760	
Argentina	2 354
Brazil	2 836
U.S.A.	56 470
Canada	11 138
Other	2 962
Oceania 18 287	
Australia	13 973
New Zealand	4 299
Other	15

(2) The amount is estimated at R630 million (travelling-expenses to and from South Africa excluded).

Road blocks: persons wounded/killed

SA set for diplomatic links with Comores

288 ROM 16/4/83

By DON MARHSALL
Pretoria Bureau

A NEW tropical holiday playground is to be developed in the Comores using South African financial and technical assistance as a forerunner to Pretoria establishing diplomatic ties with the Indian Ocean islands' government in Mornoi.

The islands are of considerable strategic importance to South Africa — politically, economically, and from the point of view of defence.

In order to foster better relations with the government of Mr Aahmed Abdallah, South Africa is prepared to:

- Open a direct air link between Jan Smuts and the Comores capital;
- Organise an agricultural development scheme using South African farming experts;
- Launch a crash housing aid scheme in the islands;
- Organise a R23-million loan from the Industrial Development Corporation to enable the islands' tourist industry to get off the ground.

There is also talk of South Africa sending experts to help the Comores people establish their own fishing industry.

South African Government officials have worked carefully during the past eight years to develop closer ties with the Comorian people.

Mr Ahmed Abdallah was reinstated as leader in a coup in 1978 after having been deposed in 1976 by a Leftwing group.

France and South Africa have been blamed for the coup, but this has been denied in Pretoria.

Relations between South Africa and the Comores Islands Republic have since developed excellently.

A Government source yesterday praised Mr Abdallah's government for what he called "being the first" of several African countries to have the courage to advertise their links with South Africa.

"We have similar relations with several other African countries and at least some of them are expected to follow the Comores' example in the near future," the Pretoria source said.

Visits last year by more than 50 000 businessmen from black Africa was evidence of South Africa's growing ties with Africa, the source said.

Mr Abdallah, through his Muslim faith, has strong connections with the Middle East, notably Kuwait and Oman, and this in itself would be sufficient to stir Pretoria's interest.

Developments in the Indian Ocean islands will have important ramifications for the security of both the Indian Ocean region and Southern Africa.

, APRIL 16, 1983

Ciskei blacks stay in 'white' hotel

By SIMON BLOCH

THE colour bar is a strange monster to understand, at the best of times, but when it distinguishes between people of the same colour but with different nationalities, it's more than a mystery.

Especially when they have been born in the same country, but are now separated through the creation of independent homelands.

The mystery came to Weekend Post's attention when a visitor to a one-star King William's Town hotel watched black customers being served there.

He asked the management how come blacks were allowed to stay there if the hotel did not have international status.

The manager replied that the guests were from Ciskei and that homeland citizens were entitled to stay in normally whites-only hotels.

How did hotel managements distinguish between South African blacks and blacks from independent homelands?

According to the Commercial Hotel's manager, Mr Marco Homan, when guests sign the hotel register, they are usually required to produce a document of identification.

"We are not an international hotel, but if a cocktail party is being held at the hotel and black guests are invited, we are required to apply to the Liquor Board for permission."

However, he said, blacks from homelands may book in.

"But if South African blacks arrive, we refer them to the only hotel in town with international staus," he said.

He said that if white guests wanted their chauffeurs to stay at the hotel, there were clean rooms at the back of the hotel.

Kerzner's hazard

Southern Sun in the city of sin

SOL KERZNER, meet Nicodemo 'Little Nicky' Scarfo and Philip 'Crazy Phil' Leonetti and Lawrence 'Yogi' Merlino ... and the Luchese, Colombo, Genovese, Gambino and Bruno boys.

Richard Walker
ATLANTIC CITY

Your new neighbours, you might say.

Colonel Justin Dentino, New Jersey's top organised-crime investigator, fears Atlantic City becoming a Mafia 'open city' as the casino owners capitulate to the mob 'families'. A state enquiry commission has accused the casinos of 'fawning' submission to 'notorious criminal elements' defrauding them of millions of dollars.

The slot-machines may jingle as merrily, but Atlantic City is assuredly not Sun City and anti-apartheid rhetoric is not



Sol Kerzner ... a hard row to hoe

the only threat to Kerzner's Camelot.

Gambling is nothing new to this dilapidated 'queen of resorts,' whose heyday was the turn of the century when high society paraded under parasols along the beachfront boardwalk. Al Jolson was a lifeguard here and Frank Sinatra sang here 44 years ago.

The mob also has its memories. Al Capone and Lucky Luciano held their 'conventions' here and some citizens still fondly recall Enoch 'Nucky' Johnson, the town's Mafia-tied political boss of the '40s who would peel off hundred-dollar bills for street bums.

The big difference now is that gambling is legal. Five years ago Atlantic City was the undisputed, if insignificant territory of the Angelo Bruno mob. Then came the big break and the injection of R2 000 million in private capital to render the seedy old sand-spit the mecca of vice.

A shotgun blast blew away Don Angelo and Bruno's successor was blown up by a bomb. Soon there was nobody left but a minor mob-soldier named Scarfo, who had been exiled here for incurring the displeasure of the Philadelphia bosses.

Picture it — New York just 200 km to the north and more than 20 million suckers a year surging south. They range from high-rollers willing to wager R20 000 on one throw of the dice to 200 000 busloads of trippers, each dropping an average R60 into slot machines that in the case of one casino stretch the length of two rugby fields.

Little Nicky Scarfo is 'a throwback to the Al Capone days,' says Dentino, one of many law-men scrambling to keep the mobsters out. 'With Scarfo, people operate with complete disregard of law enforcement.' A messy murder seemed to prove the point before little Nicky was snared on a weapons-possession charge, but by then the mobs had done a deal and declared Atlantic City open range — 'a kind of free-trade zone,' a state official called it.

The Mafia moved into Las Vegas from the top by controlling the casinos. New Jersey averted this, but the mobsters are using the back door — the service entrance. 'We headed them off,' said Dentino, 'now labour-racketeering is their way in.'

His explanation should send a shiver through many a S A Breweries shareholder: 'The unions promise peace for money. There are nine casinos operating and a tenth being constructed. There's a lot of money in the construction.

They have to meet standards, they have to build a 500-room hotel that costs something like 300 million dollars ...

'Once the casino is up they average half a million a day. Interest rates are high to pay off what they borrowed to put the place up. They can't afford work stoppages. If organised crime controls the unions, they have the hammer ...

'Put yourself in the casino's position. What's it worth to know you won't have labour problems? A hundred thousand a year? A hundred thousand a month? It might be a good business arrangement.'

A random sample of casino records found the names of 25 mobsters who had obtained R1,2 million in casino credit last year — complementary everything, including gambling chips. A single Gambino associate got R220 000 from the Sands, Nugget, Caesar's, Playboy and Harrah's. Even Scarfo, who does not gamble and lived a block away, received R3 000 in rooms and dinners.

The enquiry commission cited a 'staggering' increase in casino credit last year, to R1 500 million, or about 30 percent of what was wagered at the tables. It also observed that more than R25 million was written off as bad debt.

Southern Sun arrives on the scene at an awkward moment. Atlantic City residents, almost 60 percent black and hispanic, have been largely excluded from the R750 million pay bonanza enjoyed by the commuting casino workers. The resident population has dropped by a third to 40 000 since the '60s, while major crime has soared 171 percent and business in the decayed town centre is down 20 percent since the casinos came. There is not one supermarket and the only cinema shows porno movies.

'Gamblers don't shop,' an old-timer reflected. 'There ain't no Atlantic City, this is a jungle,' an 82-year-old survivor of the parasol days declared. 'The whores come right up to our porch,' the rector of St James episcopal church complained. Now a fellow episcopal rector is bottling the bitterness and squirting it on Kerzner and his Camelot.

The Rev Sipo Mzimela, a South African with — surprise, surprise — an Atlantic City parish, claims mass opposition to the Southern Sun project, but says he fears 'the almighty dollar' and the power of Kerzner money in this den of thieves.

Mzimela is particularly wary of the construction bosses, one of whom has stressed that 'my guys need' the Camelot work. He pins his hopes on the Casino Control Commission denying the Camelot a licence rather than on the city council. In Patrick T McGahn, Kerzner has a very powerful lawyer who has worked wonders for casino interests through his council connections.

The casino operators must tread gingerly. A jury last month awarded Scarfo's lawyer R1,25 million in damages for the indignity of being bounced from the Golden Nugget. But money there is. Mounds of it. Harrah's, the Camelot's future neighbour, reported a pre-tax profit of R42 million for 1982 and though three of the casinos had a combined net loss of R61 million the other six cleared a profit of well over R120 million.

Now a word for the bad guys. 'They been investigating us for five years and they have not come up with anything,' boasts Lawrence Merlino, who has an acquittal for murder and helps tend family affairs while Scarfo serves his sentence. 'You got any idea how many diferent kinds of police are watching us? State police, local police, FBI — there's eight of them, I think. You got any idea how much money they make on us just in overtime?'

)artheid rhetoric not only threat to Kerzner's Camelot

28 APR 1983
D. DISPATCH
288

Mr Sol Kerzner and the Southern Suns hotel group plan to participate with an American corporation in the building of a R320 million casino-hotel in Atlantic City, New Jersey. RICHARD WALKER surveys the Atlantic City scene and describes the threat to casino owners from gangsters and mobsters.



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Then there is the curious example of Joseph Pejulla, convicted in connection with the shooting of a Scarfo associate and found to have deposited R500 000 at one casino, in a manner that raises questions about the casinos' usefulness as laundries for hot money.

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Adventure is certainly guaranteed. The Camelot site is in the marina area to the north, a rough sector of gutted buildings and vacant lots, but with the lure of easy access and plenty of parking space. Harrah's is the only casino there now.

There are business uncertainties. Bosses of the Bartenders' Union, for example, include, or have included, Scarfo cronies, a convicted extortionist and a man accused of ordering the death of a building trades boss, shot six times by a gunman posing as a flower deliveryman. The flowers were poinsettias.

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Anti-apartheid n th K C

Sol Kerzner, meet Nicodemo "Little Nicky" Scarfo and Philip "Crazy Phil" Leonetti and Lawrence "Yogi" Merlino ... and the Luchese, Colombo, Genovese, Gambino and Bruno boys.

Meet also Colonel Justin Dentino, New Jersey's top organised-crime investigator, who fears Atlantic City will become a Mafia "open city" as casino owners capitulate to the mob "families". A state enquiry commission has accused the casinos of "fawning" submission to "notorious criminal elements" defrauding them of millions of dollars.

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The mob also has its memories. Al Capone and Lucky Luciano held their "conventions" here and some citizens still fondly recall Enoch "Nicky" Johnson, the town's Mafia-tied political boss of the Forties, who would peel off hundred dollar bills for street bums.

The big difference now is that gambling is legal. Five years ago, Atlantic City was the undisputed, if insignificant, territory of the Angelo Bruno mob.

Then came the big break and the injection of R2 000-million in private capital, to render the seedy old sand spit the Mecca of Vice.

A shotgun blast blew away Don Angelo, and Bruno's successor was blown up by a bomb.

Soon there was nobody left but a minor mob soldier named Scarfo, who had been exiled here for incurring the displeasure of the Philadelphia bosses.

Picture it ... New York just 200km to the north and more than 20 million suckers a year surging south.

They range from high rollers willing to wager R20 000 on one throw of the dice to 200 000 busloads of trippers, each dropping an average R60 into slot machines that, in the case of one casino, stretch the length of two rugby fields.

Little Nicky Scarfo is "a throwback to the Al Capone days," says Dentino, one of many lawmen scrambling to keep the mobsters out.

"With Scarfo, people operate with complete disregard of law enforcement."

A messy murder seemed to prove the point before Little Nicky was snared on a weapons-possession charge, but by then the mobs had done a deal and declared Atlantic City open range ... "a kind of free-trade zone," a state official called it.

The Mafia moved into Las Vegas from the top by controlling the casinos.

New Jersey averted this, but the mobsters are using the back door ... the service entrance.

"We headed them off," said Dentino. "Now labour racketeering is their way in."

He explains: "The unions promise peace for money. There are nine casinos operating and a is 10th being constructed.

"There's a lot of money in the construction. They have to meet standards, they have to build a 500-room hotel that costs something like $300-million ...

"Once the casino is up, they average half a million a day. Interest rates are high to pay off what they borrowed to put the place up.

"They can't afford work stoppages. If organised crime controls the unions, they have the hammer ...

"Put yourself in the casinos' position.



SOL KERZNER ... moving into Atlantic City

RICHARD WALKER reports from New York

It also observed that more than R25-million was written off as bad debt.

Southern Sun arrives on the scene at an awkward moment.

Atlantic City residents, almost 60% black and Hispanic, have been largely excluded from the R750-million pay bonanza enjoyed by the commuting casino workers.

The resident population has dropped by a third to 40 000 since the Sixties, while major crime has soared 171% and business in the decayed town centre is down 20% since the casinos came.

There is not one supermarket, and the only cinema shows porno movies.

"Gamblers don't shop," an old-timer reflected. "There ain't no Atlantic City. This is a jungle," an 82-year-old survivor of the parasol days declared.

"The whores come right up to our porch," the rector of St James Episcopal church complained.

Now a fellow episcopal rector is bottling the bitterness and squirting it on Kerzner and his Camelot.

The Rev Sipo Mzimela, a South African with — surprise, surprise — an Atlantic City parish, claims mass opposition to the Southern Sun project, but says he fears "the almighty dollar" and the power of Kerzner money in this den of thieves.

Mzimela is particularly wary of the construction bosses, one of whom has stressed that "my guys need" the Camelot work.

He pins his hopes on the Casino Control Commission denying the Camelot a license rather than on the city council.

In Patrick T McGahn, Kerzner has a very powerful lawyer who has worked wonders for casino interests through his council connections.

Adventure is certainly guaranteed. The Camelot site is in the marina area to the north, a rough sector of gutted buildings and vacant lots, but with the lure of easy access and plenty parking space.

Harrah's is the only casino there now.

There is also the uncertainty of the project partner, American Leisure Corporation, whose president's business ethics have been called into question over past activities in Las Vegas.

Other relationships offer other uncertainties.

Bosses of the Bartenders Union, for exam-

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"They can't afford work stoppages. If organised crime controls the unions, they have the hammer . . .

"Put yourself in the casinos' position. What's it worth to know you won't have labour problems? A hundred thousand a year? A hundred thousand a month? It might be a good business arrangement."

A random sample of casino records found the names of 25 mobsters who had obtained R1,2-million in casino credit last year . . . complementary everything, including gambling chips.

A single Gambino associate got R220 000 from the Sands, Nugget, Caesars, Playboy and Harrah's.

Even Scarfo, who does not gamble and lived a block away, received R3 000 in rooms and dinners.

Then there is the curious example of Joseph Pedulla, convicted in connection with the shooting of a Scarfo associate and found to have deposited R500 000 at one casino resort, in a manner that raises questions about the casinos' usefulness as laundries for hot money.

The enquiry commission cited a "staggering" increase in casino credit last year, to R1 500-million, or about 30% of what was wagered at the tables.



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Bosses of the Bartenders Union, for example, include or have included Scarfo cronies, a convicted extortionist and a man accused of ordering the death of a Building Trades boss, shot six times by a gunman posing as a flower deliveryman. The flowers were poinsettias.

The casino operators must tread gingerly. A jury last month awarded Scarfo's lawyer R1 25-million in damages for the indignity of being bounced from the Golden Nugget.

But money there is. Mounds of it.

Harrah's, the Camelot's future neighbour, reported a pre-tax profit of R42-million for 1982, and though three of the casinos had a combined net loss of R61-million, the other six cleared a profit of well over R120-million.

Now a word about the bad guys. "They been investigating us for five years and they have not come up with anything," boasts Lawrence Merlino, who has an acquittal for murder and helps tend family affairs while Scarfo serves his sentence.

"You got any idea how many diferent kinds of police are watching us? State police, local police, FBI . . . there's eight of them, I think. You got any idea how much money they make on us just in overtime?"

Sun's R4,5-m for Mauritian facelift

By Elizabeth Rouse

MAURITIAN Southern Sun Hotels, in which the South African hotel group has a 17% holding, plans to spend R4,5-million on expansions to and refurbishing of its three hotels.

Mauritian Southern Sun recently bought the Touessrok and La Piroque hotels on the east and west coasts of the island for around R10-million.

The well-known Saint Geran will be refurbished and facilities like the casino and discotheque improved.

The Touessrok, some kilometres down the shoreline from the Saint Geran, will be an upmarket resort. Fifty bedrooms will be added to the 100-room islet complex.

La Piroque, set in a landscaped garden of 18,2ha on the western shore of the island, is the ideal family hotel, with a 600m beach and full facilities for land and water sports.

■■■

This hotel's public areas, set in the centre of 200 twin-bedded air-conditioned cottages, will be refurbished, as will its casino.

Paul Jones, who has been general manager of the Saint Geran for the past seven years and has taken over management of all three hotels, tells Business Times that the group is now in the position to be highly competitive in the international tourist market.

Southern Sun Hotels now controls more than 500 rooms on the island and can cater for all pockets and all tastes in island vacations.

Mr Jones says the acquisition of two hotels was a logical step for Southern Sun. It places the group in a stronger position — too much fragmentation of the market led to the recent uneconomic price wars.

South Africa ranks second among Mauritius's tourist-generating countries, providing more than 20% of its annual visitors.

The Mauritian Association of Hoteliers and Restaurateurs, of which Mr Jones is president, has launched a campaign in Europe and the UK to promote the island's unique facilities.

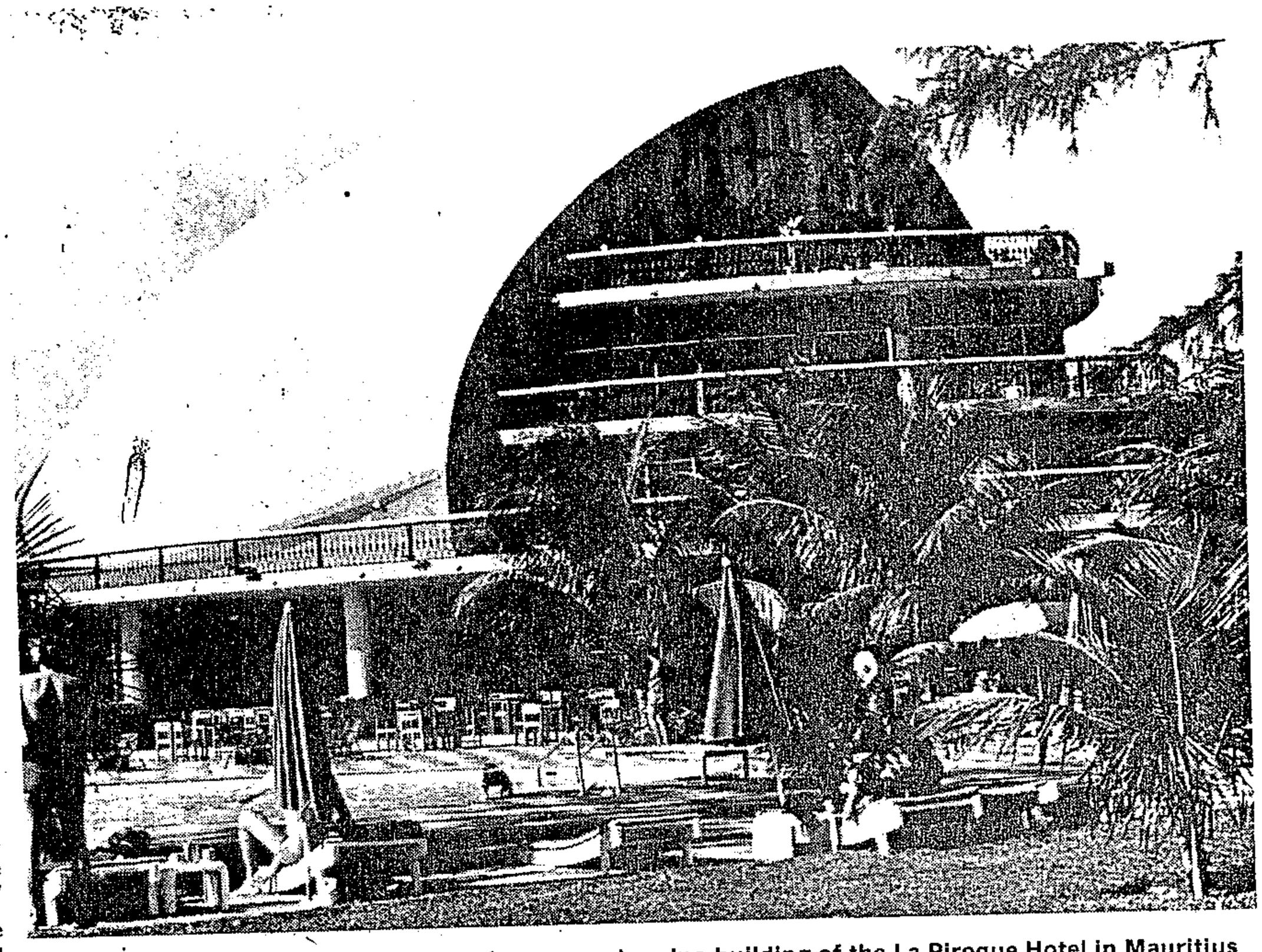
■■■

The temporary loss of the French tourist trade — individuals have a pathetically small foreign-exchange allowance this year — could well be counteracted by drawing tourist trade from the Caribbean, where tourism has slumped because of political unrest, and from the Seychelles.

Mr Jones believes that the South African market has not been fully tapped, hence the high-powered promotion staged by a 26-man-and-woman team from the Saint Geran in Johannesburg, Cape Town and Durban from April 19 to the end of this week.

The promotion has been well received by travel agents, who now have fresh incentive to market Southern Sun's various holiday packages at its hotels.

The promotion tour marked the end of the "undercutting" battle between Southern Sun and the retail travel industry.



The central entertainment, dining, conference and casino building of the La Piroque Hotel in Mauritius

8029

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Union backs Pretoria cafe boycott move

CP Reporter

PRETORIA — The 4 000 members of the National General Workers' Union will support the planned boycott of Pretoria's cafes and restaurants in protest against the decision to ban blacks from the city's parks.

The boycott call was made by Saulsville-Atteridgeville council chairman, Mr Joe Tshabalala, and the Mamelodi township council chairman, Mr W M Aphane.

Mr Donsie Khumalo, national organiser of NGWU, this week said his union will join forces with other workers.

He said his union was also seeking legal advice about obtaining a Supreme Court interdict to prevent the council from enforcing the ban.

Mr Khumalo said several meetings will be held in the city and the townships to explain the effects of the ban to its members.

"We will also support the boycott call and explain this to the workers."

Lack of tourism infrastructure in PE bemoaned

By SHARON LI GREEN

PORT ELIZABETH — "the main holiday venue in the Eastern Cape" — was losing out to places like Port Alfred, Plettenberg Bay and even Mossel Bay because the city did not have the necessary infrastructure for tourism.

This was said by Mr Peter Sullivan, city councillor and public relations manager of General Motors, who was addressing a Rotary luncheon on "Economic development in Port Elizabeth — a myth or a reality".

Mr Sullivan said: "We cannot hope to turn Port Elizabeth into a tourist centre and at the same time keep our quiet seaside-holiday picture-postcard image," he said.

He said Port Elizabeth , which was the main holiday venue in the Eastern Cape was losing out to places like Port Alfred, Plettenberg Bay and even Mossel Bay.

This had resulted from the council's attitude that unless private enterprise was prepared to move in, it could not do more than it had already.

However, private enterprise felt there was too much of a risk factor in developing in the city because the council was not providing the necessary infrastructure.

"For the past 10 years the City Council has not spent a cent, apart from maintenance, on the development of amenities in Humewood and Summerstrand," he said.

It was also necessary to work at retaining the existing industries already trying to bring about economic development. The city had already lost the sweet industry and most of the shoe industry, while even the motor industry was dwindling.

It was necessary to consolidate the motor industry to stave off unemployment as it had the largest economic activity in the city and the spin-off was enormous.

Port Elizabeth already had too many economic disadvantages for the motor industry.

For example, there was no subsidy for the transportation of raw materials from the Reef to the city, said Mr Sullivan.

To add insult to injury the price of tyres and glass had been equalised nationally, and salaries and wages in the Eastern Cape for factory workers tended to be 8% higher than anywhere else.

There were five different unrelated bodies "doing their bit" for Port Elizabeth's economic development, but in certain cases there was duplication of effort and funds.

Mr Sullivan said the municipality should appoint an industrial development officer to liaise and co-ordinate programmes of those various economic bodies.

The Publicity Association was another important body promoting the city.

The Louis Heyl Report has said Port Elizabeth's industrial development potential was limited but a strong point was the development of tourism, which already contributed R70 million to the city.

This could be doubled or trebled provided correct development and infrastructure for tourism was created on the beachfront.

Miscellaneous Personal Services Including International and Other Extra Territorial Bodies

Domestic Workers and Salesladies Association
Domestic Workers Association
National Federation of Workers
S.A. Domestic Workers Association

Laundry

Laundry, Dry Cleaning and Dyeing Workers Union (Natal)
Laundry, Dry Cleaning and Dyeing Workers Union of S.A.
National Union of Laundry, Cleaning and Dyeing Workers of S.A. (Cape)
National Union of Laundry, Cleaning and Dyeing Workers
S.A. Laundry, Dry Cleaning and Dye Workers Union

Domestic Workers

Southern Sun lifts earnings, dividend

By JOHN MULCAHY

IN spite of a decline in occupancies Southern Sun Hotel Holdings increased turnover by 11,6% for the year to March, and lifted earnings and dividend.

Turnover rose to R210-million from R188-million, attributable profit increased to R31 759 000 from R31 100 000 and the final dividend has been raised to 26c from 25c, making a total of 40c for the year.

The total dividend is covered 1,43 times by earnings of 57,2c a share, marginally down on the 1,436 cover last year on 56c earnings.

Last year's total dividend was 39c.

Mr Sol Kerzner, Southern Sun's managing director, said yesterday he was satisfied with the results, which were ahead of expectations a year ago and at the interim stage.

In the interim report last November Mr Kerzner and the chairman, Mr Dick Goss, said earnings for the year would, at best, match those for the year to March 1982.

They now say it is evident the economic recession may be prolonged and that no significant upswing will occur until 1984.

"Hotel occupancies and margins will, undoubtedly, remain under pressure and intense competition can be expected.

"In this environment forecasting is most difficult, but the board is of the opinion that earnings for the full year will approximate those of the previous year, provided that there is no further significant deterioration in economic conditions."

Operating profit rose to R56 004 000 from R53 162 000 and the interest bill increased to R6 677 000 from R6 382 000, leaving pre-tax profit 5,4% up at R49 327 000 compared with R46 780 000 last year.

The effective tax rate climbed to 24,7% from 20,5% because of the increase in the corporate tax rate and a reduction in investment allowances, and the tax charge rose to R12 168 000 from R9 579 000 a year earlier.

Mr Kerzner said the group had made a determined effort to control costs and improve productivity while ensuring that standards were maintained.

"One can expect price cutting to accompany falling occupancies, and you have to devise methods of combating the effects of price cutting in a recession.

"Our decline in occupancy is marginally lower than that for the industry as a whole."

Hotel occupancies are particularly sensitive to economic cycles, and for the year as a whole Southern Sun's occupancy dropped to 75,3% from 80,6%.

An exception to the overall occupancy trend was Sun City, where demand for accommodation continued at a high level. Occupancy at the hotel itself was about 90%.

As a result of the high occupancy and good casino returns, Sun City's contribution to attributable earnings improved by about 5%, measured by the minority offtake which rose to R6 523 000 from R6 211 000.

The drop in overall occupancies was translated into reduced margins, shown by the 11,6% increase in turnover and the 5,3% improvement in operating profit.

Another factor in boosting turnover was the inclusion for the first full year of the Sun City entertainment centre, which in the previous year contributed for eight months.

Mr Kerzner said major ventures now in the pipeline were the Cape Sun, due to be opened in October, and the Sandton Sun, due for completion in January next year.

The proposal to develop the Von Brandis site, incorporating the expansion of the Towers Hotel in central Johannesburg, was "on the cards".

Apart from these developments, and the usual expenditure on refurbishment of hotels, Mr Kerzner said an announcement on the group's expansion into the US — the Camelot scheme in Atlantic City — would probably be made this week.

Commenting on the possibility of further expansion at Sun City Mr Kerzner said that because of the continuing demand for accommodation at the resort it would "not be unreasonable" to expect expansion, but it was too early to discuss it.

Sales of holiday time-sharing accommodation at the Umhlanga Sands were progressing well, said Mr Kerzner, and the success of this project might induce the group to consider expanding the concept to some of its other hotels.

COMMENT: The market reacted positively to Southern Sun's results — released during the afternoon trading session — and the shares closed 15c up at a new high of 600c.

On a historical basis the dividend yield is 6,7% and the price/earnings ratio 10,5.

Successive results from consumer-related companies over the past few weeks have painted a far more serious decline in consumer spending than the Suthsun figures suggest, and the group has done well to more than match last year's extremely high base, albeit in nominal and not real terms.

The group's real growth has temporarily stopped, and energies in the year ahead are likely to be aimed at maintaining margins.

Even if the Atlantic City project goes ahead it will not contribute to earnings for a couple of years, and the only new contributors this year will be the Cape Sun and Sandton.

The share looks fully priced for the short term, although a decision to go ahead in the US might enhance longer term prospects, which are closely linked to general economic conditions.

Kerzner jets out to save R270m US casino project

By JOHN MULCAHY

SOUTHERN Sun Hotels managing director Mr Sol Kerzner has flown to the United States to try to salvage the group's proposed investment in a R270-million casino/hotel complex at Atlantic City, New Jersey.

Two months ago, Southern Sun tied up an agreement with American Leisure Corporation (ALC) to buy for R28-million the land for the Camelot complex, as well as various associated licences and permissions.

The deadline for finalising the agreement was early May, and it has now been established that not all of the pre-conditions have been met, and the agreement with ALC has lapsed.

ALC owns the land on which the proposed 1 000-room hotel is to be built, and it also has detailed architects' plans for the complex, as well as various licences.

Mr Kerzner is re-negotiating some aspects of the original agreement with ALC, in the hope of arriving at a deal that will allow the project to go ahead.

Southern Sun's chairman, Mr Dick Goss, said yesterday that while in the United States, Mr Kerzner would also assess the depth of opposition to the Camelot venture by anti-South African groups, and attempt to "put our side of the story".

Opposition to Southern Sun's planned entry into the US hotel and gambling industry was aired in the United Nations General Assembly last month, when the UN Apartheid Committee's chairman, Mr Yusuff Maitama-Sule, issued a statement urging "firm and urgent action" to scupper the scheme.

The mayor of Atlantic City and the city council have also voiced their opposition.

Mr Goss said yesterday a feasibility study into the Camelot project was still going on, and indications were that, from a financial viewpoint, the scheme would be profitable.

At this stage, all efforts would be concentrated on trying to reach agreement on the Camelot project, although other options at Atlantic City would be considered if they were offered.

Mr Goss said he could not comment further at this stage because negotiations were at a delicate stage.

It is not clear which of the conditions for the agreement were not met, or whether ALC reneged on its side of the deal. But at the time of the initial announcement in March, Southern Sun said the conditions included the acquisition of various licences and the raising of finance.

...never on May 17. ... have sea.

Hotels struggling to survive — Fedhasa

CAPE TOWN. — An end to the hotel grading system was suggested yesterday by Dr Wynand Malan, president of the Federated Hotel Associations of South Africa.

This would enable hotels to focus on the needs of visitors, he said in his presidential address to the Fedhasa congress in Cape Town.

Dr Malan said economic trends were making it difficult for hotels to survive. Ideas such as "Time-sharing" and "No-star" graded hotels were being considered.

"Looking at the future of the hotel industry, the question is whether after 20 years of statutory control of hotels, we should not look at the demands of the day and the requirements of our present and future tourists," he said.

Norway was considering ending its grading system, because the most important criterion, that of service, could not be measured scientifically. Guests varied in their moods, requirements, tastes and wishes.

Dr Malan said the hotel industry today offered a total of 88 324 beds — 36 347 in one-star, 27 388 in two-star, 16 518 in three-star, 4 059 in four-star and 4 012 in five-star hotels.

The hotel industry has welcomed the Cabinet decision not to allow beer to be sold in supermarkets. — Sapa.

ck and Corporations. ers. The General f its Va- ring 1 400 euter.

The Free State producers did best, the largest rise of the day being President Steyn which climbed R4 to R56,50. Western Holdings added R3 to R56 and St Helena R2,25 to R46,50.

Among the other 40c to 410c, Freguls 50c to R51 and Western Areas 5c to 735c.

Performances on the mining houses and mining financials boards were not as impressive.

Anglo American, for ex-

Walcor 10c to 200c. ... silent. — Financial Times.

Hotel chain looks at SA

By SIMON WILLSON
Industrial Editor

A PARIS-based international hotel chain is to commission a feasibility study into establishing hotels throughout South Africa.

This was confirmed yesterday by *Lord Hirshfield*, president of Horwath & Horwath International (HHI), a worldwide management consultancy.

Lord Hirshfield is in South Africa to visit the consultancy's subsidiaries in Johannesburg, *Cape Town and Durban.*

One of the company's functions is to undertake market *research and feasibility stud*ies in the tourism industry. It has been approached by the French chain to assess market *possibilities in South* Africa.

A senior development executive from the chain was *in Johannesburg last month* to start groundwork for the *project.*

Lord Hirshfield will have talks with the Minister of Industries, Commerce and Tourism, Dr Dawie de Villiers, in Cape Town on Monday.

The agenda will include prospects for the tourism industry, assessing its annual budget and evaluating its promotion abroad.

HHI publishes annual reports on the hotel industries of 12 *advanced industrial* countries, and is considering the inclusion of South Africa.

The reports are circulated among governments and hotel industries of the 66 countries in which HHI is represented. They contribute to investment decisions by multinational companies by supplying information on overseas markets.

An internationally circulated rundown on the South African hotel industry would raise its profile and increase foreign awareness of its potential, says Lord Hirshfield.

The South African hotel industry has already been given a favourable long-term mention in one of HHI's bulletins.

In a commentary, the consultancy said 1983 would be a difficult year for the SA industry, with hotel groups promoting facilities and offering competitive package rates to boost occupancy.

Tourists were becoming more budget conscious, and the length of stay was shortening. Occupancy patterns indicated that tourists favoured lower-graded accommodation.

International tourism in South Africa would not increase this year, the commentary said, in spite of the relatively low value of the rand against major overseas currencies.

The domestic tourist market, however, had major growth potential for the *medium to long term as dis*posable incomes of all popu*lation groups was increasing.*

Rubber use rises

NEW DELHI. — India's production and consumption of natural rubber rose to 165 535 tons and 195 235 tons respectively in 1982-83 from the previous year's 152 000 and 188 420. Production and consumption of synthetic rubber totalled 30 312 tons and 49 118 tons in 1982-83. — Financial Times.

SOUTH AFRICAN DRUGGISTS LIMITED

STATEMENT & DECLARATION OF ORDINARY DIVIDEND

	% Increase	1983 R000	1982
est. taxation & extraordinary items	9	22 983	21 027
	12	7 261	6 480
	8	15 722	14 547
	14	6 118	5 355
extraordinary items	4	9 604	9 192
s:			
ıce claim resulting from the		544	2 600
:ement cost over book value			
visions on disposal of subsidiaries		(1 804)	(1 618)
:d operations		(1 260)	982
		8 344	10 174
ıds		254	254
ty shareholders		82	17
		8 008	9 903
s		2 040	2 040
		2 332	2 332
		4 372	4 372
		3 636	5 531
.ry shares on which earnings per share		29 146 069	29 146 069
dinary share excluding extraordinary		31,8c	30,6c
dinary share		15,0c	15,0c

harmaceutical Wholesale and Distribution Division improved by 21% compared to the previous nufacturing operations increased turnover by 5%. However, the gross profit margins of these ower as a result of the more difficult trading conditions existing during the year.

e previous year of most of the operations in the electromedical and hospital supply field had the ng the losses which were previously being incurred, except for limited stock write-offs.

rowings increased by R781 000 owing to higher interest rates. Total borrowings reduced

ancial year, profit growth is expected to be higher than that achieved in the 1983 year.

ems include a loss of R1 190 000 on the closure of the manufacturing section of Medispo.

ve declared a final dividend (No 66) of 8 cents per ordinary share for the year ended 31 March end is payable to shareholders registered in the books of the company at the close of business 83. The dividend is declared in the currency of the Republic of South Africa and dividend e posted on or about 13 July, 1983.

areholder's Tax at the applicable rates will be deducted from the dividends due to shareholders s in the register of members are outside the Republic of South Africa.

By Order of the Board,

P. C. E. NASH,
Group Secretary.

Registered Office
7 Sturdee Avenue,
Rosebank,
Johannesburg.

aries
rs Ltd.
eet.

LUC(
LIMI
PREL

The unaudited results for

TURNOVER

OPERATING INCOME BEI
INTEREST AND
TAXATION
DIVIDEND INCOME
INTEREST PAYABLE

INCOME BEFORE TAXAT
TAXATION — UNDISTRI
PROFITS TAX

INCOME (LOSS) AFTER T
ASSOCIATE COMPANY -
share of consolidated ret
(accumulated loss) for the

Operating loss

HECKERS STORES LIMITED

Notice to Shareholders

ARATION OF PARTICIPATING FERENCE DIVIDEND NO. 15

IS HEREBY GIVEN that a dividend of per share (comprising a Preferential of 3,5 cents per share) in respect of the ve Participating Preference Shares for nonths ending 30 June 1983, has been ... of Directors payable on

ACCOUNTANT

Large store in Pretoria, seeks accountant urgently. The man we are looking for must be fully conversant with all facets of accounting, plus budgeting, and able to produce monthly financial reports. His character must be unblemished and he must be able to produce references of the highest order.

In return we offer top salary plus car, petrol,

15 SA hotels lose gradings: six improve status

PRETORIA — The gradings of 15 hotels have been cancelled, five hotels have been graded and six regraded by the Hotel Board in Pretoria.

Those cancelled are:

Brown's (Warmbaths); Continental (East London); Cosmopolitan (Johannesburg); Frederick (Keurboomsriver); Gonubie (Gonubie); Mother's Place (Port Edward); Parkcliff (Durban); Riviera (Vereeniging); Sack's (Fordsburg); Savera (Durban); Senator (Johannesburg); Stella (Stella); Tambuti Inn (Rustenburg); West Rand (Randfontein) and White House (Durban).

Hotels to be graded are:

The Heifa Safari Ranch at Parklands (three-star); Gam-Gam Hotel at Lydenburg and Mayfield Park Hotel at George (both two-star), and the Camperdown Hotel at Camperdown and Rhodes Ski Lodge at Rhodes (one-star).

The President Hotel in Bloemfontein had been upgraded from a three-star to a four-star hotel, while the Natalasia Hotel in Ladysmith had been downgraded to a one-star establishment.

Three Holiday Inns had been upgraded from two-star to three-star establishments, namely the Bellville, Wilderness and Port Elizabeth Holiday Inns.

There were at present 1 375 graded hotels in South Africa, of which nine were five-star hotels, 13 four-star, 72 three-star, 248 two-star and 1 033 one-star establishments, the Hotel Board said. — Sapa

Free trade: Gains from trade

Comparative/Abs. adv.

market mechanisms work alone

Protectionist: Tariffs / quotas etc

infant industries

self-sufficiency

nationalism

for. reserves leaving but not

Southern Sun drops casino venture

Financial Reporter

SOUTHERN SUN'S R270-million casino/hotel complex plans at Atlantic City, New Jersey, are off.

The group is not now moving into the US — or at least not for the time being.

Southern Sun said yesterday that negotiations with American Leisure Corporation (ALC), announced earlier this year, had been terminated.

Three months ago the group made a provisional agreement with ALC to buy for R28-million the land for the "Camelot" complex and for various licenses and permissions.

Last month, however, Mr Dick Goss, the chairman of Southern Sun, announced that provisional agreement with ALC had not been finalised and had lapsed.

He said, however, that Southern Sun and ALC were still talking.

Mr Sol Kerzner, the managing director of Southern Sun, flew to the US to see if the venture could be salvaged.

Last night, however, Mr Goss said:

"Despite serious efforts agreement could not be reached, and negotiations have accordingly been terminated."

The Southern Sun plan ran into heavy opposition from anti-apartheid groups.

Their supporters included the Mayor of New Jersey and a majority of the City Council.

Protest rally in US to go on

Jubilation at end to Sol's casino project

288

17/6/83 RDM

By RICHARD WALKER

NEW YORK. — An Atlantic City protest rally will go ahead as scheduled on Sunday — transformed into a celebration by Southern Sun's decision to pull out of the R325-million Camelot Casino project.

Licensing difficulties were at the heart of the decision, a spokesman for American Leisure Industries indicated.

He declined to give details but said he believed "some restructuring" within SA Breweries, Southern Sun's parent company, had made it unlikely a gambling licence would be granted by New Jersey state.

American Leisure will now seek another partner to develop the Brigantine Boulevard site.

Anti-apartheid activists quickly proclaimed a victory and claimed credit for repulsing Southern Sun's attempt to establish an American beach-head in the nation's East Coast gambling mecca.

Atlantic City Council was to meet next Wednesday to hear Southern Sun officials put their case before voting on a resolution calling on the state's casino gambling commission to deny the Camelot a licence.

But already opposition had been registered in other New Jersey cities and Atlantic City Council president Mr Henry Tyner had written to all 40 New Jersey senators asking them to back a resolution asking the state to refuse any South African business investment.

The fight against Southern Sun had reached "national proportions", Mr Tyner said this week.

Aides to Atlantic City Mayor Mr Michael Matthews warned that even if the licence were granted, the campaign against the Camelot would be maintained, if necessary even after it opened.

This week the Philadelphia Enquirer, the largest newspaper in the region, ran an editorial that leaned strongly against letting in Southern Sun.

"This is a victory, but we do not intend to let down our guard," said Mr Jonathan Davis, an aide to the mayor and key figure in the campaign against Southern Sun.

"We will be watching for any other move from them, maybe disguised in some way or using some front company."

Mr Davis predicted that the outcome would bolster the withdrawal of the investment campaign, under which many states are considering Bills to stop the investment of public funds in companies active in South Africa.

The weekend rally had been planned for months as a climax to the drive against Southern Sun, which has politically activated Atlantic City's large but previously dormant black community.

Participants will include the African National Congress, which was quick to exploit the issue, and various state and national civic and church figures.

The Camelot project was in trouble from the start, when Wall Street analysts questioned its viability and the record of cash-short American Leisure.

Hotels are feeling the draught

By Don Robertson

HOTELS, along with the rest of the industrial sector, are suffering severely from the current recession, according to a survey conducted by the Bureau of Financial Analysis at the University of Pretoria.

In its survey, which covers 305 hotels throughout the country, the bureau finds that in April the average room occupancy declined by 9,3% compared with the same month last year, while bed occupancy was down by 9%.

In the 12 months from May last year to April 1983, the respective figures were 8,2% and 8,9% down, and in the first four months of this year the figures were even worse at 10% and 10,4%.

The lower-graded hotels were the worst hit, with the average room occupancy for two-star hotels down by 10,3% in April this year, while the four-star hotels suffered a decline of 5%.

Total gross income in April increased by only 3,5%, the largest improvement being on the Natal south coast, followed by the Garden Route and then inland holiday resorts.

The survey points out that, when the percentage increases are compared with the rise in the consumer price index over the 12 month period, 11 out of the 13 regions canvassed suffered decreases in real terms, while four felt a decrease in total income.

Southern Sun will continue to foray in U.S.

S. Times 19/6/1 B

288

By Don Robertson

FAILURE to reach agreement on the development of a casino complex in Atlantic City will not hinder Southern Sun's expansion plans in America.

Negotiations between Southern Sun and American Leisure Corporation for the development of a R325-million project were called off this week after three months of cut-and-thrust discussion which at times had political undertones.

American Leisure has officially stated that the reason for the collapse of the negotiations was because of pressure from anti-apartheid groups, including the Atlantic City Council, and extending as far as the United Nations.

Had this been the case, it would almost certainly have halted any plans Southern had for further expansion in America.

However, Southern Sun's director of planning, Eugene Joannides, describes this statement as "totally incorrect", although he refuses to give exact details of why the project failed.

A full statement is expected when Southern Sun's managing director, Sol Kerzner, returns from an overseas visit this week.

Mr Joannides concedes that there was some pressure from anti-apartheid groups, but says that this could have been overcome with "improved public relations".

A group from the state agency, which issues the essential gambling licences, visited South Africa recently for an on-the-spot assessment of Southern's standing, and, says Mr Joannides, their report was favourable. A second team was due to make a follow-up visit.

An encouraging factor, says Mr Joannides, was that the full financial package, amounting to $160-million, excluding equity capital, had been successfully raised, confirming Southern's credibility. This facility has now been cancelled.

These factors have prompted Southern actively to seek other investment opportunities in America, because "it is a good market to be in".

Top men didn't block US probe, says SAB

By JOHN MULCAHY

SOUTH AFRICAN BREWERIES denied yesterday that any of its directors had been approached by the New Jersey State Gaming Commission regarding investigations for a licence to establish a casino in Atlantic City.

An SAB spokesman was reacting to a Sunday newspaper report which claimed that the Southern Sun plan to develop a R270-million casino/hotel complex at the American resort city fell through because of the refusal by some SAB directors to submit to investigations into their backgrounds.

He said negotiations were terminated for a number of reasons.

Agreement with the American Leisure Corporation (ALC), which owns the land, plans and various licences and agreements at Atlantic City, was dependent on various conditions, and the point arrived where it was clear that some of these conditions would not be met.

"There were a lot of complexities, and at the end of the day we realised we were not going to get anywhere with ALC," the spokesman said.

During the recent visit by a team from the New Jersey Gaming Commission, led by Mr Tom O'Brien, it was understood that the directors of Southern Sun would be investigated, but there had been no mention of an investigation into the affairs of SAB directors, other than those who were also on the Southern Sun board.

The Southern Sun spokesman also expressed surprise that Mr O'Brien had confirmed the allegations made by Mr Nate Jacobson, of ALC, because as far as the hotel group was aware, the commission had not finished its investigations or reached the stage of preparing a report.

The Sunday report claimed problems developed when new SAB directors, appointed after the recent deal which gave the Premier Group 34% of SAB, refused to submit to investigation.

But the SAB spokesman said that as of yesterday, the composition of the SAB board was no different to what it was before the Premier deal.

The only envisaged change was the appointment of Mr Tony Bloom as a director, and he had not yet formally been appointed.

The SAB directors who are also on the Southern Sun board are Mr Dick Goss, Mr Selwyn MacFarlane and Mr Sol Kerzner.

Mr Kerzner, who has headed negotiations for the Atlantic City venture, is in Mauritius, and is expected to elaborate on the scheme when he returns to South Africa tomorrow.

Southern Sun still looking at US

By JOHN MULCAHY

THE United States is an area that ought to have potential for Southern Sun's international development and the group will continue to look at opportunities.

Mr Sol Kerzner, managing director of Southern Sun, was commenting yesterday on the collapse of negotiations on the Atlantic City development.

He said the size of the abortive Camelot hotel-casino project was such that had negotiations been successful the group's resources would have been concentrated on Atlantic City at least until the complex was operational.

Because of this any proposals made in the five months of the Atlantic City discussions had been put aside.

Mr Kerzner clarified the events leading up to the decision to end negotiations.

In mid-May, when it became clear that some of the conditions for the first agreement would not be met and that it had lapsed, Southern Sun resumed talks in an effort to formulate a new agreement with American Leisure Corporation.

"We finally concluded just before last week's formal announcement that there was little point in continuing negotiations."

Mr Kerzner said Southern Sun stipulated "right up front" that the Southern Sun directors, including those on the South African Breweries board, should be investigated.

"We did not see any reason why the directors of SAB outside the Southern Sun board should be investigated, but that was one of only many of the conditions on which agreement could not be reached."

There were a host of reasons for the talks foundering.

There were no specific plans for international expansion, and these would depend on opportunities.

Pressure on Southern Sun

288

Roy

23/6/83

By JOHN MULCAHY

HOTEL occupancies and margins will remain under pressure this year and intense competition is expected, says Mr Dick Goss, chairman of Southern Sun, in his annual review.

He says the economic recession may be prolonged and no significant upswing will occur until 1984.

"Many of the adverse effects relating to the severe drought will only manifest themselves in the months ahead and of particular concern is the likely major rise in food costs.

"In this environment forecasting is most difficult, but the board is of the opinion that earnings for the year will approximate those of the previous year provided that there is no further significant deterioration in economic conditions."

Southern Sun plans to invest about R30-million in the next three years, upgrading its hotels built in the early 1970s.

The capital expenditure programme for the year ahead is R25-million, of which R15-million is required to complete the Cape Sun, the balance representing the cost of continuing refurbishing programmes.

Mr Goss says the importance of this policy and the need to guard against obsolescence is reinforced by the fact that the cost of a new hotel room has risen from about R20 000 to R130 000 in the past 10 years.

Finance for the programme has been secured.

"The group is in the fortunate position, by virtue of its strong balance sheet, to raise substantial funds for new projects. The level of gearing has been reduced to an all-time low of 37% and the capacity to service additional debt is reinforced by the interest cover, at 8,6 times."

tend you're a guest he Taj of Table Bay

L/E ARGUS 2/7/83 288

red and green marble edging.

Should you have parked in the nearby Picbel Parkade, where the hotel has obtained space for its own use, car jockeys will collect and deliver vehicles at the entrance of the hotel.

As you enter the foyer, you will notice that this too is finished in marble, with the same pattern being taken up the sides of the huge columns. The sides of the foyer are glazed to a height of six metres. The ceiling is of natural imbuia wood coffers with recessed yellowwood soffits.

Leading off the south end of the foyer is the "Palm Court", where palms will be grown and light lunches and snacks will be served on low coffee tables. Again marble plays a part, bordering the zigzag-patterned mirrors which cover the walls on two sides.

On the other side will be "Riempies", a coffee shop serving light meals. It is decorated in authentic Cape Dutch style with white bagged brickwork and paintings of Cape scenes on the walls. Patterned ceramics are used extensively in the decor. A yellowwood-type ceiling is tongued and grooved.

The "Noon Gun" ladies' bar is next door, with its oak, Edwardian-style leather, velvet upholstery and soft lighting.

The "Tastevin", one of the main restaurants, overlooks Strand Street on the first floor. It is designed for "an affluent but high volume trade" and the Cape Dutch theme is repeated with heavy polished beams. These are supported by columns clad in burnt orange face-brick, while ceiling mirrors are set between the beams. On the perimeter are a series of semi-private, vaulted alcoves serving as table nooks.

Conference

The restaurant includes a lounge where guests can wait for their friends. It has a large, mock open-hearth fireplace and wood finishes.

There are three conference rooms on the second floor, the largest two of which can be merged into a single area. The walls are panelled in dark imbuia with a misty-green ceiling. Lighting is from six pendant chandeliers.

The "Villa da Cesare" is the most exciting of the hotel's restaurants. Also on the second floor, it has the appearance of a Roman villa with a series of inter-linking semi-circular rooms. It has a large central marble dance floor and two ceiling domes painted "golden pheasant" — not to mention the ceramic panels of Roman figures.

Sea chest

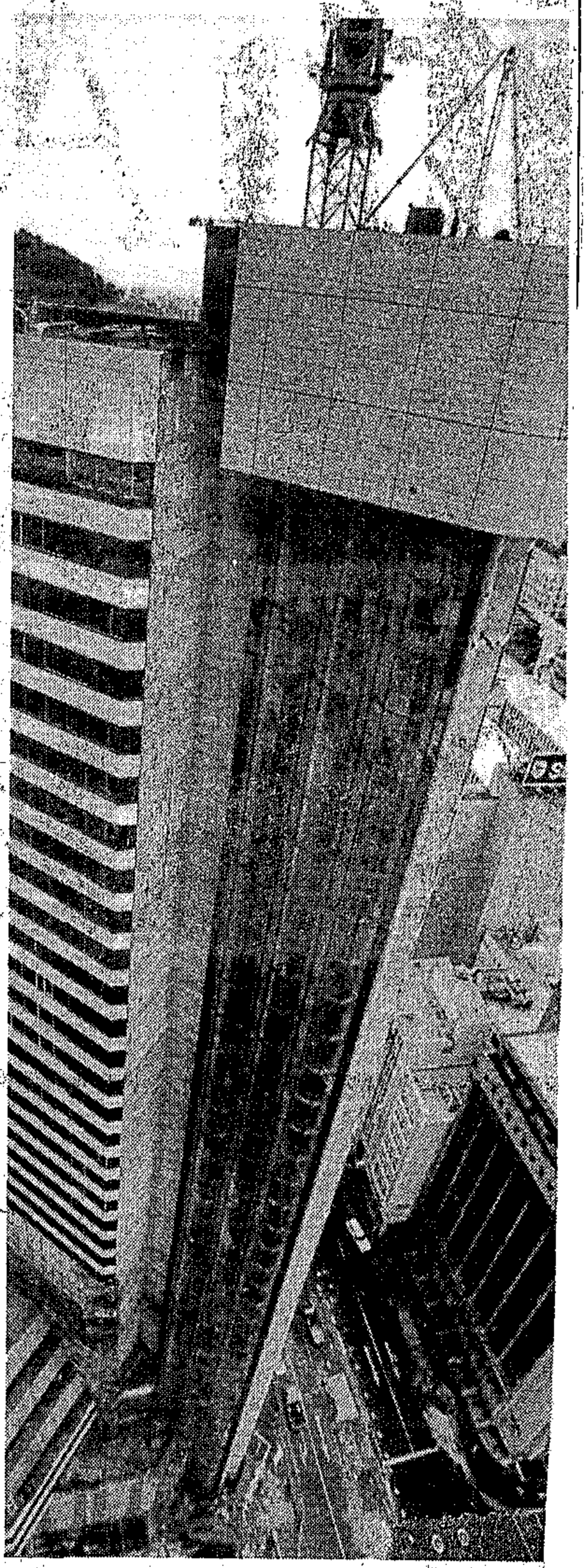
On the third floor is the huge banqueting hall, called the "VOC Room". It has dignified decor with stinkwood and antique smoked-mirror wall panelling. Its capacity is 2 000 standing or 500 seated.

The showpiece is an antique Dutch East India Company sea chest — one of the few left in the world — in the entrance lobby. A drawbridge in the north wall will allow for the display of heavy equipment and cars.

The podium is topped by one storey of hotel services and two of mechanical plant rooms. The tower block will have 342 single bedrooms, 16 guest suites, four committee rooms and four presidential suites — all looking out over Table Bay or Table Mountain.

Right at the top will be a health centre with gymnasium, sauna and swimming pool.

The hotel is fully booked for October, 80 percent full for November and prospects for the holiday season are excellent.



The R35-million Cape Sun Hotel opens its doors on October 1.

Pre

at

By IRVING STEYN
Weekend Argus Reporter

SOL KERZNER'S Cape Sun Hotel is rapidly turning into the marbled Taj Mahal of Table Bay and in short, they say, is going to make Johannesburg's Carlton Centre look like a Boksburg boarding house.

For the first time, details are today disclosed of what the R35-million hotel will look like when builders Murray and Roberts pack up their tools and the building opens its doors on October 1.

Foyer

Pretend you're a guest on opening night. You approach the 38-storied building by a short, semi-circular *porte-cochère* from Strand Street. The entrance has a white marble pavement with

Request to build hotel gains approval of board

288 7/7/83

Soweto

BY ALINAH DUBE

AN APPLICATION for a R1,8 million Mamelodi hotel has been approved by the Central Transvaal Administration Board.

Announcing this at the community council's monthly meeting an official of the sports and recreation department, Mr Peet Pretorius, said there was a question as to who would pay for the rezoning of the allocated site. The hotel is to be built by a group of local businessmen but it was discovered late last year the site would not be ideal for the project because it encompassed part of the sport grounds.

Mr Pretorius said R106 580 would be needed to repair the existing three fields, toilets and lights. "What I have to clarify is that the board has no money for the project at this date," he said.

The chairman of the council, Mr W M Aphane, said the board had nothing to worry about as the businessman concerned had indicated their willingness to help pay for part of the expenses incurred in the re-zoning of the site.

...illian tells of horror stabbing

Own Correspondent

CAPE TOWN — Shocked into silence by a brutal knife attack in Newlands Forest, Cape Town on Saturday, a young woman was only yesterday able to tell police of the murder attempt.

Police have intensified the manhunt since Miss Margaret Hanson (25), told them a man had accosted her while she was walking her parents' dog and said: "I am going to kill you".

He then stabbed her five times in the face and chest.

'NO MOTIVE'

"There was no motive," she told police from her bed in Groote Schuur hospital, where she was admitted in a critical condition after stumbling two kilometres to a forestry station.

Her condition stabilised on Sunday.

She also gave police a more detailed description of the man.

The investigating officer, Lieutenant Bill Burger, said many people — following publication in a city newspaper of a description of the attacker — had telephoned to say they had been walking in the forest that day and thought they had seen the man.

IDENTIKIT

"It is a difficult case, but with the descriptions that we have received from callers and Miss Hansford, progress is being made," he said.

An identikit would soon be compiled and circulated.

Mr Frans Roelofse, parks director for the city council, joined the police yesterday in warning woman not to walk alone in isolated places. He said the council had six officials constantly patrolling park areas within municipal boundaries.

Police yesterday said people should move in groups on the mountain slopes, and take an aggressive dog along if they decided to walk alone.

SA hotel industry takes a beating

Star 388 July 1983

By Sheryl Raine, Pretoria Bureau

Hotels countrywide have been hit by the recession — and Transvaal, Rand and Pretoria hotels have been worst hit.

Statistics released by the Bureau of Financial Analysis at the University of Pretoria show that room occupancy dropped by an average 10 percent in May this year compared with May last year.

Room occupancy on the Rand and in Pretoria dropped by 13 percent. Bed occupancy in these areas dropped by 16 percent.

All regions show decreases in room occupancy, varying between 3 percent and 19 percent.

The largest decreases in room occupancy were registered in Natal (19 percent, excluding Durban and the South Coast), Transvaal 14 percent and Rand and Pretoria 13 percent.

All regions also showed decreases in bed occupancy which varied from 1 percent to 20 percent.

The highest decline was in Natal (20 percent, excluding Durban), followed by the Natal South Coast (18 percent) and the Rand and Pretoria (16 percent).

Three-star hotels were worst hit — bed occupancy dropped 12 percent and room occupancy by 12 percent.

The average gross income for hotels in May this year increased by only 1,7 percent, the statistics show.

The largest improvements were recorded in Cape Town (12 percent) the Garden Route and the Natal South Coast (both seven percent).

"When these percentages are compared to the increase of 12,8 percent in the Consumer Price Index over the past 12 months, all hotels suffered decreases in income in real terms," the bureau said in a statement.

Hotels in all gradings showed considerable decreases in real income, while one-star hotels also suffered.

Elderly residents battle on

By Olga Horowitz

The Casa Mia in Berea, one of Johannesburg's oldest private hotels, is virtually deserted today. The hotel business has been liquidated and the building has been bought for re-opening as a hotel later this year or early next year.

Most of the more than 100 residents, except for a few elderly people, have left.

A spokesman for the liquidators said all the telephones — about 230 — had been removed. The diningroom had been closed, and radio and TV services had stopped.

"Those who have remained have not been given notice," he said. "We cannot throw them out into the street."

Most had their meals in a nearby restaurant.

One elderly resident said she had lived in the hotel for 10 years and intended staying on.

It is believed that auctioneers will soon have a sale of the furniture in all the rooms.

...l regi... 9 ste...

An excited Verwoerdburg housewife, Mrs Beulah Miles, sterilised nine years ago, is pregnant after an operation last year to reverse the process.

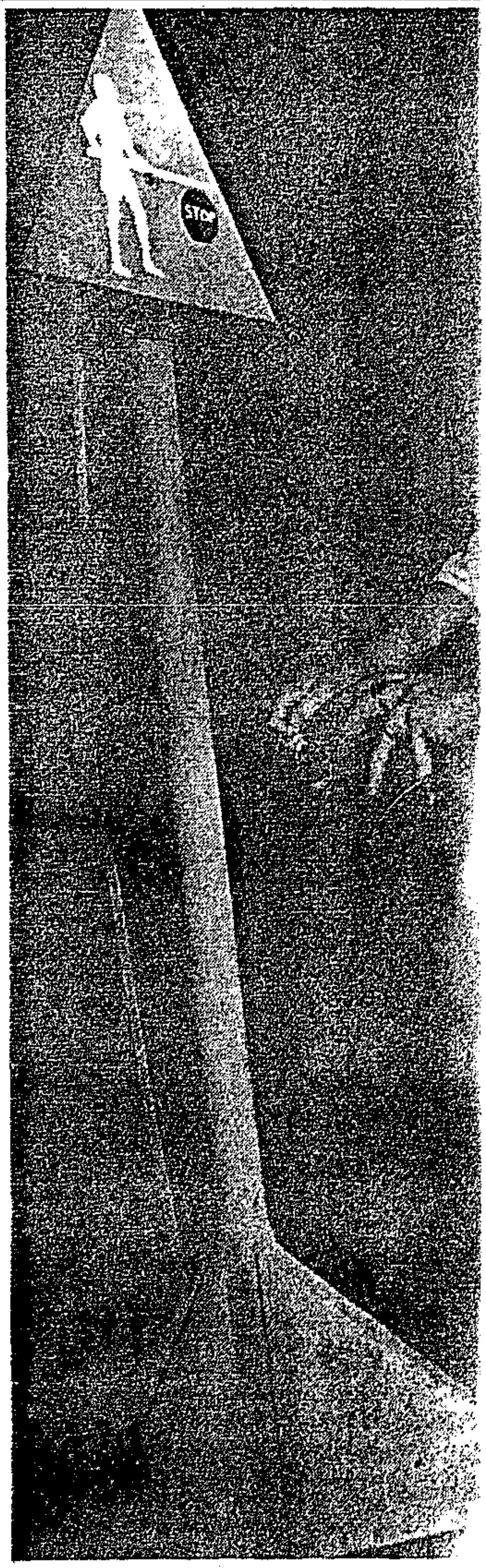
Mrs Miles was sterilised in 1973 after the birth of her third child. Soon afterwards she was divorced.

In May last year she met and married Mr Johnny Miles.

"Johnny and I wanted a child desperately. Although I had three children from a previous marraige, this was Johnny's first and he wanted a child. I got in touch with the doctor who d... sterilisation ope... and he said that it ... not be reversed," s... 35-year-old woman.

After obtaining f... information, Mrs ... was operated on las... tember. Four m... later she fell pregn...

"We couldn't beli... When the doctor ... said the pregnancy ... were positive, I r... to believe him. Nov...



"Teach Them Young" is the title of a week... tainment offered by the Sandton Traffic De... at Sandton City to help children learn ro... at an early age. Here Assistant Superintend... nold Fruin shows five-year-old Niel Coetsee the...

New Sun hotel

788

E. Post 9/7/83

Property Post Correspondent

THE Southern Sun group is to spend more than R20 million on a new hotel at Sun City in Bophuthatswana.

Mr K A Rosevear, an executive director, said the plans were in an advanced stage to erect the hotel and that building could start "within the next month or two".

He said the 200 to 220 room complex would adjoin the existing entertainment centre, which has hosted some of the world's leading entertainers in the past three years.

Some facilities like tennis courts might have to be moved to accommodate the new building, which is expected to be completed by the end of next year.

The plans have obviously been on the drawing board for quite some time but stayed under wraps while negotiations proceeded on a planned casino in Atlantic City in the US.

The R270 million American project was, however, scrapped just over a month ago for reasons which have not been made clear.

Reports from the US say the multimillion-rand deal collapsed because certain directors of SA Breweries — the parent company — refused to allow their backgrounds to be investigated.

But this has been hotly denied by directors of SAB who said some of the conditions agreed to, presumably with US partners American Leisure, had not been met.

What is known is that South African participation in the deal met with strong opposition.

This may have resulted in Southern Sun speeding up plans for the new hotel at Sun City.

There was certainly no mention of the project in the chairman's annual report.

Mr Rosevear said the timing of the announcement had not been quite right. "We had planned to release details of the hotel together with the annual report." Circumstances had made this impossible, he said.

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FICULTURE 1955-1976

S CREATION DATE = 07/15/83

I P L E C L A S S I F I C A T I O N A N A L Y S I S

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Hotel jobs for Ciskeians

EAST LONDON — The Southern Sun Hotel Group is opening up a new hotel in Cape Town and has made available about 133 jobs for Ciskeian males.

Mr Kelly Bekwa, a representative of the group's personnel department, said no particular emphasis was being laid on Ciskei, but the jobs were being offered to Ciskeians because of influx control laws.

"There are closed areas and there are open areas and the authorities in Cape Town have allowed us a certain number of people from one particular area," he said.

"The main reason why we chose the Ciskei was its proximity to Cape Town."

Mr Bekwa said the positions offered were of a junior nature, involving work as housemen, cleaners, loading bay attendants, barhelpers, porters, waiters, commissionaires, and car park attendants. — DDR.

Perks tax due i March next yea

PRETORIA — The tough fringe benefit taxation regulations will come into operation from the start of the 1984-85 fiscal year, the Director General of Finance, Dr Joep de Loor, said here yesterday.

Dr De Loor said the commission of Members of Parliament appointed more than a year ago to assess fringe benefits for tax purposes had completed its report.

It will have a final meeting soon to sign the report.

Dr De Loor said it was possible a draft bill to amend the income tax legislation to include the perks evaluations would have a first reading in the Assembly during the short parliamentary session which starts on August 3.

However, organised commerce and industry would be given the opportunity of making further comment on the contents of the draft bill, he added.

The imposition of the tax, according to economists, will mean a re-evaluation of salaries to take into account the fact that the real incomes of large numbers of workers, especially at the middle and top management level, will be decreased, some seriously so, when their tax avoiding perks are taxed.

Economist too, that the tax's introduc coincide wi pected upsw economy, wh mean sharp petition bet panies for hig staff.

This will the case of when negot compensatio loss of fring such as com lavish ente allowances, loans at gi terest rates, a

It has been that the elim the tax-evadi will net the as little as R5 year. — DDC

Woman shot by ex-husb

CAPE TOWN — A woman who was shot twice by her ex-husband as she tried to run away from him along the main road through Glencairn yesterday was in a "reasonable" condition in Tygerberg Hospital last night.

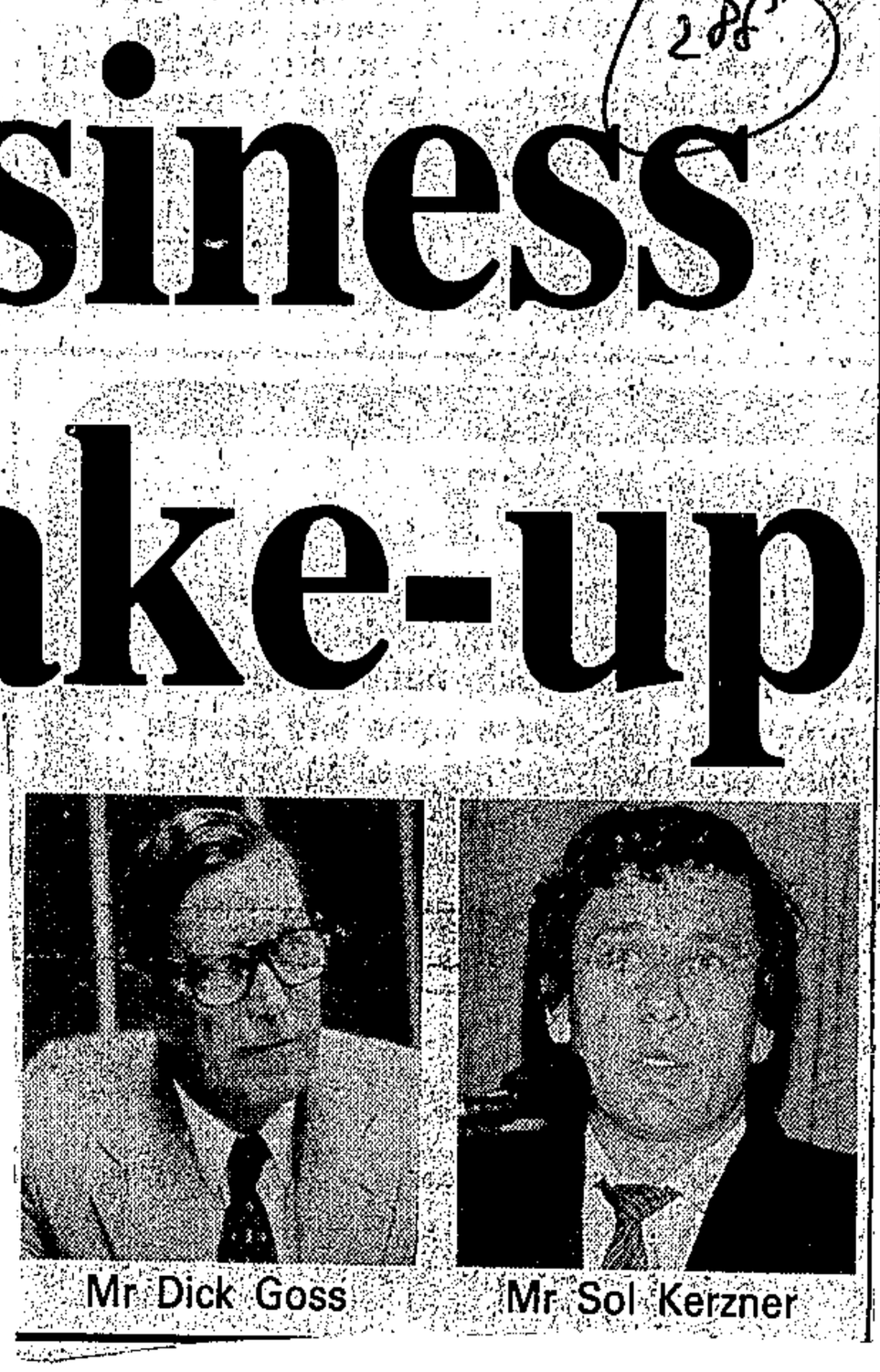
Mrs June Alexandra Atcheson, 53, had been transferred there earlier from No 2 Military Hospital in Wynberg.

Her former husband, Mr D. W. Young, an official with the city council's electricity department, shot himself after firing at Mrs He died insta

Mr Young vorced from son some yea Atcheson ma rant-Officer P a marine st Simon's Town

Shock at new SA business shake-up

CAPE TIMES 23/7/83



Mr Dick Goss

Mr Sol Kerzner

By GORDON KLING

DRAMATIC changes in the management of one of the biggest conglomerates in the Republic, the R2,5-billion South African Breweries group, yesterday set the scene for a battle for control of the vast Southern Suns Hotel chain.

The development could also have major implications for the retail sector of the economy in general.

SAB's group managing director, Mr Dick Goss, announced his early retirement at a board meeting in Johannesburg yesterday at which another SAB director, hotel magnate Mr Sol Kerzner, also tendered his resignation.

Both moves come less than two months after control of the huge consumer-goods empire was effectively gained by another major trading company, Premier Milling.

Intense speculation in financial circles yesterday had it that a bid for control of Southern Suns by managing director Mr Kerzner, backed by the immense resources of the Old Mutual empire, was behind his shock resignation.

Mr Goss and other senior executives of SAB were reported to have been on the verge of resignation following the Premier deal an-

➡➡➡ To page 2 A

Hotel group forges ahead with homeland casino plans

Pretoria Correspondent

Holiday Inns may decide within a month where to build a multi million-rand casino and hotel complex in kwaNdebele, the managing director said today.

Commenting on the final consolidation plans for kwaNdebele announced by the Government yesterday, the managing director, Mr Nigel Matthews, said the hotel group was "very pleased" a decision had been made.

He said it would take "a few weeks" for kwaNdebele to decide on a casino site.

"They will have to say where their capital will be and where they would like us to build the casino," he said.

Holiday Inns — holding sole casino rights in the homeland — has previously indicated it planned "a full resort complex" including a man-made lake for water sport, golf course, tennis and squash courts, bowling greens, conference centre, hotel with about 350 rooms and a casino.

The complex is expected to extend over about 200 ha of land.

Moloto, or land near to the town, has been mentioned as a likely site.

The kwaNdebele border announced by the South African Government yesterday passes through the centre of Moloto along the Sybrandskraal-Rust de Winter road. Some shops on the north-eastern side are included in kwaNdebele but the butchery on the south-western side remains in South Africa.

Sources close to the kwaNdebele Cabinet say Moloto, about 50 km north-east of Pretoria, is a likely choice for the homeland's capital — this has already been mentioned to the South African Government, the sources say.

Sol is fighting to stay at the top

□ From Page 1

In the past, Mr Kerzner's 10 percent stake — making him a multi-millionaire in money terms but insufficient to give him much personal leverage in the boardroom — posed few problems to his independence, since he enjoyed a close relationship with Mr Goss.

Mr Goss, like Mr Kerzner, long believed that Southern Sun was one of SAB's chief growth areas, and had no hesitation in committing hundreds of millions to it.

He had the vision to follow the inventive Mr Kerzner into apparently risky ventures such as Sun City and the $250-million Camelot casino in Atlantic City in the US, which fell through.

Unafraid

Mr Kerzner retains ambitious plans for expansion in South Africa and abroad. To implement them in the absence of Mr Goss, he feels he needs the protection of a shareholding of at least 25 percent.

Nevertheless, as close as he may be to his remaining colleagues on the SAB board, Mr Kerzner's relationship is not as close with Anglo American, Liberty Life and Premier Group, which recently acquired 34 percent of SAB.

SAB's new MD, Mr Kahn, is himself unafraid of risk. As MD of OK Bazaars, he opened two new hyperamas when OK's first two hyperstores were losing R5-million a year — and later turned them into one of SAB's most lucrative profit areas.

After this week's appointment of the equally talented and strong-willed Mr Tony Bloom of Premier and Mr Michael Rapp of Liberty Life to the SAB board as its representatives, the consortium has board power to match its stake and a potential veto over anything Mr Kerzner might try to do.

On the face of it, with 70,8 percent of Southern Sun in hand, SAB is the stronger party in the negotiations, especially now that Southern Sun has a management structure under Mr Peter Bacon that would ensure life without Sol.

At the same time, however, SAB, Anglo Liberty and Premier would hate to see Mr Kerzner set up in opposition, conceivably in league with archrival Holiday Inns.

Southern Sun is valued by the stock market at R350-million. For Mr Kerzner to increase his stake to 25 percent, he will have to find at least R51,6-million at the current market price. A deal would obviously be clinched at a far higher price.

Financial observers say SAB is unlikely to part with control, and that the most Mr Kerzner can aim for is 50 percent. To reach that he would need R137,6-million.

SAB and Mr Kerzner could also pool their combined 81 percent shareholding in a pyramid and take 50 percent each of the top company.

Many speculate that Old Mutual will back Mr Kerzner, but many bankers would be eager to help.

Mr Goss insists that he left SAB because he believes "15 years is enough for a chief executive and now is the right time".

He intimated that he wished to scale down his activities when he appointed Mr Kahn deputy MD shortly before Premier, Liberty Life and Anglo pounced.

The new deal merely accelerated his withdrawal. He was furious about not being consulted, but says he was satisfied with the restructuring.

Gleeful

Still, he was not totally appeased, for he has always been unused to asking for permission to do anything.

At 55 he intends to remain active, and admits he may remain involved with Mr Kerzner.

If SAB has been dominant in all its fields, it intends to be even more dominant in future, says Mr Kahn.

"We're gonna wind it like wild men," he promises.

Mr Kahn, who gleefully describes himself as the "Boykie from Brits", is a lawyer who couldn't stand law and went into his father's stores.

Kerzner asks Goss to remain as Suthsun chairman

Cape Times 26/7/83

288

By JOHN MULCAHY

JOHANNESBURG. — Mr Dick Goss, former managing director of South African Breweries, has been asked by Mr Sol Kerzner to stay on as chairman of Southern Sun.

This followed the surprise announcement on Friday from SAB to the effect that Mr Goss had resigned, and in a supposedly unrelated development Mr Kerzner also presented his resignation to the SAB board.

Speculation mounted yesterday on a possible purchase of control of Southern Sun by Mr Kerzner and insurance giant Old Mutual.

Mr Kerzner said he wanted a "larger stake" in Southern Sun, to be negotiated with SAB, and felt he could not remain as a director of SAB while at the same time negotiating with the company on Southern Sun.

Although Mr Kerzner would not comment on the possibility of a takeover yesterday he said: "Whatever increased stake I am looking for I would obviously have to have the finance."

Asked about his relationship with Mr Goss he said: "Dick Goss has been associated with Southern Sun for many years and while this has not been in an executive position his services have been invaluable."

Subsidiary

Mr Goss's continued chairmanship of Southern Sun supports the suggestion that control of the hotel group is about to change, as SAB holds 71 percent of the hotel chain, and it was his tenure as chief executive of SAB that gave Mr Goss the chairmanship of Southern Sun, as well as other companies in the group.

Traditionally, resignation from the board of a holding company is followed by resignations in any of that company's subsidiary, and while Mr Goss said yesterday he would be resigning his other SAB-related directorships, that of Southern Sun had not yet been decided.

"My situation relative to Southern Sun has not yet been settled ... it hasn't been finalized."

Mr Goss also said he had spoken to Mr Kerzner yesterday, although he did not disclose the nature of their discussion.

Mr Kerzner said negotiations with SAB were in progress. "I would hope conclusion of the deal would not go beyond a couple of weeks."

Formal discussions

Earlier yesterday it had been thought that formal discussions between Mr Kerzner and SAB would be delayed by a week until the return of SAB's new chief executive, Mr Meyer Kahn.

Mr Kahn is holidaying with his family in the Eastern Transvaal, a break that a SAB spokesman said yesterday had been arranged some time ago.

But Mr Kerzner said although Mr Kahn would have to be present at the conclusion of the deal, for the time being talks would continue and details worked out.

"Meyer doesn't have to look over our shoulders all the time — if a deal is struck while he is away he will come back to preside over the conclusion."

Investment experts were yesterday of the opinion that broad agreement had already been reached, and negotiations would revolve around price and other details.

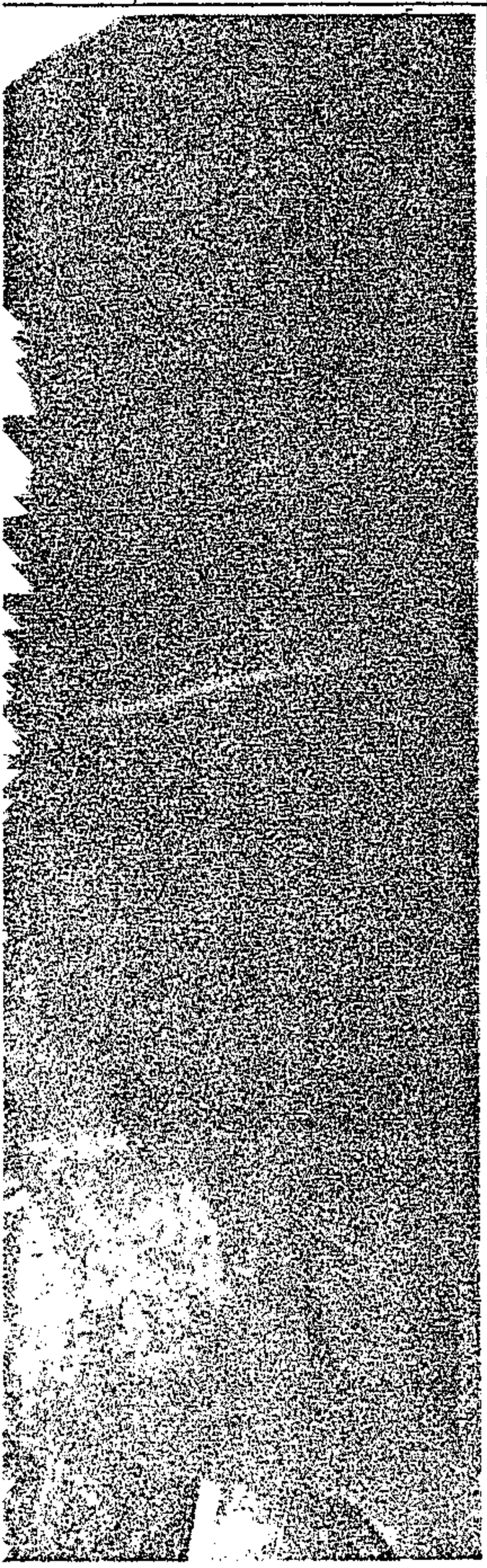
Meanwhile, the SAB share price fell to 750c from 765c on the Johannesburg Stock Exchange yesterday, in continued reaction to Friday's board resignations.

Smashed and grabbed

LONDON. — A raid by two hooded men, one armed with a shotgun and the other with an axe, on a south London bar went with a swing.

A police spokesman said they forced the six staff at the Red Lion in Colliers Wood to get drunk, then stole cash and valuables worth R6 500.

They entered after the pub had closed, forced staff to drink vast quantities of alcohol, making them intoxicated, before ransacking the premises. — Sapa-AP.



Magistrate's Court yesterday.
Picture: JILL EDELSTEIN

Aspro for the Aspirins?

Sol wants Goss as chairman

By JOHN MULCAHY

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● Story behind the drama — Page 9

KAIZER MOTAUNG, the Iwisa Kaizer Chiefs boss, has teamed up with South African Associated Newspapers to launch a new sports magazine, Sports Ace Soccer and Sport, which will have a strong soccer content. ● See Page 24

BRIGHT
45 KRUIS STREET, OPP. KINE CENTRE JHB.
TEL: 23-2247 OR 23-7433



Drink outlets 'not to blame for dirt'

By DAVID CAPEL

THE liqour industry could not be held responsible for littering outside bottlestores, although the trade was willing to help solve the problem, Mr Natie Matisonn, chairman of the Hotel and Liqour Caterers' Association, said yesterday.

Mr Matisonn was speaking at a Press conference called by the association to discuss the ever-increasing litter hazard at bottlestores and to deal with accusations levelled at the industry in this regard.

He said it had been suggested that liqour stores were one of the main contributors to litter in Johannesburg and other areas. Certain town councils had even tried to have liqour stores closed because of this problem.

The association had met with various councils, including those of Johannesburg and Springs, and though they had initially met with hostile reaction, they had eventually managed to convey the fact that liquor stores could not be held responsible.

"Liqour stores don't make litter — people do," Mr Matisonn said.

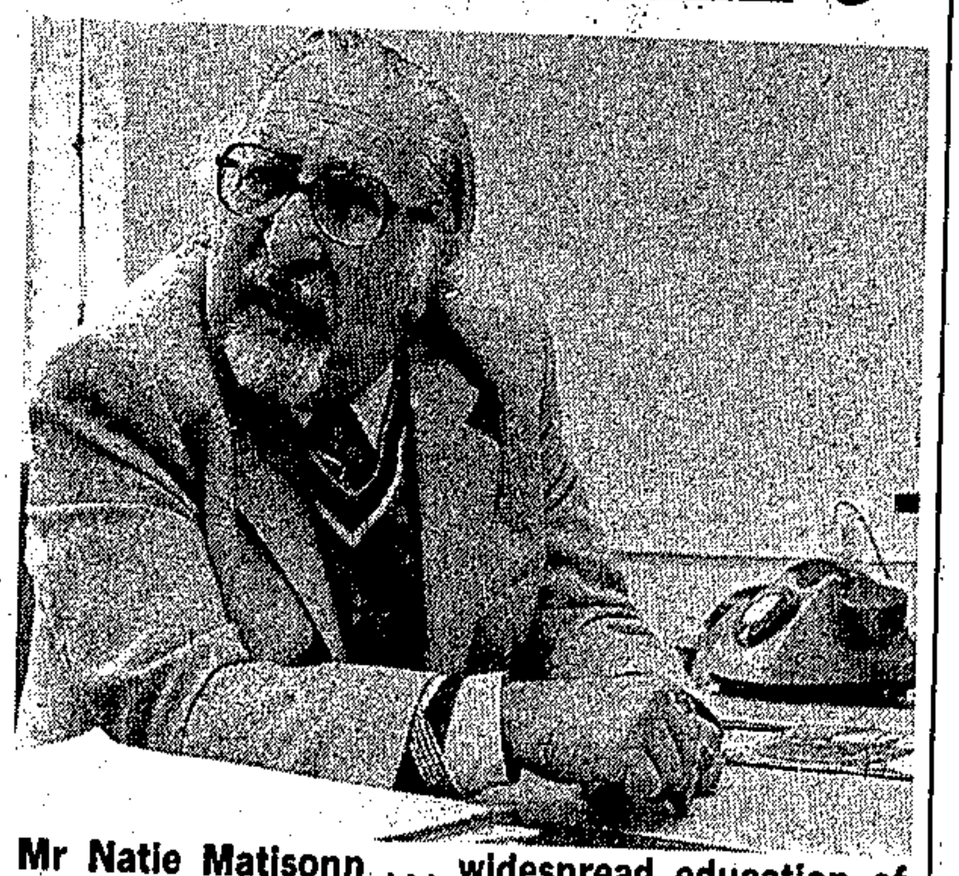
Refering to the litter situation as it applied to blacks, he said blacks had a particular problem as they could not enter hotels or pubs and were forced to consume liqour outside bottlestores.

"Why don't we have places where blacks can drink?" Mr Matisonn asked.

He denied reports that the sale of sorghum beer had been banned in Randburg because of littering.

His association had met the Randburg Council and it had been decided that the sale of sorghum beer in disposable cartons would be stopped for a period. However, this move had caused sales of the beer to drop by between 40 and 50%.

Mr Matisonn called for a "massive education programme" to teach people from all sections of the community about the problem of littering. Similar programmes had proved successful in parts of America.



Mr Natie Matisonn ... widespread education of people on the problems of littering is needed.

Picture: JILL EDELSTEIN

PARLIAMENT

The Natal Mercury, Thursday, August 18, 1983

Liquor sales in South African hotels drop by 14 pc

Mercury Reporter

LIQUOR sales, which account for a quarter of the total income of hotels, dropped almost 14 percent in June below last year's figure for the month.

And hardest hit by the drop in sales were the one-star hotels which depend on liquor for more than half of their income.

These figures were revealed by a survey by the bureau of financial analysis of the University of Pretoria.

Commenting on the survey, the executive director of the Federation of Hotel Associations of South Africa, Dr Ernst Uken, said the 13,8 percent drop in real income received from hotel off-sales was serious.

In the same month, hotels throughout the country sold 120 000 fewer bed nights than in June 1982.

In Durban during June 1983, compared with the previous June, room occupancy dropped by 4,1 percent and bed occupancy by 5 percent.

The Natal South Coast fared far worse over the same period where room occupancy dropped by 15,8 percent on the previous year, and bed occupancy by 18,9 percent.

Real income dropped by 1 percent, according to the bureau.

In South Africa as a whole, room occupancy was down by 10,4 percent and bed occupancy dropped by 10,1 percent, but total income increased by 4,8 percent.

'But the message is: Even if this income is up, it is a gross figure and not profit,' said Dr Uken. He pointed out that the figures were meaningless because of inflated prices.

'Although the gross income shows positive growth, this is really a drop if an average of 14 percent inflation is taken into account,' Dr Uken said.

For the year ending June 1983, the average room occupancy was 8,6 percent lower, and the average bed occupancy was 8,9 lower than the equivalent 1981/82 period.

Dr Uken said Fedhasa and its member associations had been watching the situation for more than a year: 'Naturally we are very concerned about the tendency, particularly since there appears to be no immediate upturn in the low economic climate which has been extended because of extreme drought.'

However, he added that the three Natal hotel associations were going to meet on September 21 at a seminar designed for one- and two-star hotels.

'One major point is finding where to cut back on expenditure to assist the small hotelier in trying to make ends meet, recognising that his overheads have become exhorbitant,' Dr Uken said.

Holiday Inns heads Rennies strategy

By JOHN MULCAHY

HOLIDAY INN will be the first of Rennies Consolidated Holdings divisions to go for a separate listing, but this may not happen before the second half of next year.

Mr Charles Fiddian-Green, chairman and chief executive of Rennies, said yesterday that timing was all-important in the group's strategy to float off its three major divisions and, given the state of the economy now, the timescale for these developments was late 1984 into early 1985.

The shipping division would probably also be floated off as a separate listing, while the trading division would probably be reversed into an established listed company.

This would leave Rennies itself as an industrial holding company, and the substantial funds that would be raised in the process of separately listing the major divisions could be used to finance further growth.

Mr Fiddian-Green yesterday disclosed expansion plans for most of the group's activities, but especially Holiday Inn and the liquor division, which he said was "an area we would like to expand rapidly".

Announcing Rennies results for the six months to June, Mr Fiddian-Green disclosed that a superb performance by the Wild Coast Holiday Inn and a substantial improvement in the contribution from Makro enabled the group to report a 10% improvement in earnings for the six months to June.

Turnover rose 5% to R198-million for the six months to June 30 from R188-million in the first half of last year, and operating profit dipped 3% to R22 876 000 from R23 657 000.

Lower interest rates and high liquidity combined to reduce net interest and lease finance costs to R3 604 000 from R4 791 000, leaving pre-tax profits 2% higher at R19 272 000 (R18 866 000).

A higher proportion of dividends in total income reduced the tax rate to 33% from 36%, and the tax charge fell to R6 098 000 from R6 879 000.

Minorities absorbed R1 496 000 (R1 333 000), leaving a profit of R11 678 000 (R10 654 000) before non-trading items.

Non-trading profit dropped to R204 000 from R545 000, leaving attributable profit of R11 882 000 (R11 199 000).

Earnings before non-trading profit rose to 51,9c a share from 47,3c and the interim dividend has been raised to 20c from 18c.

Mr Fiddian-Green said the total dividend forecast remained at 65c, as set out in the document detailing the Mutual offer to minorities.

The dividend forecast is given on the premise that the payment is covered at least twice by earnings, which suggests earnings of at least 130c a share for the full year, which compares with 1982's 117,2c before non-trading items.

In spite of a reduction in average occupancy to 68% for the six months from 74% in the corresponding period last year, Holiday Inns' contribution to operating profit rose by 31%, an improvement attributed entirely to the Wild Coast operation.

Shipping and transportation reduced operating profit by 15%, mainly because of reduced contributions from truck hire, airfreight and containers.

The trading division had the worst of tougher times, its earnings contribution dropping 46% with all divisions except Makro down on the previous year.

Makro bucked the trend, increasing sales by 26%, which Mr Fiddian-Green said resulted partly from cost savings and the introduction of a credit card scheme, but largely due to different retailer spending patterns in tight economic conditions.

In difficult times traders tend to keep their own stocks at a minimum, and regularly buy from Makro, contrary to periods of easier economic conditions, when they would buy directly from manufacturers, and hold larger stocks.

Asked about the change in control, Mr Fiddian-Green said relations between Old Mutual and Rennies management had developed "very satisfactorily" in the two months since control was bought from Jardine Matheson.

"The more they (Rennies) see of their relationship with Rennies, the happier they seem to be."

Conceding that Mutual might find a stake of 75% in Rennies uncomfortable, especially in the light of the institution's traditional non-control policy, Mr Fiddian-Green said there were a number of ways in which Mutual's stake could be diluted.

It could issue new Rennies shares, possibly to fund acquisitions, or lay off shares in the market.

He did not think it likely that Mutual planned to hive off any Rennies divisions or to inject Rennies itself into any other Mutual associate.

It was more likely that Mutual would use Rennies as a growth vehicle, either through acquisition or by injecting into Rennies some of its numerous assets.

Mr Fiddian-Green said there was nothing immediate or specific on the acquisition front, but expansion plans included acquisitions for the trading and shipping divisions and a substantial expansion of the Wild Coast Holiday Inn.

Plans for the Wild Coast involved expansion of about R90-million over the next two to three years, which included a new hotel, a cluster housing scheme for re-sale, additional conference facilities and improvement of facilities for day trippers.

The expansion phase now in hand would cost about R22-million, and this included 80 more rooms for the existing hotel and expansion of the casino, conference facilities and theatre.

"We are doing a whole feasibility study on the Wild Coast site which has revealed encouraging results and should be very exciting."

COMMENT: In the circumstances, the result is excellent and augurs well for growth prospects next year when trading conditions are expected to start improving.

Clearly, there is still a good deal of mileage in the Wild Coast operation before its goes ex-growth, and the proposed development of a Sun City-type casino-hotel at KwaNdebele will add to Holiday Inn's growth in the medium term.

In the shorter term, Mr Fiddian-Green seems confident of achieving earnings of 130c and the total dividend of 65c for the year.

At yesterday's R12,20 — down 80c since Friday — Rennies is on a prospective yield of 5,3% and a prospective price-earnings ratio of 9,4.

There is clearly very good growth in the years ahead but it will be some time before Old Mutual will see good value from the R18,25 a share it paid for control.

Sunny outlook on hotel in Cape

By David Carte

SOUTHERN Sun expects its R45-million Cape Sun Hotel, which opens on October 1, to be a winner from the outset.

Together with the new Sandton and Johannesburg hotels, it should keep Southern Sun on a strong growth tack, says managing director, Peter Bacon, despite the loss of 25% of Sun City and the other casinos to Mr Sol Kerzner's Newco.

The Cape Sun opening will be followed by that of the equally elaborate and expensive Sandton Sun in January 1984, and later by the group's new flagship, the Johannesburg Sun.

Mr Bacon reckons these three enormous units will soon more than make up for the reduction of Southern Sun's stake in Sun City and other casino hotels, which, assuming other things equal, was due to reduce earnings by 5,5%.

■■■

He says each of the new units should be immediately profitable. They will therefore initially underpin Southern Sun's earnings, before providing the group with a surge three to five years from now as depreciation and other fixed costs remain static and room rates rise.

These three hotels represent a capital investment approaching R150-million. The Sandton Sun will be managed and not owned, so Southern Sun's own investment will be more like R100-million.

Mr Bacon reckons there is enormous pent-up demand for five star accommodation, dining and conference facilities in Cape Town and that guests are already queueing to get into the Cape Sun, Southern Sun's most spectacular hotel yet.

According to Mr Bacon, the number of three to five star rooms sold in the past five years has grown at an average annual compound rate of 8,9% in Cape Town, 7,8% in Johannesburg and 6,7% in the rest of SA. Durban, with growth of 3,6%, has lagged.

These growth trends alone should suffice to fill the new units. According to Mr Bacon, Southern Sun has tended to under-sell Cape Town to visiting tourists in the past because of its shortage of accommodation there. Cape Sun, with 360 rooms will do much to remedy this.

Southern Sun is conservatively budgeting on 70% occupancy in Cape Sun's first year. Demand for Cape Sun's conference facilities is already strong.

The World Business Council, domiciled in the US, is to use the Cape Sun for its conference this year. This will bring 400 foreigners to Cape Sun.

Mr Bacon concedes that once all three new units are operating, Southern Sun will be close to saturation of the five-star market in SA and that thereafter domestic growth will largely be a function of economic conditions and foreign tourists visiting the country. He reckons the latter will carry Southern Sun to new heights.

Already 20% of Southern Sun's guests are foreign visitors.

"Twenty-two million Americans travel abroad annually, seven million of whom take long trips. Only 350 000 foreigners visit South African annually, only 200 000 of whom are tourists. If we can make small inroads into the international market, we could double the number of tourists currently visiting the country."

Mr Bacon is confident that this can be done as Southern Sun, Satour and other interested parties are about to make a co-ordinated offensive on the tourism market. In addition, South Africa is becoming increasingly popular as an African destination at the expense of countries such as Kenya — because of its sophisticated infrastructure.

■■■

"International tourists don't want to rough it. They want good hotels, good weather and access to the bush. We can give them all three.

"Did you know that it is possible for an American to visit South Africa, travel the length and breadth of the country and stay in our hotels for two weeks for $1 500? Not many countries can offer that kind of value."

Southern Sun still stands to profit by any off-shore expansion undertaken by Mr Kerzner in the future. A right to participate in these ventures was one of the main items in the R2,75-million restraint paid to Mr Kerzner.



Mr Peter Bacon ... strong growth

PAIR IN JO'BURG TO SPUR GROWTH

Anot rate

BANKERS expect the prime overd rise another percentage point to 18 after its shock one percentage point Friday afternoon.

Less than a fortnight ago, before Pr the big squeeze to bring inflation dow figure by March next year, the rate w

The money pinch also reflects higher interest trends in the United States.

The rise in the cost of money will hit individuals and businesses hard and is certain to stall the long-awaited economic recovery. But the authorities maintain higher rates are essential to bring down inflation.

The increase in the prime rate will pull mortgage rates higher, depress residential property prices and further increase the cost of hire purchase finance.

■■■

In reducing company profits substantially and making fixed interest investments relatively more attractive than shares, higher rates will also tend to depress the stock market, which is still trading at near-record levels.

The man in the street not only faces higher money costs but the prospect of much smaller salary increases than he may have previously expected.

Heavy-handed action by the Reserve Bank in the money markets has left banks with no alternative but to follow the continuing upward

By Afr

ratcheting o

As Busines press, Barcla and Nedbank increase of point, to 18% rate.

It is expec er commerci low with incr 1½% and n early this we

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According tor economi clear that Governor Ge

Sinclair: loss shocl

By Alec Hogg

SINCLAIR HOLDINGS, one of the JSE's high-flyers during 1982, has run into difficulties.

The company made an announcement late on Friday that former SA Breweries beer division chief Colin Hall is to take over as group chief executive in an attempt to turn Sinclair back into profit.

Sinclair's results for the year to end-June are due soon. Friday's statement said that the loss for the year was estimated at R3-million, which reflects a sharp deterioration in trading conditions following the first half loss of R635 000.

Shareholders will be asked to participate in a rights issue to bolster shareholders' funds which have sunk from last June's net R4,8-million to around R1,8-million.

an executive d former head Poolquip, Fa left.

Sources clo pany say th change in ma the proposed been forced c its largest s Standard Ban

In the last dated end of clair had shar of R6,8-mill cost of contro which means sets were R4, a total net d lion. Net cash than R1-mil and interest

The shares on Friday a from 52c ea before the was made to

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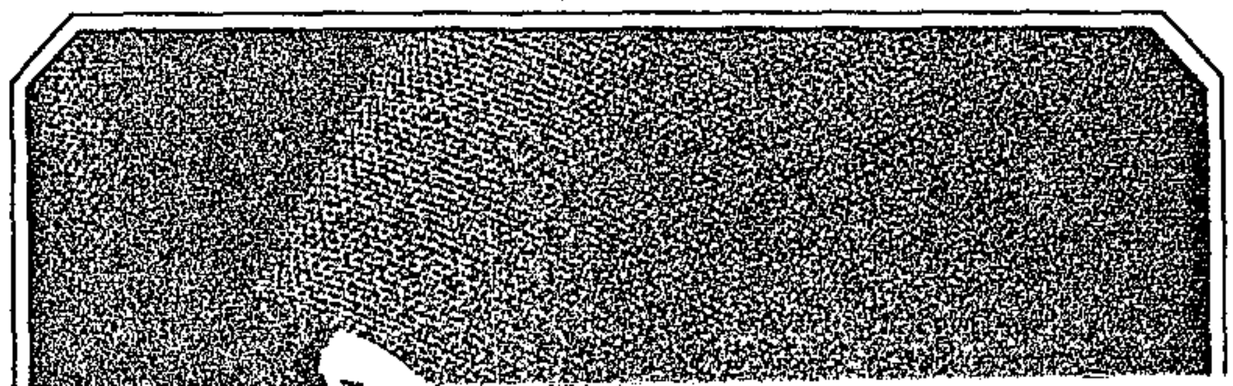
Reward yourself for being as good as gold.



S.Times 14/8/83

Hotel chains in scramble for lucrative casino rights

By BRIAN POTTINGER

A PARLIAMENTARY select committee investigating the granting of casino franchises in the homelands has revealed fierce rivalry between giant hotel groups for the lucrative casino franchises in independent homelands.

A former senior employer of Holiday Inns told the committee of the scramble to acquire casino concessions and the jealous protection of those rights against other competitors.

In evidence, Mr W S Coetzer, a former Holiday Inns casino chief, told of numerous contacts between himself and Mr J J van Wyk, former Deputy Director-General of Co-operation and Development, and at least three meetings with Mr Hennie van der Walt, Deputy Minister of Co-operation and Development, at which homeland issues were discussed.

He also told of fears by Holiday Inns that an agreement over a casino concession signed with KwaNdebele even before it had accepted independence might have been challenged by powerful competitors.

Approaches

Mr Coetzer claimed an opposition company "well known to friends in high places", had been "sniffling" around KwaNdebele and making approaches to the Chief Minister because they feared their Bophutha-Tswana operation would be hurt by a Holiday Inns in KwaNdebele. The Hilton Group had also made a bid for a casino concession.

Evidence by Mr Coetzer also told of a 1981 visit to Cape Town to get more information on the pending Ciskeian independence.

A function was held in Cape Town attended by Mr van Der Walt. At the time Holiday Inns was interested in a casino in the territory — a bid which was subsequently beaten by Southern Suns.

Also in evidence by Mr Coetzer is a claim that Mr van Wyk, a public servant, was on several occasions present when there were discussions between Mr Coetzer and a Transvaal businessman about the sale of a farm on which Holiday Inns hoped to develop a casino once KwaNdebele became independent.

s 4 after e probe

Mr Sussman has reserved his rights to deal fully with the committee's decision and verdict and Messrs Hamman and Henning indicated they did not agree with the committee's findings and that they intended taking the decision on review to the Supreme Court.

The committee resolved in the case of two other employees that no action be taken against them.

The statement said the Registrar of Financial Institutions was represented on the committee throughout the investigation. — Sapa.

Rennies to get 37,5 pc of Newco



Mr Sol Kerzner



Mr Dick Goss



Mr Charles Fiddian-Green

RENNIES, whose shares were relisted on the Johannesburg Stock Exchange today after a three-day suspension, will end up with a 37,5 percent stake in Mr Sol Kerzner's Newco.

This will follow Rennies' injection of its casino Holiday Inn interests in Newco, the holding company formed earlier this month by Mr Sol Kerzner and Southern Sun Hotel Holdings.

Safmarine will pay cash for 49,9 percent of Kerzner's ultimate stake of 37,5 percent in the group, which is still to be known for the time being as Newco, Reuter reports.

In return for Newco shares Rennies will inject its Holiday Inn interests in Botswana, Lesotho, Mauritius, Swaziland, Transkei, and Venda.

SHARE OPTION

The other shareholders after Mr Kerzner has exercised an option to buy a further nine percent stake in Newco next April will be Safmarine-Kerzner 37,5 percent and Southern Sun 25 percent.

The injection of the Rennies hotels, which will also be managed by Newco, will take effect from October 1, the same date as the origial Newco deal is to become effective.

Union Acceptances says the deal will not materialy affect the earning or net asset value of Southern Sun as outlined in the originaal deal, nor will it materially change Rennies' trading profit in 1983.

However, Rennies will reap a non-trading profit which will boost net asset value by 75c a share or 16 percent.

Safmarine's earnings a share will be boosted by 3c for the period to next June 30, but its net assset value will be unchanged.

Goss to be Newco chairman

TOP men at Newco will be:

Chief executive Mr Sol Kerzner.

Chairman Mr Dick Goss, who retired early as chief executive of South African Breweries last month.

Deputy chairman Mr Charles Fiddian-Green, who is chairman and chief executive of Rennies.

Other board members of Newco, representing the shareholders, will initially be:

Mr Marmion Marsh, chairman of Safmarine and a director of Southern Sun.

Mr P D Bacon and Mr W S MacFarlane of Southern Sun.

Mr I N Matthews and Mr E Steyn from Rennies.

Gold at $419,10

GOLD was fixed at $419,10 an ounce in London today, below yesterday's closing figure of $421,50, Reuter reports.

It closed 50 cents lower on the day in New York yesterday at $420,50 as a result of the stronger dollar and declines in the silver, bond and stock markets.

Dealers said a forecast by Mr Henry Kaufman, chief economist of Salomon Brothers, of continued US economic growth, a strong dollar and rising interest rates was negative for gold but came too late to affect the market yesterday.

London gold fixings were:

	Dollars an ounce	Rands a kg
Today		
10.30 am	419,10	14 921,90
Yesterday		
3.00 pm	421,50	15 007,36

Montays raises turnover 21,4 pc

IN SPITE of the recession, Montay's furniture division has lifted turnover for the year to June by 21,4 percent and profits by 24,3 percent.

Earnings have risen to 38,43c a share compared with 10,3c last year.

A final dividend of 6c makes a total of 13c for the year. Last year the total dividend was 5c.

The managing director, Mr Ivan Hammerschlag, said the improved results were due partly to getting rid of the unprofitable mail order business.

But they were also due to increased profitability by the furniture division in spite of the fact that margins had been cut.

This had been achieved by hard work and aggressive marketing, which had enabled Montay's to capture a larger share of the market.

"In the last six months we have been very successful in the Western Cape, in sales to coloured people.

"But I must admit that we have noticed a tightening since June."

There had been no rise in repossessions. "We are very strict about checking creditworthiness," Mr Hammerschlag said.

Audrey d'Angelo

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nited

rman). A J Aaron. M B Glatt.

ended ie 1983 udited)	Year ended 30 June 1982 (Audited)
97 000	R16 695 000
193 000	3 815 000
304 000	12 880 000
188 000	2 398 000
16 000	10 482 000
58 000	811 000
58 000	R 9 671 000
35 087	4 820 087
150	201
60	60
2,5	3,4

Stock Exchange
vestment Company (SA)

ited
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nt South Africa Limited
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d

will have no immediate on the earnings or net up. However, the acquie the capital base of the arged capital base will board for future expan-

AST
s budgeting to at least gs and dividends for the an though the Directors that the economic cycle med.



robber was shot dead yesterday after an attempted hold-up in a
g clothing store. Mr Frazer Murray, on the far right, gave chase as
l the shop where his mother, Mrs Avril Murray, was working.

- Page 2

Picture: FAUL BOSMAN

E kicks 4 out in
ke of gilt probe

JOHN MULCAHY

oking members of the Johan-
Exchange and an employee
elled in the wake of an investi-
gularities in the South African

atement issued last night, the
named the four men expelled.

Mr Hamman and Mr Henning have indicated they do not agree with the findings of the committee and intend taking the decision on review to the Rand Supreme Court.

The JSE investigation also heard evidence from former employees of broking firms, over which the JSE committee has no jurisdiction.

Rennies in a Big 5 merger

A MERGER that will bring together Rennies, Holiday Inns, Safmarine, Southern Sun and Mr Sol Kerzner, was announced yesterday by Finansbank.

This follows the announcement on August 3 that the Kerzner Group of Mr Kerzner and associates would acquire a 51% interest in a new holding company, Newco, which would be formed to acquire, with effect from October 1, the hotel-resort interests of Southern Sun in Bophuthatswana, Ciskei and Mauritius and to take responsibility for their management.

It was also announced then that the Kerzner Group had an option to acquire a further 9% of Newco on April 1 next year.

Yesterday's announcement said Union Acceptances on behalf of Safmarine, Southern Sun and Mr Sol Kerzner and Finansbank on behalf of Rennies had agreed that:

- The shareholders of Newco will be Safmarine, Rennies, the Kerzner Group and Southern Sun.
- Safmarine will subscribe in cash for shares equivalent to 49,9% of the ultimate interest of 37,5% which the Kerzner Group will have in Newco.
- Rennies, Safmarine, the Kerzner Group and Southern Sun have agreed that Newco will acquire for R35,48-million, by the issue of new shares in Newco, the hotel-resort interests of Rennies, held through its wholly-owned subsidiary Holiday Inns Limited, in Botswana, Lesotho, Mauritius, Swaziland, Transkei and Venda with effect from October 1.

Newco will have responsibility for the management of the resorts.

The Kerzner Group will exercise the 9% option on April 1 next year which will result in effective interests in Newco being Safmarine and the Kerzner Group — 37,5%, Rennies 37,5% and Southern Sun 25%.

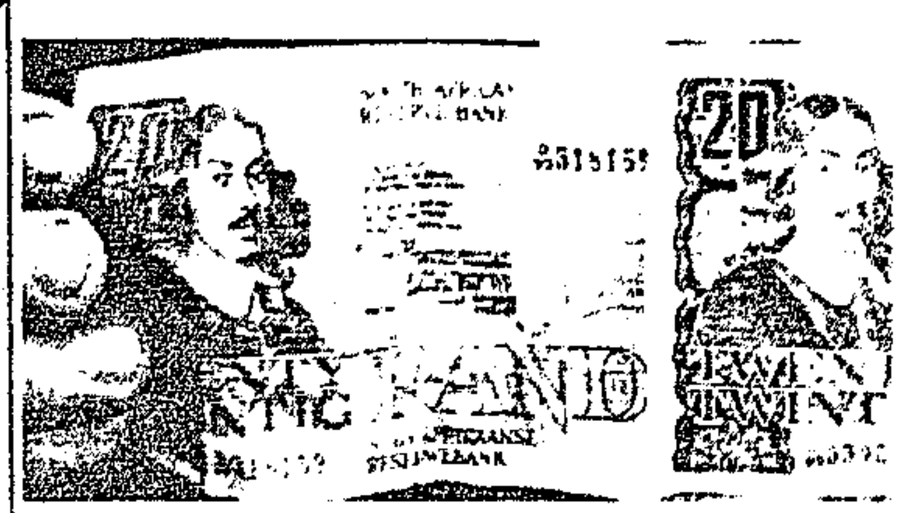
Safmarine and the Kerzner Group and Rennies will hold their combined 75% interest through a joint company "Sun Rennie".

Mr R J Goss will be the chairman of Newco and Mr C W Fiddian-Green the deputy chairman. Mr Kerzner will be the chief executive and will enter into a service contract with Newco.

Other initial board members of Newco, representing the shareholders, will be: Mr P D Bacon, Mr W S MacFarlane, Mr M de W Marsh, Mr I N Matthews and Mr E Steyn. — Sapa.

Chop for the

Fake notes into SA eco



Can you spot the difference? The false note on
printed on softer paper than the real note on

By EMIELIA JAROSCHEK
Crime Reporter

THE R20 note forgery racket — which police began investigating nine months ago — has grown into a R750 000 industry with forged notes pouring into southern African monetary systems daily, it was disclosed to the Rand Daily Mail yesterday.

The racket has spilt over into Zambia and Swaziland. Police have also seized notes in Bophuthatswana.

More forgeries are turning up in South Africa each day, police said at Pretoria police headquarters yesterday.

All the notes discovered have only two serial numbers — D/90 782188 and D93/318159.

Brigadier Izak van der Vyver, head of South Af Crime Prevention and Commercial Branch, sai factory which churns ou notes had not yet been f in spite of 10 country arrests.

He warned the public on the alert and pointe that the forged note d from the real currency following ways:

- The paper is softer an crisp than that of the note.
- The forged note is narrower and 1mm sho
- The forged note doe have the subtle tinge green, orange and purpl the real note has.
- The forged note doe have a silver thread ru through it.

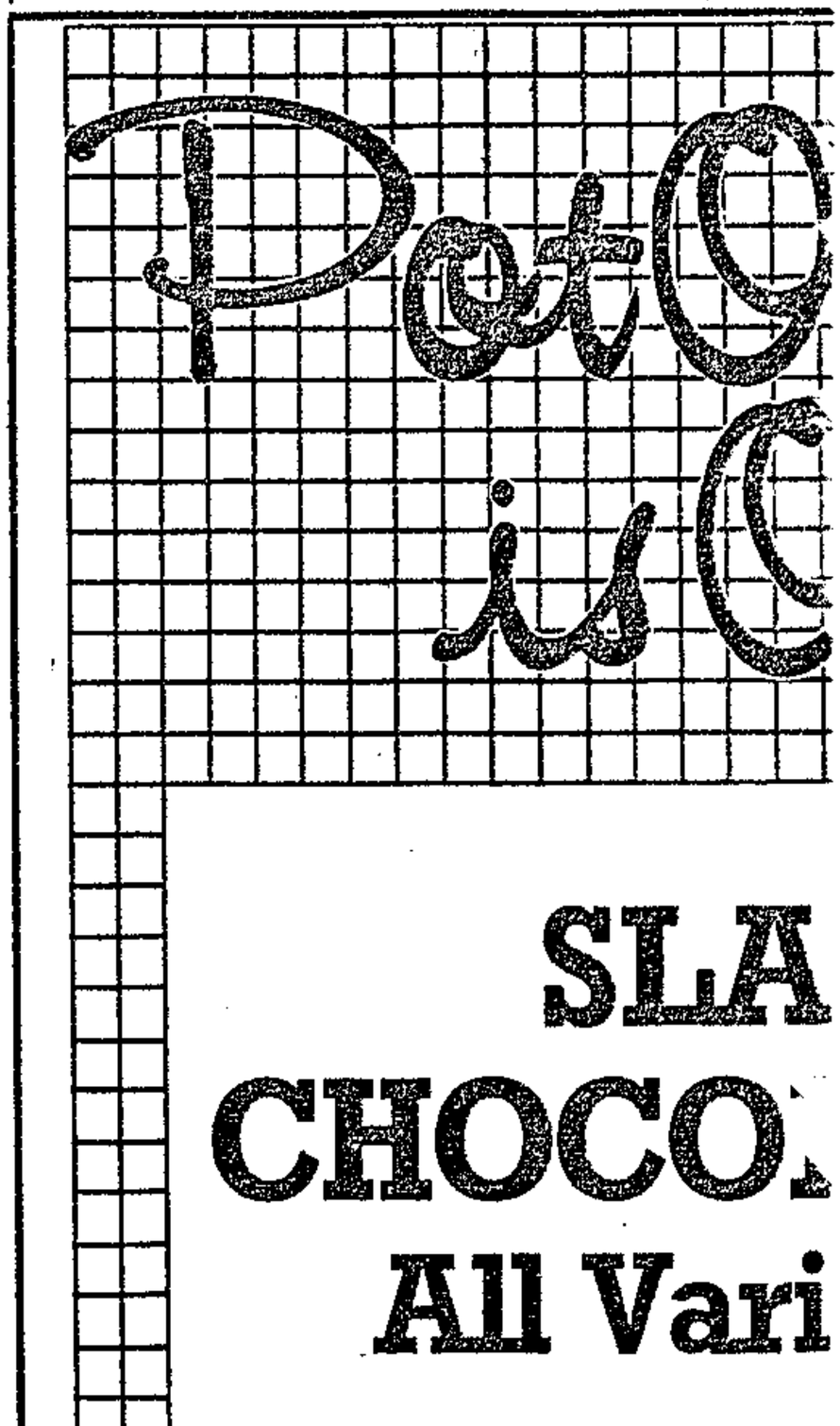
This week, four

Top white shot gives bla

KRUGERSDORP. — A security man has been selected to give black Krugersdorp businessmen shooting lessons — at R2 a lesson — before they apply for firearm licences.

A meeting of the Kr dorp African Chamb Commerce yesterday ed to appoint a Mr De who trains security m give the businessmen le

The meeting was to





NIGEL MATTHEWS

How the Inns found a place in the Sun

By GEOFFREY ALLEN

THE chips in the Southern African casino war were put on the table at least two years ago, when the Holiday Inns group of hotels — headed by Mr Nigel Matthews — and Mr Sol Kerzner's Southern Sun hotels clashed head-on over the possibility that the former might build a massive casino within 60 minutes "drive" of Johannesburg.

But at the time Holiday Inns senior executives said that they did not have the financial firepower to take a full blast at the Southern Sun jewel — Sun City.

● They had the perfect weapon . . a casino concession granted to them by Mr Simon Skosana, Chief Councellor of KwaNdebele, only an hour's drive from Johannesburg where they could build a casino/resort to rival Sun City.

● They had the plans for a R30-million Holiday Inns casino two hours closer to the centre of Johannesburg than Mr Kerzner's volcano-situated pleasure dome.

But Holiday Inns had a problem.

"We haven't got the financial-firepower," Mr Nigel Matthews told me at the time.

The reason was that, in Hong Kong, Jardine Matheson — the company which held Rennie's South Africa, which in turn holds Holiday Inns — had cash flow problems after a venture into the property market.

Since then, Rennie's has been bought by the Old Mutual and the prospect of the KwaNdebele casino loomed as a real prosibility.

By that time Mr Kerzner was planning his raid on South African Breweries to buy a major stake in Southern Sun . . . a raid which succeeded with him getting control of the group's casinos.

With the prospect of the KwaNdebele casino the two companies engaged in "rationalisation talks," which, according to Mr Matthews earlier this year, were complicated and involved "numerous factors, not just a division of casinos".

The extent of those talks, and the plotting behind the scenes, is only now becoming clear.

Holiday Inns were at first happy to agree to carve up the country, leaving the Inns with its traditional casinos on the coast and, more particularly, in Swaziland, while Southern Sun relied heavily on its Indian Ocean operations and Sun City.

The Holiday Inn board was in fact presented with a diagram explaining the concept and the growth of the casino business in Southern Africa since the advent of Sun City.

But at the back of Southern Sun's mind was the ever-present threat of KwaNdebele.

Trying to get on that bandwagon were discount king Mr Tony Factor who, by mid-1981, was committed to the discount travel business, and a local businessman, Mr Ami Artzi, who has shares in Frank Sinatra's Dunes Hotel in Las Vegas.

"The Dunes would come in with their expertise to run the operation," Mr Artzi said.

Whether or not those plans were ever seriously discussed with Holiday Inns is not clear, but what is clear is that Holiday Inns were fairly happy with the status quo but itching for a go at KwaNdebele and, through it, a crack at breaking the power of Sun City.

"We were simply astonished when Sun City opened," Mr Matthews said.

"We had been concerned about what it would do to our operations in Swaziland and Lesotho.

"But, incredibly, both had a boom year during Sun City's first year of operation.

"The market potential is massive and there is no reason to believe that it will fall off. But, clearly, one day it will be saturated. The thing is determined by population densities.

"The over-border casinos are designed to cater for the large South African cities," Mr Matthews said.

On that basis, he and his team argued that the Witwatersrand would be saturated once the KwaNdebele casino was built.

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This is one of the batons used on the prison farm

Sol's firm plans cruising casinos

By JOHN MULCAHY

THE NEW re-alignment by multi-millionaire hotelier Mr Sol Kerzner of the Southern African casino resort industry is expected to yield revenue of at least R150-million in its first year of operation.

This week's lightning deal, which reached agreement after only six days of haggling, puts all but one of the casino resorts in Southern Africa under one umbrella.

The grouping of major hotel and travel groups Southern Sun, Rennies, Safmarine and the Kerzner interests hopes to make a bottom-line profit of between R25-million and R30-million for the 12 months to September 1984.

Plans for a combined assault on the international tourism market include the re-introduction of regular luxury passenger liners operating out of South Africa, cruising casinos and a flow of visitors to the region well in excess of the current 700 000 a year.

Mr Kerzner described the annual tourism traffic to Southern Africa as "frighteningly low" in relation to comparable countries such as Australia.

European tour operators were sending people to Australia in preference to this country, which proved that price and distance were not stumbling blocks to the international tourism trade.

Newco, the working title for the new company that will control most of the casino resorts in Southern Africa and Mauritius, will have two divisions — the existing Sun resorts and the Holiday Inns properties.

The Holiday Inns name will be maintained in Southern Africa and on Mauritius, in terms of the franchise agreement with Holiday Inns Inc of the US.

Mr Marmion Marsh, executive chairman of Safmarine, said last night the group was seriously considering the re-introduction of upmarket passenger liners and negotiating teams were now overseas looking at ships.

The link with the hotel industry would be beneficial in developing the liner business, which would provide accommodation in the three-star to five-star categories

Mr Marsh said the broad intention was to make Southern Africa an interesting playground for everyone.

He saw hotels and tourism as a major new direction for Safmarine and said there were many new aspects of the industry that could be developed with the resources of the new grouping.

The shipping industry was very similar to the hotel industry, said Mr Marsh, in that it was heavily capital-intensive.

Mr Marsh would not disclose the cost to Safmarine of its participation in the merged operation, but the returns on capital invested would be extremely good, based on Mr Kerzner's early earnings projections.

Mr Kerzner said the hotels in Mauritius would present an interesting opportunity for cruises from this country to the islands.

He said the pooling of the resources of the Newco shareholders was the only way South Africa could hope to break into the international tourism market in any meaningful way.

Mr Peter Bacon, managing director-elect of Southern Sun Hotel Holdings, said the need for co-operation on the international tourism scene had been recognised some time ago, and the merger made a great deal of sense for the local industry.

"We are very happy with the deal and it will be good for Southern Sun's shareholders."

Bucket blow has Kevin back from blind

London Bureau

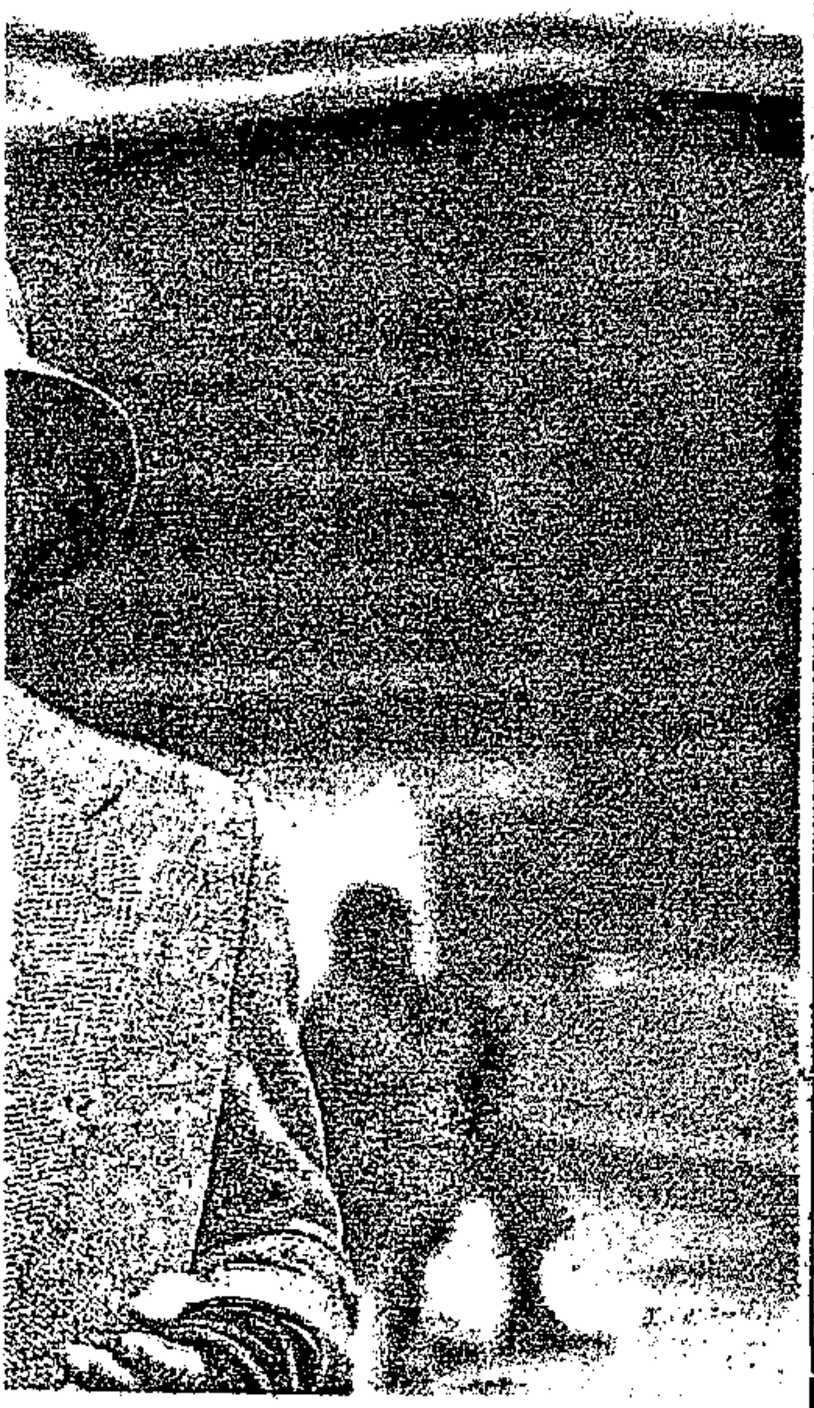
LONDON. — Blind Kevin Willis of Nottinghamshire can see again — all because his wife hit him on the head with a plasic bucket

The blow is thought to have jolted a trapped nerve which had caused 28-year-old Kevin to be blind for a year.

He thought nothing more about the clout until next morning, when he awoke — and saw the daybreak.

Then everything came into focus and he could see colours, people and his one-year-old son, Jason, who was only three weeks old when he lost the sight in his left eye.

He was already blind in his right eye following an accident with a dart at the age of three and had to wear a glass eye.



ed stallion Northfields. The horse arrived f 500 races throughout the world.

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esburg: 14,9 arrests lock.

own: 1,3 arrests per

-Maritzburg: Two r roadblock.

r a Johannesburg epartment spokes-

SA's top horse shown to public

By GEOFFREY ALLEN

THE champagne gently aerated the orange juice and the asparagus pie was delicious when Mr Sydney Press put on public view for the first time his recently acquired stud stallion Northfields — which cost R3-million.

The arrival, by air from Ireland (after a change of

DIRECT FROM THE CARIBBEAN

THE WORLD RENAISSANCE

AND

CARNIVAL TIME

CASINO STRUGGLE FELLS MP

21/8/83 S-Express/Mail 288

A POWER struggle between top government officials over homeland casino rights ended suddenly this week with the resignation of a deputy Minister — just 24 hours after Southern Sun captured the rival casino interests of Holiday Inns.

Behind these two events lies a shadowy story of political intrigue, of concession-hunting, and of secret government inquiries into the handling of homeland financial interests.

The struggle pitted Deputy Minister of Co-operation and Development Mr Hennie van der Walt's powerful land consolidation commission — the agency that fixes homeland borders — against other officials of Dr Piet Koornhof's department.

By Martin Welz

The bitterness behind the scenes was revealed when Mr van der Walt told a parliamentary select committee: "I will go as far as saying that the department hates the commission."

At the heart of the row was a concession granted to Holiday Inns to build a casino in kwaNdebele, almost on the outskirts of Pretoria, where it might pose a mortal threat to Sun City.

Mr van der Walt told the Sunday Express as long ago as last year that there was a "much bigger story" at stake in casino negotiations.

He refused to elaborate, except to say that it involved politicians taking sides in the contest between Southern Sun and Holiday Inns and that he believed powerful interests were out to wreck his career.

Concern about the clash seems to have reverberated through the government.

The Prime Minister, Mr P W Botha, this week confirmed that the National Intelligence Service had obtained information about the granting of casino concessions in the course of "gathering security intelligence on the political terrain".

The NIS report and other matter given to the select committee have been suppressed.

Mr van der Walt, his career in ruins, dropped out of sight this weekend after the announcment of his resignation on the grounds of ill health, but there were indications that the clash in government was continuing.

Mr Dawie de Villiers, Minister of Industries, Commerce and Tourism, has ordered an inquiry into the fact that Safmarine, which is partly government-owned, ended up with almost 19% of the shares of Newco, Mr Kerzner's casino controlling company.

Dr de Villiers said yesterday he was "definitely not happy" with Safmarine's stake in the gambling business.

"I have urgently asked for further details of the transaction and will give it my immediate attention," he said.

● Full report — Page 6

EXPRESSCOPE

Govt could slam racial 'open' door

By MIKE GADMAN

THE government and province could prevent Randburg from opening all public amenities to all races.

A study by Professor Johan van der Vyver, of the University of the Witwatersrand law faculty, shows that legislation and provincial ordinances exist which, if adhered to, could sabotage the Progressive Federal Party-controlled council's plans to 'open' the town.

His study follows the release this week of the Human Sciences Research Council's preliminary report on people's attitudes to the opening of public amenities to all races.

The HSRC survey was commissioned by the Randburg town council.

It covered attitudes on amenities such as swimming pools, public toilets, clinics, some nursery schools, community halls, libraries and the bus service.

The report found that of the 730 white people who participated in the survey, 45,4% would accept the opening of public amenities to members of all race groups.

A further 10,8% said they would oppose the move at first, but would gradually resign themselves to it.



● Prof Johan van der Vyver ... in-depth report



● Mr Olaus van Zyl ... awaiting debate

The move was opposed by 30,8%. Of the 656 black people surveyed 92,6% were in favour.

Prof van der Vyver's study revealed the laws that could affect Randburg's plans.

● Every bylaw approved by a city (or town) council and intended to integrate any public municipal amenity can in terms of section 99 of Local Government Ordinance, 17 of 1958 (T) be vetoed by the Administrator.

● The segregation of buses can be imposed on local authorities by virtue of Transportation Act, 94 of 1977.

● The Reservation of Separate Amenities by Local Authorities Ordinance, 8 of 1958, if applicable — Prof van der Vyver believes it is not — "can be used to prevent the integration of all municipal amenities, except the swimming pool, the buses and the cemetery".

● The Group Areas Act, 36 of 1966, could be used to punish black people for being in "white" areas.

Prof van der Vyver says the Group Areas Act could be implemented at public amenities used for the staging before a live audience of any performing arts or cinema shows or at any public amenity where blacks would be present for a period exceeding one day.

Prof van der Vyver also warns that black people could fall foul of curfew laws: "It should be noted that blacks who avail themselves of integrated public amenities in circumstances that would cause them to be within the 'white' section of an urban area, may experience problems under curfew regulations.

"If the Reservation of Separate Amenities by Local Authorities Ordinance is enforced, Randburg's parks, the library, municipal buildings and public toilets would have to be segregated.

"A peculiar point is that if a road or street constitutes part of a bus stop, its use can be reserved for the exclusive use of one's race group — yet if the bus stop is part of a sidewalk it cannot be reserved for any particular group."

In his 75-page report, Prof van der Vyver argues that the Separate Amenities by Local Authorities Ordinance might not be applicable to Randburg.

The leader of the National Party on the Randburg council, Mr Olaus van Zyl, said this week he was not prepared to debate a preliminary report and would wait until this month's council meeting before discussing the issue.

Mr van Zyl has consistently attacked the management committee for not consulting the full council before commissioning the HSRC to do the survey.

Mr van Zyl has also hit out at the management committee's recent application to the Johannesburg council to integrate the bus service.

Johannesburg provides Randburg with a bus service on an agency basis. Johannesburg refused to grant permission for the integration of the service and referred the matter to the National Transport Commission.

Durban thwarted over black-and-white buses

By JO RADFORD

FOR three years attempts by the Durban City Council to scrap apartheid on its bus service have been thwarted by the National Transport Commission — and Durban will never have desegregated buses.

The National Transport Commission will not reconsider its refusal and it has refused to give reasons.

Mr Hendrik Schoeman, Minister of Transport, will not make representations to the commission to reconsider its decision against allowing Durban to have a mixed bus service.

The appeal to the NTC to scrap apartheid on certain routes was a result of a meeting between Durban City Council and Mr Schoeman in an effort to reduce the high cost of running two bus services in the city.

It is expected that Durban's black bus service will lose R4 000 000 this year and the skeletal white service R500 000.

Mr Schoeman rejected accusations that the decision was based on political grounds. He said the NTC was an autonomous body.

Mr Schoeman said the only thing he had done in the inquiry was refer to the NTC representations made to him.

"I had a lot of letters from people who didn't want buses integrated," he said.

In 1957, when the local Road Transportation Board refused to renew 71 permits for the Pietermaritzburg Council unless it introduced apartheid on municipal buses, the council obtained a Supreme Court interdict to prevent the board from cancelling the permits.

Later the court ruled in the council's favour and the service is still multiracial.

'Whites-only' bottle store complaint

By RAYMOND HILL

A WHITES-ONLY bottle store has been opened in Newton Park at the request of the owners, according to the Director of Liquor Affairs, Mr T Vorster.

Mr Vorster was reached in Pretoria after a coloured man complained anonymously to the Evening Post that he was refused service on Saturday at the bottle store in Second Avenue, Newton Park.

The store opened last week.

The man said he was the only person who was not white in the bottle store.When he wanted to buy a bottle of whisky, the manager politely told him that he could not be served because of his colour.

The managing director of Rebel Discout Liquor Stores, Mr C McDougall, said the National Liquor Licensing Board had granted the company a whites-only licence.

He said he had gone through a lot of trouble to get a licence and it had not been his intention to obtain one for whites only.

He would re-apply for a licence to serve everyone because it was embarrassing to serve whites only.

Mr Vorster said that Rebel had merely asked that their existing licence should be "removed" from premises in Kempston Road to their new premises in Newton Park.

He said the application was specific that the licence should be for whites only as many objections had been received.

● The request was granted in December after an outcry from residents, churches and other bodies in the Newton Park area who were opposed to the licence application.

At the time, Mr McDougall said that "in deference to the Newton Park residents' wishes" there was a paragraph in the notice of intention that the applicants would accept a restriction by the Liquor Board limiting the sale of liquor to whites.

are available and (b) what reasons were given for the refusal in each case;

(2) whether these hotels have been informed of his Department's decision concerning their applications; if not, (a) why not, (b) which hotels have not been informed and (c) when is it anticipated that they will be informed?

The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

(1) No. In terms of the Liquor Act, 1977, as amended, it is no longer necessary to apply for such permits.

(a) and (b) Fall away.

(2) (a), (b) and (c) Fall away.

Reply standing over.

Hansard 24/8/83

288

Hotels: international status

Q. 601. 1944

*14. Mr. P. G. SOAL asked the Minister of Industries, Commerce and Tourism:

(1) Whether any hotels have applied in 1983 for international status to be granted to portions of those hotels; if so, how many of these application had been (a) granted and (b) refused as at the latest specified date for which figures are available:

(2) whether these hotels have been informed of his Department's decision concerning their applications; if not, (a) why not, (b) which hotels have not been informed and (c) when is it anticipated that they will be informed?

†The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

(1) Yes.

(a) and (b) Two applications have been received and are presently under consideration.

(2) (a), (b) and (c) As soon as decisions have been arrived at, the hotels concerned will be informed thereof.

Hotels: permits

*15. Mr. P. G. SOAL asked the Minister of Industries, Commerce and Tourism:

(1) Whether any hotels have applied in 1983 for permits to employ entertainers of different race groups; if so, (a) how many application had been (i) granted and (ii) refused as at the latest specified date for which figures

Transkei plans its own tax-free Las Vegas

~~12~~ ~~103~~ 288 ~~297~~ S. Express 4/9/83

A MYSTERIOUS American businessman has for the past two years been secretly negotiating with the Transkei government for rights to establish a casino, banking and tax haven — described as 'Las Vegas and the Bahamas rolled into one' — on the Transkei coast.

Report by MARTIN WELZ

Negotiations are apparently well advanced, and the Transkei government's go-ahead for the ambitious scheme — said to involve hundreds of millions of rands — is believed to be imminent.

The proposed scheme provides for at least three casinos, several banks and 200 spectacular sea-front mansions along a 15km strip of the Pondoland coast.

Only the small Mkambati game reserve separates the site from Holiday Inns' Wild Coast casino.

It has been established that a few senior members of the Transkei government, including President Kaiser Matanzima, were shown a draft of the proposed agreement at least a year ago.

Negotiations were resumed two weeks ago when the American negotiator was invited to return to Umtata as the guest of the Transkei ministry of foreign affairs.

Informed sources in Transkei disclosed that the scheme was first mooted two years ago when a group of six black American businessmen were invited to Transkei by 'roving ambassador' in America, Mr M Masimini.

They were described as "well connected in business and political circles in Washington". Several government sources in Umtata claimed this week that the businessmen had come to Transkei "with an introduction from the Carter administration".

Main promoter of the casino and banking project has been identified as Mr Emmett Eaton Cash III, of Long Beach, California.

Mr Cash's latest visit coincided with the announcement of the amalgamation of Southern Sun's and Holiday Inns' casino interests in Southern Africa in Mr Sol Kerzner's new gambling empire.

Besides casinos, banks and millionaire mansions, the scheme also provides for a floating harbour and an international airport.

The agreement does not indicate who is to finance the harbour and airport, but suggests that the scheme could provide employment for 7 000 Transkeians.

"The scheme will require an investment of hundreds of millions (of rands). Before embarking on this major scheme, however, Mr Cash has undertaken to build a small hotel at Ezibeleni, President Matanzima's home village in the south," said one source.

A spokesman for the Transkei president's office said Mr Matanzima was not available to speak to the Press.

Mr Sol Kerzner, who two weeks ago took over control of all Holiday Inns casinos in Southern Africa, flew to the Wild Coast Holiday Inn on Friday.

He said he was "totally unaware" that the Transkei governmment was negotiating with American interests for a new casino and banking centre right on his doorstep.

"I have never met or heard of Mr Cash and really can't comment on something I know nothing about," he said.

Mr Kerzner said he had been under the impression that Holiday Inns held the sole concession for casinos in Transkei, "but I don't know the facts."



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ool sports day in Port
ISTOPHER CUNNING-
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Death of former editor

BLOEMFONTEIN — A former editor of The Friend newspaper and a sub-editor on the Evening Post, Mr Paul Muller, died in Bloemfontein's Universitas Hospital yesterday aged 69.

Mr Muller, who edited The Friend from February, 1971, until August, 1974, was admitted to hospital three weeks ago after suffering a heart attack.

After retiring as editor of The Friend, he worked as a sub-editor on the Evening Post from November, 1974, to April, 1982.

Born and educated in Cape Town, he joined The Star in Johannesburg in 1950.

He was deputy news editor and gallery correspondent before his transfer to Bloemfontein in 1967 as assistant editor.

A year after becoming editor, his first wife, Mrs Maria Alette (Lettie) Muller died.

He leaves his second wife, Mrs Amy Muller, three sons, a stepson and six grandchildren. — Sapa

Two employees' pay at food outlet below minimum wage level

By CLAIRE PICKARD-CAMBRIDGE

TWO full-time workers at a fast food outlet in Main Street, Port Elizabeth, are being paid R26,50 and R28,50 a week, figures well below minimum wage regulations for employees working in restaurants and tearooms.

Regulations covering tearooms and restaurants stipulate the minimum wages for employees classified as kitchen hands and general workers are R40,50 and R33 per week respectively for their first six months of employment.

The workers concerned said they had been employed at the outlet for more than two years. According to the regulations they should be paid R48,50 and R46,50 respectively a week.

They also said they worked more than 50 hours a week, were not given lunch or tea breaks, or days off.

Their hours of work were from 7am to 5.30pm from Monday to Friday and from 7am to 2pm on a Saturday.

Mr Oscar Malgas, the organising secretary of the Commercial, Catering and Allied Workers Union of South Africa (CCAWUSA), said basic conditions of employment for their trade laid down that hours of work should not exceed 48 hours a week.

"They should not work more than 8½ hours a day and this includes a half-hour lunch break," he said.

"Limitations for overtime are three extra hours a day and eight hours a week."

But the workers claimed they were not paid properly for overtime and that their pay was deducted when they were ill.

The Evening Post approached the owner of the restaurant, a Mr Homola, who promised to investigate the matter.

He later told the Evening Post he was going to bring the wages of his employees into line with minimum regulations.

However, he denied his employees were deprived of their lunch hour break and said they were allowed to take one when the peak time was over.

He said he had only taken over the cafe recently and was unaware that his employees fell under wage regulations governing the catering trade.

He confirmed that they were paid R26,50 and R28,50 a week respectively. He said, however, this was more than they had been paid by their former employer from whom he had taken over earlier this year.

The Institute of Planning Research at the University of Port Elizabeth recently released statistics indicating that the household subsistence level for Port Elizabeth blacks was R263,52, or about R66 a week for a family of six.

This is a guide to the minimum amount a family can subsist on in the short term.

h-speakers should their resources'

BOUWER

Africans should share their
r races so that English can
ıared language, says Dr Ken
iences Research Council.

"English in Action" sympo-
ıturday night that the older
had a better command of
taught by mother-tongue

f teaching English to blacks,
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In 1981 the average mark
only 33%.

nment to accept the basic
ange Report and the contin-
nt of Education and Training
rs to commit themselves to

ed their morale and self-

He added that the quality of black teachers would also have to be improved and English teachers' associations should get closer to their black colleagues and offer support and assistance on a non-racial basis.

The universities also held a key role and should be open to all races, said Dr Hartshorne.

The universities would have to help black teachers, both those in training and in service, to improve English in the classroom.

More than 700 people attended the symposium. Other speakers included Professor Francois Swart, head of the Deapartment of Speech and Drama at Rhodes University; Mr Don Maclennan, a lecturer in English at Rhodes University; Professor Alan Lennox-Short, recently retired from the University of Cape Town and also a well-known broadcaster; Dr Jean Branford, associate editor of the Dictionary of South African English; and Mr Kim Shippey, head of TV1 (actuality) of the SABC.

A drama presentation, *From Van Riebeeck to Van der Merwe*, with Mary Dreyer and Greg Latter, was one of the highlights of the symposium and incorporated many historical and modern facets of South African society.

Hanging attempt fails

Post Correspondent

JOHANNESBURG — A young Johannesburg woman tried to hang herself with a rope at the weekend in the same manner that her former fiancee killed himself.

The 21-year-old woman was rushed to the J G Strijdom Hospital after she had been cut down in the bedroom of her home in Melville.

Her condition was described as satisfactory today.

Her 26-year-old fiancee committed suicide on August 15 after she had broken off the engagement. He was found hanging in the passage of his Lenasia home.

WHEN WE KI
PLEASE HELP US — S



DOOR TO DOOR CAMP
12th to 23rd SE

1983

Gloomy picture for hotel industry

By SIMON WILLSON
Industrial Editor

TOTAL real income and room and bed occupancies in the hotel industry were all lower in mid-year than in mid-1982, according to a countrywide survey of 309 hotels.

But the survey found that the Cape Peninsula bucked the general national depression in the industry by showing improvements in occupancy and income.

The survey, compiled by the University of Pretoria's Bureau of Financial Analysis, paints a gloomy picture of prospects in the hotel trade.

For 20 consecutive months stretching back to November 1981, the average room and bed occupancies for all hotels were lower than in the corresponding months of the previous year.

In July this year, the latest month for which figures are available, total real income for all hotels was 8,3% lower than in July 1982.

South African hotels sold about 110 000 fewer bed/nights in July this year than twelve months earlier.

In the year to July, five-star hotels showed a smaller than average fall in income of 6,1%, but two-star hotels fared worse than average with a fall of 10%, the survey found.

The exceptionally buoyant nature of the hotel business in and around Cape Town was brought out by the survey's finding that the Peninsula's hotels registered the best trading conditions in the year to July.

Cape hotels reported increases of 16,1% in room occupancy, 10,1% in bed occupancy and 12,0% in total real income.

The average increase in total gross income in the hotel industry in the year to July was only 3,8%, with the largest improvements showing in Cape Town (24,1%), followed by the Garden Route (18,8%) and Port Elizabeth and East London (13,3%).

When discounted by the 12,1% increase in the consumer price index over the same period, 10 of the country's 13 regions suffered income decreases in real terms, the survey found.

Being measurements of gross income, the figures had no direct bearing on hotel profitability, the survey noted.

Hotels on the Rand and in Pretoria reported dismal trading conditions in the year under review in the survey.

Room occupancy dropped by 7%, bed occupancy by 8% and total gross income by 3,4%.

Conditions were also bad in hotels in the rest of the Transvaal, where room occupancy was 20,1% lower, bed occupancy 15,8% lower and total gross income 2,4% lower.

Jackpot cracks the jackpot
Southern homeland casinos

Turnover of over R100-m a year

Argus Correspondent

JOHANNESBURG. — More than R100-million has poured into the casino gold mines of the Kerzner-Holiday Inns group during the past year.

And this year South African gamblers will be fighting to lose their cash in even bigger heaps if Sol Kerzner's profits forecast for his new company, Sun International, is correct.

He predicts that profits will be between R25-million and R30-million net in the first year of the new company's operation.

A huge slice of the group's earnings will go to the homeland and independent state governments under a variety of guises.

Golden nugget

The great golden nugget of Sun International's casino mine is Sun City in Bophuthatswana. It earned a gross R30-million last year — excluding the earnings of the holiday complex.

Most of this golden rainbow came from Johannesburg's big spenders. In the past three years more than four million people have visited the complex — making it the most popular in Africa and helping to make Sun the most profitable hotels group on the continent.

Main complexes

The seven big casino complexes are in Bophuthatswana (Sun City), Botswana (Gaborone), Lesotho (Maseru), Swaziland (Nhlangano Casino Hotel and the Royal Swazi Hotel and Casino), Transkei (Wild Coast Holiday Inn) and Venda (Venda Hotel).—

Sun also has casinos in Mauritius.

Attempts to track down precise earnings of the homeland states from the casino and holiday complexes were unsuccessful, and this information seems to be regarded as top secret. There is no indication anywhere in their public accounts as to their earnings.

"Huge amounts"

Yet they own 50 percent of the resorts — and their casinos.

The director of marketing and sales for Sun International, Mr Stewart Banner, said the homeland and independent states made huge amounts from the operations.

Although figures varied, on average special levies of up to 15 percent had to be paid to the governments on gross revenue from casinos (as opposed to revenue from the resort operations).

Tax of as much as 42,5 percent was then paid on all profits from the entire casino-resort operation. Then the states took half the net profit. In addition, they also tax all the 6 600 employees' earnings.

Mr Banner said criticism of the establishment of casinos was not justified because of the big boost the complexes gave local economies.

South Sun lives with unlet rooms

288 ROM 9/11/83

By JOHN MULCAHY

SOUTHERN Sun Hotel Holdings has reported a 3% decline in attributable profit for the six months to September 30, and has highlighted a slump in hotel occupancies in South Africa.

But the Southern Sun result comes as a relief to the South African Breweries stable, which has been dealt the double blow of OK Bazaars and Edgars for the half-year, both of which reported a 40% drop in earnings.

Southern Sun's turnover rose to R105,2m from R96,1m, attributable profit was 3% lower at R11,270m (R11,594m), earnings dipped to 20,3c a share from 20,9c and the interim dividend has been maintained at 14c.

After dropping by 6% in the year to March 31, average occupancies throughout the SA hotel industry fell by 10% in the six months to September.

Southern Sun occupancies for the six months fell to 65% from 72% a year earlier, with a consequent impact on margins.

As usual, Southern Sun has bucked the industry trend, and although earnings were affected, the blow was cushioned by a continuing superb performance from the Sun City operation.

The new arrangement, under which Sun City and other casino operations fall under the new Sun International ambit, became effective after the end of September, and will affect results for the year.

Mr Eugene Joannides, Southern Sun's financial director, said yesterday the 25% holding in Sun International would be equity-accounted for the year to March, and dividends included as investment income.

For the year, the group was projecting only a modest downturn. He mentioned several developments producing encouraging results.

The Cape Sun, opened on October 1, was proving highly successful, and feedback since the opening had been positive.

Sun City's shows and entertainment division had a particularly good six months, and although occupancies at the Sun City hotel were marginally down on the corresponding period last year, the complex turned in a respectable overall performance.

An indication of the activities in the neighbouring states is given in the Southern Sun income statement under the heading, earnings attributable to outside shareholders.

The outside shareholders are mainly the governments of Bophuthatswana and Ciskei, reflecting their respective interests in Sun City, Mmabatho Sun and Amatola Sun. Their share of earnings rose by 44,5% to R3,606m for the six months from R2,496m in the first half of last year.

Operating profit fell by 6% to R21,576m from R22,940m, the interest charge dropped to R2,904m from R3,654m and tax fell to R4,378m from R5,196m.

Attributable earnings of associated companies — mainly the timeshare operations — amounted to R582 000 (R1,123m for the year to March).

Mr Joannides said the drive to promote Southern Sun's operations in South Africa had kicked off most successfully with the sponsorship of the Grand Prix.

Although no decision had been taken on next year's Grand Prix, the group hoped to sponsor it again as there were important benefits to be derived from recurring sponsorships.

The timesharing projects at Umhlanga and at Beacon Isle, Plettenberg Bay, were going well, and indications were that Umhlanga Sands would be fully sold within three years.

This would be a world record, as similar projects in the US were aimed at up to eight years.

Mr Joannides said bookings for the coming holidays had started slowly, but had picked up well in the past three weeks.

Southern Sun's chairman, Mr Meyer Kahn, and the managing director, Mr Peter Bacon, say in the interim report: "Economic conditions are not expected to improve during the second half of the financial year and it is expected that trading conditions will continue to be difficult.

"In addition, the sale of 51% of the group's interest in its hotel and casino operations outside South Africa with effect from October 1 will have some impact on earnings during the second half.

"In the current environment, the directors expect that earnings for the full year will be moderately down on those of the previous year, but in such event the final dividend will be maintained."

'Durban must cater for blacks'

Mercury Reporter

DURBAN would have to make increasing provision for black tourists and holidaymakers to stay alive as a thriving holiday city, the Mayor, Mrs Sybil Hotz, told a meeting of the Durban and District Hotel and Bottle Store Association yesterday.

The increased buying power of blacks, which would exceed that of whites in all services and commodities by 1985, placed holidays within their reach. Previously holidays had been beyond their reach or denied to them, she said.

'I do not want to reopen a can of worms, but that is one of the reasons the Durban City Council opened Battery Beach Two, and intends opening the paddling pool, Rachel Findlayson pool and Dairy Beach.'

ARGUS 23/4/83

Hotel group to oppose bid for liquor licences



Mr Steven Rom

Staff Reporter

THE Cape Hotel, Bottle Store and Restaurant Association will oppose all Western Cape applications for new bottle store and grocers' wine licences.

Applications for 23 new grocers' wine licences and a number of new bottle stores will come before the Liquor Board early next year.

Mr Steven Rom, chairman of the Cape Hotel Association, which opposed the existing six grocers' licences in the Western Cape, said the association would again oppose all applications for grocers' licences in the area.

"The association feels that the Cape is overtraded as it is. There are sufficient liquor stores to meet the needs of the public and we will oppose all new applications for grocers' licences and for new bottle store licences."

Mr Rom said the association was not opposed to the granting of licences to restaurants, either malt and wine licences or general restaurant licences — the difference between these two licences relates to hours of trading and trading on days when bars are normally closed.

"Restaurants are in a different category. They cater for tourists and people who go out for a meal."

Of the seven new applications for licences in the magisterial district of Bellville, four are for new liquor stores and three are for grocers' licences.

Of the 15 Cape Town applications, two are for liquor stores and two for grocers' licences.

Of the six Goodwood applications, two are for liquor stores one for a grocers' licence.

Of the 15 Wynberg applications, six are for grocers' licences.

Of the five Stellenbosch applications, one relates to a liquor store and two, submitted by Keurwyn-Vennootskap at Farmstead Bartinney and by Die Bergkelder at Papegaaiberg, are for wholesale licences.

Holiday travellers in for a disappointme



The "white" side of a restaurant in Warden . . . clean and modestly decorated.

THERE are hardly any tasty burgers, no strong coffee and only a few tasty French fries awaiting the thousands of holidaymakers preparing for the annual mass migration to Natal this month.

That's on the basis of a survey of restaurants checked by Consumer Mail.

The burgers are relatively cheap, the coffee is seldom strong enough and the chips are often best smothered with ketchup.

But not all roadside restaurants offer such bad fare. Some clearly try hard to please. Only one, however, served a "good" burger.

In every case except one the coffee was instant. Once it was cold.

As for service, this was reasonably fast — but then most places were deserted.

Facilities for blacks at the restaurants visited were sadly lacking. Most offered none at all and in one case where there were facilities, they were dismal.

The Rand Daily Mail went on the "great hamburger run" on both main routes to Natal, the N3 and the R23. A total of 10 restaurants were visited — one in each town at which the team stopped.

Except in one case, the toilets visited were at garages adjacent to the restaurants.

At some garages there were separate toilets for blacks, and these were sometimes shocking.

However no "Whites Only" signs could be seen and it was difficult to establish whether toilets were for black travellers or for black garage staff.

The survey results for the restaurants and toilet facilities on the N3 and R23 routes are:

● Warden Tearoom and Bakery:
Here the service was slow. It took 17 minutes for a hamburger, chips and coffee.

But, the burger was the best on both routes. It was fresh, thick, very beefy and served with tomato sauce and onion. The chips, too, were very good.

The separate section for blacks was appalling.

It consisted of three dilapidated wrought iron garden furniture tables, with a concrete floor. No glasses were offered to the few local blacks who sat at the tables drinking milk out of cartons.

No toilets for blacks could be seen. Those for whites, in the restaurant, were spotless.

● Wimpy in Harrismith:
This restaurant, close to the main road, is the obvious choice for holidaymakers looking for a quick bite. The Wimpy "pure beef" hamburger, chips and coffee came five minutes after we sat down.

The burger patty was thin, a litte undercooked, not very tasty and was served with a slice of tomato and lettuce.

There was a dirty ashtray on the table and it remained there throughout the meal. Generally the place was clean.

By DAVID CAPEL

The Mail was told blacks could be served outside where there were a few concrete tables and plastic chairs on a patio. But what if it was raining, as it was when we were there? "That you'll have to ask the manager," the lady at the till replied. He was not available.

The men's toilets at the adjacent garage were well kept.

Staff said the toilets at the back of the garage were for blacks, although they were not sign-posted. They had no paper or soap.

● The Rendezvous in Ladysmith:
This is a clean, modest establishment. Service was good, the order taking six minutes. The hamburger patty was on the thin side. It was not succulent or tasty.

The owner said she served blacks, but they had to be accompanied by whites. She was at pains to point out she had nothing against serving blacks, but that she had had "trouble" in the past from white locals.

The men's toilets at the adjacent garage were dirty. According to an attendant, there were separate toilets for blacks.

● Pravlis Highway Restaurant in Mooi River:

This was a spacious, bright establishment set in attractive surroundings.

The burger was served on a dry, open bun. A small salad was included. The patty was thick, but small — and not tasty.

Blacks were not allowed in the restaurant. The owner said this was due to strong opposition from locals and he was "in a spot".

The same toilets at the adjacent garage served blacks and whites. They were in a fair condition with soap, towels and toilet paper.

● Wimpy in central Martizburg:
This restaurant was nicely decorated and clean, with fast service. But a dry burger was served on a dry bun.

● Mac's Tasty Eats in Estcourt.

About eight kilometres off the main road, Mac's offered a tasty burger. It came with fried onion, lettuce, tomato and sauce. The chips were soft and greasy.

The owner said no blacks were served there and the waiter was very abrupt.

The toilets which garage staff at the adjacent garage pointed out for blacks were in a poor condition. A muddy path, after the heavy rains, led to them. The windows were broken. The toilets had no soap.

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The place was basically cl
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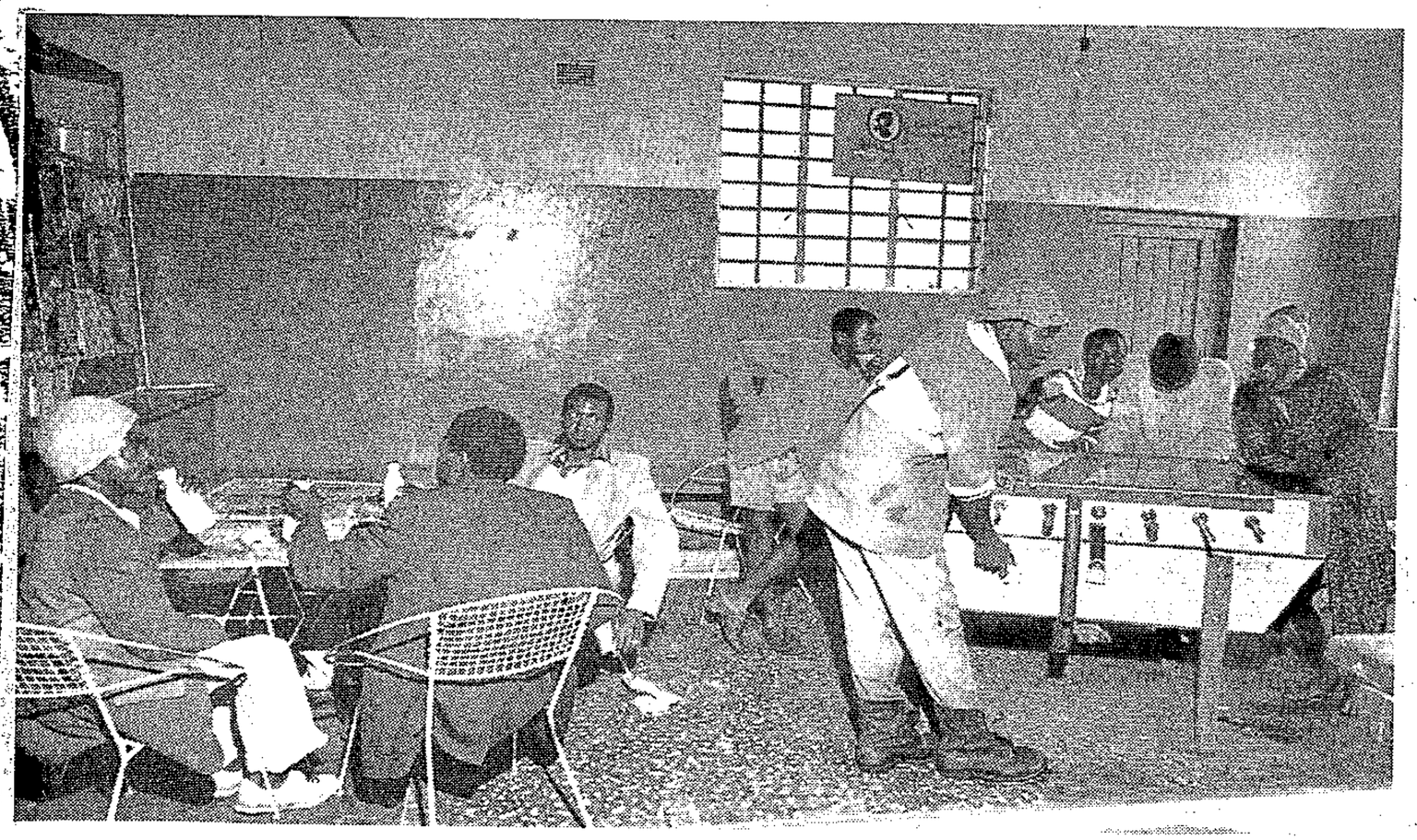

The "black" side of the same restaurant . . . dilapidated tables and a concrete floor.

Pictures: JILLIAN EDELSTEIN

Town	Venue	"Coffee"	Quality	Hamburger and chips	General Remarks	Black Facilities
Warden	Warden Tea room and restaurant	35c	Very good burger	R1,70	Pleasant	Had separate place to eat. Poor
Harrismith	Wimpy "The Home of the Hamburger"	55c	Burger not tasty	R2,00	Service very fast	Can be served outside
Ladysmith	The Rendezvous	50c	Burger not succulent	R2,60	Clean, modest establishment	Will be served if accompanied by whites
Mooi River	Pravlis Highway Restaurant	47c	Burger fair, chips good	R2,20	Spacious, bright	Not served in restaurant
Maritzburg Central	Wimpy "The Home of the Hamburger"	55c	Burger not succulent	R2,00	Nicely decorated Clean. Service fast.	—
Estcourt	Mac's Tasty Foods	60c	Burger fatty but fairly tasty	R2,23	Waiter very unhelpful, almost rude	Blacks not served
Colenso	Tugela Restaurant	50c Percolated, cold	Burger rather tough	R2,20	Tried hard to please	Blacks not served
Newcastle	Golden Egg	55c	Burger not tasty and under-cooked	R2,00	Pleasant surroundings	Don't serve blacks. Can "eat in car"
Volksrust	Welcome Restaurant	50c	Burger tasteless	R2,50	Small, fairly well-kept	Don't serve blacks
Standerton	Vaal River Restaurant	45c	Chips very big. Badly prepared	R1,35	Moderate	Serve blacks outside

(* At garages unless otherwise indic

That ugly toilet is not ours — Wimpy

SA WIMPY LIMITED has challenged comments and statements made in a Consumer Mail survey published on Thursday and dealing with the state of hamburger outlets on the road to the Cape.

Mr E M Kristal, legal and estates director of Wimpy, made the following points yesterday about the Parys Wimpy:

● The admittedly disgusting state of the toilet complained of has nothing to do with Wimpy. It is on adjacent premises and neither the toilet nor the premises are in use as part of the Wimpy. Some time ago an effort was made to keep the toilet in reasonable order, but after repeated vandalisation the effort was abandoned;

● It is true that black customers are not permitted table service in this Wimpy. The fault lies with Proclamation R228 framed under the Group Areas Act. While Wimpy encourages franchisees to apply for permits — and some simply ignore the proclamation — Wimpy obviously cannot force anyone to break the law;

● Wimpy coffee is pure coffee without any chicory. All franchisees are obliged to purchase the specially prepared and packaged Wimpy coffee on pain of a penalty fine for breach of contract;

● Wimpy hamburger patties are made from pure beef, and are subjected to extremely rigorous quality controls and do not contain gristle. Most grilled meat could be described as "grey" when cooked;

● All Wimpy businesses are subjected to regular and frequent inspections by field staff. Wimpy assures readers, black and white, that where toilet facilities are the responsibility of a specific Wimpy, they will not have cause for complaint;

● There are at least 10 or 12 Wimpy bars on the Johannesburg-Cape Town run and about the same number on the Durban run. Many of them serve blacks at the tables; and

● Wimpy has not raised menu prices since May nor are any increases planned until March 1984 at the earliest. Wimpy is proud of the high standards in the Wimpy franchise and of the fact that a growing number of franchisees are happy to recognise and meet the travelling requirements of black customers as well as white customers.

Officials beef up the burger trail

By MARGARETHA GOOSEN

VENTERSBURG in the Free State will be able to offer holidaymakers on their way to the Cape a better, beefier burger.

The town clerk, Mr Kemp Scholtz, assured the Mail he had wasted no time in beefing up hamburger "joints" after a Consumer Mail survey of 20 hamburgers served along the main routes to Cape Town came up with unappetising results.

Mr Scholtz said he had taken immediate action after reading the survey on Thursday, and had not only investigated the Stop Take-Away — where the Consumer Mail found birds flying loose in the restaurant — but the two other cafes in town as well.

He found the Stop Take-Away and its kitchen clean and tidy, and the hamburgers being freshly prepared. Guests he spoke to had no complaints, but the owners were told to put the birds away.

Mr Scholtz also checked on the Caltex toilets and found them "spotless".

All the owners had assured him they would do their best to keep their cafes and toilets fresh and clean.

The Parys Wimpy also came under criticism in the Mail report because of the shocking condition of the black toilets.

The Parys town clerk, Mr J K Ferreira, said yesterday he had not read the report but would investigate.

"Unfortunatley we have no control over toilets for guests. Our by-laws only cater for staff and their facilities," he said.

Miss I Pienaar, town clerk of the Northern Cape town of Hanover, was shocked to hear the criticism against the owner of the town's only cafe.

The owner was a town councillor and was "very meticulous", she said.

Miss Pienaar promised to investigate.

3/12/83

or a disappointment

By DAVID CAPEL

it remained there throughout the meal. Generally the place was clean.

The Mail was told blacks could be served outside where there were a few concrete tables and plastic chairs on a patio. But what if it was raining, as it was when we were there? "That you'll have to ask the manager," the lady at the till replied. He was not available.

The men's toilets at the adjacent garage were well kept.

Staff said the toilets at the back of the garage were for blacks, although they were not sign-posted. They had no paper or soap.

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This is a clean, modest establishment. Service was good, the order taking six minutes. The hamburger patty was on the thin side. It was not succulent or tasty.

The owner said she served blacks, but they had to be accompanied by whites. She was at pains to point out she had nothing against serving blacks, but that she had had "trouble" in the past from white locals.

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The owner said no blacks were served there and the waiter was very abrupt.

The toilets which garage staff at the adjacent garage pointed out for blacks were in a poor condition. A muddy path, after the heavy rains, led to them. The windows were broken. The toilets had no soap.

● Tugela Restaurant in Colenso:
The place was basically clean, although the floor was in need of a sweep. Service was fast and courteous, but not worth waiting for. The burger was smothered in tomato sauce.
This was the only place which sold percolated coffee — but it was cold.

● Golden Egg in Newcastle:
The burger was under-cooked and unappetising. The restaurant itself was clean and air-conditioned. The service was poor.

The lady at the till said blacks were not served. She said she could "take him something to the car".

The toilet at a garage adjacent to the restaurant was also dirty. Blacks and whites had the same toilets.

● Welcome Restaurant in Volksrust:
Spotless establishment, with a waitress who wore a shower cap.

The burger was burned and not tasty.
Blacks are not served at this restaurant either and they had separate toilets in the adjacent garage. These were clean.

● The Vaal River Restaurant in Standerton:
This restaurant forms part of a garage complex. We had the fattest chips here that we had yet seen. The burger roll was burned and the service was mediocre.

Blacks were served at tables outside. The garage toilets were dirty.

oilet is Wimpy

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Harrismith	Wimpy "The Home of the Hamburger"	55c	Burger not tasty	R2,00	Service very fast	Can be served outside	Fairly clean separate for blacks
Ladysmith	The Rendezvous	50c	Burger not succulent	R2,60	Clean, modest establishment	Will be served if accompanied by whites	Dirty. Urinal blocked. Separate for blacks — Also dirty
Mooi River	Pravlis Highway Restaurant	47c	Burger fair, chips good	R2,20	Spacious, bright	Not served in restaurant	Same for blacks and blacks and whites. Fair.
Maritzburg Central	Wimpy "The Home of the Hamburger"	55c	Burger not succulent	R2,00	Nicely decorated Clean. Service fast.	—	—
Estcourt	Mac's Tasty Foods	60c	Burger fatty but fairly tasty	R2,23	Waiter very unhelpful, almost rude	Blacks not served	No soap, mirrors or towels. Toilet for blacks poor.
Colenso	Tugela Restaurant	50c Percolated, cold	Burger rather tough	R2,20	Tried hard to please	Blacks not served	Clean No soap
Newcastle	Golden Egg	55c	Burger not tasty and under-cooked	R2,00	Pleasant surroundings	Don't serve blacks. Can "eat in car"	Towel in men's filthy
Volksrust	Welcome Restaurant	50c	Burger tasteless	R2,50	Small, fairly well-kept	Don't serve blacks	No soap. Separate for blacks
Standerton	Vaal River Restaurant	45c	Chips very big. Badly prepared	R1,35	Moderate	Serve blacks outside	Poor condition. No towel. Separate for blacks.

(* At garages unless otherwise indicated)

RESTAURANTS

Sizzling growth

While the recession has brought hard times to some independent restaurants catering for the middle market, it appears to have stimulated expansion among the chains and franchised operations.

Big operators claim that customers are moving towards the chains because they want value for money.

"We can save because we buy in bulk, which the single restaurant operator cannot do," says one.

David Lewis, who bought Mike's Kitchen in January says that his company, which expects R22m turnover this year, opened 16 new franchised outlets this year and plans to have a total of 52 by 1985.

"We are also looking at setting up a fast food franchise, based on the Mike's concept, which would eventually include 140 outlets," he says.

"We provide most of the financial backing for the franchise-holders. We obviously look for someone with expertise in running restaurants, but it is not necessary because we do provide training."

Turn & Tender, which has seven outlets, is also aiming at a total of around 50 restaurants. But Spurs, the largest chain with 38 outlets, has no set number in mind.

"We are planning to open eight new Spurs over the next six months," says MD Allen Ambor. "We also have the Midnight Grill franchise and the Hard Rock Cafe chain, which we will probably also franchise.

"It is like surfing. You have to stay ahead of the wave or you are going to be toppled over. But we are opening outlets only where we know they can succeed."

Squires Loft, which has nine outlets, is not planning to expand as rapidly as the others, although it is considering a fast food operation.

"We looked at franchising about four years ago and decided that it is the quick buck way of doing business because you have trouble maintaining consistency," says marketing manager David Shenker. "All our outlets are wholly owned by us and we are looking at expanding at a rate of about five new restaurants a year."

The other restaurateurs, however, maintain that franchising is the most effective way to expand. Ambor contends that using managers instead of owners does not work because there is no incentive.

Lewis concedes that some Mike's Kitch-

ens are better than others. But, with predictable proprietorial pride, he claims that "the quality of any outlet is never lower than our minimum standards."

To help maintain consistency, some of the chains make their own sauces and condiments but Mike's prefers to shop around.

All operators agree that there is little danger of the steak house market becoming overtraded.

"South Africans are very conservative and like to have their meat once if not twice a day," says Turn & Tender's MD Mervyn Aaron.

Lewis believes that there might be some movement away from traditional steak meals as has happened overseas. But this, he says, can be exploited by enlarging menues to include non-steak items.

Financial Mail December 9 1983

Kerzner has big plans for Southern Africa

Huge hotel group set to expand further

Stew 288 10/12/83

By Richard Paris, Travel Editor

The Transkei's Wild Coast straddling the Natal border is to become Africa's new Riviera with more hotels, flats, superstar entertainment and sports facilities.

This was disclosed during the week by hotel magnate, Mr Sol Kerzner, who said it was just one of many projects he has in the pipeline.

In the first extensive interview since the formation of Sun International Hotels, the resort tycoon gave an inkling of massive plans for expansion which would affect tourism mainly in Southern Africa but also overseas.

"The company will be looking at many proposals to own or operate casinos and resorts as far away as Madeira, near Portugal, early next year," he said.

Mr Kerzner's proposed plans include:

- Turning thousands of acres of beachfront land south of Port Edward into a mecca for sportsmen, gamblers and holidaymakers, with international stars backing up Sun City-type local entertainment.
- Opening another 250-bedroom hotel at Sun City within a year and building more hotels there over the next two years.
- Spending "many millions of rands" on upgrading Holiday Inns in Lesotho, Swaziland and Botswana and enlarging the company's three hotels in Mauritius.
- Turning hotels in independent black-ruled countries into major conference venues for organisations elsewhere in Africa.

Sun International Limited is the new name for Newco, established in August to take over the 16 casino resort operations of Southern Sun and Rennies in Southern Africa and Mauritius.

Other shareholders are Safmarine, Rennies and Southern Sun.

The new company controls 2 428 rooms in 16 properties in South Africa, Bophutatswana, Transkei, Ciskei, Venda, Swaziland, Lesotho, Botswana and Mauritius.

Mr Kerzner effectively controls all gambling in Africa south of the Equator — but for a couple of small casino operations in Zimbabwe.

"Our first two major projects concern Sun City and the Wild Coast Holiday Inn," he said.

About R30 million is being spent on another 250-room hotel, with "exciting and new architectural features", at Sun City.

"Even this new hotel will probably be too small, and we will be planning the next one as soon as it is finished," he said.

At the Wild Coast Holiday Inn on the Natal-Transkei border, the 200-room resort opened new public areas this week. Another 70 rooms and an enlarged theatre will come on stream in March.

"But this is only the beginning for the Wild Coast — I see it as the fastest growing resort area in Southern Africa," Mr Kerzner said.

"We have thousands of acres of ground, two rivers, exceptionally beautiful coastal terrain and beaches, and one of the finest golf courses in the world.

"As the facilities become available, we will introduce the same calibre of entertainment that is now imported for Sun City and the two resorts will back each other up in every way."

Mr Kerzner said he predicted "a number of hotels and other residential units, many more man-made attractions and better use made of the natural ones" in the area.

The next phase of development would be announced in April.

Mr Kerzner said millions would have to be spent upgrading, refurbishing and marketing the Holiday Inns in Swaziland, Lesotho and Botswana.

"It seems to me the countries of Southern Africa do not get their fair share of the many conferences that take place all over Africa, so I will be out to capture this market," he said.

Asked how he saw the company in 10 years time, he said: "We don't have to become a Hilton or a Sheraton, and in fact it may make more sense to run our overseas operation in one region.

"All I can say at this stage is that the cost of running and marketing a hotel a long distance from base is so high that it is not worth our while to consider any project which is not substantial

Babylonian waterfall and gardens

Sun's R55-m ritzy Carlton challenge

HECTARES of garden and carpet are still not in place and a 10-metre waterfall in the foyer is still being waterproofed, but Southern Sun's five-star hotel, the R55-million Sandton Sun, will open as planned on February 1.

By DAVID CARTE

Builders, gardeners, plumbers and electricians are all over the place, but amid the rubble and apparent chaos, managing director Peter Beacon is relaxed. He is confident that his latest show stopper — "on a par with anything in the world" — will be ready to take its first guests in three weeks.

The hotel will be managed by Evans Andropolous, manager of the Landdrost for seven years. Nearly the entire staff complement is already in service, preparing for the opening.

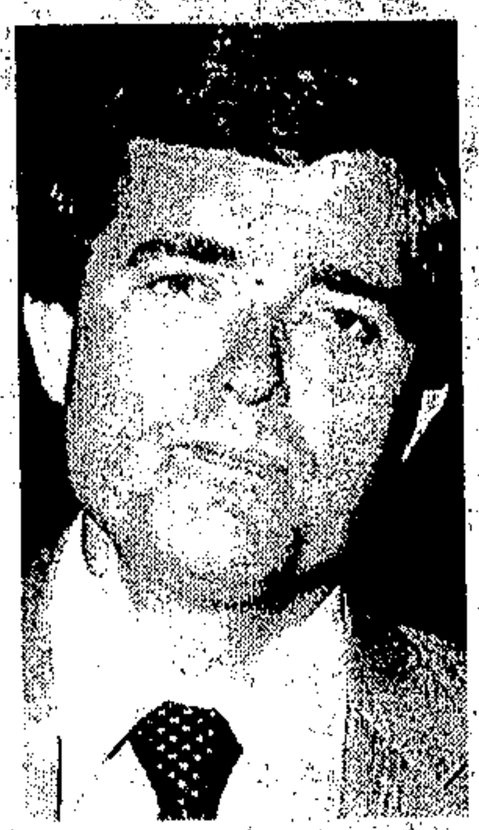
The official opening by a Cabinet member and attended by at least one international star will be at a gala ball later in February.

Bookings for Sandton Sun's enormous conference and banqueting facilities stretch two years into the future.

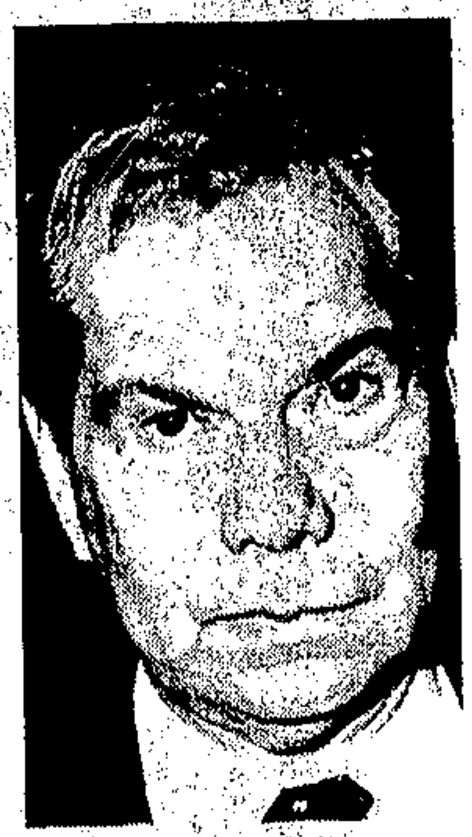
There are hundreds of three-to-five-star beds empty all over Johannesburg, but Mr Bacon is confident that Southern Sun's challenge to the Carlton will enjoy high occupancies from the outset.

The tariff for ordinary rooms is R95 a day for singles and R50 a person a day for doubles. The suites go for R175 a day single and R95 a person double. The presidential suite is R300 a day.

The 600-room Carlton, until now unchallenged as top spot in Johannesburg, charges R92 a day for singles and doubles and R185 to R545 a day for suites. It is far from fully booked now.



Peter Bacon
No occupancy fears



Evans Andropolous
Five-star manager

According to Mr Bacon, there are three main reasons why the Sandton Sun should be relatively full — first, its location in the north where there is an acute shortage of up-market accommodation for businessmen; second, its novelty and glamour; and the long-term growth trend of demand for hotel beds in Johannesburg.

For all types of accommodation this has been 6% a year for many years. In the upper market it has been even higher. So he has no worries about filling more than 1 000 beds Southern Sun will have in the Johannesburg area after the Johannesburg Sun is opened.

"I'm not surprised many hotels are far from full. The economy is depressed and demand today is below 1980-81. With many business people still out of town, January is always dead in Johannesburg. Nevertheless, in February we shall be close to full."

Mr Bacon says that because it is a different class of hotel, the Sandton Sun will not compete head on with the Sandton Holiday Inn or the Johannesburg Sun. The Sandton Sun will aim largely at the business market, and the Johannesburg Sun will seek international tourists, who prefer downtown locations.

There is no risk in the Sandton Sun venture for the Southern Sun group as the hotel is owned by Liberty Life and the mines pension funds.

"This is our only pure management venture. We get a fee linked to turnover and profits and the assets will not even be on our balance sheet," says Mr Bacon.

Asked if the fee is worthwhile, he replies: "Obviously."

Having opened the R45-million Cape Sun, Southern Sun is not short of new projects. Its four-star, 600-room Johannesburg Sun will cost R110-million and a hotel being negotiated for Durban could also top R100-million.

Another R20-million has been earmarked for radical upgrading of the Elangeni and the Malibu in Durban, the DeWaal and the Newlands in Cape Town and the Kimberley and Bloemfontein hotels.

Mr Bacon is sure all Southern Sun's hotels will be filled in years to come as South Africa increases its tiny share of the world tourist market.

"If Sri Lanka can attract 170 000 Germans a year, imagine what we can do."

World tourism is taking off encouragingly. The weak rand against the dollar makes SA an increasingly cheap destination for Americans, but depreciation against others currencies has been less dramatic. This and high inflation make SA relatively expensive for UK tourists.

The Sandton Sun has fittings and appointments much like those of the Cape Sun, but, in keeping with this town's brassier image, is more showy. There is not only the waterfall but a 10-storey atrium glassed-in from the sky and highlighted with a 15-metre stainless-steel mobile.

Judging by present appearances, it will have much of the glamour of Sun City with more light and without the glitzy chrome, neon and plastic.

It boasts some of the Reef's plushest bars and restaurants and a large pool deck, where, unlike at the Cape Sun, guests can take in sunshine. The view of well-wooded hills to the west on a bright Highveld afternoon is splendid.

288 RDM 13/1/84

Sun rises on new hotel era

By BERNARD SIMON

SOUTHERN SUN managing director, Mr Peter Bacon, goes to great lengths to show off features of the group's new Sandton Sun.

On a lengthy tour recently through a string of near-finished restaurants and bars, a cavernous atrium and the eerily quiet kitchens, Mr Bacon even lay down — dark blue suit and all — on one of the hotel's 340 beds to prove to a sceptical journalist that the Sandton Sun's overhead reading lights were superior to those in most other hotel bedrooms.

His boyish eagerness to prove the hotel's excellence (it hopes for a five-star grading) is understandable. The Sandton Sun's opening later this month comes at a difficult time for both Southern Sun and the hotel business as a whole.

The dust is still settling from October's split when the group lost some of its most profitable hotels (notably Sun City) to Sol Kerzner's Sun International.

At the time of the deal Southern Sun assured shareholders that, thanks to its 30% stake in Sun International (shrinking to 25% in April), the break-up would have little impact on its overall financial health. In addition, the R30,2m it collected from Mr Kerzner would be handy "for the further development of its hotel business".

The fact remains that the hotels slotted into Sun International contributed R12,4m of Southern Sun's R31,8m net profits in the year to last March and almost half of its turnover. Mr Kerzner also took with him some of the group's most highly-regarded executives.

Mr Bacon concedes that the Kerzner breakaway was "quite a distressing time" but the wounds have healed. "What the market would like to read into the situation is friction and turmoil. It isn't there."

He points out that Southern Sun will continue to handle Sun International's reservations for another three months while SI supplies project management services to its minority shareholder.

Southern Sun recently appointed new financial and public relations managers to fill gaps left by those who joined Mr Kerzner.

Though the Sandton Sun is cast in the Kerzner mould (for example, a feature of the main lobby is a waterfall several storeys high cascading over slabs of imported marble), there is little doubt that the image of the group will soften under Mr Bacon who is less flamboyant and impulsive than his former boss.

As one newly-appointed adviser to Southern Sun puts it: "He's running a domestic hotel operation. There's no room for razzle-dazzle."

The chances of Southern Sun in its new form opening flashy casino resorts is small. Mr Bacon says: "In the future Southern Sun will restrict its development to major hotel schemes in the cities. Our future lies in big, first-class operations".



PETER BACON

Significantly, two coastal resort hotels outside the main centres, Umhlanga Sands and Beacon Island, have been converted into time-share projects. In this way, says Mr Bacon, "we've been able to achieve a much better year-round occupancy".

The group's substantial investment programme is centred on the main cities. Work continues on the 800-room Von Brandis Sun, in central Johannesburg, due for completion in 1987 at a cost of R110m.

Southern Sun also recently bought a sizeable piece of land near the Sunnyside Park Hotel in Parktown.

He shrugs off suggestions that the recession makes this a bad time to open a luxury hotel such as the Sandton Sun.

According to Mr Bacon, business in Johannesburg has bottomed out recently, and bottom-line profits of the group's Cape Town hotels are up 40%. Only in overtraded Natal is the pinch still being felt.

The Sandton Sun, with 30%-40% of revenue expected to come from conferences, is budgeting for a 75% room occupancy rate in 1984.

Even the Sandton Sun's competitors agree that it is likely to meet its target, thanks to business from the large number of companies now located just north of Johannesburg.

The hotel's site, adjoining Sandton City, is the envy of other hoteliers, especially Western International, the US group which manages the Carlton in central Johannesburg. Western bid for the management contract for the Sandton hotel, a clear sign that it does not regard a five-star establishment in the northern suburbs as a serious competitor to the Carlton.

Though the Sandton Sun may reach its targets, other hoteliers do not share Mr Bacon's sanguine view of prospects for the industry as a whole. A senior executive of another group estimates that hotel business in Johannesburg tumbled by 15% last year.

Southern Sun's net profit in the six months to September was only 3% below the same period of the previous year.

Despite some erosion caused by the disposal of Sun City and other casino resorts, Mr Bacon forecasts that earnings for the financial year to March will be down only 12%-13%.

It's (almost) official — SA-Moz link-up next week

We're here!

Tourism ties between South Africa and Mozambique are expected to be resumed officially next week.

By Richard Paris, Travel Editor

First visitors from South Africa should begin arriving in Maputo, once the South African tourist mecca of Lourenco Marques, within two months.

The chairman of South Africa's Tourism Board and a leading spokesman at the recent talks between the two governments, Mr Danie Hough, said last night: "We can expect a decision on Tuesday.

"The ball is now in 'their' court. We have said what we will do and all they have to do is say yes. But the public must remember that while the tourism officials from both countries are in complete agreement, the final approval depends on higher authorities who must iron out security and various economic arrangements," he said.

Mr Hough said he was not in a position to say what, if any, problems remained outside the area of tourism which might curtail progress.

Reports in The Star earlier this week stating that Mozambique would need 12 to 18 months to prepare for visitors after the 10-year absence of tourists were not entirely correct, he said.

"We were taken on a tour of some of the resorts and I was very impressed with what I saw. Certainly, there are two or three near Maputo, not to mention the largest hotel in the city, which could receive visitors within two months.

"If the announcement is forthcoming, it will be a trickle of visitors at first but in the long term — perhaps the 18 months suggested — one can see a large scale tourism movement again to Mozambique," he said.

Tourism officials were in favour of South African entrepreneurs not only investing in the Mozambique tourism industry, he added, but providing their knowledge and expertise.

He confirmed that at least one South African chain had expressed an interest in operating resorts in the country and that this would be encouraged.

"The famous Polana Hotel in Maputo could easily be a three-star hotel if a few improvements were made quickly," he said.

Another delegate to the talks, who did not wish to be named, said: "There are deficiencies in some areas but none which cannot be rectified."

He maintained that even with an immediate opening of the border, the mass tourism which, at its peak, brought 600 000 holidaymakers a year from South Africa and Rhodesia in the mid 60s would have to come later — not before mid 1985.

A spokesman for LAM Mozambique Airlines, in Johannesburg, Miss Dulce Oliviera, said she was a frequent visitor to the country and agreed that significant numbers could not be accommodated for some time.

"Some, but by no means all, of the hotels, camping and caravan sites around the country are still open. Those that are need facelifts and capital for expansion and upgrading. But equally important is the need for Mozambique to overcome its shortages of various foodstuffs that the average South African would not wish to do without," she said.

A delegate to previous talks about re-establishing relations with its Mozambique's neighbours pointed out that the major stumbling block in the past had been the lack of hard currency needed to buy sophisticated Western equipment and supplies.

"One can have all the goodwill in the world but when the chips are down it will be a lack of money if anything that torpedoes their efforts," he added.

The Marxist Government, has, however, backed down on two points.

Firstly, it is now openly seeking South African aid to put its tourism industry back on the map and secondly, it appears to be willing to accept the budget tourists — the vast majority of holidaymakers before independence — who in 1971 on average spent only R6,60 a person a day.

● Prawns in the game ... see Review.



Lucky Michaels ... whites muscling-in

288 FM 28/1/82

TOWNSHIP LIQUOR

Scramble for outlets

288 FM 20/1/84

The scramble is on for a share of the legitimate township liquor trade — estimated to be worth some R254m a year in the PWV area alone. Up for sale are bottlestores, bars and hotel off-sales outlets now operated by the various administration boards.

In the West Rand area there are 20 bottlestores, three bars with off-sale facilities, and three bars without. Advertising of their sales, in terms of a 1980 government decision, is expected to be completed early next month.

However, sorghum beer outlets in the area — which includes Greater Soweto, Alexandra, Kagiso (Krugersdorp), Mohlakeng (Randfontein) and Bekkersdal (Westonaria) — are being retained by the West Rand Administration Board (Wrab).

The East Rand Administration Board (Erab) has already received tenders for its 25 liquor outlets. Some R19m in turnover is involved. Of the 25 outlets, 13 are being sold complete with premises while only liquor licences and business rights are on sale at the other 12.

"Nothing has so far been sold. We are still negotiating with people who offered the highest tenders," says Frans Marx, Erab's chief director.

The Oranje-Vaal Administration Board (Ovab) runs 25 bottlestores and 37 beerhalls. Only the 25 bottlestores will be sold to the private sector. Ovab will retain the 37 sorghum beer outlets — made up of 20 beerhalls and 15 beer sales depots.

Said D C Ganz, the chief director: "None of the 25 liquor outlets have yet been sold. Closing date for tenders is Thursday, January 26."

In Pretoria, the Central Transvaal Administration Board has already received tenders, involving R5,6m in turnover, for the 10 outlets at Mamelodi and Atteridgeville.

"We are now checking the tenders to find out whether the people have the necessary funds. Only the highest tenders will be accepted," says Paul van Heerden, the

288 FM 28/1/82

Lucky Michaels, chairman of the National Taverners Association, the shebeen-owners' representative organisation, says a total of 86 licence applications from shebeeners in Greater Soweto, Krugersdorp, Randfontein and Bekkersdal have been submitted to Wrab.

Wrab's director of community projects, Steve Burger, says it was anticipated that official applications would be submitted by the end of February and that arrangements would then be made with the board to consider them as soon as possible.

Michaels complains of "unfair competition" from white businessmen trying to muscle-in on the township liquor trade by forming associations with blacks.

"I suppose one can call it free enterprise. The only trouble is that it's more free in the case of whites and less so in that of blacks. The partnership between black and white is questionable. Suddenly we find blacks with ample funds with which to tender for bottlestores as they become available. This puts a big question mark on the 51/49 black/white shareholding officially required for whites to trade in black areas."

Michaels says he is happy with all-black competition. Whatever the problems, his association would continue to fight for a fair deal.

During the 1982-83 financial year the township liquor trade in the PWV area yielded a combined turnover of more than R254m from spirits, wines and beer sales — an increase of about R56m over the previous year.

Spirits and wines accounted for R174,44m compared with R145,48m in previous year, and beer was up from R53,75m to R80,36m.

Cape Times 26/1/84

288

Higher bar prices: Hoteliers don't fear drop in drinking

Staff Reporter

LOCAL hoteliers do not expect the higher bar prices of brandy and whisky, announced this week, to affect sales of these drinks.

The bar price of brandy is expected to increase by 4c a tot and whisky by 2c a tot when the increases come into effect on Monday. This does not include the extra 1c in the rand GST which takes effect on Wednesday. The new prices coincide with increased off-sales prices.

The managing director of a central hotel said the increase was not substantial enough to have any lasting effect on sales.

"South Africans are used to having to pay a little bit more every time they shop for goods in a supermarket so this shouldn't affect them all that much," he said.

"It may encourage them to take advantage of specials on other drinks in the bar, but I don't think it will affect their drinking habits in the long term."

The increases follow last week's announcement of increased wholesale prices to retailers.

According to the Cape Hotel, Bottle Store and Restaurant Association, whisky will be hardest hit because the increase coincides with the lifting of Christmas discounts to retailers.

Wholesalers sell imported whisky to retailers at discount prices from October to December and these increases are passed on to the consumer.

Wine will increase by about three percent a five-litre box at off-sales outlets, fortified wines by 6,6 percent and sparkling wines by eight percent.

The price of whisky is expected to increase again in May.

Fall in liquor sales blow to hotel trade

288
Star
30/1/84

By Hannes Ferguson

The hotel industry is still in recession, partly because of flagging liquor off-sales.

This has emerged from a hotel survey for November 1983 carried out by the Bureau of Financial Analysis of the University of Pretoria.

For 12 consecutive months, room and bed occupancies were lower than in the corresponding months of the previous year.

For November 1983, the total inflation-adjusted gross takings for all hotels was 3,7 percent lower than in November 1982.

Four-star hotels fared best with a drop of only 0,3 percent. One-star hotels were worst hit with a decline of 9,1 percent.

One reason for decrease in turnover was the fall in liquor off-sales by 10,7 percent.

Liquor off-sales account for more than half of the turnover of one-star hotels, against about one-quarter of the total gross income of all hotels.

Since November 1982, total inflation-adjusted gross income for motels had dropped by 14,7 percent and Natal and South Coast hotels by 10,4 percent. Free State and Kimberley hotels had done better, increasing gross income by 2,6 percent, followed by Port Elizabeth and East London hotels gaining 1,0 percent.

Cape losing top artisans to north, says Louw

ARGUS 7/2/84 (288)

Provincial Reporter

THE CAPE was losing some of its highly-trained artisans to the Transvaal, leaving it with a larger percentage of less-skilled and unemployed people, Mr Gene Louw, Administrator of the Cape, said in an interview today.

This "trek to the north" in search of an economic future was draining the Cape of its top coloured people, he said.

"We are losing trained people, and especially our outstanding coloured artisans, to financially attractive positions in the Transvaal," Mr Louw said.

"The problem is that once you have lost them, they are gone for good.

"One of my concerns about the Cape's future is that we are left with a greater unemployment rate, particularly among our less-skilled workers."

Mr Louw said this drain on skilled manpower had been accelerated by the present economic situation. There was a lack of attractive growth positions in the Cape compared with other provinces.

But he was pleased at the improvement in the Cape's share of the tourist market and said this had to be developed to the full.

"Cape Town has to go all out on tourism.

"In the past year we have had wonderful weather. A new hotel (Cape Sun) has not only added more accommodation but has caused an improvement in hotel standards."

He hoped to see more 3-star hotels in the Peninsula. While 5-star and 4-star hotels attracted overseas tourists and some local tourists, they were beyond the reach of the family man. To promote family tourism more good, but reasonably-priced hotels were needed.

He was also pleased that "we are doing well along the south coast" in extending tourism and expanding industries.

Fast-food outlets growing fatter as Black tastes turn to 'burgers and chips

By Melanie Sergeant

The fast-food market in South Africa is growing fatter by the minute, and recently entered a new era of growth due to demand from the black sector.

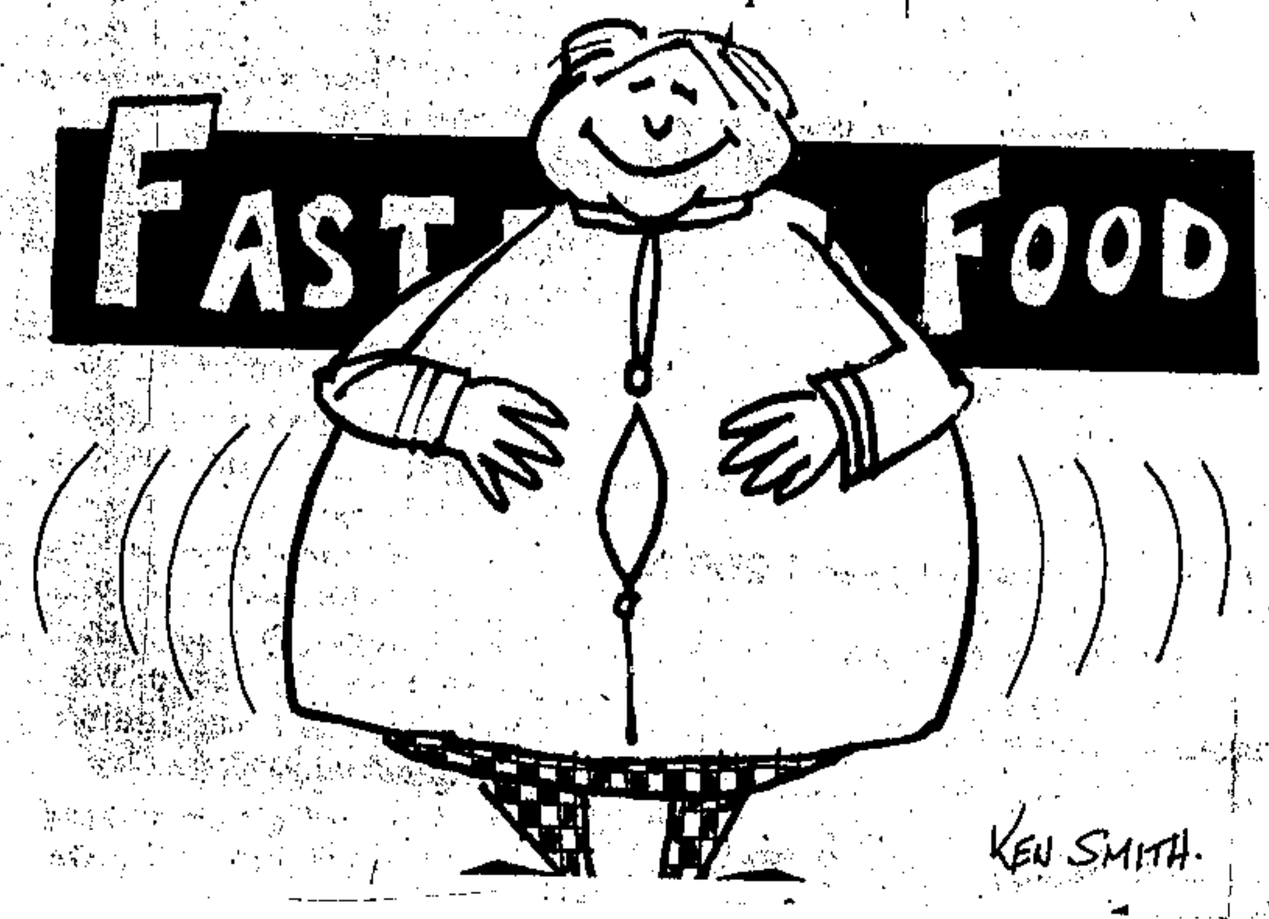
Last year was a time of reckoning for many retailers, but the takeaway trade strengthened. Most stores aim to increase turnover by more than 25 percent a year in the next few years.

Mr Philip Cross, MD of Mr Rooster, says his 29 stores served up about R7 million worth of crispy chicken and hamburgers last year, and the growth rate for the next few years is expected to exceed 35 percent annually.

This is one takeaway venture that has entered the black market boldly. It has sold two franchises to black businessmen and two to coloureds and Indians.

Mr Cross says that at some outlets 70 percent of the customers are black.

Another chicken-selling operation, Kentucky Fried, sold more than R50 million worth of food last year through its 143 shops.



MD Mr Mike Holme says the group has opened stores in black areas.

Mr Taki Xenopoulos, owner of Fontana and Discount Deli takeaways, says there is a new trend for "grab and run" meals.

There are about 30 of Mr Xenopoulos's stores.

Last year profits showed a slight increase, he says.

Growth is expected to be about 33 percent a year for the next few years.

The most popular takeaways are hamburgers.

As far as turnover goes, hamburgers and chickens make up the bulk.

Ready-made fish and chips sellers Captain Dorego has 38 shops and a turnover of about R12 million a year, says MD Mr Peter Loeb.

Four of the outlets are in black areas, where extensive development is expected soon.

Blacks account for about 78 percent of the company's customers.

WHITE TRADE

Juicy Lucy has about 74 stores countrywide. All operate on a franchise basis.

Last year, MD Mr Geoffrey Topol says, turnover was in excess of R15 million.

Blacks accounted for about three percent of sales.

"We experimented with the black market in 1979 by opening a kiosk in Soweto, but lack of demand closed it down.

"Our product range does not appeal to blacks.

"We are happy with concentrating on the white sector," he says.

The group plans to open 12 stores a year for the next few years, but adequately trained staff are at a premium.

Another hindrance is the "exorbitant rents charged for premises".

The same view is held by Mr Vincent Hays, MD of Wimpy Bars, which has 184 branches countrywide and had a turnover last year of R44 million.

Most of Wimpy's customers are white.

Takeaways account for about 20 percent of business.

"We have no branches in black areas yet, but have several in the homelands and would allow black businessmen to have franchises if we saw the viablility for the extra stores," he says.

Hotel site for coloureds at Jeffreys Bay

288 XX Post Reporter E. Post 10/2/82

A SITE is available for a beachfront hotel for coloured people at Jeffreys Bay.

The Town Clerk, Mr Jan Hugo, said the hotel would be built if the right developer could be found. Tenders for the hotel site, which overlooks the present coloured swimming beach at Jeffreys Bay, have been called for.

"It is a beautiful site and we will only accept tenders from people who are prepared to put up a decent building. We do not want another drinking spot," Mr Hugo said.

"At present there is a caravan park for the coloured community and the council felt the time had come for a hotel. We get many coloured people travelling up and down the coast who need a stopover at night," he said.

Two people had already made inquiries about the site and one has indicated a willingness to spend about R500 000, Mr Hugo said. He said the coucil would not accept any tenders from people who were not prepared to spend more than R300 000 developing the site.

The council had been allocated money from Province for beach development and wanted to develop the beaches south of Jeffreys Bay towards Aston Bay, he said.

E Cape hotels in 'elite group' boost real income

288 E. Post 15/2/84

By LOUIS BECKERLING
Business Editor

HOTELS in the Eastern Cape were second in an elite group of only two regions to show positive gains in real income during the latest month reviewed by the University of Pretoria's Bureau for Financial Analysis.

According to BFA figures just released the industry suffered a decline in real incomes of 3,7% on average throughout the country in November last year, compared with the same month in the previous year.

Bucking this trend — though showing only modest real gains as the recession continues to shrink hotel incomes — were hotels in East London and Port Elizabeth, which increased incomes after inflation by 1%.

The only other region to show positive growth was the OFS and Kimberley, where hotel incomes were boosted 2,8% above November '82 levels.

Worst affected by the sharp decline in occupancy levels were motels, which saw incomes falling by almost 15% after inflation in November.

Then came residential hotels, where incomes dropped by 11,8%, and not far behind were hotels on the Natal South Coast, where inflation-adjusted incomes were 10,4% below November 1982 figures.

Hotels in Cape Town showed a 5,1% drop in incomes, and on the Reef and in Pretoria the industry just managed to mark time, with a zero increase over incomes earned 12 months earlier.

In a commentary published with the figures, the BFA points out that the index of average room occupancy for the month was 6,3% down on the same month in the previous year.

"In the twelve months December, 1982, to November, 1983, the indices of the average bed occupancy decreased by 8,5% compared with the same period in 1981/82.

"In the first 11 months of 1983 the index of the average room occupancy was 8,8% lower and average bed occupancy decreased by 8,5% when compared with the same period in 1982."

Best-off were five-star hotels, which suffered only a 2,9% decline, compared with the average of 6,1% for the industry

The BFA commentary points out that with regard to room occupancy figures only, one out of the 13 regions into which it divides the country — namely the "rest of Natal" — showed a slight increase (of 2,7%).

"The remaining 12 regions reflected decreases in room occupancy, which varied from 1% (OFS and Kimberley), to 14,5% (the Natal South Coast).

"The largest decreases in room occupancy were evident on the Natal South Coast, followed by Durban (12,6%), and the rest of the Transvaal (9,2%)."

Though incomes were boosted after inflation in Port Elizabeth and East London, both room occupancy (–1,1%), and bed occupancy (–4,3%), were marginally down on comparable 1983 levels.

EVENING POST, THURSDAY, FEBRUARY 16, 1984

Majority of PE hotels enjoy capacity booking

By CLAIRE PICKARD-CAMBRIDGE

MOST Port Elizabeth hotels are bursting at the seams this week because of a spate of conferences and business meetings which have moved into the city.

Mr Chris Egberink, chairman of the Hotel, Liquor and Catering Association of the Eastern Cape, said his hotel had been full this week and attributed this to the fact that businesses were getting into gear during January and early February.

"It's at a peak at the moment because some conferences are being held and people from other centres are starting to visit their branch offices again."

Local hotels were only about two-thirds full on average during December, so things were only really peaking now, he said.

Hotels like the Holiday Inn, Hollywood Hotel and Park Towers Hotel said they had been full for the past week or two.

And a spokesman from the Park Towers Hotel said they had received many calls this week from other hotels who were trying to accommodate the guests they had been forced to turn away.

The owner of the Grand Gardens Hotel, Mr Andreas Christodoulou, said they had been full last week and were almost full at present.

"There has most definitely been an improvement in the demand for accommodation over the past few months," he said.

Mr Trevor Lombard, owner of the Walmer Gardens Hotel, said they were "chock-a-block" at present, a trend they had experienced over the past four weeks.

He said he believed there was a general shortage of beds in Port Elizabeth, but questioned the viability of building more accommodation because the hotel trade was subject to continual peaks and slumps.

It is believed the Hotel Elizabeth, the city's only five-star hotel, was also fully booked. However, this could not be confirmed because the general manager, Mr George Lehman, is on leave.

Southern Sun misses casino moneyspinners

288
27/8/84
Star

By Peter Farley

Southern Sun must rue the day it relinquished control of its lucrative casino operations.

And although its 25 percent stake in the enlarged Sun International kicked in with the lion's share of the R9,1 million from associate companies, the SAB hotel chain would have done much better in the past year if it had the whole thing.

Admittedly it now has a share of the action from the former Holiday Inn homeland casinos merged under the Kerzner organisation.

But with the local hotel industry experiencing a difficult year it would have been better to have had a more extensive exposure on the gaming side.

However, Southern Sun does now have some R30 million cash, in exchange for loss of control of its casinos. This must have been the prime factor behind a reduction in the interest bill to R4,9 million in financial 1984 from R6,7 million the previous year.

Total debt at the end of the previous year stood at almost R70 million.

And while some of the cash from Kerzner will have gone towards reducing this, the hotel chain is involved in a major expansion programme that will have absorbed some of the money.

12months to	1983	1984
March 31	(Rm)	(Rm)
TURNOVER	209,9	177,4
PRE-TAX PROFIT	49,3	30,2
TAX	12,2	5,8
ATTRIBUTABLE	38,3	33,4
EPS	57,2c	53,1c
DPS	40c	40c

Another factor behind the relatively well sustained results — attributable income was only about seven percent down — was the injection of positive cash flow from the recent timesharing ventures.

But it must be remembered that this is virtually non-recurring income, and could possibly have been accounted separately as would extraordinary earnings arising, say, from the sale of properties. It will, however, receive some form of ongoing management fee.

If this is to continue to be a source of revenue, other areas must be opened up for timesharing. But while cash may have been needed over the past couple of years to fund the major hotel projects in Cape Town, Sandton and Johannesburg, these needs are diminishing.

The company is still involved in the completion of the R110 million Johannesburg Sun, and is working on extensive renovation projects in Durban and country district hotels.

But cash is now coming in from the Cape and Sandton Suns, both of which were completed for around R60 million in the past financial year.

Back on the financial side, the bottom line was also strengthened this time around — mainly as a result of the extensive capital expenditure — by a fall in the effective tax rate to 19 percent from 25 percent.

And although earnings were slightly down the dividend has been held at a total 40c for the year. This will no doubt maintain investor confidence at the beginning of what is probably going to be an even tougher year than financial 1984.

The prospects for the year ahead are more dependent on earnings generated from the stake in Sun International than the company's more fundamental activities. Hotel occupancies can at best be expected to stagnate this year, while the possibilities of further earnings growth from the casino operations are extremely likely.

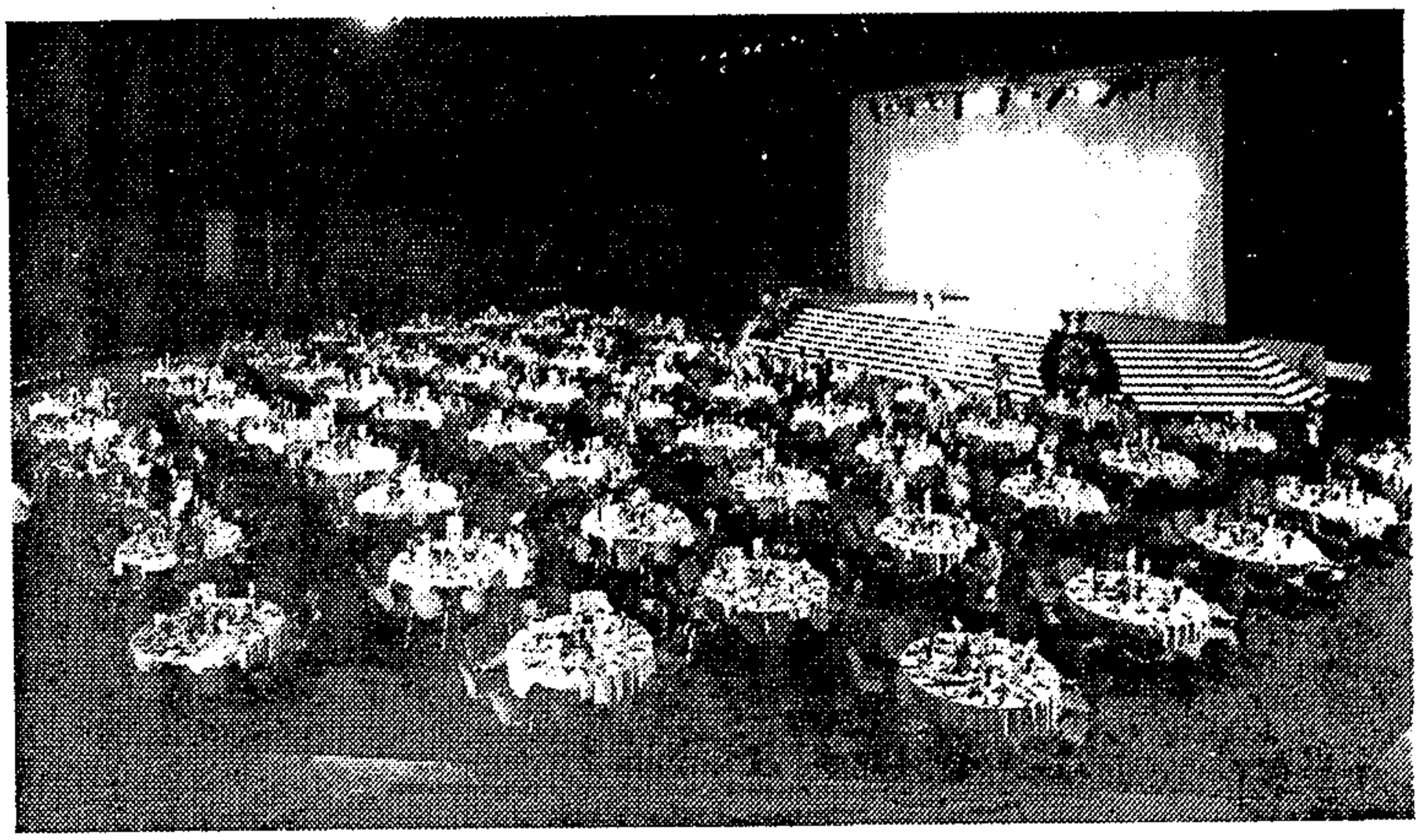
The share stands at 580c and offers an historic, and probably forward, 6,9 percent dividend yield. It appears fully priced for the time being, but is still attractive for those looking for an earnings recovery towards the end of 1985.

The Merchant Bankers for
Money and Capital Market Transactions
Finansbank
The Independents

The Star

Low occupancy in many areas but . . .

Hotels in some key centres still do well



The impressive, plush Superbowl Buffet which is well known to visitors at Sun City

By Melanie Sergeant

Hotels in certain key areas have held up remarkably well against the overall trend towards lower occupancy rates which have beset the industry during the last few months.

While statistics from the University of Pretoria's Bureau of Financial Analysis show that the index for the average room occupancy in February had fallen by 3,6 percent to 64,54 percent from its level a year before, some hotels have improved their positions.

Those in the Protea Group, for example, have shown some spectacular rises in occupancy.

Over the last three months Protea Gardens showed an increase of 45 percent to 87 percent over a year ago, while Holiday Resort San Lameer on the Natal South Coast has managed to push up its occupancy rate from 76 percent for the first three months of 1983 to 95 percent for the corresponding period this year.

SLIGHT DECLINES

Despite fears that the opening of the Cape Sun would adversely affect room occupancies of Protea's Heerengracht in Cape Town, managing director Mr Otto Stehlik says the Heerengracht has seen a fall of only four percentage points over the three month period — from 87 percent to 83.

Its other Cape operation, the Capetonian, has had a fall of only one percentage point from 92 percent to 91.

Another group which has fared well despite the recession is Karos Hotels. Its occupancy rates for January are up from 66 percent last year to 73 percent, for February they show a rise from 64 percent to 72 percent, and for March 65 percent to 74 percent.

Group marketing manager Mr Barry Melanet says the tariff structures of the hotels involved — which include Johannesburg's Park Lane, Pretoria's Manhattan, the Wilderness Hotel, Capital Towers in Maritzburg, and Ngwane Valley Inn in Nelspruit — have attracted more business.

But Karos has also stepped-up its sales and marketing campaigns, and says hotels in Johannesburg, Cape Town and Richards Bay have been largely responsible for the better position.

Johannesburg's prestigious four star Rosebank Hotel felt demand for its rooms fall off by between one and two percent — and has raised its tariffs by 15 percent over the year.

In January this year occupancy of the 211 rooms in the Rosebank was in the mid-70 percent range, in February in the low-90s and last month in the high-80s.

Sun International's operations have had a mixture of ups and downs in their occupancy rates.

Conference and convention-reliant operations (eg Sun City) were described as still holding up, as were its Mauritius operations which rely on South Africans for about 40 percent of business.

Worst hit among them were hotels which relied on visiting company representatives. These included operations in Gaborone and Swaziland.

Overall, a Sun International spokesman reckoned that occupancy had moved down by about three percent over the last quarter compared to the first quarter of 1983.

Holiday Inn MD Mr Hans Enderle says occupancy rates are still lagging behind last year's first quarter, and estimates the drop at about five percent.

But he notes that the group has expanded many of its operations, and says this negates much of the drop as the same number of rooms has actually been sold in both periods.

He says country hotels have fared worst, with those in the centres still enjoying a roaring trade.

A "definite upward trend has been visible since the start of April. Durban is still a difficult market, but Cape Town and Johannesburg operations are looking healthy".

Hi-tech exports worry the West Germans

France's bourse

PARIS — The Commission des Operations de Bourse (COB), the French stock exchange commission often criticised for its lack of muscle, has

ary of the nati
group.

Thomson-CSF

Apartheid is obstacle to tourism: In spite of positive political developments in Southern Africa

By Richard Parry, Travel Editor

Apartheid remains the biggest obstacle to South Africa taking its place among the world's top tourist destinations, say overseas tour operators.

More than 300 tour operators from 30 countries arrived in Johannesburg this week for "Indaba 84" — the largest tourism promotion exercise ever undertaken by the Government.

About 90 companies involved in selling accommodation to tourists are receiving tour operators on a formal appointment basis.

Tour operators interviewed from the United States, Britain, Holland, Australia and West Germany spoke highly of Souh Africa's scenic attractions and the tourism infrastructure.

But they said that in spite of positive political developments in Southern Africa, the country is failing to win over a large proportion of the new generation of affluent, educated and liberal travellers who abhor any form of legislated discrimination.

American tour operator Mr Thomas Fimner of Maupintours in New York, said: "Of course there are double standards.

"The same people will not hesitate to visit a communist country.

"But there is a reluctance to spend money on a South African holiday as it could be seen as support for the Pretoria regime."

Dutch tour operator Mr Jacques de Bruyn said that in Holland it took "considerable courage" to launch tour programmes to South Africa.

He claimed that virtually all publicity about the country was negative and that Dutch travel writers would never accept invitations to visit South Africa.

Other travel agents pointed out that when promoting South Africa they had to make it clear that they did not support all the policies of the Nationalist Government.

European representatives expressed concern over the rising cost of living in South Africa, which had affected tariffs to the extent that the country could no longer be regarded as "cheap and cheerful", said a British executive.

'Open one-star hotels to blacks'

Certain one-star hotels should be allowed to open their bar facilities to blacks, the president of the Federated Hotel, Liquor and Catering Association (Fedhasa), Dr Wynand Pretorius, has suggested.

"Since there are no adequate facilities for blacks working in white areas, they are making their own facilities — using doorways, sidewalks and parks because they have nowhere else to go," he said.

SATISFY NEED

"Would the opening of existing facilities such as one-star hotels not satisfy this need and also alleviate the problem of littering?" he asked.

Speaking at the opening session of Fedhasa's annual congress, Dr Pretorius said his organisation had no objections to liquor licences being granted to blacks in their own areas.

However, he said, this should take into account "vested interests built up over many years within a legally regulated framework".

LIQUOR ACT

He called for a revision of the Liquor Act as far as the free movement of liquor from white into black areas was concerned.

"I refer to the 'nine-litre' rule whereby the black buyer is excluded from buying more than that number of litres from a white trader. This infringes on his 'free choice of where to buy and it is also to the detriment of the white trader," he said.

Hotel industry flags under recession lash

By Joao Santa Rita

The economic crisis has hit South Africa's hotel industry — occupancies and incomes have fallen dramatically in the last two years, the president of the Federated Hotel, Liquor and Catering Association of South Africa (Fedhasa), Dr Wynand Pretorius, said today.

Speaking at the Fedhasa annual congress in Johannesburg, Dr Pretorius said that since 1982 there had been a consistent downturn in tourism.

Recession overseas and local service cost increases had contributed to the downturn. A higher South African inflation rate also meant that the industry was pricing itself out of major markets.

The January 1984 average hotel income was three percent less than in the same month last year and in the five-star hotels the drop was 6,5 percent, he said. In one-star hotels the drop had only been 1,2 percent.

In the 12 months between February 1983 and January 1984 the average bed occupancy had dropped by 8,2 percent.

Dr Pretorius said the industry was also lagging behind in training programmes.

"Over the past decade, the training effort has grown by only 2,2 percent whereas the number of beds in hotels has increased by 14,7 percent over the same period," he said.

KwaNdebele

814. Mr R A F SWART asked the Minister of Co-operation and Development.

(a) How many residents of KwaNdebele were employed (i) within and (ii) outside its borders in each of the latest specified five years for which figures are available, (b) in which sectors of the economy were these persons employed in each case and (c) what employment opportunities are (i) available at present to and (ii) planned for the unemployed residents of KwaNdebele?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(a) (i) Labour is a function that has, in terms of the National States Constitution Act, 1971 (Act 21 of 1971), been transferred to KwaNdebele and this information is therefore not kept by the Department of Co-operation and Development.

(ii)

1979	172 698
1980	203 006
1981	191 857
1982	200 549
1983	96 525

(b)

	1979	1980	1981	1982
Agriculture	28 377	37 246	26 153	25 975
Mining	8 632	13 399	9 643	8 088
Manufacturing	23 896	28 874	30 876	37 689
Construction	20 617	27 566	31 105	32 960
Wholesale/Retail	15 074	16 306	15 768	17 407
Government Service	16 631	22 185	21 210	22 986
Domestic Services	34 750	39 414	38 021	37 898
Other	24 721	18 016	19 081	17 546
TOTAL	172 698	203 006	191 857	200 549

	1983
Agriculture	6 759
Mining	4 984
Manufacturing	11 055
Electricity/Gas/Water	5 029
Construction	20 636
Wholesale and Retail Trade	7 719
Transport	5 933
Financing and insurance	3 396
Domestic Services	22 604
Other	8 410
TOTAL	96 525

(c) (i) and (ii) As stated under (a) (i) above labour matters have been transferred to KwaNdebele and it is not known how many employment opportunities are available or what steps the Government of KwaNdebele has taken or will still take in this regard. As a result of financial assistance rendered by the RSA Government to KwaNdebele for the creation of job opportunities 1 816 unemployed persons will be employed temporarily.

Unemployed residents of KwaNdebele are also as far as possible placed in employment in the Pretoria area by the Central Transvaal Development Board.

Patients: per capita expenditure

896. Dr M S BARNARD asked the Minister of Health and Welfare:

What was the average *per capita* expenditure on (a) White, (b) Asian, (c) Coloured and (d) African (i) in-patients and (ii) out-patients in 1983 or as at the latest specified date for which figures are available?

The MINISTER OF HEALTH AND WELFARE:

In the annual reports of the Departments of Hospitals Services and the Department of Health and Welfare there are no separate statistics available for White, Asian, Coloured and Black patients. It is therefore not possible to estimate the average *per capita* expenditure for the different race groups. Costs are not divided between in- and out-patients.

Citizenship certificates

920. Mr R A F SWART asked the Minister of Co-operation and Development:

How many citizenship certificates (a)(i) had been issued and (ii) remained to be issued to citizens of each national state as at 31 December 1983 and (b) were issued in 1982 and 1983, respectively?

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

(a) (i)

KwaZulu	1 567 683
Lebowa	258 042
Qwaqwa	144 564
Gazankulu	96 654
KaNgwane	4 513
KwaNdebele	52

The following figures are estimates:

(ii)

KwaZulu	1 887 401
Lebowa	1 368 799
Qwaqwa	999 099
Gazankulu	467 174
KaNgwane	515 031
KwaNdebele	256 348

(b)

KwaZulu	9 650	25 792
Lebowa	1 321	1 703
Qwaqwa	4 997	6 898
Gazankulu	527	635
KaNgwane	2 242	2 271
KwaNdebele		52

Hotel schools

967. Mr S S VAN DER MERWE asked the Minister of Industries, Commerce and Tourism:

(1) How many (a) White, (b) Coloured, (c) Indian and (d) Black persons (i) applied for admission to and (ii) were accepted for study at each specified hotel school in the Republic in 1984;

(2) whether his Department has received any representations regarding these schools in 1983 and 1984; if so, (a) from whom, (b) when and (c) what was (i) the nature of the representations and (ii) his response thereto;

(3) whether he plans to extend the facilities at these schools to cater for more students; if not, why not; if so, when?

The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

(1)

		(i)	(ii)
Witwatersrand Technikon	(a)	431	143
	(b)	—	—
	(c)	—	—
	(d)	—	—
Sastri College	(a)	—	—
	(b)	10	10
	(c)	—	—
	(d)	297	206
ML Sultan Technikon	(a)	41	30
	(b)	6	3
	(c)	59	39
	(d)	61	6

Landdrost Hotel School	(a)	—	—
	(b)	6	2
	(c)	140	62
	(d)	—	—

(2) The Witwatersrand Technikon, Sastri College and ML Sultan Technikon are autonomous institutions which link up with either the Department of National Education or the Department of Internal Affairs, while the Landdrost Hotel School is being managed by the South African Tourism Board. The Department of Industries and Commerce did not receive representations from the institutions during 1983 and 1984, but certain representations were made to the South African Tourism Board, as follows:

(a) Witwatersrand Technikon.

(b) May 1984.

(c) (i) Request for comments on a proposed revision of the course in hotel management.

(ii) The South African Tourism Board will furnish comments.

(a) Sastri College.

(b) September 1983.

(c) (i) Request for an increase of the South African Tourism Board's contribution to class-fees of students in certain courses.

(ii) The request was granted.

(a) ML Sultan Technikon.

(b) October 1983.

(c) (i) Request for an increase of the South African Tourism Board's bursary for students.

(ii) The request was granted.

(3) In the Republic of South Africa the Landdrost Hotel School only is being managed by the South African Tourism Board, as indicated under (2) above. The school is housed in the Landdrost Hotel which is being rented from a private company. There is no room for expansion at the school.

It is understood that the Witwatersrand Technikon commenced with expansions to provide for an auditorium, a seminar room, three additional ordinary class-rooms, a training centre for typing and four class-rooms for specialized training.

Note: Apart from the Landdrost Hotel School the South African Tourism Board also managed the hotel school at Garankuwa in the Republic of Bophuthatswana up to 31 May 1984. At this school Blacks only are trained.

1 867 applications were received by the hotel school at Garankuwa in 1984 and 122 students were admitted to date. Courses ranging from two to eight weeks are presented at this school and much more students will be admitted and trained in the course of 1984.

The Government of Bophuthatswana took over the management of the school on 1 June 1984. It is understood that expansions to the school are planned by that Government.

Hansard Q.601, 15/6/84 1664

Bursaries/study grants

974. Mr S S VAN DER MERWE asked the Minister of Internal Affairs:

(1) How many Coloured, Indian and Black persons, respectively, (a) applied to the Commission for Administration for bursaries or study grants and (b) were granted such bursaries or study grants to study at (i) universities and (ii) other tertiary education institutions in 1984 in the fields of (aa) agriculture and the veterinary sciences, (bb) architecture, (cc) the commercial and economic sciences, (dd) engineering, (ee) quantity surveying, (ff) forestry, (gg) the geo-sciences, (hh) law, (ii) librarianship, (jj) medicine and dentistry, (kk) the paramedical sciences, (ll) the pure sciences (mm) town and regional planning, (nn) social work, (oo) education, (pp) the administrative sciences and (qq) any other specified sciences or studies;

(2) how many Coloured, Indian and Black Persons, respectively, holding such bursaries or study grants qualified in each of these fields in 1983?

The MINISTER OF INTERNAL AFFAIRS:

(1) (a) In total 62 Coloureds and Indians (statistics in respect of each group is not kept separately) and 536 Blacks.

The Department of Internal Affairs administers bursaries and study grants for Coloureds and Indians and the Department of Co-operation and Development those in respect of Blacks. All the applications were thus referred to said departments by the Commission for Administration for disposal.

(b) Information regarding the schemes administered by the Department of Internal Affairs, is as follows:

Coloureds

3 548 applications were received of which 1 085 applications to study at Universities and 2 180 applications to study at tertiary education institutions were granted.

Indians

With regard to Indians only a bursary scheme for the training of teachers exists. The implementation of a public service bursary scheme for Indians with effect from 1985 is at present under consideration. 4 420 applications (for teachers training alone) were received of which 485 applications for study at the University of Durban-Westville and 573 applications for study at tertiary education institutions were granted.

(2) *Coloureds*

Field of study	*Qualified in 1983*
(aa)	1
(bb)	1
(cc)	None
(dd)	2
(ee)	None
(ff)	None
(gg)	None
(hh)	None
(ii)	None
(jj)	15
(kk)	2
(ll)	3

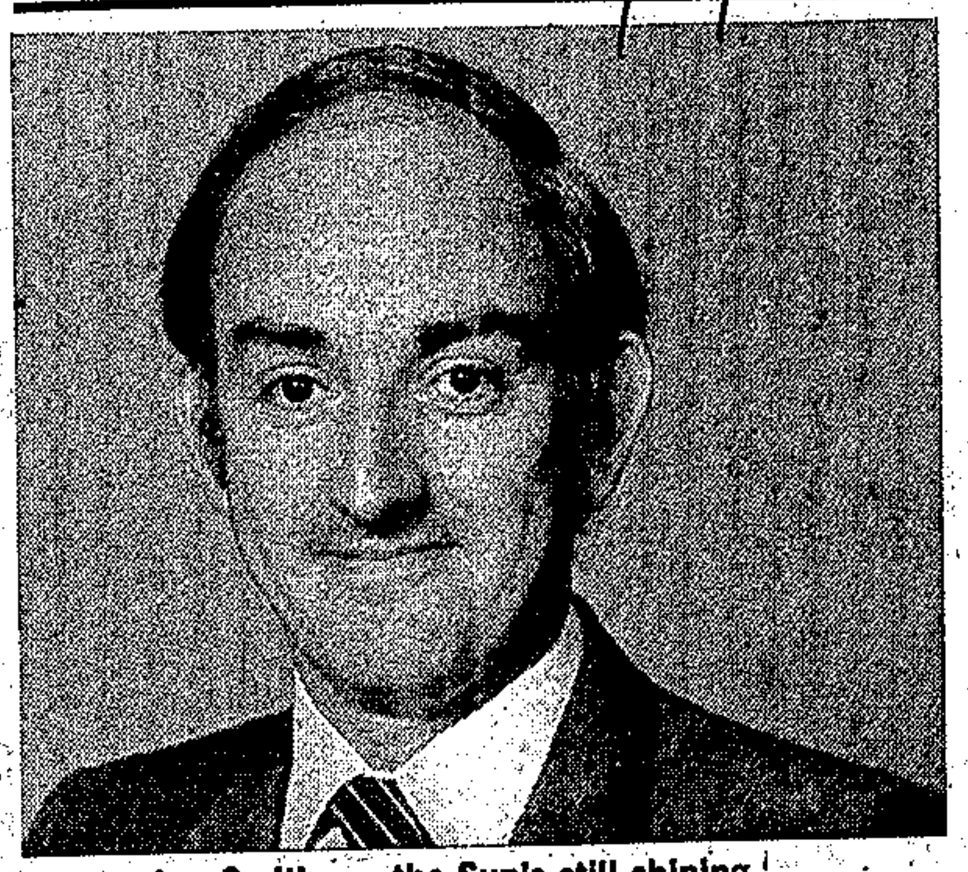
Southern Sun sets fire to slump claim

CLAIMS that Southern Sun has lost its sparkle following the loss of its second chief executive in a year have been shot down.

The departure of managing director Peter Bacon — he joined Sol Kerzner — and less than spectacular financial results have knocked the Southern Sun share price to 500c from a 12-month high of 680c.

Les Smith, Southern Sun's financial director, told Business Times this week: "Some commentators have been irresponsible — to say the least. I had a call from a London broker who had been told by a Johannesburg broker that the Cape Sun was losing R1-million a month.

By Alec Hogg



Les Smith ... the Sun's still shining

Ridiculous

"That's ridiculous. The Cape Sun turned in a trading loss of only R300 000 in the six months to March and this includes a write-off of an equal amount in start-up expenses. We are budgeting for a profit approaching R1-million from the hotel this year."

Mr Smith, a former partner at Price Waterhouse, is scathing about allegations that the management has crumbled since Mr Kerzner left. He says: "One of Southern Sun's strengths is its decentralised management. Proof of this is that the group has not collapsed merely because the MD has gone."

Mr Smith is also critical of the interpretation of Southern Sun's results in the year to March when earnings fell 7%.

"These earnings are hard. In no way do they represent a scraping of the barrel to achieve earnings approximating those of last year.

"Considering the impact which the recession has had on the hotel industry and in particular occupancy levels, the earnings which we declared were highly satisfactory."

Although much of the flak has been flying from stock market analysts, not all of them are writing off Southern Sun.

A broker who features regularly in ratings of the top industrial analysts on the Johannesburg Stock Exchange says the shares are now at bargain basement levels.

"Southern Sun has been thoroughly oversold. It must be one of the best buys in the market at its current price."

He says the group's 25% stake in new rival Sun International is worth a conservative R112-million, or 203c a Southern Sun share.

After stripping out the contribution which Sun International made last year, the current share price means that investors are able to buy Southern Sun shares at a mere six times last year's earnings — compared with 10 times earnings which the analyst believes they warrant.

Sun International's share price is equivalent to 17,5 times its most recent earnings.

But these calculations could go awry if Southern Sun's earnings fall again this year.

Target

But Mr Smith reckons this is unlikely: "Boards think long and hard before making profit forecasts. The fact that our directors have predicted earnings would at least be held this year should mean something."

He says operating conditions have improved since the yearend, auguring well for the current financial year.

"Occupancies have risen from 67% into the 70s. As a rough rule of thumb a one-percentage point increase in occupancies over the year adds about R1-million to our pre-tax profit.

"The Sandton Sun has been going like a bomb and is at present 20% to 25% above budget.

"We are within 10% of our target for conference bookings for the whole year and the time-sharing company is going extremely well.

"The fact that our Fun Train to Durban is running at about 60% capacity and that it still pays us to run it at well below this level is another bullish factor.

"The balance sheet has never been stronger. People forget that when we sold the casinos to Sun International, we also got rid of huge liabilities. The debt:equity ratio, for example, is just 21% which gives us enormous capacity."

Southern Sun is taking steps to neutralise the potential threats from new Holiday Inns in Durban and Pretoria.

"We are spending R20-million on refurbishing this year. At the end of the day, people will be able to chose between a three-star (Holiday Inn) and one of our better-rated hotels for a minimal difference in price.

"Those who believe the sparkle has gone out of Southern Sun do so only because we haven't announced anything exciting for the past two weeks. I can assure you that we are constantly looking at opportunities and should be in a position to announce developments in the next few months."

Comment: In spite of the prophets of doom, Southern Sun shares look amazingly cheap at 500c. A price:earnings ratio of eight for the operating divisions of the group would mean a share price of 600c. A PE of 10, which is easily justified, would mean a price of 700c.

One of the concerns of the market is that SA Breweries now holds 86% of the Southern Sun equity and thus inhibits marketability of the counter.

It is, however, SAB's policy to hold about 70% of its subsidiaries. Although a spokesman admitted that the matter of how to effect this had not been discussed, it is certain that SAB will take steps to sort out this problem.

SAB has shown remarkable acumen in its purchases in the past, and the fact that it offered 630c to Southern Sun shareholders shortly after the deal which established Sun International suggests that the current share price may be a bargain for investors.

Sol goes shopping for a luxury hotel

By CAS St LEGER

SOL Kerzner has been shopping again. One of Southern Africa's most prestige hotels may soon be operating under the Sun International (SI) banner.

The Maseru Hilton Hotel, run by the Hilton group and owned by Lesotho Government, was built in 1979 at a cost of R12-million.

Its striking hilltop building of traditional, Lesotho dressed stone offered 240 luxury rooms and a royal suite with opulent accommodation, including log fires and three-sided panoramic views.

The Hilton also had a casino, operated on a concession basis by entertainment entrepreneur Mr Ami Artzi's Johannesburg-based Casino International.

The new Hilton looked set to attract holiday and business crowds.

Bomb

But — in common with Maseru's Holiday Inn (now Sun International) hotel down in the valley — it was hard-hit by the recession and political tension between Lesotho and South Africa.

Unlike the then Holiday Inn, which attracted a busy local trade, the high-on-the-hill Hilton suffered not only from its comparative isolation but also additional setbacks.

In 1981 a bomb exploded in the men's toilets at the Hilton and bookings never looked up after that.

Then, in April this year, the casino lease between the Lesotho Government and Casino International was not renewed.

The casino doors were closed by Government seal and the future looked a little bleak for the beautiful hotel.

SI's marketing director, Mr Stewart Banner, said negotiations had taken place for the takeover of the whole hotel — not just the casino operation.

"We expect to make an announcement soon."

E Cape hotels resist slide

HOTELS in the Eastern Cape weathered the nine-year low-point in room occupancies recorded last year better than most regions.

While room occupancy rates overall dropped from 1982's 65% to a nine-year low of 60%, hotels in Port Elizabeth and East London showed a 64% occupancy rate — higher only on the Witwatersrand (65%).

The statistics, published by the Bureau of Financial Analysis of the University of Pretoria, are contained in the BFA's ninth annual report on the accommodation, income and general statistics of the country's registered licensed hotels for the year 1983.

The report is based on the monthly returns of an average of 315 hotels that regularly participated in the bureau's short-term hotel project during 1983, and represents an increase of 18 hotels over the number of participants in the 1982 survey.

As in the past all four- and five-star hotels participated in 1983 as well as 78% of the three-star hotels, 51% of the two-star hotels and 14% of the one-star hotels.

The report shows that the average annual room occupancy of the participating hotels in 1983 deteriorated from 65% in 1982 to 60% — which is the lowest in the nine years since the BFA commenced its monthly survey in 1975.

During the last three months of 1983 the average percentage occupancy was also lower than during the same months of 1982, "which seems to indicate that the decline may continue into 1984".

"Although the various sources of income of the participating hotels, with the exception of off-sales departments, all reflected a reasonable improvement in terms of actual receipts", says the report, "hotels were in reality still losing turnover when the actual total receipts are deflated by the rise in the consumer price index.

"The index for total income amounted to only 105 in 1983, which was considerably lower than the index of 113 in 1982 and represents a loss of 7% in real terms when adjusted for the rise in the consumer price index."

The adjusted index for total income in 1982 amounted to a loss of income of only 2% in real terms. The heaviest loss in real terms was evident in the off-sales department, where the index slumped by 11%.

According to the BFA's analysis the average income per roomnight (room per night) sold according to star grading, shows increases in all gradings since 1982: in the case of one-star hotels from R15 to R17, two-star hotels from R24 to R27, three-star hotels from R39 to R45, four-star hotels from R43 to R49 and in the case of five-star hotels from R55 to R62.

During the year the average income per bed sold for the participating hotels from one-star to five-star hotels amounted to R10, R18, R31, R36 and R40 respectively, which is on the average 16% higher than in 1982.

"In reviewing the results of the year 1983 as reflected by the figures of the participating hotels, the general impression seems to be that the hotel industry struggled through its second year in the doldrums.

"However, it must be realised that this survey was limited to the gross income of the hotel industry and that no information was collected relating to the cost structure."

Hotels are generally very sensitive to cost increases. The increase in the consumer price index for food is for instance considerably higher than that for all items.

"Consequently the profitability of the hotel industry may, in fact, be much poorer than that indicated by the decline in real income. For that reason, the bureau has requested the SA Tourism Board, Fedhasa, and certain leading hotel groups to assist it (in financing a further inter-firm comparative survey of the hotel industry at the deep end of its long downward cycle.

The BFA report baulks at making future predictions "as there are numerous variables which are playing an important role, for example the economic cycles, both locally and overseas, on the level of disposable income of potential visitors".

"A great deal will also depend on the volume of overseas tourism, which plays an important role in the viability of the higher-graded hotels.

"Generally speaking, the expectation based on the results of the first months of 1984 is that during the year 1984 no drastic changes will take place but there may be a slight improvement in occupancy rates and real gross income."

No place for pumpkins when there are thousands to feed

Catering 31/07/84 288 Supplement to business day

By TONY KOENDERMAN

INDUSTRIAL and commercial catering is regarded as a Cinderella industry, largely overlooked or ignored by other sectors of the economy.

There are only a handful of large concerns operating in the sector. Most of the business is handled by small companies.

Yet it is a vast industry — and the pumpkins don't survive.

According to a report prepared biannually by Business Market Intelligence, the catering sector accounts for 11% of total food production.

Caterers served 2,13-billion meals last year — 9%-10% of all meals consumed in the country. In so doing, they used an estimated R1,492bn worth of provisions.

It is an extremely fast-growing industry. BMI forecasts that the number of meals served by caterers will increase from 2,13-billion in 1983 to 2,785-billion in 1988, at an annual average growth rate of 6,5%.

The best growth is expected to come in the commercial sector, which is already the largest.

Growth for the whole sector is predicted to be 8,5%, with fast-food chains growing at 15%, restaurants at 10% and shebeens at 10%.

Staff feeding is also growing at a healthy pace. This sector's forecast of 6,3% is well ahead of the growth rate of the economy.

But the service and institutional sector (hospitals, schools, universities, etc) and the security sector (prisons, SADF and police) are growing roughly in line with the rate of population growth — 3,2% for institutions and 3% for the security sector.

There are 20 500 eating establishments, two-thirds of them commercial establishments like restaurants, cafes and fast-food outlets.

Some 16% are service or institutional establishments, 14% are office and factory canteens or restaurants.

However, in terms of the number of meals served, or the expenditure on food, the biggest sector is staff feeding, as the following table shows:

Catering sector	Number of establishments	Million meals	Expenditure (Rm)
Commercial/Service	14 184	744	560
Institutional	3 307	278	171
Staff Feeding	2 777	901	613
Security	264	207	148
TOTAL	20 532	2 130	1 492

What impact has the economic recession had on industrial catering?

Mr David Wigley, managing director of Fedics Food Services, notes a difference in response between South Africa and the UK.

"Our UK associated company has grown dramatically during the recession in the last few years, particularly among the larger companies which have traditionally done their own catering," he says.

"However, in South Africa, a feature of the downturn has been that we have not seen that same degree of interest in our services.

"My contention is that many companies here have never really worked out what it is costing them to do their own catering.

"Wherever we go into new contracts, we almost always save the clients money. I wonder whether management in SA is really looking at this type of cost with as critical and as objective an eye as they should.

"Has the economic downturn really forced them to go back to zero budgeting and look at costs properly? If it has, they will find not only cost benefits from using specialist caterers but many other benefits as well."

With roughly 450 contracts, Fedics provides some 110-million meals a year. However, the number of meals provided does not always grow in line with the number of contracts.

"During a recession some people are laid off, so while the number of contracts may increase, the number of meals may decline," he says.

Of Fedics' 450 contracts, about 300 are industrial and commercial, 125 are at schools and hospitals — particularly in the homelands and national states — and the remainder a mixture of the mining industry, universities and old peoples' homes.

Although Pick 'n Pay Catering has also been able to shrug off the effects of the recession, the general manager, Mr Leslie Pieters, says: "People entertain less in a recession.

"When they entertain they spend less. But perhaps because of fortunate timing, we have not been affected.

"Having opened up the Transvaal relatively recently, we are now expanding rapidly here. The Transvaal is now starting to generate most of our business."

Mr Roy Hazelwood, marketing manager of Industrial & Commercial Cafeterias, the longest-established industrial catering company, says the catering industry usually has an upswing when the rest of the economy is in recession.

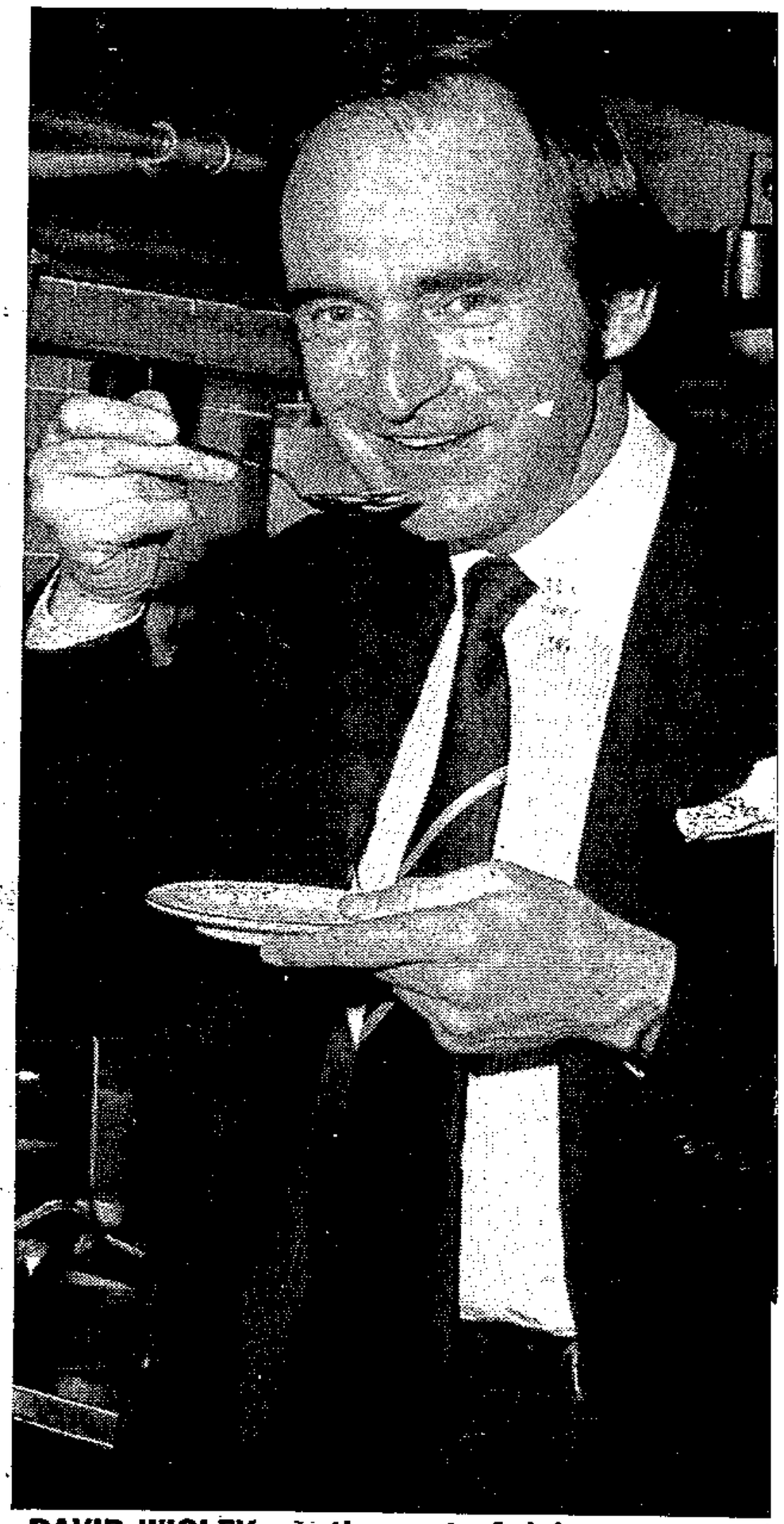
"We have had a 22% increase in business since November," he says. "There's a lot of action in the Vaal Triangle at the moment. For every contract we gain at the coast, we get 10 in the PWV area.

"They are very slow to make decisions on the coast, compared to Johannesburg."

One reason for the counter-cyclical nature of the business, he speculates, is the rising incidence of theft when times are tough.

"Companies doing their own catering become intensely aware of the costs of running a canteen, especially when cutlery, food and other items begin to disappear.

"They find it suits them to bring in a contract caterer and let him cope with the problem. We take the shrinkage risk off their shoulders, and can handle it because we have experience in maintaining tight controls over the staff.



DAVID WIGLEY . . . the cost of doing your own catering has to be worked out.

New casino for Ciskei

KING WILLIAM'S TOWN — A site for a new Sun International hotel has been found on the Ciskei coast up from the Fish River, the chief executive of the group, Mr Sol Kerzner, announced here last night.

Speaking at the opening of the new casino extensions at the Amatola Sun near here, Mr Kerzner told guests he could not reveal the precise location of the planned hotel.

He said he had flown over the coastline by helicopter yesterday afternoon with the managing director of the Ciskei People's Development Bank, Mr Frans Meisenholl, and had found the coastline "very exciting".

Mr Kerzner said he was sure a strong, viable tourist industry could be developed for Ciskei.

He said his group had enough confidence in the future of the Ciskei tourist industry to invest more than R25 million.

Referring to the additions to the Amatola Sun, Mr Kerzner said they had cost the equivalent of 50 per cent of that already invested in the hotel.

He said the first year of the hotel's life had produced a turnover of R1 million.

The second year had produced a turnover of R10 million. This represented, in effect, substantial foreign earnings for Ciskei.

● Two weeks ago it was reported that Mr Kerzner was assessing a site either on Ciskei's side of the Fish River Mouth, or Mpekweni, which is situated about 15 km away. — DDR.

R25m casino for Thaba 'Nchu

THABA 'NCHU — Hotel magnate Sol Kerzner has announced plans to build a R25 million hotel casino complex here.

Mr Kerzner made the announcement at a sod-turning ceremony at the site attended by Bophuthatswana's President Lucas Mangope. Thaba 'Nchu, 90 km east of Bloemfontein, lies in the national state.

President Mangope said: "This is a momentous occasion. The government, through the Industrial Development Corporation, has a shareholding of 50 per cent and eventually we hope that the holding will be made available to the Bophuthatswana people.

"We have to create an alternative society where people are welcome," he said.

Mr Kerzner said he was "most excited" about the new development. He said the complex would have 120 rooms.

He also disclosed he was negotiating with the Lesotho Government to buy the Hilton Hotel in Maseru. Nothing had been finalised yet, however. He said he thought the Thaba 'Nchu development, beside the Groothoek dam, would complement the Maseru hotel.

Recently, Mr Kerzner announced plans to build a new hotel complex on the Ciskei coast. — DDC

Southern Sun sees a money-spinner

(288) S Times 2/9/84

By Alec Hogg

SOUTHERN Sun managing director Bruno Corte is emphatic that its R12-million sponsorship of the SA Grand Prix over the next five years will boost not drain the hotel group's profits.

Marketing director Jurgen Burmeister claims it is part of a package by the group to bring more tourists to SA.

Mr Corte, who tied up the deal at the Dutch Grand Prix last weekend, told Business Times: "The deal displays the vibrant nature of Southern Sun. We have calculated that the sponsorship and all that goes with it will boost profits.

"We will build package tours around the Grand Prix and whether the tourists stay for seven days or seven weeks, there is sure to be a benefit on room occupancies and hence profits."

Campaign

Mr Burmeister said: "Part of the arrangement is that we get rights to advertise at five circuits in the Grand Prix calendar.

"When you consider that every race is watched by about 800-million people worldwide, the awareness which Southern Sun will enjoy at minimal cost is enormous.

"In 1983 when we last sponsored the SA race, we were allowed to advertise and take bookings at the British Grand Prix. This was highly successful.

"The exposure at Grand Prix circuits will reinforce the R3-million marketing campaign which we have together with Sun International, SAA and the SA Tourism Board in the US.

Tax benefit

"A large part of the R12-million will be used in overseas advertising and as such qualifies for export allowances which give a double tax benefit.

"Apart from the overseas exposure, there are also gate receipts, television rights and other lucrative areas to consider.

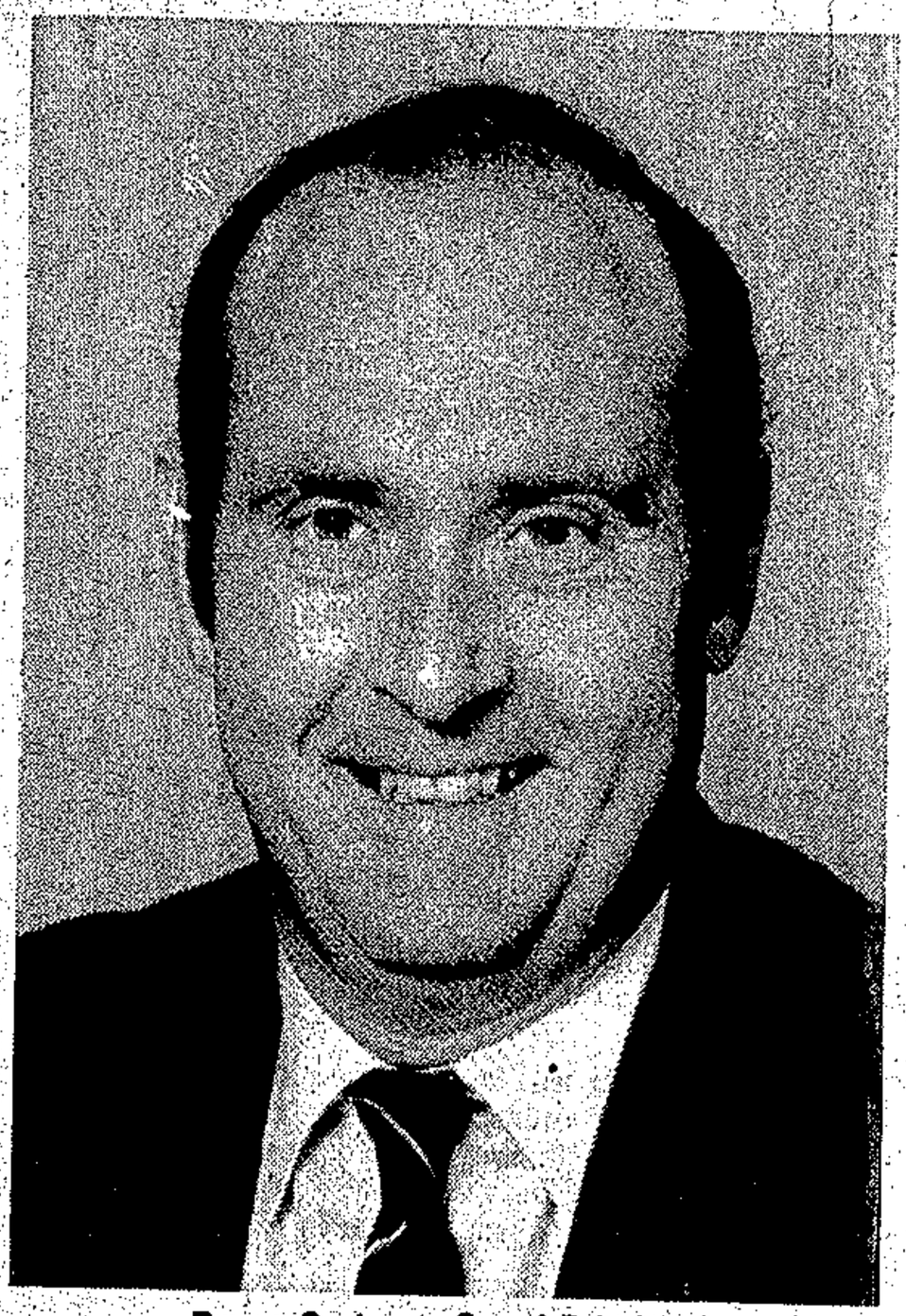
"The race will be held in September or October next year and being one of the last of the season ensures that interest all around the world will be high. It also gives us a lot more time to plan."

Ecclestone

His enthusiasm is shared by Bernie Ecclestone, president of the Formula One Constructors' Association which organises the international Grand Prix calendar.

Mr Ecclestone said: "This was the best thing that could happen not only for the SA Grand Prix but for the country as a whole. The arrangement assures the continuation of one of the rounds of the Formula One world championship, which is transmitted to more than 40 countries.

"No sporting event other than the Olympics and the soccer World Cup achieve this and they are events which only take place every four years."



Bruno Corte ... Grand Prix booster

SA group to take over Lesotho hotel

The South African hotel group Sun International will take over the management of Lesotho's Hilton Hotel from October 1, it was announced yesterday.

The hotel, which is owned by the Lesotho Government, will be renamed the Lesotho Sun.

A spokesman for the hotel group said the Lesotho Government and Sun International had formed a joint venture company, Lesotho Sun (Pty) Limited, which would lease the hotel from the Lesotho Government.

The hotel was opened in 1979 and comprises 250 bedrooms, convention and banquet facilities and a casino.

The spokesman said reservations could still be obtained through the Hilton Hotel's sales office in Johannesburg until September 30. Thereafter enquiries should be made at Sun International's central office in Johannesburg.

R3,5m hot

for Malaba

(288) E.Post

15/9/24

And Holiday Inns have eyes on PE city centre

Weekend Post Reporters

A R3,5-million hotel is to be built in Malabar, Port Elizabeth, and a second Holiday Inn is being considered for the city centre.

Work on the Malabar hotel will start next month and site-levelling has already begun.

The site being considered by Holiday Inns for "a new concept of hotel" is close to the city centre, but Weekend Post was asked not to identify it this week.

The hotel would be of five or six storeys, providing accommodation (possibly at R35 to R40 a room), but would have no bar, no restaurant and virtually no service.

It would concentrate only on the aspect of the business from which hotels like Holiday Inns make most of their profit — accommodation.

At Malabar, levelling of a two-hectare site have begun for a four-storey hotel complex on the corner of Beetlestone Road and Howarthia Drive, at the entrance to Port Elizabeth's Indian area.

Initially 52 double rooms will be built, and the hotel will have conference facilities, a restaurant, banquet services, bars, a swimming pool and entertainment centres. Hotel rooms are to be equipped with television sets, telephones, hairdryers and coffee-makers.

Attached to the hotel will be a multi-purpose hall with a fully-equipped kitchen to cater for weddings and other social functions.

The grounds are also spacious enough to provide sports facilities like bowling greens and tennis courts at a later stage.

The project is a 12-year dream come true for its initiator, Mr Pat Pillay, a Queenstown businessman and property developer.

"I bought the site five years ago but it has been my dream to build a hotel there since a few years after Malabar was established," Mr Pillay told the Weekend Post this week.

"The idea is not only to provide hotel accommodation but also facilities for clubs, and entertainment in an area

"This will be expanded later, according to the demands," Mr Pillay said.

The complex would also house boutiques, a hairdressing salon and other smaller concerns that usually accompanied this type of development.

The deputy chairman of the Indian Management Committee, Mr Jay Kathan, said the hotel would benefit a larger section of the community than just Indians, being situated in Malabar and within access of the northern townships.

With regard to objections that have been voiced in the past about liquor being sold in Malabar, he said: "The IMC has to encourage free enterprise to boost the area's economic viability."

Commenting on the possible Holiday Inns venture, Mr André Crause, the municipality's Development Officer, said: "They have expressed their interest mainly in a businessman's type of hotel and are busy costing out the posibilities.

"The hotel they are contemplating would be cover about 4 000 square metres of ground space and would be five or six storeys high. It would consist mainly of rooms, though it would look like the traditional Holiday Inn.

"I know this type of accommodation well, having seen it in the United States.

"There is no service to speak of. No one carries a bag for you and no one provides a meal. The hotel would not be doing any catering.

"This is because 80% of the profit comes from letting the rooms.

"Tariffs would be between R35 and R40 a night for comfortable accommodation.

"We certainly need a down-town facility in case we ever need to recycle the Feather Market Hall for a conference centre.

"We regularly have large conventions here. Port Elizabeth has to accommodate up to 600 delegates on these occasions."

★ Cape Times, Thursday, Sep

R200m casino for Ciskei

By NEILL HURFORD
Property Editor

A R200-MILLION casino complex, the first for Ciskei, will be built at the mouth of the Keiskamma River on the coast near Hamburg from April next year, it was announced yesterday by a City firm of architects associated with the project.

Complete with a 14-storey astrodome, the complex, to be called "Port Ciskei", has been designed by an American firm, Quintessence Architects and Engineers Inc.

The development includes hotel and condominium units and takes a form "reminiscent of the planetary system", according to Mr Vernon Head, spokesman for the City architectural firm — the Meyer, Louw partnership.

Mr Head said yesterday that confirmation had been received from the Government of Ciskei for the master plan submitted by the developers, Tract Property Company (Pty) Ltd. The casino licence had been granted to an associate company, Ciskei Hotels (Pty) Ltd.

The casino had been developed to meet with strict instructions that the structure should not damage the landscape, but rather "enhance nature's bounty".

Plans also include an airport and reconstruction of the road system around Hamburg, a golf course, and game reserve.

The top floor of the astrodome, a restaurant, has a roof which opens completely at night. It is planned that lectures on the solar system will be given, and a telescope, as a "functional sculpture", will be available to diners who wish to observe the night sky.

The scheme's currently planned 500 condominiums would be a first-stage development, envisaged to grow to more than 1 000 in a five-year period. They would be for sale, said Mr Head.

Casino: Sol to see Sebe

288 D - Dispatch 1/10/84.

EAST LONDON — Top executives of Sun International are to meet Ciskei's President Lennox Sebe this week to try to persuade him to cancel the R200 million Hamburg casino deal.

This was disclosed yesterday by the deputy managing director of Sun International, Mr Peter Bacon, who said: "We are definitely not going to take this lying down."

Mr Bacon, who is also in charge of Sun International's new development projects, said that he and managing director Mr Sol Kerzner would be meeting President Sebe this week to discuss the issue.

"As far as we are concerned we hold exclusive casino rights in Ciskei and this move is, therefore, in breach of the agreement."

Mr Bacon said Sun International was given an exclusivity clause at the time of the Amatola Sun project.

"Unfortunately, news of his proposed scheme at Hamburg came during the Jewish holidays, but we will swing into top gear tomorrow to try to get it squashed," he added.

South African representatives of the international consortium that has been given a contract to go ahead with a R200 million development project at the mouth of the Keiskamma River said yesterday that the agreement was legal and completely water-tight.

"There was no taking short cuts or anything else illegal," he said, "and the Ciskei Government has approved the going ahead with a R200 million development project.

"I'm sorry for Sun International, but our R200 million project was a little bit more to offer than their R25 million proposed scheme near the Fish River."

President Sebe disclosed on Friday that he had taken legal advice before granting approval to the new scheme.

He described it as a project which no country could afford to turn down and said it would probably be the largest of its kind in the world.

"This is not only a boost for Ciskei, but for the whole of Southern Africa," he said.

The South African developers who put the project together have disclosed that most of the finance will come from Hong Kong and the United States.

The complex will be made up of a hotel with 289 sea-facing suites, 500 condominiums, a casino, 14-storey astrodome, 36-hole international class golf course, airstrip and water sports zone on the river. — DDC.

Sheraton Hotel sights on SA

By Alec Hogg

THE R5 000-million Sheraton Hotel group is coming to South Africa.

Jerry Morin, president of the Sheraton Management Corporation, told Business Times yesterday: "I can't say exactly when we will set up shop here, but there is no question that we will have a hotel in your country."

The group, which concentrates on development by region, is focusing its attention on Eastern and Southern Africa.

Next step

This is one of the last geographical areas in which the group does not have a strong presence. Since moving outside the US in 1970, Sheraton has developed hotel chains in Europe, the Middle East, North Africa, South-East Asia and Australasia.

A R135-million hotel and conference centre, the Harare Sheraton, will open in Zimbabwe next year and a R25-million development is well advanced in Mauritius. Future developments include hotels in Swaziland, Angola, Tanzania and Kenya.

Mr Morin said: "Johannesburg is the next logical step."

This is the first visit to SA by the Sheraton top brass and first impressions have been favourable.

Mr Morin said: "You could take Johannesburg and put it into the US and nobody would know the difference.

"It is a vibrant, growing city."



Jerry Morin ... we're on the way

Mr Morin realises that Johannesburg will be a tough market to break into. "The Sandton Sun is an excellent hotel and the service is exceptionally high for a hotel which is only eight months old.

"Give it a bit more time and I'm sure that the Sandton Sun will be well worth a place on a list of the world's 25 best hotels. It's a cut above your standard luxury international hotel."

Mr Morin and his team were in Johannesburg to tie up a new arrangement with Surpa Reps which will handle marketing of Sheraton Hotels to travelling SA businessmen.

He said: "We see this as an important market. Our group sells about 20 000 room nights a year to SA travellers. We expect to increase this figure to 50 000 next year.

"The number of SA travellers staying in Sheraton hotels would fill a 140-room hotel every night of the year."

There are 465 Sheraton hotels, 130 of which are outside the US. The group is recognised for its quality service and conference facilities. It has become the permanent venue for the annual International Monetary Fund and World Bank conferences in Washington — one of the most competitive conference cities in the world.

Call to open restaurants to all races

22/10/71 288

Pretoria Correspondent

Pretoria restaurants should be open to people of all races, Mr Albert Nothnagel, (MP, Innesdale) told a National Party conference on Saturday.

He said the time had come for the city's resaurants to be opened to all people and that the "free market" should be allowed to take its course.

The move would generate goodwill among the city's black people and foster good race relations.

The step would also be a "visible demonstration" to the negative elements in the black community that Nationalists were sincere about peaceful co-existence.

Mr Nothnagel said opening the restaurants to all was the reasonable thing to do because neither the Government, development board, city council nor employers had the money to provide eating facilities for the 60 000 blacks employed in the city or the 150 000 blacks who came to the city daily.

Thousands of black teachers and other professional people visited or worked in the city. There were also diplomats and people employed in top posts in the commercial sector.

Teamwork's the key to success at Southern Suns

788 Star 27/10/84

By Peter Farley
Investment Editor

The transformation that Southern Sun has undergone, following the massive management changes of the past 14 months, has resulted in a highly motivated team that is ready for the challenges ahead.

New MD Bruno Corte, the company's third in a year, says that while eight directors may have left morale has never been better. "We are moving forward with highly motivated and enthusiastic people."

And while he doesn't want to denigrate the efforts of those who left — nearly all went with former MD Mr Sol Kerzner to Sun International — he says that the company is now more of a team effort.

The group's interim results are due out in a week or so, and Mr Corte declined to discuss specifics, but clearly the efforts of the new team have filtered through to the bottom line.

The group's management are now freer to make individual decisions, says Corte, whereas in the past the group tended to be ruled by an individual.

The appointment to the board of Mr Bruce Hutchinson as marketing director, in the wake of last week's departure to SI of Mr Jurgen Burmeister, is a prime expample of the depth of the new team.

For the past nine months he has been heading up the hotel chain's marketing drive into the US and Canada; he was group marketing manager prior to Burmeister a few years ago.

The team, says Corte, is steeped in the ways of the traditional hotelier. All senior management have come up the route of hotel management, and this emphasis now permeates back to the operating level.

"We are no longer a company managed from head office. There is a strong regional structure and the only centralised aspect is reservations."

The group does not intend diversifying away from its focus on the top end of the market, but Corte expects a trial move offshore in the next couple of years.

Unlike the ill-fated Atlantic City venture, there will be no greenfields operation — but rather he expects to see Southern Sun look to take an equity stake with an existing hotel chain.

This, however, is some way off as the massive local expansion — now being centred around the Johannesburg Sun — is going to take some time to digest.



Southern Sun's Corte (left) and Hutchinson...getting back to the basics of the business.

ACCLAIM

Mr Corte points out that the group's basic philosophies have not changed since the company's formation more than 14 years ago.

"What has happened is that they have been finely tuned to the point where they cannot be disrupted by the resignations of certain senior management.

Mr Corte says that this aporach has also received widespread acclaim from the com pany's international competitors. (Although not competing in the same markets, they are essentially all competing for the same people.) Visits to the group from the senior management of Hyatt and Sheraton both found the service in Southern Hotels better than their own.

This is an essential ingredient, says Corte, of the group's philosophy. Senior managers in the hotels are not desk bound. Therefore any expansion will not disrupt this personal business attitude.

Mr Hutchinson's pedigree for his new position is well established, but he is fortunate to be coming in at a time when things are going well. Mr Corte says the group's market share has been rising by one percent a month for the past few months, and that international business is increasing rapidly.

A major breakthough was achieved last month when Chevrolet of the US held its national dealer incentive programme at Southern Sun Hotels in South Africa. This is the first time a major US corporation has chosen this part of the world for such an exercise and Mr Corte is confident it should be the beginning of many more.

An extensive marketing push has just started in the US, in conjunction with Satour and, ironically, Sun International. And though it has only been running for less than a month the response has so far been overwhelming.

The local conference business is also holding up remarkably well, despite the economi recession. Mr Corte says this is, in part, due to the strong position the group was in at the time of the casino breakaway.

The group's marketing budget is currently running at around R7,5 million annually, but it could well be pushing this higher as the Johannesburg Sun comes on stream in early 1986. Though there have been a few construction problems Mr Corte says it should open on schedule.

Mr Corte says the group has a couple of exciting plans up its sleeve, but will be holding these back until the economy is in a better shape to receive them.

There is little doubt that, although the group has had a good run in the past year, times are getting tougher. But Mr Corte feels that with the strength of the team around him he is confident of good times ahead.

be reviewed in April. by the council [illegible]

Private 'army' raised

Staff Reporter

SOUTH Africa's first private "army" will soon be established in Cape Town.

Trained to use a range of weaponry on an SADF-sanctioned course, the 50-man squad — which can be deployed from helicopters — has been trained by a Johannesburg security firm to protect key points during "incidents", said the firm's managing director, Mr John Bishop.

"There has been a positive response from the SADF and the police to the squad, who will play a supporting role to our security services already guarding key points in the country."

In terms of the National Key Points Act of 1980 private companies are responsible for the security of "key points" such as oil-storage tanks, refineries and power supply points on private property.

The squad, made up of five sections of 10 men each, will be deployed — "by helicopter if necessary" — in support of regular security personnel in case of fire, labour unrest or an attack on any installation.

Members have completed a seven-month, SADF-sanctioned training course in the use of shotguns, side arms and riot equipment at the company's training ground in the Transvaal, Guijima.

The firm has taken over a Cape Town security services firm and plan to move into the Cape soon, according to Mr Bishop. Some sections of the specialist squad will be based in the Cape.

Suthsun profits rise to R7,2m on 10% higher turnover

JOHANNESBURG. — Southern Sun Hotel Holdings achieved a near 24 percent pre-tax profit rise to R7,2m on only a 10 percent higher turnover in the interim six month period to September 30.

However, while various tax allowances enabled a 48 percent improvement in the after-tax figure, the nearly R2m decline to barely R5m in attributable earnings from associated companies resulted in the group's net earnings being only marginally higher at 20,5c a share than the 20,3c a share achieved in the 1983 period.

Earnings

The total attributable earnings were R11,4m (R11,3m).

An unchanged interim dividend of 14c a share has been declared.

The profit improvement from the group's own operations is directly attributable to the first-time inclusion of food and beverage profits from Umnhlanga Sands, management fees from Sandton Sun and the overall productivity gains and resultant cost savings.

The directors state that difficult trading conditions resulted in a decrease of over three percent in hotel occupancies in the period.

The group, however, outperformed the industry and limited its decline in occupancies to two percent.

The balance sheet shows that the group's financial position remains strong with total interest bearing debt equal to only 26 percent of shareholders' funds.

Net worth also improved, from 376c a share as at end-March to 416c a share, without any revision in the value of investments.

Capital commitments at September 30 totalled R105m, R100m of which is for the new Johannesburg Sun which is due to open early in 1986.

This project is being financed by the placement of irredeemable preference shares with a consortium of financial institutions.

Discussing future prospects the directors state: "The overall economic situation is not expected to show any signs of improvement until well into 1985, and this will continue to place pressure on group occupancies and margins.

Nevertheless, the board is still of the opinion that earnings for the full year will approximate those of the previous year, unless there is further significant deterioration in the economy." — Sapa

12/12/84 (288)

The Natal Mercury, We

Hotel industry still in doldrums

JOHANNESBURG—The hotel industry shows no signs of recovery and all grades of hotels have reported declines in bed occupancy levels and total real income, says the Bureau of Financial Analysis.

The Bureau's monthly survey compared hotel ratios in October this year with October 1983.

Two-star hotels were the only category which reported any increase at all — a 1,9pc increase in the room occupancy indices.

One and two-star hotels experienced slight decreases in bed occupancy (4pc and 2,2pc) and also in total real income (1,1pc and 6,1pc).

Worst affected were the luxury three, four and five-star hotels, which showed declines in indices of room occupancy, bed occupancy and in total real income.

Gross income

The index of the average total real gross income for October this year decreased by 8,7pc compared to October 1983.

Sixteen of the 21 regions surveyed suffered decreases in real terms. The highest was a phenomenal 19,9pc in Johannesburg followed by south-eastern Transvaal (17,8pc), Pretoria (12,1pc) and Cape Town (10,9pc).

Only five of the regions showed increases. The highest was the Rest of Natal (12,0pc — in September the increase was 15,5pc), followed by Port Elizabeth (6,5pc).

The position for indices of room and bed occupancy was little different, and room occupancy levels declined in 12 regions, the same as in September.

Pretoria experienced the largest decrease (17,1pc) followed by Witwatersrand and Vaal Triangle (15,6pc), Johannesburg (12,4pc), and Drakensburg (12,3pc).

Of the nine regions which recorded increases, Rest of Natal fared best (18,4pc), Pietermaritzburg (13,8pc), Boland (8,7pc) and Natal South Coast (5,7pc).

Thirteen of the regions suffered declines in indices of bed occupancies.

Bar sales

The highest were in Pretoria (22,5pc), Johannesburg (16,3pc) and Drakensburg (15,4pc).

Increases were recorded in eight regions. Witwatersrand and Vaal Triangle scored best (15,6pc) followed by Rest of Natal (14,6pc).

Bar sales slumped for the the third month in succession with decreases in 18 out of the 21 regions. The most scarce tipplers were in Johannesburg and the Drakensberg, with declines of 21,9pc and 17,5%pcrepectively.

Home drinkers reduced their visits to offsales in 13 regions. The largest declines were in south-eastern Transvaal (22,0pc) and Bloemfontein and Kimberley (21,5pc).